

**CITY OF VANDALIA
MONTGOMERY COUNTY**



REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2023

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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800-282-0370

Members of Council
City of Vandalia
333 James E. 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, 2023 through December 31, 2023. 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 07, 2024

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**CITY OF VANDALIA
MONTGOMERY COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2023**

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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, 2023, 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 24, 2024.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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*.

Purpose of This Report

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

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Dayton, Ohio
June 24, 2024

vandalia ^{ohio}
small city. big opportunity.



VANDALIA



**Annual Comprehensive
Financial Report
For the Year Ended
December 31, 2023**



**City Of Vandalia
Montgomery County, Ohio**

Annual Comprehensive Financial Report

For The Year Ended December 31, 2023

**Issued By:
Director of Finance**



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INTRODUCTORY SECTION





June 24, 2024

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, 2023 is hereby submitted for your review. I am pleased to report that this is the thirty-third 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, 2023. 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 2022, City Council adopted the Vandalia City Center Overlay (VCCO) as outlined in the Vision Vandalia Comprehensive Plan. The VCCO serves as an initial step in building a viable and vibrant city center.

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 \$1.15 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 23 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 \$1.75 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 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. Both Manufactured Assemblies Corporation (MAC) and White Castle have undergone building expansions. The 47.8-acre land balance is shovel ready and being actively marketed for additional industrial development.

A 56.4-acre former farm on the western border of Stonequarry Crossings has been purchased and a 728,000 square foot speculative development has been constructed. This project 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. In 2023 City of Vandalia completed the first phase of extending water and sanitary sewer to this area. Phase Two of the utility extension will take place in 2024. At the completion of phase two of the utility extension, all 470-acres within the City of Vandalia corporate boundary west of Airport Access Road will have access to water and sanitary sewer. 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. A 418,000 square foot warehouse facility has been completed in the northwest corner of the park and is now being utilized.

Ernst Concrete has purchased a 10-acre site in the park and construction is underway on their new corporate headquarters. They are making a \$2 million investment to construct a 15,000 square foot office building, bringing 32 jobs to the site. This project received support with \$25,000 from the Vandalia Development Corporation.

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.

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

Heraeus Epurio completed a 19,300 square foot building expansion to its Industrial Park Drive location in 2022. 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.

Beau Townsend Ford auto service center wrapped up construction in 2022. This is 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.

Kendall Electric announced a Vandalia location in 2022. This 115,000 square foot project is near completion at 769 Center Drive. The company, an electrical equipment distributor, will invest approximately \$13,500,000 into its new regional Midwest headquarters. This project will bring 60 jobs to the City of Vandalia. The project is being supported with a \$150,000 grant from the Montgomery County ED/GE program and \$25,000 from the Vandalia Development Corporation.

White Cap announced plans to open a Vandalia location in January of 2022. The company leased the former ITT building at 3325 Stop Eight Road. The building renovations are completed, and they began operations in 2023.

In the last three 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, which is located on Park Center Drive off of Webster Street when complete, will offer an inclusive housing option for people of all ages. The first phase of the project is nearing completion with the majority of the initial 107 units completed with many occupied. Engineering plans have been submitted for the second and final phase of the development with construction planned for 2024. 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 plans of Phase I have been approved with a start date still pending.

In 2022, Provision Living announced plans to construct a senior housing development on 18.3 acres of land at the southwest corner of Webster Street and Park Center Drive. The development will consist of an assisted living and memory care facility with independent living villas. The developer is currently looking to amend the initial plan due to market trends.

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 4,900 jobs for the community.

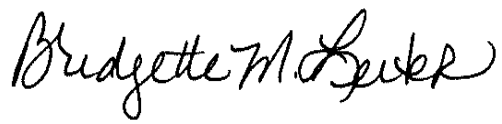
Awards and Acknowledgements

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, 2022. This was the thirty-third 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 Rob Cron for his 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

Bridgette M. Leiter
Director of Finance

City of Vandalia
Montgomery County, Ohio
List of Principal Officials
December 31, 2023

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, 2022

Christopher P. Morill

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, 2023, 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, 2023, 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 24, 2024, 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 24, 2024



City of Vandalia, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2023
(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, 2023. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the transmittal letter, basic financial statements and notes to enhance their understanding of the City's financial performance.

Financial Highlights

- The City's total net position increased \$4,499,887 during 2023. The net position of the governmental activities increased \$5,373,250, while the net position of business-type activities decreased by \$873,363.
- General revenues, for governmental activities, accounted for \$24,628,001, or 73% of total governmental activities revenue. Program specific revenues accounted for \$8,837,604 or 27% of total governmental activities revenue.
- Governmental activities net capital assets increased \$6,990,315, due to current year additions exceeding current year depreciation expense.
- The City had \$28,092,355 in expenses related to governmental activities; \$8,837,604 of these expenses was offset by program specific charges for services, grants, contributions, or interest. General revenues (primarily taxes) of \$24,628,001 were sufficient to offset these program expenses.
- The general fund, the City's largest major governmental fund, had revenues of \$27,479,919 in 2023, or 81% of total governmental funds. Expenditures of the general fund were \$21,396,396 or 60% of total governmental funds. The general fund balance increased \$2,802,881 or 13% in 2023.
- Business-type operations reflected an operating loss of \$1,139,133 during 2023, and the business-type unrestricted net position was \$14,541,444.

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, 2023
(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, general obligation bond retirement, facilities improvement & maintenance reserve, 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.

City of Vandalia, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2023
(Unaudited)

Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds

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

Fiduciary Funds

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

Government-wide Financial Analysis

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

Table 1 below provides a summary of the City's net position for 2023 compared to 2022:

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City of Vandalia, Ohio
Management’s Discussion and Analysis
For The Year Ended December 31, 2023
(Unaudited)

Table 1
Net Position

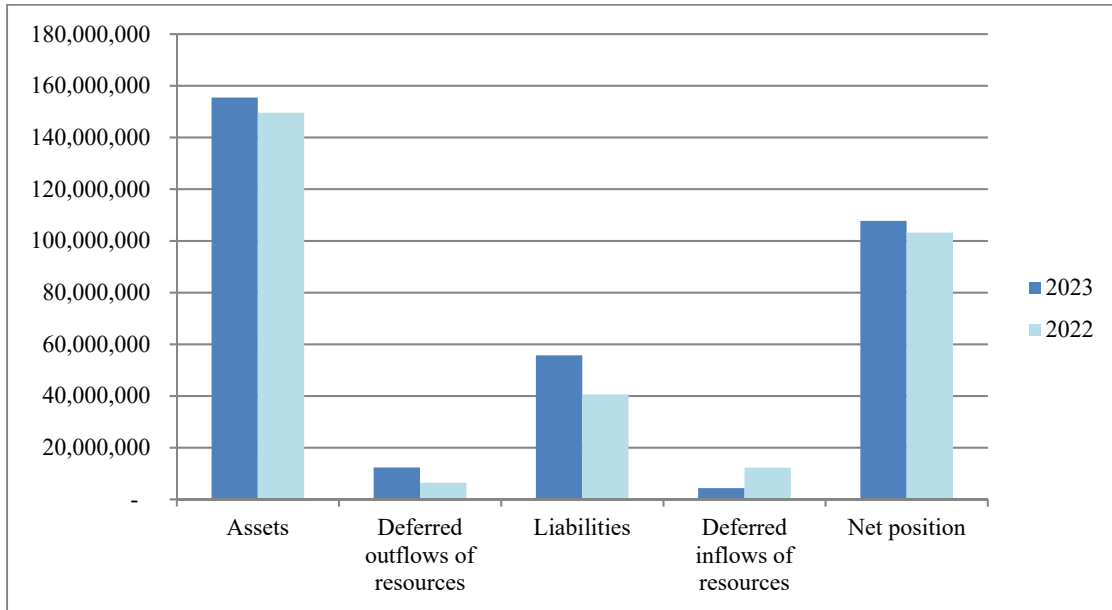
| | Governmental Activities | | Business-Type Activities | | Total | |
|---------------------------------------|-------------------------|---------------------|--------------------------|---------------------|----------------------|----------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| <u>Assets</u> | | | | | | |
| Current and other assets | \$48,108,045 | \$50,191,895 | \$19,232,042 | \$9,531,510 | \$67,340,087 | \$59,723,405 |
| Capital assets | 66,778,812 | 59,788,497 | 21,324,642 | 19,383,117 | 88,103,454 | 79,171,614 |
| Investment in joint venture | 0 | 0 | 0 | 9,244,852 | 0 | 9,244,852 |
| Net OPEB Asset | 0 | 1,240,338 | 0 | 189,333 | 0 | 1,429,671 |
| Total assets | <u>114,886,857</u> | <u>111,220,730</u> | <u>40,556,684</u> | <u>38,348,812</u> | <u>155,443,541</u> | <u>149,569,542</u> |
| <u>Deferred outflows of resources</u> | | | | | | |
| Pension | 9,601,625 | 5,230,129 | 1,080,659 | 244,661 | 10,682,284 | 5,474,790 |
| OPEB | 1,495,536 | 1,001,405 | 162,431 | 2,651 | 1,657,967 | 1,004,056 |
| Total deferred outflows of resources | <u>11,097,161</u> | <u>6,231,534</u> | <u>1,243,090</u> | <u>247,312</u> | <u>12,340,251</u> | <u>6,478,846</u> |
| <u>Liabilities</u> | | | | | | |
| Other liabilities | 5,882,681 | 6,088,856 | 953,606 | 989,301 | 6,836,287 | 7,078,157 |
| Long-term liabilities: | | | | | | |
| Due within one year | 1,694,199 | 2,237,788 | 352,698 | 430,455 | 2,046,897 | 2,668,243 |
| Due in more than one year: | | | | | | |
| Net pension liability | 25,345,502 | 13,296,482 | 2,628,298 | 543,114 | 27,973,800 | 13,839,596 |
| Net OPEB liability | 1,317,523 | 1,708,580 | 54,367 | 0 | 1,371,890 | 1,708,580 |
| Other amounts | 9,836,433 | 10,530,353 | 7,652,072 | 4,766,774 | 17,488,505 | 15,297,127 |
| Total liabilities | <u>44,076,338</u> | <u>33,862,059</u> | <u>11,641,041</u> | <u>6,729,644</u> | <u>55,717,379</u> | <u>40,591,703</u> |
| <u>Deferred inflows of resources</u> | | | | | | |
| Property taxes | 1,776,002 | 1,368,532 | 0 | 0 | 1,776,002 | 1,368,532 |
| Lease | 333,617 | 353,242 | 0 | 0 | 333,617 | 353,242 |
| Payments in lieu of taxes | 51,331 | 62,452 | 0 | 0 | 51,331 | 62,452 |
| Pension | 901,138 | 7,557,132 | 39,957 | 681,319 | 941,095 | 8,238,451 |
| OPEB | 1,233,855 | 2,010,360 | 18,161 | 211,183 | 1,252,016 | 2,221,543 |
| Total deferred inflows of resources | <u>4,295,943</u> | <u>11,351,718</u> | <u>58,118</u> | <u>892,502</u> | <u>4,354,061</u> | <u>12,244,220</u> |
| <u>Net position</u> | | | | | | |
| Net investment in capital assets | 55,390,664 | 51,211,552 | 15,501,444 | 16,627,300 | 70,892,108 | 67,838,852 |
| Restricted | 11,952,440 | 12,911,885 | 0 | 189,333 | 11,952,440 | 13,101,218 |
| Unrestricted | 10,268,633 | 8,115,050 | 14,599,171 | 14,157,345 | 24,867,804 | 22,272,395 |
| Total net position | <u>\$77,611,737</u> | <u>\$72,238,487</u> | <u>\$30,100,615</u> | <u>\$30,973,978</u> | <u>\$107,712,352</u> | <u>\$103,212,465</u> |

As displayed in Table 1, total net position of the City as a whole, increased \$4,499,887 from 2022 to 2023. 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 \$5,373,250, and the unrestricted net position increased \$2,153,583 from 2022 to 2023. 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 decreased by \$873,363. None of the three enterprise funds reported operating income during 2023. Overall, program expenses increased \$4,889,952 from the prior year and had an increase of \$830,722 in charges for services during 2023. 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, 2023
(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, 2023, and revenue and expense comparisons to 2022.

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City of Vandalia, Ohio
Management’s Discussion and Analysis
For The Year Ended December 31, 2023
(Unaudited)

Table 2
Changes in Net Position

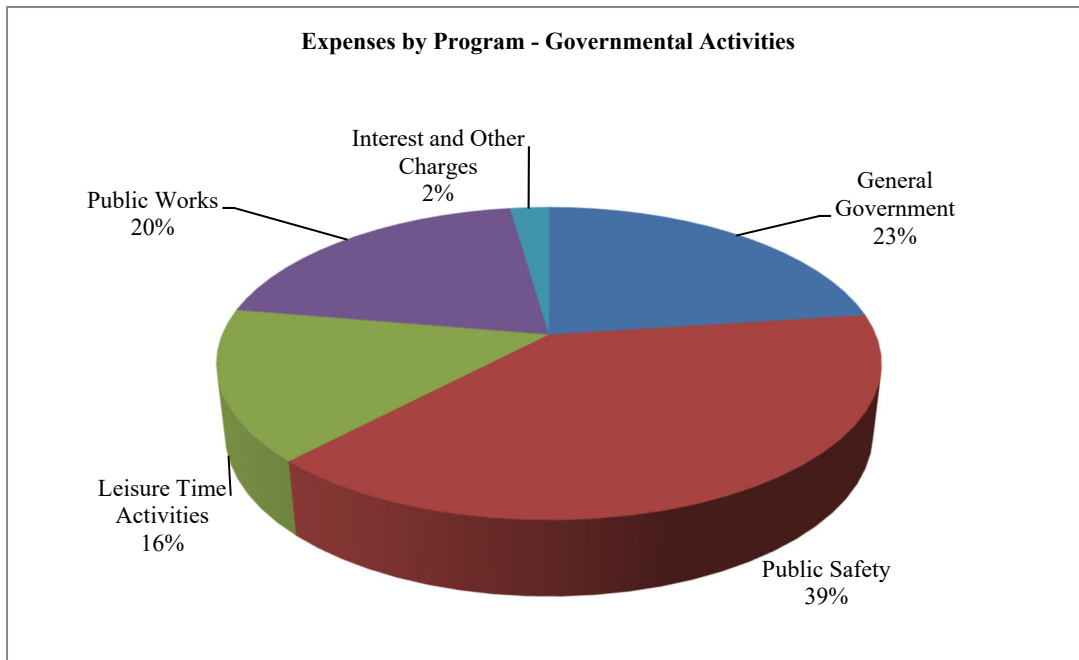
| | Governmental Activities | | Business-Type Activities | | Total | |
|-------------------------------------|-------------------------|---------------------|--------------------------|---------------------|----------------------|----------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$6,141,548 | \$7,076,863 | \$6,600,171 | \$4,834,134 | \$12,741,719 | \$11,910,997 |
| Operating grants and contributions | 2,626,577 | 2,379,353 | 180,139 | 130,547 | 2,806,716 | 2,509,900 |
| Capital grants and contributions | 69,479 | 129,868 | 0 | 0 | 69,479 | 129,868 |
| General revenues: | | | | | | |
| Property taxes | 1,476,696 | 1,518,565 | 0 | 0 | 1,476,696 | 1,518,565 |
| Income taxes | 20,338,023 | 19,396,645 | 0 | 0 | 20,338,023 | 19,396,645 |
| Grants and entitlements | 651,004 | 658,945 | 0 | 0 | 651,004 | 658,945 |
| Revenue in lieu of taxes | 74,150 | 91,245 | 0 | 0 | 74,150 | 91,245 |
| Gain on sale of capital assets | 0 | 0 | 0 | 0 | 0 | 0 |
| Investment earnings | 1,814,974 | (626,104) | 0 | 0 | 1,814,974 | (626,104) |
| Other | 423,154 | 528,252 | 127,166 | 98,848 | 550,320 | 627,100 |
| Total revenues | 33,615,605 | 31,153,632 | 6,907,476 | 5,063,529 | 40,523,081 | 36,217,161 |
| Program Expenses | | | | | | |
| Governmental Activities: | | | | | | |
| General government | 6,430,472 | 5,262,201 | 0 | 0 | 6,430,472 | 5,262,201 |
| Public Safety | 11,011,244 | 8,025,631 | 0 | 0 | 11,011,244 | 8,025,631 |
| Public works | 5,636,115 | 6,754,583 | 0 | 0 | 5,636,115 | 6,754,583 |
| Leisure time activities | 4,380,173 | 3,759,361 | 0 | 0 | 4,380,173 | 3,759,361 |
| Interest and fiscal charges | 634,351 | 698,066 | 0 | 0 | 634,351 | 698,066 |
| Business-Type Activities: | | | | | | |
| Water | 0 | 0 | 3,733,210 | 2,635,930 | 3,733,210 | 2,635,930 |
| Sewer | 0 | 0 | 3,172,508 | 2,944,436 | 3,172,508 | 2,944,436 |
| Golf | 0 | 0 | 1,025,121 | 1,053,034 | 1,025,121 | 1,053,034 |
| Total program expenses | 28,092,355 | 24,499,842 | 7,930,839 | 6,633,400 | 36,023,194 | 31,133,242 |
| Increase (decrease) in net position | | | | | | |
| before transfers | 5,523,250 | 6,653,790 | (1,023,363) | (1,569,871) | 4,499,887 | 5,083,919 |
| Transfers | (150,000) | (151,296) | 150,000 | 151,296 | 0 | 0 |
| Change in net position | 5,373,250 | 6,502,494 | (873,363) | (1,418,575) | 4,499,887 | 5,083,919 |
| Net position, beginning of year | 72,238,487 | 65,735,993 | 30,973,978 | 32,392,553 | 103,212,465 | 98,128,546 |
| Net position, end of year | \$77,611,737 | \$72,238,487 | \$30,100,615 | \$30,973,978 | \$107,712,352 | \$103,212,465 |

Governmental Activities

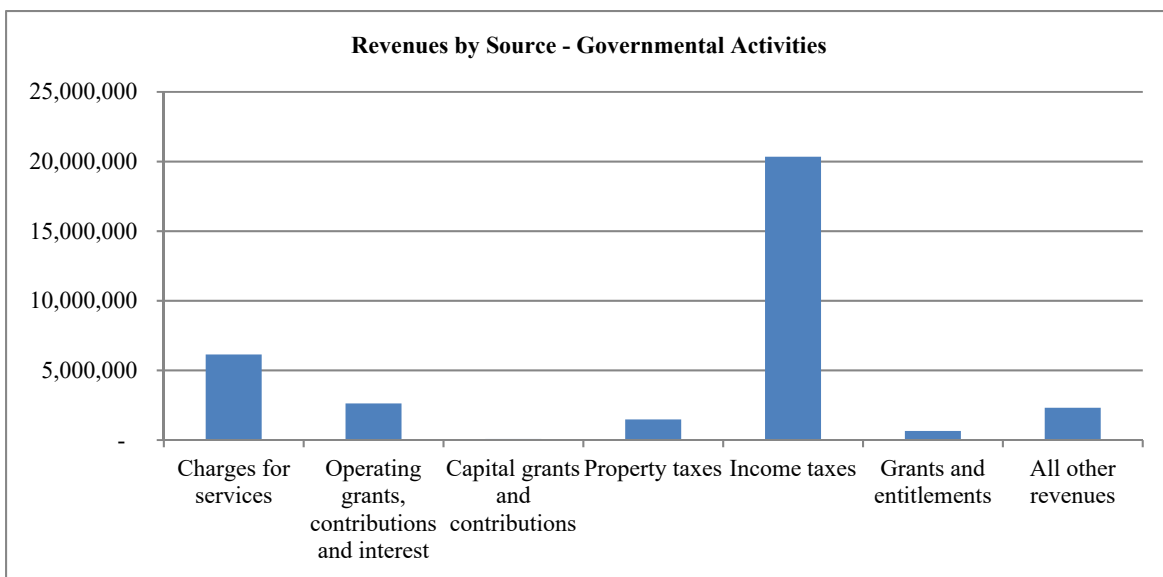
The City 2% income tax effective January 1, 2006, is the largest source of revenue for the City of Vandalia. The above table reflects that income tax receipts increased from the prior year.

Charges for services increased \$830,722 and income tax revenues increased \$941,378 during 2023. Governmental activities program expenses increased \$3,592,513 during 2023 with increases and decreases in several areas. This increase was primarily in police and fire related to pension and OPEB expenses.

City of Vandalia, Ohio
Management’s Discussion and Analysis
For The Year Ended December 31, 2023
(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 \$6,141,548 represent 18.3% of revenue. Revenues provided by sources other than city residents in the form of operating and capital grants comprise another \$2,696,056, or 8.0%, and unrestricted grants and entitlements accounted for \$651,004, which is another 1.9%. The remaining revenues are primarily generated locally through property taxes, \$1,476,696 or 4.4% and income taxes,

City of Vandalia, Ohio
Management's Discussion and Analysis
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\$20,338,023 at 60.5%. City Council relies on these taxes to furnish the quality of life to businesses and citizens to which they and previous councils have always been committed.

Business-Type Activities

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

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

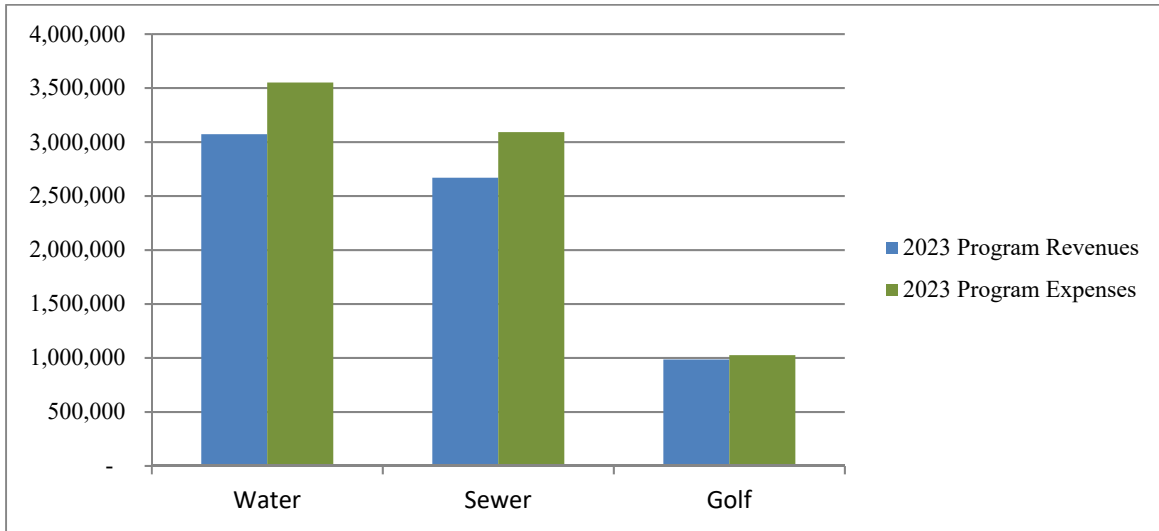
The water treatment plant became fully operational in June of 2007. The City of Dayton implemented water rate increases of 22% in 2005, 34% in January 2006 and 8% in January 2007. The City of Vandalia abandoned the final two years of its rate increases and passed a new ordinance to increase water rates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

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 2022, there was a 10.00% increase 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 \$6,780,310 in program revenues during 2023 and program expenses were \$7,930,839. Operating expenses in the business-type activities increased from the prior year due to the pension and OPEB expenses.

City of Vandalia, Ohio
Management’s Discussion and Analysis
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(Unaudited)



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.

| | 2023 | 2022 | 2023 | 2022 |
|---|----------------|----------------|---------------|---------------|
| | Governmental | Governmental | Business-Type | Business-Type |
| | Activities | Activities | Activities | Activities |
| Deferred outflows - pension | \$9,601,625 | \$5,230,129 | \$1,080,659 | \$244,661 |
| Deferred outflows - OPEB | 1,495,536 | 1,001,405 | 162,431 | 2,651 |
| Deferred inflows - pension | (901,138) | (7,557,132) | (39,957) | 681,319 |
| Deferred inflows - OPEB | (1,233,855) | (2,010,360) | (18,161) | (211,183) |
| Net pension liability | (25,345,502) | (13,296,482) | (2,628,298) | (543,114) |
| Net OPEB Asset | 0 | 1,240,338 | 0 | 189,333 |
| Net OPEB liability | (1,317,523) | (1,708,580) | (54,367) | 0 |
| Impact of GASBs 68 and 75 on net position | (\$17,700,857) | (\$17,100,682) | (\$1,497,693) | \$363,667 |

Financial Analysis of the Government’s Funds

Information about the City’s major governmental funds begins on page 20. These funds are reported using the modified accrual basis of accounting. Governmental funds reported revenues of \$33,951,719 and expenditures of \$35,751,311. The general fund net change in fund balance from 2022 to 2023 was an increase of \$2,802,881. The total revenues of the general fund increased from 2022 by \$4,624,303 and

City of Vandalia, Ohio
Management's Discussion and Analysis
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(Unaudited)

expenditures increased from 2022 by \$568,134. The increase in revenues is due to an increase in municipal income tax, and charges for services for 2023. 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 \$3,280,642. The funds transferred were used for capital assets, improvements, repairs, and debt.

The general obligation bond retirement fund balance increased \$108,872 from 2022 to an ending deficit fund balance of \$2,409,782. This increase is due to transfers in of the fund. The facilities improvement & maintenance fund balance decreased \$4,314,869 from 2022 to an ending fund balance of \$2,668,779. This decrease is due to the increase in capital outlay during the year. All other governmental funds fund balance decreased by \$438,146 during 2023. This is due to an increase of capital outlay and public works expense in 2023.

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 2023.

The golf activity's operating loss of \$39,698 is attributable to increased personnel costs with decreased 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 2023, 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 89. 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 \$26,617,961 to the final budgeted amount of \$26,660,659 for the fiscal year end December 31, 2023. Municipal income taxes final increased from the prior year. At the end of the year, actual revenues and other financing sources were more than the final budget by \$2,926,302, this was primarily due to higher income taxes revenue than budgeted.

Original general fund expenditures and other financing uses increased \$1,761,057, from \$29,363,676 to the final budgeted amount of \$31,124,732. This increase was due to an increase in general government and public safety appropriations. Actual expenditures were \$3,068,264 below final budget expenditures for 2023 due an decrease in Public Safety and General Government expenditures.

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(Unaudited)

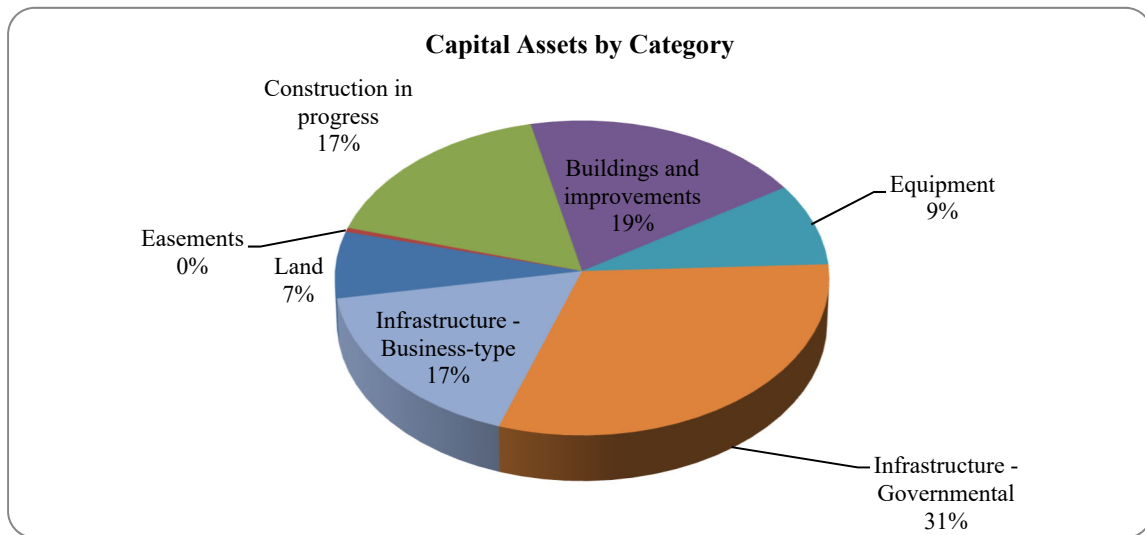
Capital Assets and Debt Administration

Capital Assets

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

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Land | \$5,863,810 | \$5,618,659 | \$167,369 | \$167,369 | \$6,031,179 | \$5,786,028 |
| Easements | 382,989 | 382,989 | 500 | 500 | 383,489 | 383,489 |
| Construction in progress | 10,340,644 | 5,766,760 | 4,649,056 | 2,230,541 | 14,989,700 | 7,997,301 |
| Buildings and improvements | 15,894,727 | 16,173,161 | 1,126,539 | 1,164,109 | 17,021,266 | 17,337,270 |
| Equipment | 7,049,349 | 5,320,898 | 409,649 | 406,508 | 7,458,998 | 5,727,406 |
| Infrastructure | 27,247,293 | 26,526,030 | 14,971,529 | 15,414,090 | 42,218,822 | 41,940,120 |
| Total | \$66,778,812 | \$59,788,497 | \$21,324,642 | \$19,383,117 | \$88,103,454 | \$79,171,614 |

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 increased during 2023 due to current year additions exceeding current year depreciation expense. See Note 6 of the notes to the basic financial statements for more detailed information on capital assets.



Debt

At December 31, 2023, the City of Vandalia had \$19,724,558 in bonds and notes, loans.

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City of Vandalia, Ohio
Management’s Discussion and Analysis
For The Year Ended December 31, 2023
(Unaudited)

Table 4
Outstanding Debt, at Year End

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------------|-------------------------|---------------------|--------------------------|--------------------|---------------------|---------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Unvoted general obligation bonds | | | | | | |
| Various purpose limited tax | \$0 | \$390,489 | \$0 | \$0 | \$0 | \$390,489 |
| LTGO Capital Facilities | 8,921,897 | 9,471,357 | 7,762,722 | 4,879,783 | 16,684,619 | 14,351,140 |
| State infrastructure bank loan | 118,821 | 351,221 | 0 | 0 | 118,821 | 351,221 |
| OPWC loan | 209,920 | 263,454 | 71,198 | 128,649 | 281,118 | 392,103 |
| | <u>\$9,250,638</u> | <u>\$10,476,521</u> | <u>\$7,833,920</u> | <u>\$5,008,432</u> | <u>\$17,084,558</u> | <u>\$15,484,953</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 general obligation bond retirement debt service fund in the amount of \$2,640,000. The general obligation debt service fund will retire the debt.

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.

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City of Vandalia, Ohio
Statement of Net Position
December 31, 2023

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|----------------------|
| Assets: | | | |
| Equity in Pooled Cash and Investments | \$37,760,360 | \$8,480,544 | \$46,240,904 |
| Restricted Cash | 0 | 60,282 | 60,282 |
| Receivables (Net): | | | |
| Taxes | 6,049,641 | 0 | 6,049,641 |
| Accounts | 816,046 | 1,048,795 | 1,864,841 |
| Interest | 121,324 | 0 | 121,324 |
| Intergovernmental | 1,394,130 | 0 | 1,394,130 |
| Lease | 333,613 | 0 | 333,613 |
| Revenue in Lieu of Taxes | 51,331 | 0 | 51,331 |
| Investment in Joint Venture | 0 | 9,568,393 | 9,568,393 |
| Internal Balances | (57,727) | 57,727 | 0 |
| Land Held for Resale | 1,497,046 | 0 | 1,497,046 |
| Inventory | 142,281 | 16,301 | 158,582 |
| Nondepreciable Capital Assets | 16,587,443 | 4,816,925 | 21,404,368 |
| Depreciable Capital Assets, Net | 50,191,369 | 16,507,717 | 66,699,086 |
| Total Assets | 114,886,857 | 40,556,684 | 155,443,541 |
| Deferred Outflows of Resources: | | | |
| Pension | 9,601,625 | 1,080,659 | 10,682,284 |
| OPEB | 1,495,536 | 162,431 | 1,657,967 |
| Total Deferred Outflows of Resources | 11,097,161 | 1,243,090 | 12,340,251 |
| Liabilities: | | | |
| Accounts Payable | 1,384,992 | 636,214 | 2,021,206 |
| Accrued Wages and Benefits | 651,895 | 52,825 | 704,720 |
| Accrued Interest Payable | 91,915 | 16,408 | 108,323 |
| Undistributed Monies | 165,101 | 0 | 165,101 |
| Deposit Liability | 0 | 60,282 | 60,282 |
| Unearned Revenue | 297,467 | 0 | 297,467 |
| Refunds Payable | 443,665 | 0 | 443,665 |
| Due to Related Parties | 0 | 187,877 | 187,877 |
| Claims Payable | 207,646 | 0 | 207,646 |
| Bond Anticipation Notes Payable | 2,640,000 | 0 | 2,640,000 |
| Long-Term Liabilities: | | | |
| Due Within One Year | 1,694,199 | 352,698 | 2,046,897 |
| Due In More Than One Year | | | |
| Net Pension Liability | 25,345,502 | 2,628,298 | 27,973,800 |
| Net OPEB Liability | 1,317,523 | 54,367 | 1,371,890 |
| Other Amounts | 9,836,433 | 7,652,072 | 17,488,505 |
| Total Liabilities | 44,076,338 | 11,641,041 | 55,717,379 |
| Deferred Inflows of Resources: | | | |
| Property Taxes | 1,776,002 | 0 | 1,776,002 |
| Lease | 333,617 | 0 | 333,617 |
| Revenue In Lieu of Taxes | 51,331 | 0 | 51,331 |
| Pension | 901,138 | 39,957 | 941,095 |
| OPEB | 1,233,855 | 18,161 | 1,252,016 |
| Total Deferred Inflows of Resources | 4,295,943 | 58,118 | 4,354,061 |
| Net Position: | | | |
| Net Investment in Capital Assets | 55,390,664 | 15,501,444 | 70,892,108 |
| Restricted for: | | | |
| Capital Projects | 3,801,515 | 0 | 3,801,515 |
| Street Improvements | 3,215,463 | 0 | 3,215,463 |
| Public Safety | 571,638 | 0 | 571,638 |
| Job Creation | 3,251,633 | 0 | 3,251,633 |
| Infrastructure | 913,161 | 0 | 913,161 |
| Other Purposes | 199,030 | 0 | 199,030 |
| Unrestricted | 10,268,633 | 14,599,171 | 24,867,804 |
| Total Net Position | \$77,611,737 | \$30,100,615 | \$107,712,352 |

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Activities
For the Fiscal Year Ended December 31, 2023

| | Expenses | Program Revenues | | |
|--------------------------------|--------------|--------------------------------|------------------------------------|----------------------------------|
| | | Charges for Services and Sales | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental Activities: | | | | |
| General Government | \$6,430,472 | \$2,782,266 | \$258,807 | \$0 |
| Public Safety | 11,011,244 | 645,300 | 510,668 | 0 |
| Leisure Time Activities | 4,380,173 | 1,136,331 | 0 | 0 |
| Public Works | 5,636,115 | 1,577,651 | 1,857,102 | 69,479 |
| Interest and Other Charges | 634,351 | 0 | 0 | 0 |
| Total Governmental Activities | 28,092,355 | 6,141,548 | 2,626,577 | 69,479 |
| Business-Type Activities: | | | | |
| Water | 3,733,210 | 3,014,654 | 97,899 | 0 |
| Sewer | 3,172,508 | 2,635,487 | 82,240 | 0 |
| Golf | 1,025,121 | 950,030 | 0 | 0 |
| Total Business-Type Activities | 7,930,839 | 6,600,171 | 180,139 | 0 |
| Totals | \$36,023,194 | \$12,741,719 | \$2,806,716 | \$69,479 |

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 |
| (\$3,389,399) | \$0 | (\$3,389,399) |
| (9,855,276) | 0 | (9,855,276) |
| (3,243,842) | 0 | (3,243,842) |
| (2,131,883) | 0 | (2,131,883) |
| (634,351) | 0 | (634,351) |
| <u>(19,254,751)</u> | <u>0</u> | <u>(19,254,751)</u> |
| 0 | (620,657) | (620,657) |
| 0 | (454,781) | (454,781) |
| 0 | (75,091) | (75,091) |
| <u>0</u> | <u>(1,150,529)</u> | <u>(1,150,529)</u> |
| <u>(19,254,751)</u> | <u>(1,150,529)</u> | <u>(20,405,280)</u> |
| 20,338,023 | 0 | 20,338,023 |
| 1,476,696 | 0 | 1,476,696 |
| 651,004 | 0 | 651,004 |
| 74,150 | 0 | 74,150 |
| 42,308 | 0 | 42,308 |
| 1,814,974 | 0 | 1,814,974 |
| 380,846 | 127,166 | 508,012 |
| (150,000) | 150,000 | 0 |
| <u>24,628,001</u> | <u>277,166</u> | <u>24,905,167</u> |
| 5,373,250 | (873,363) | 4,499,887 |
| <u>72,238,487</u> | <u>30,973,978</u> | <u>103,212,465</u> |
| <u>\$77,611,737</u> | <u>\$30,100,615</u> | <u>\$107,712,352</u> |

City of Vandalia, Ohio
Balance Sheet
Governmental Funds
December 31, 2023

| | General | General Obligation Bond Retirement | Facilities Improvement & Maintenance Reserve | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|--|---|--------------------------------|--------------------------------|
| Assets: | | | | | |
| Equity in Pooled Cash and Investments | \$23,375,111 | \$294,561 | \$3,093,122 | \$10,396,719 | \$37,159,513 |
| Receivables (Net): | | | | | |
| Taxes | 6,049,641 | 0 | 0 | 0 | 6,049,641 |
| Accounts | 746,151 | 0 | 0 | 69,895 | 816,046 |
| Interest | 121,324 | 0 | 0 | 0 | 121,324 |
| Intergovernmental | 235,896 | 0 | 0 | 1,158,234 | 1,394,130 |
| Lease | 333,613 | 0 | 0 | 0 | 333,613 |
| Interfund | 462,060 | 0 | 0 | 0 | 462,060 |
| Revenue in Lieu of Taxes | 0 | 0 | 0 | 51,331 | 51,331 |
| Land Held for Resale | 0 | 0 | 0 | 1,497,046 | 1,497,046 |
| Inventory | 13,555 | 0 | 0 | 128,726 | 142,281 |
| Total Assets | 31,337,351 | 294,561 | 3,093,122 | 13,301,951 | 48,026,985 |
| Liabilities: | | | | | |
| Accounts Payable | 414,612 | 0 | 424,343 | 544,041 | 1,382,996 |
| Accrued Wages and Benefits | 612,259 | 0 | 0 | 39,636 | 651,895 |
| Compensated Absences | 83,755 | 0 | 0 | 0 | 83,755 |
| Accrued Interest Payable | 0 | 64,343 | 0 | 0 | 64,343 |
| Interfund Payable | 0 | 0 | 0 | 462,060 | 462,060 |
| Undistributed Monies | 165,101 | 0 | 0 | 0 | 165,101 |
| Unearned Revenue | 0 | 0 | 0 | 297,467 | 297,467 |
| Refunds Payable | 443,665 | 0 | 0 | 0 | 443,665 |
| Bond Anticipation Notes Payable | 0 | 2,640,000 | 0 | 0 | 2,640,000 |
| Total Liabilities | 1,719,392 | 2,704,343 | 424,343 | 1,343,204 | 6,191,282 |
| Deferred Inflows of Resources: | | | | | |
| Property and Income Taxes | 4,014,027 | 0 | 0 | 0 | 4,014,027 |
| Grants and Other Taxes | 200,622 | 0 | 0 | 1,047,167 | 1,247,789 |
| Lease | 333,617 | 0 | 0 | 0 | 333,617 |
| Unearned Revenue - Other | 698,011 | 0 | 0 | 69,895 | 767,906 |
| Revenue In Lieu of Taxes | 0 | 0 | 0 | 51,331 | 51,331 |
| Total Deferred Inflows of Resources | 5,246,277 | 0 | 0 | 1,168,393 | 6,414,670 |
| Fund Balances: | | | | | |
| Nonspendable | 13,555 | 0 | 0 | 128,726 | 142,281 |
| Restricted | 0 | 0 | 0 | 10,940,011 | 10,940,011 |
| Committed | 991,258 | 0 | 2,668,779 | 213,097 | 3,873,134 |
| Assigned | 1,874,566 | 0 | 0 | 0 | 1,874,566 |
| Unassigned | 21,492,303 | (2,409,782) | 0 | (491,480) | 18,591,041 |
| Total Fund Balances | 24,371,682 | (2,409,782) | 2,668,779 | 10,790,354 | 35,421,033 |
| Total Liabilities, Deferred Inflows and Fund Balances | \$31,337,351 | \$294,561 | \$3,093,122 | \$13,301,951 | \$48,026,985 |

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, 2023

| | | |
|--|--------------------|---------------------|
| Total Governmental Fund Balance | | \$35,421,033 |
| 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 | | 66,778,812 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. | | |
| Income Taxes | 2,192,330 | |
| Delinquent Property Taxes | 45,695 | |
| Intergovernmental | 1,247,789 | |
| Other Receivables | <u>767,906</u> | |
| | | 4,253,720 |
| 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 | 391,205 | |
| Allocation to Business-Type Activities | <u>(57,727)</u> | |
| | | 333,478 |
| 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. | | |
| | | (27,572) |
| 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 | | (2,196,239) |
| 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 | 9,601,625 | |
| Deferred inflows of resources related to pensions | (901,138) | |
| Deferred outflows of resources related to OPEB | 1,495,536 | |
| Deferred inflows of resources related to OPEB | <u>(1,233,855)</u> | |
| | | 8,962,168 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | | |
| Net Pension Liability | (25,345,502) | |
| Net OPEB Liability | (1,317,523) | |
| Other Amounts | <u>(9,250,638)</u> | |
| | | <u>(35,913,663)</u> |
| Net Position of Governmental Activities | | <u>\$77,611,737</u> |

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, 2023

| | General | General Obligation Bond Retirement | Facilities Improvement & Maintenance Reserve | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|--|---|--------------------------------|--------------------------------|
| Revenues: | | | | | |
| Property and Other Taxes | \$1,521,922 | \$0 | \$0 | \$0 | \$1,521,922 |
| Income Taxes | 18,223,100 | 0 | 0 | 2,465,439 | 20,688,539 |
| Charges for Services | 3,230,295 | 0 | 0 | 365,915 | 3,596,210 |
| Investment Earnings | 1,753,014 | 0 | 0 | 61,960 | 1,814,974 |
| Intergovernmental | 1,096,007 | 0 | 0 | 2,636,298 | 3,732,305 |
| Special Assessments | 27,673 | 0 | 0 | 0 | 27,673 |
| Fines, Fees, Licenses & Permits | 1,333,673 | 0 | 0 | 739,454 | 2,073,127 |
| Revenue in Lieu of Taxes | 0 | 0 | 0 | 74,149 | 74,149 |
| Other Revenues | 294,235 | 31,518 | 0 | 97,067 | 422,820 |
| Total Revenues | 27,479,919 | 31,518 | 0 | 6,440,282 | 33,951,719 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General Government | 5,764,202 | 0 | 0 | 202,695 | 5,966,897 |
| Public Safety | 9,513,358 | 0 | 0 | 467,406 | 9,980,764 |
| Leisure Time Activities | 3,866,207 | 0 | 0 | 0 | 3,866,207 |
| Public Works | 2,252,629 | 0 | 0 | 1,066,399 | 3,319,028 |
| Capital Outlay | 0 | 0 | 4,314,869 | 6,439,200 | 10,754,069 |
| Debt Service: | | | | | |
| Principal | 0 | 0 | 520,000 | 675,934 | 1,195,934 |
| Interest and Other Charges | 0 | 225,646 | 345,250 | 97,516 | 668,412 |
| Total Expenditures | 21,396,396 | 225,646 | 5,180,119 | 8,949,150 | 35,751,311 |
| Excess of Revenues Over (Under) Expenditures | 6,083,523 | (194,128) | (5,180,119) | (2,508,868) | (1,799,592) |
| Other Financing Sources (Uses): | | | | | |
| Proceeds from Sale of Capital Assets | 0 | 0 | 0 | 108,330 | 108,330 |
| Transfers In | 0 | 303,000 | 865,250 | 2,150,392 | 3,318,642 |
| Transfers (Out) | (3,280,642) | 0 | 0 | (188,000) | (3,468,642) |
| Total Other Financing Sources (Uses) | (3,280,642) | 303,000 | 865,250 | 2,070,722 | (41,670) |
| Net Change in Fund Balance | 2,802,881 | 108,872 | (4,314,869) | (438,146) | (1,841,262) |
| Fund Balance - Beginning of Year | 21,568,801 | (2,518,654) | 6,983,648 | 11,228,500 | 37,262,295 |
| Fund Balance - End of Year | \$24,371,682 | (\$2,409,782) | \$2,668,779 | \$10,790,354 | \$35,421,033 |

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, 2023

Net Change in Fund Balance - Total Governmental Funds (\$1,841,262)

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 | 10,263,109 | |
| Depreciation Expense | <u>(3,114,735)</u> | 7,148,374 |

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. (158,059)

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 | 1,830,728 | |
| Pension Expense | (2,852,258) | |
| OPEB Contributions | 24,009 | |
| OPEB Expense | <u>397,346</u> | (600,175) |

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

| | | |
|---------------------------|---------------|-----------|
| Income Taxes | (350,516) | |
| Delinquent Property Taxes | (45,226) | |
| Intergovernmental | (2,797) | |
| Other | <u>62,425</u> | (336,114) |

Repayment of bond principal is an expenditure in the
 governmental funds, but the repayment reduces long-term
 liabilities in the statement of net position. 1,195,934

In the statement of activities interest expense is accrued when incurred;
 whereas, in governmental funds an interest expenditure is reported
 when due. 4,112

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 | (11,337) | |
| Amortization of Bond Premium | <u>29,949</u> | 18,612 |

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 | (39,679) | |
| Change in portion of Internal Service Fund Net Position allocated to Business-Type Activities | <u>(18,493)</u> | (58,172) |

Change in Net Position of Governmental Activities \$5,373,250

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2023

| | Business-Type Activities Enterprise Funds | | | Total Business-Type Activities | Governmental Activities- Internal Service Funds |
|--|--|---------------------|--------------------|--------------------------------------|--|
| | Water | Sewer | Golf | | |
| Current Assets: | | | | | |
| Equity in Pooled Cash and Investments | \$4,076,139 | \$3,590,902 | \$813,503 | \$8,480,544 | \$600,847 |
| Restricted Cash | 40,389 | 19,893 | 0 | 60,282 | 0 |
| Receivables (Net): | | | | | |
| Accounts | 528,260 | 520,535 | 0 | 1,048,795 | 0 |
| Inventory | 5,459 | 0 | 10,842 | 16,301 | 0 |
| Total Current Assets | 4,650,247 | 4,131,330 | 824,345 | 9,605,922 | 600,847 |
| Noncurrent Assets: | | | | | |
| Investment in Joint Venture | 2,232,180 | 7,336,213 | 0 | 9,568,393 | 0 |
| Capital Assets: | | | | | |
| Nondepreciable Capital Assets | 2,378,327 | 2,320,403 | 118,195 | 4,816,925 | 0 |
| Depreciable Capital Assets, Net | 8,022,348 | 7,537,937 | 947,432 | 16,507,717 | 0 |
| Total Noncurrent Assets | 12,632,855 | 17,194,553 | 1,065,627 | 30,893,035 | 0 |
| Total Assets | 17,283,102 | 21,325,883 | 1,889,972 | 40,498,957 | 600,847 |
| Deferred Outflows of Resources: | | | | | |
| Pension | 393,922 | 395,729 | 291,008 | 1,080,659 | 0 |
| OPEB | 59,209 | 59,481 | 43,741 | 162,431 | 0 |
| Total Deferred Outflows of Resources | 453,131 | 455,210 | 334,749 | 1,243,090 | 0 |
| Liabilities: | | | | | |
| Current Liabilities: | | | | | |
| Accounts Payable | 337,948 | 269,284 | 28,982 | 636,214 | 1,996 |
| Accrued Wages and Benefits | 20,203 | 20,224 | 12,398 | 52,825 | 0 |
| Compensated Absences | 12,755 | 12,755 | 41,490 | 67,000 | 0 |
| Accrued Interest Payable | 8,204 | 8,204 | 0 | 16,408 | 0 |
| Deposit Liability | 40,389 | 19,893 | 0 | 60,282 | 0 |
| Due to Related Parties | 105,580 | 82,297 | 0 | 187,877 | 0 |
| OPWC Loans Payable | 40,698 | 0 | 0 | 40,698 | 0 |
| Claims Payable | 0 | 0 | 0 | 0 | 207,646 |
| Long-Term Liabilities Due Within One Year | 122,500 | 122,500 | 0 | 245,000 | 0 |
| Total Current Liabilities | 688,277 | 535,157 | 82,870 | 1,306,304 | 209,642 |
| Long-Term Liabilities: | | | | | |
| Compensated Absences | 23,589 | 23,589 | 56,672 | 103,850 | 0 |
| Bonds, Notes & Loans Payable | 3,789,361 | 3,758,861 | 0 | 7,548,222 | 0 |
| Net Pension Liability | 958,067 | 962,462 | 707,769 | 2,628,298 | 0 |
| Net OPEB Liability | 19,818 | 19,909 | 14,640 | 54,367 | 0 |
| Total Long-Term Liabilities | 4,790,835 | 4,764,821 | 779,081 | 10,334,737 | 0 |
| Total Liabilities | 5,479,112 | 5,299,978 | 861,951 | 11,641,041 | 209,642 |
| Deferred Inflows of Resources: | | | | | |
| Pension | 14,565 | 14,632 | 10,760 | 39,957 | 0 |
| OPEB | 6,620 | 6,650 | 4,891 | 18,161 | 0 |
| Total Deferred Inflows of Resources | 21,185 | 21,282 | 15,651 | 58,118 | 0 |
| Net Position: | | | | | |
| Net Investment in Capital Assets | 7,562,914 | 6,872,903 | 1,065,627 | 15,501,444 | 0 |
| Unrestricted | 4,673,022 | 9,586,930 | 281,492 | 14,541,444 | 391,205 |
| Total Net Position | \$12,235,936 | \$16,459,833 | \$1,347,119 | \$30,042,888 | \$391,205 |
| Adjustment to reflect the consolidation of Internal Service Fund activities related to Business-Type Activities | | | | 57,727 | |
| Net Position of Business-Type Activities | | | | \$30,100,615 | |

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, 2023

| | Business-Type Activities Enterprise Funds | | | Total Business-Type Activities | Governmental Activities- Internal Service Funds |
|--|--|---------------------|--------------------|--------------------------------------|--|
| | Water | Sewer | Golf | | |
| Operating Revenues: | | | | | |
| Charges for Services | \$2,973,984 | \$2,624,239 | \$950,030 | \$6,548,253 | \$2,311,618 |
| Tap-In Fees | 40,670 | 11,248 | 0 | 51,918 | 0 |
| Other Revenues | 57,420 | 34,353 | 35,393 | 127,166 | 198,044 |
| Total Operating Revenues | <u>3,072,074</u> | <u>2,669,840</u> | <u>985,423</u> | <u>6,727,337</u> | <u>2,509,662</u> |
| Operating Expenses: | | | | | |
| Personal Services | 1,021,291 | 1,028,805 | 228,443 | 2,278,539 | 0 |
| Contactual Services | 1,413,761 | 911,063 | 178,002 | 2,502,826 | 670,344 |
| Materials and Supplies | 978,103 | 1,009,076 | 558,826 | 2,546,005 | 0 |
| Depreciation | 237,843 | 241,407 | 59,850 | 539,100 | 0 |
| Claims Expense | 0 | 0 | 0 | 0 | 1,878,997 |
| Total Operating Expenses | <u>3,650,998</u> | <u>3,190,351</u> | <u>1,025,121</u> | <u>7,866,470</u> | <u>2,549,341</u> |
| Operating Income (Loss) | <u>(578,924)</u> | <u>(520,511)</u> | <u>(39,698)</u> | <u>(1,139,133)</u> | <u>(39,679)</u> |
| Non-Operating Revenues (Expenses): | | | | | |
| Interest and Fiscal Charges | (100,705) | (98,713) | 0 | (199,418) | 0 |
| Investment in Joint Venture | (5,501) | 116,556 | 0 | 111,055 | 0 |
| State Grants | 103,400 | 82,240 | 0 | 185,640 | 0 |
| Total Non-Operating Revenues (Expenses) | <u>(2,806)</u> | <u>100,083</u> | <u>0</u> | <u>97,277</u> | <u>0</u> |
| Income (Loss) Before Contributions and Transfers | <u>(581,730)</u> | <u>(420,428)</u> | <u>(39,698)</u> | <u>(1,041,856)</u> | <u>(39,679)</u> |
| Transfers In | <u>0</u> | <u>0</u> | <u>150,000</u> | <u>150,000</u> | <u>0</u> |
| Change in Net Position | <u>(581,730)</u> | <u>(420,428)</u> | <u>110,302</u> | <u>(891,856)</u> | <u>(39,679)</u> |
| Net Position - Beginning of Year | <u>12,817,666</u> | <u>16,880,261</u> | <u>1,236,817</u> | | <u>430,884</u> |
| Net Position - End of Year | <u>\$12,235,936</u> | <u>\$16,459,833</u> | <u>\$1,347,119</u> | | <u>\$391,205</u> |
| Adjustment to reflect the consolidation of Internal Service Fund activities related to Business-Type Activities | | | | <u>\$18,493</u> | |
| Change in Net Position - Total Business-Type Activities | | | | <u>(\$873,363)</u> | |

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, 2023

| | 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 | \$2,967,400 | \$2,524,518 | \$985,423 | \$6,477,341 | \$2,509,662 |
| Cash Payments to Employees | (776,670) | (772,134) | (236,702) | (1,785,506) | 0 |
| Cash Payments to Suppliers | (2,322,272) | (2,047,124) | (699,116) | (5,068,512) | (668,567) |
| Cash Payments for Claims | 0 | 0 | 0 | 0 | (2,154,371) |
| Net Cash Provided (Used) by Operating Activities | (131,542) | (294,740) | 49,605 | (376,677) | (313,276) |
| Cash Flows from Noncapital Financing Activities: | | | | | |
| Operating Grants Received | 103,400 | 82,240 | 0 | 185,640 | 0 |
| Payments from Other Funds | 0 | 0 | 150,000 | 150,000 | 0 |
| Net Cash Provided by Noncapital Financing Activities | 103,400 | 82,240 | 150,000 | 335,640 | 0 |
| Cash Flows from Capital and Related Financing Activities: | | | | | |
| Payments for Capital Acquisitions | (1,204,568) | (1,221,183) | (54,874) | (2,480,625) | 0 |
| Debt Proceeds | 1,595,512 | 1,595,512 | 0 | 3,191,024 | 0 |
| Debt Principal Payments | (202,451) | (145,000) | 0 | (347,451) | 0 |
| Debt Interest Payments | (127,325) | (34,904) | 0 | (162,229) | 0 |
| Net Cash Provided (Used) by Capital and Related Financing Activities | 61,168 | 194,425 | (54,874) | 200,719 | 0 |
| Cash Flows from Investing Activities: | | | | | |
| Investment in Joint Venture | (5,501) | 116,556 | 0 | 111,055 | 0 |
| Net Cash Provided (Used) by Cash Flows from Investing Activities | (5,501) | 116,556 | 0 | 111,055 | 0 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 27,525 | 98,481 | 144,731 | 270,737 | (313,276) |
| Cash and Cash Equivalents - Beginning of Year | 4,089,003 | 3,512,314 | 668,772 | 8,270,089 | 914,123 |
| Cash and Cash Equivalents - End of Year | 4,116,528 | 3,610,795 | 813,503 | 8,540,826 | 600,847 |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities | | | | | |
| Operating Income (Loss) | (578,924) | (520,511) | (39,698) | (1,139,133) | (39,679) |
| Adjustments: | | | | | |
| Depreciation | 237,843 | 241,407 | 59,850 | 539,100 | 0 |
| Changes in Assets & Liabilities: | | | | | |
| (Increase) Decrease in Receivables | (103,434) | (144,712) | 0 | (248,146) | 0 |
| (Increase) Decrease in Inventory | 0 | 0 | 25,454 | 25,454 | 0 |
| (Increase) Decrease in Deferred Outflows of Resources | (380,744) | (385,037) | (229,997) | (995,778) | 0 |
| (Increase) Decrease in Net OPEB Asset | 55,417 | 53,722 | 80,194 | 189,333 | 0 |
| Increase (Decrease) in Payables | 86,651 | 19,870 | 12,258 | 118,779 | 0 |
| Increase (Decrease) in Accrued Liabilities | (27,223) | (155,785) | 11,555 | (171,453) | 1,777 |
| Increase (Decrease) in Claims Payable | 0 | 0 | 0 | 0 | (275,374) |
| Increase (Decrease) in Deferred Inflows of Resources | (240,046) | (231,960) | (362,378) | (834,384) | 0 |
| Increase (Decrease) in Net Pension Liability | 799,100 | 808,357 | 477,727 | 2,085,184 | 0 |
| Increase (Decrease) in Net OPEB Liability | 19,818 | 19,909 | 14,640 | 54,367 | 0 |
| Net Cash Provided (Used) by Operating Activities | (\$131,542) | (\$294,740) | \$49,605 | (\$376,677) | (\$313,276) |

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2023

| | <u>Custodial Funds</u> |
|---|----------------------------|
| Assets: | |
| Equity in Pooled Cash and Investments | \$3,747,726 |
| Cash and Cash Equivalents in Segregated Accounts | 116,587 |
| Receivables (Net): | |
| Accounts | 409,983 |
| Due from Other Governments | <u>650,555</u> |
| Total Assets | <u>4,924,851</u> |
| Liabilities: | |
| Accounts Payable | 475,120 |
| Held for Other Governments | 722,960 |
| Undistributed Monies | 116,587 |
| Accrued Liabilities | <u>316,562</u> |
| Total Liabilities | <u>1,631,229</u> |
| Net Position: | |
| Restricted for Individuals, Organizations and Other Governments | <u>3,293,622</u> |
| Total Net Position | <u><u>\$3,293,622</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, 2023

| | Custodial Funds |
|---|---------------------------|
| Additions: | |
| Investment Earnings | \$79,932 |
| Income Tax Collections for Other Governments | 4,908,056 |
| Contributions and Rentals | 5,105,065 |
| Fines and Forfeitures for Other Governments | <u>2,244,830</u> |
| Total Additions | <u>12,337,883</u> |
| Deductions: | |
| Distributions of Income Tax Collections | 4,898,853 |
| Income Tax Refunds | 9,871 |
| Payments for Joint Venture | 5,179,186 |
| Distributions from Municipal Court to Other Governments | <u>2,244,830</u> |
| Total Deductions | <u>12,332,740</u> |
| Change in Net Position | 5,143 |
| Net Position - Beginning of Year | <u>3,288,479</u> |
| Net Position - End of Year | <u><u>\$3,293,622</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, 2023

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, 2023

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, 2023

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.

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

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

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

Proprietary Funds

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

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

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

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

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

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

Fiduciary Funds

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

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

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, 2023

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 assets 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 assets 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 and income taxes, lease, payments in lieu of taxes, pension, OPEB, grants and other taxes and unearned revenues. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2023, but which were levied to finance year

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

2024 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported on the governmental funds balance sheet, and represents receivables/revenues which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, franchise taxes, intergovernmental grants, special assessments, and charges for services. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position. (See Notes 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 2023, 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 \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 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 2023 amounted to \$1,753,014.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

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.

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, 2023 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.

Lease Receivable

Lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive lease payments that are determined by the lease agreement. The payments are recorded as an inflow of resources in the period the payment is received.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

A deferred inflow of resources is recorded for the lease at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

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 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.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

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

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

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

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.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

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 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.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

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.

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.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

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.

Budgetary Process

All funds, except the 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.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

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:

| Fund Balances | General | Facilities Improvement & Maintenance Reserve | General Obligation Bond Retirement | Other Governmental Funds | Total Governmental Funds |
|----------------------------------|--------------|---|---|--------------------------------|--------------------------------|
| <u>Nonspendable</u> | | | | | |
| Materials and supplies inventory | \$13,555 | \$0 | \$0 | \$128,726 | \$142,281 |
| <u>Restricted for</u> | | | | | |
| Streets and highways | 0 | 0 | 0 | 2,111,680 | 2,111,680 |
| Court activities | 0 | 0 | 0 | 724,605 | 724,605 |
| Police services | 0 | 0 | 0 | 24,587 | 24,587 |
| OneOpioid Settlement | 0 | 0 | 0 | 30,218 | 30,218 |
| Job Creation and Revitalization | 0 | 0 | 0 | 3,251,633 | 3,251,633 |
| Infrastructure | 0 | 0 | 0 | 913,161 | 913,161 |
| Crisis Intervention Training | 0 | 0 | 0 | 3,010 | 3,010 |
| Capital improvements | 0 | 0 | 0 | 3,881,117 | 3,881,117 |
| Total restricted | 0 | 0 | 0 | 10,940,011 | 10,940,011 |
| <u>Committed</u> | | | | | |
| Employee retirements | 991,258 | 0 | 0 | 0 | 991,258 |
| Stormwater | 0 | 0 | 0 | 213,097 | 213,097 |
| Capital improvements | 0 | 2,668,779 | 0 | 0 | 2,668,779 |
| Total committed | 991,258 | 2,668,779 | 0 | 213,097 | 3,873,134 |
| <u>Assigned</u> | | | | | |
| Various purchases on order* | 337,912 | 0 | 0 | 0 | 337,912 |
| Next year's budget | 1,536,654 | 0 | 0 | 0 | 1,536,654 |
| Total assigned | 1,874,566 | 0 | 0 | 0 | 1,874,566 |
| Unassigned (deficit) | 21,492,303 | 0 | (2,409,782) | (491,480) | 18,591,041 |
| Total fund balances | \$24,371,682 | \$2,668,779 | (\$2,409,782) | \$10,790,354 | \$35,421,033 |

*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.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

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

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

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

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

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

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

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 \$24,571,201, and \$24,680,734 of the City’s total bank balance of \$25,689,237 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized.

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

| Investment Type | Fair Value | Fair Value Hierarchy | Weighted Average Maturity (Years) |
|---------------------------------------|--------------|----------------------|-----------------------------------|
| Federal Home Loan Bank | \$4,117,221 | Level 2 | 2.91 |
| Federal Farm Credit Bank | 5,087,846 | Level 2 | 2.51 |
| Farmer Mac | 406,246 | Level 2 | 2.44 |
| Federal Home Loan Mortgage Corp | 1,625,966 | Level 2 | 1.83 |
| Federal National Mortgage Association | 1,096,736 | Level 2 | 1.26 |
| Negotiable CDs | 2,133,114 | Level 2 | 1.47 |
| Tennessee Valley Authority | 298,662 | Level 2 | 4.21 |
| Corporate Bond | 128,547 | Level 2 | 3.79 |
| US Treasury Notes | 8,569,461 | Level 1 | 3.07 |
| STAROhio | 2,124,505 | N/A | 0.09 |
| Total Fair Value | \$25,588,304 | | |
| Portfolio Weighted Average Maturity | | | 2.24 |

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, 2023. 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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

Bank (FHLB), Federal Farm Credit Bank (FFCB), Farmer MAC, Federal National Mortgage Association (FNMA) and corporate bond 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.

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, 2023.

Note 4 – Receivables

Receivables at December 31, 2023, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements, lease, accrued interest on investments, revenue in lieu of taxes, interfund 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 2023 for real and public utility property taxes represents collections of the 2022 taxes. Property tax payments received during 2023 for tangible personal property (other than public utility property) is for 2023 taxes.

2023 real property taxes are levied after October 1, 2023, on the assessed value as of January 1, 2023, the lien date. Assessed values are established by State law at 35% of appraised market value. 2023 real property taxes are collected in and intended to finance 2024.

Public utility property currently is assessed at varying percentages of true value; public utility real property is assessed at 35% of true value. 2023 public utility property taxes became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

The full tax rate for all City operations for the year ended December 31, 2023, 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 | \$262,946,760 |
| Commercial and industrial | 124,331,170 |
| Public utilities | 63,180 |
| <u>Personal Property</u> | |
| Public utilities | 10,329,110 |
| Total | <u>\$397,670,220</u> |

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

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Vandalia. The County Auditor periodically remits to the City its portion of the taxes collected. Accrued property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2023, 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 2023 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.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

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, 2022, 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 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 2023, a total of \$2,549,341 was paid in benefits and administrative costs. The liability for unpaid claims cost of \$207,646, reported in the hospital care internal service fund at December 31, 2023, is based on the requirements of Governmental Accounting Standards Board Statement No. 30 and will be processed and paid in 2024. 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 2024, which were incurred in 2023 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 |
|------|---------------------------------|------------------------|-------------------|---------------------------|
| 2023 | \$483,020 | 1,603,623 | 1,878,997 | 207,646 |
| 2022 | \$301,490 | 3,618,789 | 3,437,259 | 483,020 |

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City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

Note 6 - Capital Assets

Capital asset activity for the year ended December 31, 2023, was as follows:

| | Balance 12/31/2022 | Increases | Decreases | Balance 12/31/2023 |
|--|-----------------------|--------------------|----------------------|-----------------------|
| Governmental activities | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$5,618,659 | \$245,151 | \$0 | \$5,863,810 |
| Easements | 382,989 | 0 | 0 | 382,989 |
| Construction in progress | 5,766,760 | 6,680,219 | (2,106,335) | 10,340,644 |
| Total capital assets, not being depreciated | <u>11,768,408</u> | <u>6,925,370</u> | <u>(2,106,335)</u> | <u>16,587,443</u> |
| Capital assets, being depreciated | | | | |
| Buildings and improvements | 32,379,980 | 437,200 | (34,816) | 32,782,364 |
| Equipment | 16,710,233 | 2,807,137 | (1,150,253) | 18,367,117 |
| Infrastructure | 61,653,649 | 2,199,737 | 0 | 63,853,386 |
| Total capital assets, being depreciated | <u>110,743,862</u> | <u>5,444,074</u> | <u>(1,185,069)</u> | <u>115,002,867</u> |
| Less: accumulated depreciation | | | | |
| Buildings and improvements | 16,206,819 | 691,784 | (10,966) | 16,887,637 |
| Equipment | 11,389,335 | 944,477 | (1,016,044) | 11,317,768 |
| Infrastructure | 35,127,619 | 1,478,474 | 0 | 36,606,093 |
| Total accumulated depreciation | <u>62,723,773</u> | <u>3,114,735</u> | <u>(1,027,010)</u> | <u>64,811,498</u> |
| Total capital assets, being depreciated, net | <u>48,020,089</u> | <u>2,329,339</u> | <u>(158,059)</u> | <u>50,191,369</u> |
| Governmental activities capital assets, net | <u>\$59,788,497</u> | <u>\$9,254,709</u> | <u>(\$2,264,394)</u> | <u>\$66,778,812</u> |

Depreciation expense was charged to governmental functions as follows:

| | |
|----------------------------|--------------------|
| General government | \$238,071 |
| Public safety | 678,676 |
| Transportation | 1,753,714 |
| Leisure time activities | 444,274 |
| Total depreciation expense | <u>\$3,114,735</u> |

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City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

| | Balance 12/31/2022 | Increases | Decreases | Balance 12/31/2023 |
|--|-----------------------|--------------------|--------------------|-----------------------|
| Business-type activities | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$167,369 | \$0 | \$0 | \$167,369 |
| Easements | 500 | 0 | 0 | 500 |
| Construction in progress | 2,230,541 | 2,529,561 | (111,046) | 4,649,056 |
| Total assets not being depreciated | <u>2,398,410</u> | <u>2,529,561</u> | <u>(111,046)</u> | <u>4,816,925</u> |
| Capital assets, being depreciated | | | | |
| Buildings and improvements | 3,127,528 | 0 | 0 | 3,127,528 |
| Equipment | 1,514,684 | 62,110 | 0 | 1,576,794 |
| Infrastructure | 31,059,046 | 111,046 | (111,046) | 31,059,046 |
| Total capital assets, being depreciated | <u>35,701,258</u> | <u>173,156</u> | <u>(111,046)</u> | <u>35,763,368</u> |
| Less: accumulated depreciation | | | | |
| Buildings and improvements | 1,963,419 | 37,570 | 0 | 2,000,989 |
| Equipment | 1,108,176 | 58,969 | 0 | 1,167,145 |
| Infrastructure | 15,644,956 | 442,561 | 0 | 16,087,517 |
| Total accumulated depreciation | <u>18,716,551</u> | <u>539,100</u> | <u>0</u> | <u>19,255,651</u> |
| Total capital assets, being depreciated, net | <u>16,984,707</u> | <u>(365,944)</u> | <u>(111,046)</u> | <u>16,507,717</u> |
| Business-type activities capital assets, net | <u>\$19,383,117</u> | <u>\$2,163,617</u> | <u>(\$222,092)</u> | <u>\$21,324,642</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, 2023, 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 accrued and not taken will be paid on a one for three basis at the end of the year. In the case of death or retirement, employees (or the employees' estates) are paid for one half of their accumulated leave with 625 hours being the maximum amount paid.

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

Note 9 - Long-Term Debt

A schedule of changes in bonds and other long-term obligations of the City during 2023 follows:

| | Amount Outstanding 12/31/2022 | Increases | Decreases | Amount Outstanding 12/31/2023 | Amount Due in One Year |
|--|-------------------------------------|---------------------|----------------------|-------------------------------------|------------------------------|
| Governmental activities | | | | | |
| <u>Unvoted general obligation bonds</u> | | | | | |
| 2009 Various purpose limited tax | | | | | |
| bonds, 2.0% - 4.1% | \$390,000 | \$0 | (\$390,000) | \$0 | \$0 |
| Premium on bonds | 489 | 0 | (489) | 0 | 0 |
| 2022 LTGO Capital Facilities Bonds | | | | | |
| Premium on bonds | 9,000,000 | 0 | (520,000) | 8,480,000 | 475,000 |
| Premium on bonds | 471,357 | 0 | (29,460) | 441,897 | 0 |
| Total unvoted general obligation bonds | <u>9,861,846</u> | <u>0</u> | <u>(939,949)</u> | <u>8,921,897</u> | <u>475,000</u> |
| Loans from direct borrowings: | | | | | |
| 2014 State infrastructure bank loan | 351,221 | 0 | (232,400) | 118,821 | 118,821 |
| 2019 OPWC loan | 83,980 | 0 | (33,592) | 50,388 | 33,592 |
| 2022 OPWC loan | 179,474 | 0 | (19,942) | 159,532 | 39,884 |
| Total loans from direct borrowings | <u>614,675</u> | <u>0</u> | <u>(285,934)</u> | <u>328,741</u> | <u>192,297</u> |
| Other long-term obligations: | | | | | |
| Compensated absences | 2,291,620 | 1,010,286 | (1,021,912) | 2,279,994 | 1,026,902 |
| Total other long-term obligations | <u>2,291,620</u> | <u>1,010,286</u> | <u>(1,021,912)</u> | <u>2,279,994</u> | <u>1,026,902</u> |
| Net pension liability: | 13,296,482 | 12,049,020 | 0 | 25,345,502 | 0 |
| Net OPEB liability: | 1,708,580 | 0 | (391,057) | 1,317,523 | 0 |
| Total governmental activities long-term liabilities | <u>\$27,773,203</u> | <u>\$13,059,306</u> | <u>(\$2,638,852)</u> | <u>\$38,193,657</u> | <u>\$1,694,199</u> |

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City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

| | Amount Outstanding 12/31/2022 | Increases | Decreases | Amount Outstanding 12/31/2023 | Amount Due in One Year |
|---|-------------------------------------|--------------------|--------------------|-------------------------------------|------------------------------|
| Business-type activities | | | | | |
| General Obligation Bonds: | | | | | |
| 2023 LTGO Capital Facilities Bonds - Water | \$0 | \$1,500,000 | \$0 | \$1,500,000 | \$47,500 |
| Premium on 2023 Bonds - Water | 0 | 95,512 | 0 | 95,512 | |
| 2023 LTGO Capital Facilities Bonds - Sewer | 0 | 1,500,000 | 0 | 1,500,000 | 47,500 |
| Premium on 2023 Bonds - Sewer | 0 | 95,512 | 0 | 95,512 | |
| 2022B LTGO Capital Facilities Bonds - Water | 2,250,000 | 0 | (145,000) | 2,105,000 | 75,000 |
| 2022B LTGO Capital Facilities Bonds - Sewer | 2,250,000 | 0 | (145,000) | 2,105,000 | 75,000 |
| Premium on 2022B Bonds | 379,783 | 0 | (18,085) | 361,698 | 0 |
| Total General Obligation Bonds | 4,879,783 | 3,191,024 | (308,085) | 7,762,722 | 245,000 |
| Loans from direct borrowings: | | | | | |
| 2018 OPWC loan | 16,753 | 0 | (16,753) | 0 | 0 |
| 2019 OPWC loan | 20,396 | 0 | (10,198) | 10,198 | 10,198 |
| 2020 OPWC loan | 37,500 | 0 | (12,500) | 25,000 | 12,500 |
| 2020 OPWC loan | 54,000 | 0 | (18,000) | 36,000 | 18,000 |
| Total loans from direct borrowings | 128,649 | 0 | (57,451) | 71,198 | 40,698 |
| Other long-term obligations: | | | | | |
| Compensated absences | 188,797 | 65,057 | (83,004) | 170,850 | 67,000 |
| Total other long-term obligations | 188,797 | 65,057 | (83,004) | 170,850 | 67,000 |
| Net pension liability | 543,114 | 2,085,184 | 0 | 2,628,298 | 0 |
| Net OPEB liability | 0 | 54,367 | 0 | 54,367 | 0 |
| Total net pension/OPEB liability | 543,114 | 2,139,551 | 0 | 2,682,665 | 0 |
| Total business-type activities | | | | | |
| long-term liabilities | \$5,740,343 | \$5,395,632 | (\$448,540) | \$10,687,435 | \$352,698 |

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 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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

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.

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.

During 2022, the City entered into a loan agreement with the Ohio Public Works Commission (OPWC) in the amount of \$199,416. The loan is for the Gabriel Street reconstruction project. The loan will be repaid in semiannual installments of \$19,942, maturing in 2028. Principal will be paid out of the OPWC fund.

During 2022, the City issued \$4,500,000 General Obligation Capital Facilities Bonds. The Bonds were issued for the purpose of paying the costs of water and sewer construction projects.

During 2022, the City issued \$9,000,000 General Obligation Capital Facilities Bonds. The Bonds were issued for the purpose of paying the costs of an infrastructure construction project.

During 2023, the City issued \$3,000,000 General Obligation Capital Facilities Bonds. The Bonds were issued for the purpose of paying the costs of water and sewer construction projects.

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, 2023, are as follows:

| Year ending December 31, | Governmental Activities | | | | | | |
|-----------------------------|--------------------------|-------------|--------------|----------------|----------|-----------|-----------|
| | General Obligation Bonds | | | State SIB Loan | | | OPWC Loan |
| | Principal | Interest | Total | Principal | Interest | Total | Principal |
| 2024 | \$475,000 | \$324,450 | \$799,450 | \$118,821 | \$1,782 | \$120,603 | \$73,476 |
| 2025 | 500,000 | 310,200 | \$810,200 | 0 | 0 | 0 | 56,680 |
| 2026 | 500,000 | 295,200 | \$795,200 | 0 | 0 | 0 | 39,884 |
| 2027 | 500,000 | 280,200 | \$780,200 | 0 | 0 | 0 | 39,880 |
| 2028 | 550,000 | 260,200 | \$810,200 | 0 | 0 | 0 | 0 |
| 2029-2033 | 3,050,000 | 957,000 | \$4,007,000 | 0 | 0 | 0 | 0 |
| 2034-2037 | 2,905,000 | 296,200 | \$3,201,200 | 0 | 0 | 0 | 0 |
| Total | \$8,480,000 | \$2,723,450 | \$11,203,450 | \$118,821 | \$1,782 | \$120,603 | \$209,920 |

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

| Year ending December 31, | Business-Type Activities | | | |
|-----------------------------|--------------------------|-------------|--------------|-----------|
| | General Obligation Bonds | | | OPWC Loan |
| | Principal | Interest | Total | Principal |
| 2024 | \$245,000 | \$395,320 | \$640,320 | \$40,698 |
| 2025 | 245,000 | 389,320 | 634,320 | 30,500 |
| 2026 | 250,000 | 371,820 | 621,820 | 0 |
| 2027 | 280,000 | 354,320 | 634,320 | 0 |
| 2028 | 285,000 | 335,570 | 620,570 | 0 |
| 2029-2033 | 1,625,000 | 1,387,900 | 3,012,900 | 0 |
| 2034-2038 | 2,020,000 | 809,650 | 2,829,650 | 0 |
| 2039-2043 | 2,260,000 | 1,708,680 | 3,968,680 | 0 |
| Total | \$7,210,000 | \$5,752,580 | \$12,962,580 | \$71,198 |

Note 10 – Short Term Obligations

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

| | Balance 12/31/2022 | Increase | Decreases | Balance 12/31/2023 |
|-------------------------------|-----------------------|-------------|---------------|-----------------------|
| Capital projects fund: | | | | |
| Capital improvement, 6.75% | \$0 | \$1,399,000 | \$0 | \$1,399,000 |
| Capital improvement, 4.50% | 1,399,000 | 0 | (1,399,000) | 0 |
| Debt service fund: | | | | |
| Various purpose, 5.13% | 0 | 1,241,000 | 0 | 1,241,000 |
| Various purpose, 3.7500% | 1,429,000 | 0 | (1,429,000) | 0 |
| Total governmental activities | \$2,828,000 | \$2,640,000 | (\$2,828,000) | \$2,640,000 |

In July of 2023, 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 2024.

In August of 2023, the City paid off \$1,429,000 in bond anticipation notes and issued \$1,241,000 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 benefits and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

basis - as part of the total compensation package offered by an employer for employee services each financial period.

The net pension/OPEB liability represents 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 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 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 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 pension disclosures. See Note 12 for the OPEB disclosures.

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 is a cost-sharing, multiple employer public employee retirement system which 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. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this 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.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

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 <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members 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):

| <u>Group A</u> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013 | <u>Group B</u> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013 | <u>Group C</u> 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 amount of a member's pension benefit vests upon

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible 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 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 and will continue to be administered by OPERS), 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.

Funding Policy

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

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City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

| | <u>State and Local</u> | <u>Public Safety</u> | <u>Law Enforcement</u> |
|--|----------------------------|--------------------------|----------------------------|
| 2023 Statutory Maximum Contribution Rates | | | |
| Employer | 14.0 % | 18.1 % | 18.1 % |
| Employee * | 10.0 % | ** | *** |
| 2023 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; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

For 2023, the City's contractually required contribution was \$1,058,630, of this amount \$91,245 is reported in accrued wages and benefits.

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 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.

City of Vandalia, Ohio
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For The Year Ended December 31, 2023

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, statutory survivors and annuity beneficiaries. 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 percent 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:

| | <u>Police</u> | <u>Firefighters</u> |
|--|----------------|---------------------|
| 2023 Statutory Maximum Contribution Rates | | |
| Employer | 19.50 % | 24.00 % |
| Employee | 12.25 % | 12.25 % |
| 2023 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> |

City of Vandalia, Ohio
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For The Year Ended December 31, 2023

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$980,420 for 2023, of this amount \$126,288 is reported as accrued wages and benefits.

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, 2022, 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, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. 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:

| | OPERS Traditional Plan | OPF | Total |
|--|---------------------------|---------------------|--------------|
| Proportionate Share of the: | | | |
| Net Pension Liability | \$13,356,235 | \$14,617,564 | \$27,973,800 |
| Proportion of the Net Pension Liability: | | | |
| Current Measurement Date | 0.04521400% | 0.15388480% | |
| Prior Measurement Date | 0.04713700% | 0.15588010% | |
| Change in Proportionate Share | <u>-0.00192300%</u> | <u>-0.00199530%</u> | |
| Pension Expense | \$1,727,966 | \$1,940,437 | \$3,668,403 |

At December 31 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | OPERS Traditional Plan | OPF | Total |
|--|---------------------------|--------------------|---------------------|
| <u>Deferred Outflows of Resources</u> | | | |
| Differences between expected and actual experience | \$443,638 | \$219,257 | \$662,895 |
| Changes in assumptions | 141,099 | 1,318,454 | 1,459,553 |
| Net difference between projected and actual earnings on pension plan investments | 3,806,947 | 2,128,138 | 5,935,084 |
| Changes in employer proportionate share of net pension liability | 41,279 | 544,423 | 585,702 |
| Contributions subsequent to the measurement date | 1,058,630 | 980,420 | 2,039,050 |
| Total Deferred Outflows of Resources | <u>\$5,491,593</u> | <u>\$5,190,692</u> | <u>\$10,682,285</u> |
| <u>Deferred Inflows of Resources</u> | | | |
| Differences between expected and actual experience | \$0 | \$333,031 | \$333,031 |
| Changes in assumptions | 0 | 285,038 | 285,038 |
| Changes in employer proportionate share of net pension liability | 203,051 | 119,975 | 323,026 |
| Total Deferred Inflows of Resources | <u>\$203,051</u> | <u>\$738,044</u> | <u>\$941,095</u> |

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

\$2,039,050 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, 2024. 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 December 31: | OPERS | | |
|-----------------------------|--------------------|--------------------|--------------------|
| | Traditional Plan | OPF | Total |
| 2024 | \$420,662 | \$513,864 | \$934,525 |
| 2025 | 823,772 | 882,502 | 1,706,274 |
| 2026 | 1,120,570 | 895,985 | 2,016,555 |
| 2027 | 1,864,908 | 1,229,712 | 3,094,620 |
| 2028 | 0 | (49,834) | (49,834) |
| Total | <u>\$4,229,912</u> | <u>\$3,472,228</u> | <u>\$7,702,140</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, 2022, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

| | OPERS Traditional Plan |
|---|--|
| Wage Inflation | 2.75 percent |
| Future Salary Increases, including inflation | 2.75 to 10.75 percent including wage inflation |
| COLA or Ad Hoc COLA: | |
| Pre-January 7, 2013 Retirees | 3.0 percent, simple |
| Post-January 7, 2013 Retirees | 3.0 percent, simple through 2023, then 2.05 percent, simple |
| Investment Rate of Return | 6.9 percent |
| Actuarial Cost Method | Individual Entry Age |

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
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The most recent experience study was completed for the five year period ended December 31, 2020.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 12.1 percent for 2022.

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 geometric rates of return were provided by the Board’s investment consultant. For each major class that is included in the Defined Benefit portfolio’s target asset allocation as of December 31, 2022, these best estimates are summarized below:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Geometric) |
|------------------------|-------------------|---|
| Fixed Income | 22.00% | 2.62% |
| Domestic Equities | 22.00 | 4.60 |
| Real Estate | 13.00 | 3.27 |
| Private Equity | 15.00 | 7.53 |
| International Equities | 21.00 | 5.51 |
| Risk Parity | 2.00 | 4.37 |
| Other investments | 5.00 | 3.27 |
| Total | 100.00% | |

Discount Rate

The discount rate used to measure the total pension liability for the current year was 6.9 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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
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The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 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 (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

| | 1% Decrease (5.90%) | Current Discount Rate (6.90%) | 1% Increase (7.90%) |
|--|------------------------|-------------------------------------|------------------------|
| Proportionate share of the net pension liability | \$20,007,195 | \$13,356,235 | \$7,823,831 |

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, 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, 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, 2022, are presented below.

| | |
|----------------------------|--|
| Valuation Date | January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022 |
| Actuarial Cost Method | Entry Age Normal |
| Investment Rate of Return | 7.5 percent |
| Projected Salary Increases | 3.75 percent to 10.5 percent |
| Payroll Growth | 3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent |
| Cost of Living Adjustments | 2.2 percent simple per year |

For 2022, mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
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For 2022, Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

For 2021, 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 |

For 2021, 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, 2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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, 2022, are summarized below:

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City of Vandalia, Ohio
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| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|---------------------------------|-------------------|--|
| Domestic Equity | 18.60 % | 4.80 % |
| Non-US Equity | 12.40 | 5.50 |
| Private Markets | 10.00 | 7.90 |
| Core Fixed Income * | 25.00 | 2.50 |
| High Yield Fixed Income | 7.00 | 4.40 |
| Private Credit | 5.00 | 5.90 |
| U.S. Inflation Linked Bonds* | 15.00 | 2.00 |
| Midstream Energy Infrastructure | 5.00 | 5.90 |
| Real Assets | 8.00 | 5.90 |
| Gold | 5.00 | 3.60 |
| Private Real Estate | 12.00 | 5.30 |
| Commodities | 2.00 | 3.60 |
| 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

For 2022, the total pension liability was calculated using the discount rate of 7.50 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 7.50 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 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

| | 1% Decrease (6.50%) | Current Discount Rate (7.50%) | 1% Increase (8.50%) |
|--|------------------------|-------------------------------------|------------------------|
| Proportionate share of the net pension liability | \$19,283,388 | \$14,617,564 | \$10,738,865 |

Note 12 – Postemployment Benefits

Net OPEB Liability

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

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. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees, and are no longer participating in OPERS provided self-insured group plans.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Medicare Retirees - Medicare-eligible with a minimum of 20 years of qualifying service credit

Non-Medicare Retirees - Non-Medicare retirees qualify based on the following age-and-service criteria:

Group A - 30 years of qualifying service credit at any age;

Group B - 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C - 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

City of Vandalia, Ohio
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Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

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.

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

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

Funding Policy

The Ohio Revised Code provides the statutory authority 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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, 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 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a two percent allocation to health care for the 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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2023.

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.

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.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. 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.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2023, 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 \$24,009 for 2023.

Net OPEB Liability

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, 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, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

| | OPERS Traditional Plan | OPF | Total |
|---------------------------------------|---------------------------|---------------------|-------------|
| Proportionate Share of the: | | | |
| Net OPEB Liability | \$276,275 | \$1,095,615 | \$1,371,890 |
| Proportion of the Net OPEB Liability: | | | |
| Current Measurement Date | 0.04381700% | 0.15388480% | |
| Prior Measurement Date | <u>0.04564500%</u> | <u>0.15588010%</u> | |
| Change in Proportionate Share | <u>-0.00182800%</u> | <u>-0.00199530%</u> | |
| OPEB Expense | (\$601,831) | \$95,383 | (\$506,448) |

At December 31 2023, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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City of Vandalia, Ohio
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For The Year Ended December 31, 2023

| | OPERS | | |
|--|------------------|--------------------|--------------------|
| | Traditional Plan | OPF | Total |
| <u>Deferred Outflows of Resources</u> | | | |
| Differences between expected and actual experience | \$0 | \$65,380 | \$65,380 |
| Changes in assumptions | 269,844 | 545,994 | 815,838 |
| Net difference between projected and actual earnings on pension plan investments | 548,691 | 93,971 | 642,662 |
| Changes in employer proportionate share of net OPEB liability | 6,889 | 103,189 | 110,078 |
| Contributions subsequent to the measurement date | 0 | 24,009 | 24,009 |
| Total Deferred Outflows of Resources | <u>\$825,424</u> | <u>\$832,543</u> | <u>\$1,657,967</u> |
| <u>Deferred Inflows of Resources</u> | | | |
| Differences between expected and actual experience | \$68,914 | \$216,033 | \$284,947 |
| Changes in assumptions | 22,204 | 896,124 | 918,328 |
| Changes in employer proportionate share of net OPEB liability | 1,172 | 47,570 | 48,741 |
| Total Deferred Inflows of Resources | <u>\$92,289</u> | <u>\$1,159,727</u> | <u>\$1,252,016</u> |

\$24,009 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 in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ending | OPERS | | |
|--------------|------------------|--------------------|------------------|
| December 31: | Traditional Plan | OPF | Total |
| 2024 | \$96,752 | (\$9,622) | \$87,129 |
| 2025 | 200,221 | 1,503 | 201,724 |
| 2026 | 171,100 | (30,242) | 140,857 |
| 2027 | 265,063 | (11,901) | 253,162 |
| 2028 | 0 | (82,116) | (82,116) |
| Thereafter | 0 | (218,815) | (218,815) |
| Total | <u>\$733,135</u> | <u>(\$351,193)</u> | <u>\$381,942</u> |

Actuarial Assumptions – OPERS

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

Projections of 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 liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

City of Vandalia, Ohio
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| | |
|---------------------------------|--------------------------------|
| Wage Inflation | 2.75 percent |
| Projected Salary Increases, | 2.75 to 10.75 percent |
| | including wage inflation |
| Single Discount Rate | 5.22 percent |
| Prior Year Single Discount Rate | 6.00 percent |
| Investment Rate of Return | 6.00 percent |
| Municipal Bond Rate | 4.05 percent |
| Prior Year Municipal Bond Rate | 1.84 percent |
| Health Care Cost Trend Rate | 5.5 percent, initial |
| | 3.50 percent, ultimate in 2036 |
| Actuarial Cost Method | Individual Entry Age |

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five year period ended December 31, 2020.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 15.6 percent for 2022.

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 rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

City of Vandalia, Ohio
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| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Geometric) |
|------------------------------|-------------------|---|
| Fixed Income | 34.00% | 2.56% |
| Domestic Equities | 26.00 | 4.60 |
| Real Estate Investment Trust | 7.00 | 4.70 |
| International Equities | 25.00 | 5.51 |
| Risk Parity | 2.00 | 4.37 |
| Other investments | 6.00 | 1.84 |
| Total | 100.00% | |

Discount Rate

A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6 percent. 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 4.05 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 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, 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

The following table presents the City’s proportionate share of the net OPEB liability calculated using the single discount rate of 5.22 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 (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

| | 1% Decrease (4.22%) | Current Discount Rate (5.22%) | 1% Increase (6.22%) |
|---|------------------------|-------------------------------------|------------------------|
| Proportionate share of the net OPEB Liability | \$940,313 | \$276,275 | (\$271,665) |

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

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net liability or 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

City of Vandalia, Ohio
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starting in 2023 is 5.50 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.

| | Current Health Care Cost Trend Rate | | |
|---|--|-------------------|--------------------|
| | <u>1% Decrease</u> | <u>Assumption</u> | <u>1% Increase</u> |
| Proportionate share of the net OPEB liability | \$258,958 | \$276,275 | \$295,765 |

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, 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 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, 2022, with actuarial liabilities rolled forward to December 31, 2022 |
| Actuarial Cost Method | Entry Age Normal |
| Investment Rate of Return | 7.5 percent |
| Projected Salary Increases | 3.75 percent to 10.5 percent |
| Payroll Growth | 3.25 percent |
| Blended discount rate: | |
| Current measurement date | 4.27 percent |
| Prior measurement date | 2.84 percent |
| Cost of Living Adjustments | 2.2 percent simple per year |
| Projected Depletion Year of OPEB Assets | 2036 |

City of Vandalia, Ohio
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For 2022, mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

For 2021, 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 |

For 2021, 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, 2021.

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 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.

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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, 2022, are summarized below:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|---------------------------------|-------------------|--|
| Domestic Equity | 18.60 % | 4.80 % |
| Non-US Equity | 12.40 | 5.50 |
| Private Markets | 10.00 | 7.90 |
| Core Fixed Income * | 25.00 | 2.50 |
| High Yield Fixed Income | 7.00 | 4.40 |
| Private Credit | 5.00 | 5.90 |
| U.S. Inflation Linked Bonds* | 15.00 | 2.00 |
| Midstream Energy Infrastructure | 5.00 | 5.90 |
| Real Assets | 8.00 | 5.90 |
| Gold | 5.00 | 3.60 |
| Private Real Estate | 12.00 | 5.30 |
| Commodities | 2.00 | 3.60 |
| 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 2022, the total OPEB liability was calculated using the discount rate of 4.27 percent. For 2021, the total OPEB liability was calculated using the discount rate of 2.84 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 7.5 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, for 2022, the long-term assumed rate of return on investments of 7.50 percent was applied to periods before December 31, 2035, and the Municipal Bond Index Rate of 3.65 percent was applied to periods on and after December 31, 2035, resulting in a discount rate of 4.27 percent. For 2021, a municipal bond rate of 2.05 percent at December 31, 2021, was blended with the long-term rate of 7.5 which resulted in a blended discount rate of 2.84. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

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 4.27 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 (3.27 percent), or one percentage point higher (5.27 percent) than the current rate.

| | 1% Decrease (3.27%) | Current Discount Rate (4.27%) | 1% Increase (5.27%) |
|---|------------------------|-------------------------------------|------------------------|
| Proportionate share of the net OPEB liability | \$1,349,147 | \$1,095,615 | \$881,569 |

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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 \$7,336,213 which represents 23.07% 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 \$984,040 for services provided in 2023. Tri-Cities had three OWDA Loans outstanding at December 31, 2023, in the amounts of \$914,301, \$3,465,980 and \$1,275,138 for a total of \$5,655,419. Complete financial statements can be obtained from the Tri-Cities North Regional Wastewater Authority, c/o City of Vandalia, 333 J.E. Bohanan Drive, Vandalia, Ohio 45377.

Northern Area Water Authority

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

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

The Northern Area Water Authority (NAWA) is a joint venture among the cities of Vandalia and Tipp City. NAWA is governed by a management board consisting of the city managers of the two cities. The board has complete authority over all aspects of the operation. NAWA supply the participating residents of the member

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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 \$2,232,180 which represents 50% of the total equity of NAWA as of December 31, 2023.

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, 2023, NAWA has two outstanding loans with OWDA in the amount of \$14,684,983 and \$368,697 for the water treatment plant construction. The City of Vandalia paid \$1,422,128 for services provided in 2023. 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.

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.

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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, 2023, 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, 2023, consisted of the following:

| | Interfund | | Transfers | |
|--|------------------|------------------|--------------------|--------------------|
| | Receivable | Payable | In | Out |
| General Fund | \$462,060 | \$0 | \$0 | \$3,280,642 |
| Facilities Improvement and Maintenance Reserve | 0 | 0 | 865,250 | 0 |
| General Obligation Bond Retirement | 0 | 0 | 303,000 | 0 |
| Golf Fund | 0 | 0 | 150,000 | 0 |
| Other Governmental Funds | 0 | 462,060 | 2,150,392 | 188,000 |
| Total All Funds | <u>\$462,060</u> | <u>\$462,060</u> | <u>\$3,468,642</u> | <u>\$3,468,642</u> |

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

Note 17 – Accountability

At December 31, 2023, the following funds had a deficit fund balance:

| Fund | Deficit fund balance |
|------------------------------------|----------------------|
| General obligation bond retirement | \$2,409,782 |
| FEMA | 225,564 |
| OPWC | 265,916 |

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.

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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, 2023, 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 | \$125,000 |
| Equipment information systems | 53,665 |
| Various purchases on order | 573,859 |
| Total General | 752,524 |
| Fire Equipment: | |
| Vehicle purchase | 231,353 |
| Total Police, Fire and Street Capital Improvements | 231,353 |
| Other governmental funds: | |
| Vehicle purchase | 0 |
| Various roadway infrastructure | 4,135,303 |
| Total other governmental funds | 4,135,303 |
| | \$5,119,180 |

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

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administered as an incentive payment based upon the company’s payroll taxes. The cap and time period of each incentive varies for each agreement.

Under the real estate tax abatement agreements, the City property taxes were reduced by \$75,231 during 2023.

Note 20 – Lease – Lessor Disclosure

The City collectively (the “lessor”) entered into an agreement to lease water tower space to the MARCS radio system. The lease receivable is measured at the present value of the future minimum lease payments expected to be received during the lease term at various discounted rates.

Details of each lease are presented below:

The lease for the water tower MARCS radio communication was as follows:

| Lease Year | Annual Rent |
|------------|-------------|
| 2024 | \$19,625 |
| 2025 | 19,625 |
| 2026 | 19,625 |
| 2027 | 19,625 |
| 2028 | 19,625 |
| 2029-2033 | 98,125 |
| 2034-2038 | 98,125 |
| 2039-2040 | 39,243 |
| | \$333,618 |

The City recognized \$20,000 in lease revenues from lease activity for 2023.

Note 21 – Implementation of New Accounting Principles and Restatement of Net Position

For fiscal year 2023, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, GASB Statement No. 96, Subscription-Based Information Technology Arrangements.

GASB Statement No. 94 sets out to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the City.

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Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the City.

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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 Ten Fiscal Years

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|--------------|-------------|-------------|-------------|--------------|-------------|--------------|-------------|-------------|-------------|
| City's Proportion of the Net Pension Liability | 0.04521400% | 0.04713700% | 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 | \$13,356,235 | \$4,101,110 | \$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 | \$7,011,686 | \$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 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 190.49% | 59.98% | 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 | 75.74% | 92.62% | 86.88% | 82.17% | 74.70% | 84.66% | 77.25% | 81.08% | 86.45% | 86.36% |

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 Ten Fiscal Years

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|--------------|-------------|--------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|
| City's Proportion of the Net Pension Liability | 0.15388480% | 0.15588010% | 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 | \$14,617,564 | \$9,738,487 | \$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 | \$3,942,424 | \$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 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 370.78% | 224.70% | 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 | 62.90% | 75.03% | 70.65% | 69.89% | 63.07% | 70.91% | 68.36% | 66.77% | 71.71% | 73.00% |

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 Ten Fiscal Years

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Contractually Required Contribution | \$1,058,630 | \$981,636 | \$957,319 | \$906,516 | \$980,651 | \$963,279 | \$917,309 | \$892,132 | \$816,219 | \$844,134 |
| Contributions in Relation to the Contractually Required Contribution | (1,058,630) | (981,636) | (957,319) | (906,516) | (980,651) | (963,279) | (917,309) | (892,132) | (816,219) | (844,134) |
| Contribution Deficiency (Excess) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| City's Covered Payroll | \$7,561,643 | \$7,011,686 | \$6,837,993 | \$6,475,114 | \$7,004,650 | \$6,880,564 | \$7,056,223 | \$7,434,433 | \$6,801,825 | \$7,034,450 |
| Contributions as a Percentage of Covered Payroll | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 13.00% | 12.00% | 12.00% | 12.00% |

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 Ten Fiscal Years

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Contractually Required Contribution | \$980,420 | \$795,442 | \$919,243 | \$768,369 | \$737,193 | \$685,383 | \$638,523 | \$689,000 | \$609,315 | \$597,534 |
| Contributions in Relation to the Contractually Required Contribution | (980,420) | (795,442) | (919,243) | (768,369) | (737,193) | (685,383) | (638,523) | (689,000) | (609,315) | (597,534) |
| Contribution Deficiency (Excess) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| City's Covered Payroll | \$4,801,729 | \$3,942,424 | \$4,334,008 | \$3,626,092 | \$3,628,328 | \$3,448,072 | \$3,229,381 | \$3,476,364 | \$3,089,263 | \$3,017,685 |
| Contributions as a Percentage of Covered Payroll | 20.42% | 20.18% | 21.21% | 21.19% | 21.13% | 19.00% | 19.00% | 19.00% | 20.09% | 20.36% |

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 Seven Fiscal Years (1)

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|-------------|---------------|-------------|-------------|-------------|-------------|-------------|
| City's Proportion of the Net OPEB Liability (Asset) | 0.04381700% | 0.04564500% | 0.04445500% | 0.04805000% | 0.04861200% | 0.05118600% | 0.05160900% |
| City's Proportionate Share of the Net OPEB Liability (Asset) | \$276,275 | (\$1,429,671) | (\$792,001) | \$6,636,263 | \$6,337,857 | \$5,558,423 | \$5,212,684 |
| City's Covered Payroll | \$7,011,686 | \$6,837,993 | \$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 | 3.94% | -20.91% | -12.23% | 94.74% | 92.11% | 76.41% | 68.01% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset) | 94.79% | 128.23% | 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 Seven Fiscal Years (1)

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| City's Proportion of the Net OPEB Liability | 0.15388480% | 0.15588010% | 0.14930340% | 0.14458900% | 0.13899300% | 0.13761000% | 0.14041800% |
| City's Proportionate Share of the Net OPEB Liability | \$1,095,615 | \$1,708,580 | \$1,581,894 | \$1,428,214 | \$1,265,745 | \$7,796,796 | \$6,665,319 |
| City's Covered Payroll | \$3,942,424 | \$4,334,008 | \$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 | 27.79% | 39.42% | 43.63% | 39.36% | 36.71% | 241.43% | 191.73% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 52.60% | 46.90% | 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 Eight Fiscal Years (1)

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Contractually Required Contribution to OPEB | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$72,745 | \$153,287 |
| Contributions to OPEB in Relation to the Contractually Required Contribution | 0 | 0 | 0 | 0 | 0 | 0 | (72,745) | (153,287) |
| Contribution Deficiency (Excess) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| City's Covered Payroll | \$7,561,643 | \$7,011,686 | \$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% | 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 Eight Fiscal Years (1)

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Contractually Required Contribution to OPEB | \$24,009 | \$19,712 | \$22,823 | \$19,074 | \$16,237 | \$17,240 | \$16,147 | \$17,382 |
| Contributions to OPEB in Relation to the Contractually Required Contribution | (24,009) | (19,712) | (22,823) | (19,074) | (16,237) | (17,240) | (16,147) | (17,382) |
| Contribution Deficiency (Excess) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| City's Covered Payroll | \$4,801,729 | \$3,942,424 | \$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 | 0.50% | 0.50% | 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, 2023

| | General Fund | | | |
|---|---------------------|---------------------|---------------------|----------------------------|
| | Original Budget | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | | |
| Property Taxes | \$1,366,993 | \$1,369,186 | \$1,518,963 | \$149,777 |
| Income Taxes | 18,852,247 | 18,882,487 | 20,948,066 | 2,065,579 |
| Charges for Services | 2,889,448 | 2,894,083 | 3,210,670 | 316,587 |
| Investment Earnings | 1,027,036 | 1,028,683 | 1,141,212 | 112,529 |
| Intergovernmental | 994,257 | 995,852 | 1,104,789 | 108,937 |
| Special Assessments | 24,904 | 24,944 | 27,673 | 2,729 |
| Fines, Licenses & Permits | 1,180,280 | 1,182,174 | 1,311,493 | 129,319 |
| Other Revenues | 282,796 | 283,250 | 314,235 | 30,985 |
| Total Revenues | 26,617,961 | 26,660,659 | 29,577,101 | 2,916,442 |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | 5,971,409 | 6,329,538 | 5,526,065 | 803,473 |
| Public Safety | 10,019,743 | 10,620,667 | 9,272,477 | 1,348,190 |
| Recreation | 4,203,982 | 4,456,112 | 3,890,452 | 565,660 |
| Public Works | 189,782 | 201,164 | 175,628 | 25,536 |
| Public Health and Welfare | 2,418,412 | 2,563,453 | 2,238,048 | 325,405 |
| Total Expenditures | 22,803,328 | 24,170,934 | 21,102,670 | 3,068,264 |
| Excess of Revenues Over (Under) Expenditures | 3,814,633 | 2,489,725 | 8,474,431 | 5,984,706 |
| Other Financing Sources (Uses): | | | | |
| Advances In | 89,995 | 90,140 | 100,000 | 9,860 |
| Transfers (Out) | (6,560,348) | (6,953,798) | (6,071,081) | 882,717 |
| Total Other Financing Sources (Uses) | (6,470,353) | (6,863,658) | (5,971,081) | 892,577 |
| Net Change in Fund Balance | (2,655,720) | (4,373,933) | 2,503,350 | 6,877,283 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 21,092,033 | 21,092,033 | 21,092,033 | 0 |
| Fund Balance End of Year | \$18,436,313 | \$16,718,100 | \$23,595,383 | \$6,877,283 |

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, 2023

Note 1 – Budgetary Process

All funds, except the 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, 2023

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 | \$2,802,881 |
| Revenue Accruals | 2,097,182 |
| Expenditure Accruals | 1,099,957 |
| Transfers In | (325,000) |
| Transfers (Out) | (2,790,439) |
| Advances In | 100,000 |
| Encumbrances | (752,524) |
| Funds Budgeted Elsewhere | 271,293 |
| Budget Basis | <u>\$2,503,350</u> |

Note 2 – Net Pension Liability

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM CHANGES IN BENEFIT TERMS AND ASSUMPTIONS

Changes in assumptions:

2023: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this period.

2022: 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 7.20% to 6.90%
- Decrease in wage inflation from 3.25% to 2.75%
- Change in future salary increases from a range of 3.25%-10.75% to 2.75%-10.75%

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%

City of Vandalia, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2023

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

Changes in benefit terms:

2023-2014: There were no changes in benefit terms for this period.

OHIO POLICE AND FIRE PENSION FUND CHANGES IN BENEFIT TERMS AND ASSUMPTIONS

Changes in assumptions:

2023: Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale. Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

2022: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date.

- Reduction in actuarial assumed investment rate of return from 8.00% to 7.50%

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:

2023-2014: 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:

2023: 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 6.00% to 5.22%.
- The municipal bond rate increased from 1.84% to 4.05%.

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond rate decreased from 2.00% to 1.84%.
- The initial health care cost trend rate decreased from 8.50% to 5.50%.
- Decrease in wage inflation from 3.25% to 2.75%.
- Change in future salary increases from a range of 3.25%-10.75% to 2.75%-10.75%.

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% to 6.00%.
- The municipal bond rate decreased from 2.75% to 2.00%.
- The initial health care cost trend rate decreased from 10.50% to 8.50%.

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% to 3.16%.
- The municipal bond rate decreased from 3.71% to 2.75%.
- The initial health care cost trend rate increased from 10.00% to 10.50%.

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% to 3.96%.
- The investment rate of return decreased from 6.50% to 6.00%.
- The municipal bond rate increased from 3.31% to 3.71%.
- The initial health care cost trend rate increased from 7.50% to 10.00%.

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

Changes in Benefit Terms:

2023: There were no changes in benefit terms for the period.

2022: Effective January 1, 2022, OPERS discontinued 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.

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

City of Vandalia, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2023

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:

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 2.84% to 4.27%
- The depletion year of OPEB assets is projected in year 2036
- Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale. Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- The single discount rate changed from 2.96% to 2.84%

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.

City of Vandalia, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2023

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:

2023-2020: 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.

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
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2023

| | General Obligation Bond Retirement Fund | | |
|---|--|-------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Other Revenues | \$33,458 | \$31,518 | (\$1,940) |
| Total Revenues | 33,458 | 31,518 | (1,940) |
| Expenditures: | | | |
| Debt Service: | | | |
| Principal Retirement | 3,101,776 | 2,930,000 | 171,776 |
| Interest and Fiscal Charges | 318,008 | 300,397 | 17,611 |
| Total Expenditures | 3,419,784 | 3,230,397 | 189,387 |
| Excess of Revenues Over (Under) Expenditures | (3,386,326) | (3,198,879) | 187,447 |
| Other Financing Sources (Uses): | | | |
| Issuance of Debt | 2,802,465 | 2,640,000 | (162,465) |
| Transfers In | 122,077 | 115,000 | (7,077) |
| Total Other Financing Sources (Uses) | 2,924,542 | 2,755,000 | (169,542) |
| Net Change in Fund Balance | (461,784) | (443,879) | 17,905 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 736,439 | 736,439 | 0 |
| Fund Balance End of Year | \$274,655 | \$292,560 | \$17,905 |

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, 2023

| | 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 | 4,430,003 | 4,225,086 | 204,917 |
| Debt Service: | | | |
| Principal Retirement | 545,220 | 520,000 | 25,220 |
| Interest and Fiscal Charges | 361,995 | 345,250 | 16,745 |
| Total Expenditures | 5,337,218 | 5,090,336 | 246,882 |
| Excess of Revenues Over (Under) Expenditures | (5,337,218) | (5,090,336) | 246,882 |
| Other Financing Sources (Uses): | | | |
| Transfers In | 865,250 | 865,250 | 0 |
| Total Other Financing Sources (Uses) | 865,250 | 865,250 | 0 |
| Net Change in Fund Balance | (4,471,968) | (4,225,086) | 246,882 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 7,318,208 | 7,318,208 | 0 |
| Fund Balance End of Year | <u>\$2,846,240</u> | <u>\$3,093,122</u> | <u>\$246,882</u> |

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, 2023

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|---|--|--|
| Assets: | | | |
| Equity in Pooled Cash and Investments | \$7,602,418 | \$2,794,301 | \$10,396,719 |
| Receivables (Net): | | | |
| Accounts | 69,895 | 0 | 69,895 |
| Intergovernmental | 1,158,234 | 0 | 1,158,234 |
| Revenue in Lieu of Taxes | 0 | 51,331 | 51,331 |
| Land Held for Resale | 0 | 1,497,046 | 1,497,046 |
| Inventory | 128,726 | 0 | 128,726 |
| Total Assets | 8,959,273 | 4,342,678 | 13,301,951 |
| Liabilities: | | | |
| Accounts Payable | 121,872 | 422,169 | 544,041 |
| Accrued Wages and Benefits | 22,152 | 17,484 | 39,636 |
| Interfund Payable | 225,567 | 236,493 | 462,060 |
| Unearned Revenue | 297,467 | 0 | 297,467 |
| Total Liabilities | 667,058 | 676,146 | 1,343,204 |
| Deferred Inflows of Resources: | | | |
| Grants and Other Taxes | 1,047,167 | 0 | 1,047,167 |
| Unearned Revenue - Other | 69,895 | 0 | 69,895 |
| Revenue In Lieu of Taxes | 0 | 51,331 | 51,331 |
| Total Deferred Inflows of Resources | 1,117,062 | 51,331 | 1,168,393 |
| Fund Balances: | | | |
| Nonspendable | 128,726 | 0 | 128,726 |
| Restricted | 7,058,894 | 3,881,117 | 10,940,011 |
| Committed | 213,097 | 0 | 213,097 |
| Unassigned | (225,564) | (265,916) | (491,480) |
| Total Fund Balances | 7,175,153 | 3,615,201 | 10,790,354 |
| Total Liabilities, Deferred Inflows and Fund Balances | \$8,959,273 | \$4,342,678 | \$13,301,951 |

City of Vandalia, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2023

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|---|--|--|
| Revenues: | | | |
| Income Taxes | \$0 | \$2,465,439 | \$2,465,439 |
| Charges for Services | 365,915 | 0 | 365,915 |
| Investment Earnings | 61,960 | 0 | 61,960 |
| Intergovernmental | 2,374,285 | 262,013 | 2,636,298 |
| Fines, Fees, Licenses & Permits | 739,454 | 0 | 739,454 |
| Revenue in Lieu of Taxes | 0 | 74,149 | 74,149 |
| Other Revenues | 72,915 | 24,152 | 97,067 |
| Total Revenues | 3,614,529 | 2,825,753 | 6,440,282 |
| Expenditures: | | | |
| Current: | | | |
| General Government | 179,875 | 22,820 | 202,695 |
| Public Safety | 9,753 | 457,653 | 467,406 |
| Public Works | 1,066,399 | 0 | 1,066,399 |
| Capital Outlay | 2,510,230 | 3,928,970 | 6,439,200 |
| Debt Service: | | | |
| Principal | 8,976 | 666,958 | 675,934 |
| Interest and Other Charges | 0 | 97,516 | 97,516 |
| Total Expenditures | 3,775,233 | 5,173,917 | 8,949,150 |
| Excess of Revenues Over (Under) Expenditures | (160,704) | (2,348,164) | (2,508,868) |
| Other Financing Sources (Uses): | | | |
| Proceeds from Sale of Capital Assets | 20,750 | 87,580 | 108,330 |
| Transfers In | 241,532 | 1,908,860 | 2,150,392 |
| Transfers (Out) | 0 | (188,000) | (188,000) |
| Total Other Financing Sources (Uses) | 262,282 | 1,808,440 | 2,070,722 |
| Net Change in Fund Balance | 101,578 | (539,724) | (438,146) |
| Fund Balance - Beginning of Year | 7,073,575 | 4,154,925 | 11,228,500 |
| Fund Balance - End of Year | \$7,175,153 | \$3,615,201 | \$10,790,354 |

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.

FEMA - To account for monies received through the Federal Emergency Management Agency (FEMA) grant. Pursuant to the Ohio Revised Code Section 5705.12 and the State Auditor's office, the City must create a separate fund to account for the spending of federal money.

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.

OneOhio Opioid Settlement - A fund used to account for monies the city received from the State's share of the opioid settlement money.

Job Creation and Revitalization - A fund used to provide grant monies to Cities related to job creation and revitalization within the city borders.

Infrastructure – A fund used to account for infrastructure projects throughout the city.



City of Vandalia, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023

| | Street | State Highway | Permissive Motor Vehicle Tax | Law Enforcement | Drug Law Enforcement |
|--|--------------------|------------------|------------------------------------|--------------------|-------------------------|
| Assets: | | | | | |
| Equity in Pooled Cash and Investments | \$1,629,000 | \$319,647 | \$158,916 | \$54,303 | \$4,019 |
| Receivables (Net): | | | | | |
| Accounts | 0 | 0 | 0 | 0 | 0 |
| Intergovernmental | 1,051,118 | 85,240 | 21,876 | 0 | 0 |
| Inventory | 128,726 | 0 | 0 | 0 | 0 |
| Total Assets | 2,808,844 | 404,887 | 180,792 | 54,303 | 4,019 |
| Liabilities: | | | | | |
| Accounts Payable | 89,329 | 4,351 | 1,271 | 0 | 0 |
| Accrued Wages and Benefits | 11,999 | 0 | 0 | 0 | 0 |
| Interfund Payable | 0 | 0 | 0 | 0 | 0 |
| Unearned Revenue | 0 | 0 | 0 | 0 | 0 |
| Total Liabilities | 101,328 | 4,351 | 1,271 | 0 | 0 |
| Deferred Inflows of Resources: | | | | | |
| Grants and Other Taxes | 951,190 | 77,148 | 18,829 | 0 | 0 |
| Unearned Revenue - Other | 0 | 0 | 0 | 0 | 0 |
| Total Deferred Inflows of Resources | 951,190 | 77,148 | 18,829 | 0 | 0 |
| Fund Balances: | | | | | |
| Nonspendable | 128,726 | 0 | 0 | 0 | 0 |
| Restricted | 1,627,600 | 323,388 | 160,692 | 54,303 | 4,019 |
| Committed | 0 | 0 | 0 | 0 | 0 |
| Unassigned | 0 | 0 | 0 | 0 | 0 |
| Total Fund Balances | 1,756,326 | 323,388 | 160,692 | 54,303 | 4,019 |
| Total Liabilities, Deferred Inflows and Fund Balances | \$2,808,844 | \$404,887 | \$180,792 | \$54,303 | \$4,019 |

| OMVI Education & Enforcement | OMVI Indigent | Computer Legal Research | Indigent Drivers IAM | Police Continuous Professional Training | FEMA | Stormwater | Magistrate |
|------------------------------------|------------------|-------------------------------|-------------------------|---|------------------|------------------|-----------------|
| \$18,727 | \$309,934 | \$143,469 | \$184,655 | \$24,587 | \$3 | \$245,096 | \$14,573 |
| 0 | 0 | 0 | 0 | 0 | 0 | 69,895 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>18,727</u> | <u>309,934</u> | <u>143,469</u> | <u>184,655</u> | <u>24,587</u> | <u>3</u> | <u>314,991</u> | <u>14,573</u> |
| 0 | 0 | 352 | 0 | 0 | 0 | 26,569 | 0 |
| 0 | 0 | 909 | 0 | 0 | 0 | 5,430 | 3,814 |
| 0 | 0 | 0 | 0 | 0 | 225,567 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 1,261 | 0 | 0 | 225,567 | 31,999 | 3,814 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 69,895 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 69,895 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18,727 | 309,934 | 142,208 | 184,655 | 24,587 | 0 | 0 | 10,759 |
| 0 | 0 | 0 | 0 | 0 | 0 | 213,097 | 0 |
| 0 | 0 | 0 | 0 | 0 | (225,564) | 0 | 0 |
| <u>18,727</u> | <u>309,934</u> | <u>142,208</u> | <u>184,655</u> | <u>24,587</u> | <u>(225,564)</u> | <u>213,097</u> | <u>10,759</u> |
| <u>\$18,727</u> | <u>\$309,934</u> | <u>\$143,469</u> | <u>\$184,655</u> | <u>\$24,587</u> | <u>\$3</u> | <u>\$314,991</u> | <u>\$14,573</u> |

Continued

City of Vandalia, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023

| | American Rescue Plan Act | Crisis Intervention Training | OneOhio Opioid Settlement | Job Creation and Revitalization | Infrastructure | Total Nonmajor Special Revenue Funds |
|--|--------------------------------|------------------------------------|---------------------------------|---------------------------------------|------------------|---|
| Assets: | | | | | | |
| Equity in Pooled Cash and Investments | \$297,467 | \$3,010 | \$30,218 | \$3,251,633 | \$913,161 | \$7,602,418 |
| Receivables (Net): | | | | | | |
| Accounts | 0 | 0 | 0 | 0 | 0 | 69,895 |
| Intergovernmental | 0 | 0 | 0 | 0 | 0 | 1,158,234 |
| Inventory | 0 | 0 | 0 | 0 | 0 | 128,726 |
| Total Assets | 297,467 | 3,010 | 30,218 | 3,251,633 | 913,161 | 8,959,273 |
| Liabilities: | | | | | | |
| Accounts Payable | 0 | 0 | 0 | 0 | 0 | 121,872 |
| Accrued Wages and Benefits | 0 | 0 | 0 | 0 | 0 | 22,152 |
| Interfund Payable | 0 | 0 | 0 | 0 | 0 | 225,567 |
| Unearned Revenue | 297,467 | 0 | 0 | 0 | 0 | 297,467 |
| Total Liabilities | 297,467 | 0 | 0 | 0 | 0 | 667,058 |
| Deferred Inflows of Resources: | | | | | | |
| Grants and Other Taxes | 0 | 0 | 0 | 0 | 0 | 1,047,167 |
| Unearned Revenue - Other | 0 | 0 | 0 | 0 | 0 | 69,895 |
| Total Deferred Inflows of Resources | 0 | 0 | 0 | 0 | 0 | 1,117,062 |
| Fund Balances: | | | | | | |
| Nonspendable | 0 | 0 | 0 | 0 | 0 | 128,726 |
| Restricted | 0 | 3,010 | 30,218 | 3,251,633 | 913,161 | 7,058,894 |
| Committed | 0 | 0 | 0 | 0 | 0 | 213,097 |
| Unassigned | 0 | 0 | 0 | 0 | 0 | (225,564) |
| Total Fund Balances | 0 | 3,010 | 30,218 | 3,251,633 | 913,161 | 7,175,153 |
| Total Liabilities, Deferred Inflows and Fund Balances | \$297,467 | \$3,010 | \$30,218 | \$3,251,633 | \$913,161 | \$8,959,273 |



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, 2023

| | Street | State Highway | Permissive Motor Vehicle Tax | Law Enforcement | Drug Law Enforcement |
|---|--------------------|------------------|------------------------------------|--------------------|-------------------------|
| Revenues: | | | | | |
| Charges for Services | \$0 | \$0 | \$0 | \$0 | \$0 |
| Investment Earnings | 50,595 | 7,449 | 3,916 | 0 | 0 |
| Intergovernmental | 1,628,265 | 132,011 | 42,883 | 0 | 0 |
| Fines, Fees, Licenses & Permits | 0 | 0 | 0 | 2,207 | 315 |
| Other Revenues | 55,501 | 0 | 0 | 0 | 0 |
| Total Revenues | 1,734,361 | 139,460 | 46,799 | 2,207 | 315 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General Government | 0 | 0 | 0 | 0 | 0 |
| Public Safety | 0 | 0 | 0 | 0 | 0 |
| Public Works | 699,719 | 66,708 | 1,288 | 0 | 0 |
| Capital Outlay | 1,338,363 | 0 | 38,274 | 0 | 0 |
| Debt Service: | | | | | |
| Principal | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | 2,038,082 | 66,708 | 39,562 | 0 | 0 |
| Excess of Revenues Over (Under) Expenditures | (303,721) | 72,752 | 7,237 | 2,207 | 315 |
| Other Financing Sources (Uses): | | | | | |
| Proceeds from Sale of Capital Assets | 20,750 | 0 | 0 | 0 | 0 |
| Transfers In | 0 | 0 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | 20,750 | 0 | 0 | 0 | 0 |
| Net Change in Fund Balance | (282,971) | 72,752 | 7,237 | 2,207 | 315 |
| Fund Balance - Beginning of Year | 2,039,297 | 250,636 | 153,455 | 52,096 | 3,704 |
| Fund Balance - End of Year | \$1,756,326 | \$323,388 | \$160,692 | \$54,303 | \$4,019 |

| OMVI Education & Enforcement | OMVI Indigent | Computer Legal Research | Indigent Drivers IAM | Police Continuous Professional Training | FEMA | Stormwater | Magistrate |
|------------------------------------|------------------|-------------------------------|-------------------------|---|--------------------|------------------|-----------------|
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$365,915 | \$0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 40,800 | 0 |
| 367 | 36,404 | 96,457 | 5,589 | 0 | 0 | 0 | 106,740 |
| 0 | 0 | 0 | 0 | 0 | 0 | 17,414 | 0 |
| 367 | 36,404 | 96,457 | 5,589 | 0 | 0 | 424,129 | 106,740 |
| 0 | 0 | 69,603 | 1,756 | 0 | 0 | 0 | 94,753 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 298,684 | 0 |
| 0 | 0 | 6,464 | 0 | 0 | 277,473 | 341,188 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 8,976 | 0 |
| 0 | 0 | 76,067 | 1,756 | 0 | 277,473 | 648,848 | 94,753 |
| 367 | 36,404 | 20,390 | 3,833 | 0 | (277,473) | (224,719) | 11,987 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 367 | 36,404 | 20,390 | 3,833 | 0 | (277,473) | (224,719) | 11,987 |
| 18,360 | 273,530 | 121,818 | 180,822 | 24,587 | 51,909 | 437,816 | (1,228) |
| <u>\$18,727</u> | <u>\$309,934</u> | <u>\$142,208</u> | <u>\$184,655</u> | <u>\$24,587</u> | <u>(\$225,564)</u> | <u>\$213,097</u> | <u>\$10,759</u> |

Continued

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, 2023

| | American Rescue Plan Act | Crisis Intervention Training | OneOhio Opioid Settlement | Job Creation and Revitalization | Infrastructure | Total Nonmajor Special Revenue Funds |
|---|--------------------------------|------------------------------------|---------------------------------|---------------------------------------|------------------|---|
| Revenues: | | | | | | |
| Charges for Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$365,915 |
| Investment Earnings | 0 | 0 | 0 | 0 | 0 | 61,960 |
| Intergovernmental | 508,468 | 0 | 21,858 | 0 | 0 | 2,374,285 |
| Fines, Fees, Licenses & Permits | 0 | 0 | 0 | 312,418 | 178,957 | 739,454 |
| Other Revenues | 0 | 0 | 0 | 0 | 0 | 72,915 |
| Total Revenues | 508,468 | 0 | 21,858 | 312,418 | 178,957 | 3,614,529 |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General Government | 0 | 0 | 0 | 13,763 | 0 | 179,875 |
| Public Safety | 0 | 9,753 | 0 | 0 | 0 | 9,753 |
| Public Works | 0 | 0 | 0 | 0 | 0 | 1,066,399 |
| Capital Outlay | 508,468 | 0 | 0 | 0 | 0 | 2,510,230 |
| Debt Service: | | | | | | |
| Principal | 0 | 0 | 0 | 0 | 0 | 8,976 |
| Total Expenditures | 508,468 | 9,753 | 0 | 13,763 | 0 | 3,775,233 |
| Excess of Revenues Over (Under) Expenditures | 0 | (9,753) | 21,858 | 298,655 | 178,957 | (160,704) |
| Other Financing Sources (Uses): | | | | | | |
| Proceeds from Sale of Capital Assets | 0 | 0 | 0 | 0 | 0 | 20,750 |
| Transfers In | 0 | 12,763 | 0 | 228,769 | 0 | 241,532 |
| Total Other Financing Sources (Uses) | 0 | 12,763 | 0 | 228,769 | 0 | 262,282 |
| Net Change in Fund Balance | 0 | 3,010 | 21,858 | 527,424 | 178,957 | 101,578 |
| Fund Balance - Beginning of Year | 0 | 0 | 8,360 | 2,724,209 | 734,204 | 7,073,575 |
| Fund Balance - End of Year | \$0 | \$3,010 | \$30,218 | \$3,251,633 | \$913,161 | \$7,175,153 |

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, 2023

| | Street Fund | | |
|---|--------------------|--------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Investment Earnings | \$47,555 | \$50,595 | \$3,040 |
| Intergovernmental | 1,508,775 | 1,605,224 | 96,449 |
| Other Revenues | 52,166 | 55,501 | 3,335 |
| Total Revenues | 1,608,496 | 1,711,320 | 102,824 |
| Expenditures: | | | |
| Current: | | | |
| Public Works | 774,831 | 734,412 | 40,419 |
| Capital Outlay | 1,497,654 | 1,419,529 | 78,125 |
| Total Expenditures | 2,272,485 | 2,153,941 | 118,544 |
| Excess of Revenues Over (Under) Expenditures | (663,989) | (442,621) | 221,368 |
| Other financing sources (uses): | | | |
| Proceeds from Sale of Capital Assets | 19,503 | 20,750 | 1,247 |
| Total Other Financing Sources (Uses) | 19,503 | 20,750 | 1,247 |
| Net Change in Fund Balance | (644,486) | (421,871) | 222,615 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 1,934,953 | 1,934,953 | 0 |
| Fund Balance End of Year | \$1,290,467 | \$1,513,082 | \$222,615 |

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, 2023

| | State Highway Fund | | |
|---|--------------------------|------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Investment Earnings | \$6,523 | \$7,449 | \$926 |
| Intergovernmental | 113,977 | 130,153 | 16,176 |
| Total Revenues | 120,500 | 137,602 | 17,102 |
| Expenditures: | | | |
| Current: | | | |
| Public Works | 101,184 | 88,947 | 12,237 |
| Total Expenditures | 101,184 | 88,947 | 12,237 |
| Net Change in Fund Balance | 19,316 | 48,655 | 29,339 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 255,645 | 255,645 | 0 |
| Fund Balance End of Year | \$274,961 | \$304,300 | \$29,339 |

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, 2023

| | Permissive Motor Vehicle Tax Fund | | |
|---|--|------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Investment Earnings | \$8,401 | \$3,916 | (\$4,485) |
| Intergovernmental | 91,899 | 42,837 | (49,062) |
| Total Revenues | 100,300 | 46,753 | (53,547) |
| Expenditures: | | | |
| Current: | | | |
| Public Works | 21 | 17 | 4 |
| Capital Outlay | 53,979 | 43,896 | 10,083 |
| Total Expenditures | 54,000 | 43,913 | 10,087 |
| Net Change in Fund Balance | 46,300 | 2,840 | (43,460) |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 150,454 | 150,454 | 0 |
| Fund Balance End of Year | \$196,754 | \$153,294 | (\$43,460) |

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, 2023

| | Law Enforcement Fund | | |
|---|----------------------------|----------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Fines, Licenses & Permits | \$1,000 | \$2,207 | \$1,207 |
| Total Revenues | 1,000 | 2,207 | 1,207 |
| Expenditures: | | | |
| Current: | | | |
| General Government | 500 | 0 | 500 |
| Total Expenditures | 500 | 0 | 500 |
| Net Change in Fund Balance | 500 | 2,207 | 1,707 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 52,096 | 52,096 | 0 |
| Fund Balance End of Year | \$52,596 | \$54,303 | \$1,707 |

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, 2023

| | Drug Law Enforcement Fund | | |
|---|---------------------------------|----------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Fines, Licenses & Permits | \$150 | \$315 | \$165 |
| Total Revenues | 150 | 315 | 165 |
| Expenditures: | | | |
| Current: | | | |
| Public Safety | 100 | 0 | 100 |
| Total Expenditures | 100 | 0 | 100 |
| Net Change in Fund Balance | 50 | 315 | 265 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 3,704 | 3,704 | 0 |
| Fund Balance End of Year | <u>\$3,754</u> | <u>\$4,019</u> | <u>\$265</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, 2023

| | OMVI Education & Enforcement Fund | | |
|---|--|-----------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Fines, Licenses & Permits | \$500 | \$367 | (\$133) |
| Total Revenues | 500 | 367 | (133) |
| Expenditures: | | | |
| Current: | | | |
| Public Safety | 1,000 | 0 | 1,000 |
| Total Expenditures | 1,000 | 0 | 1,000 |
| Net Change in Fund Balance | (500) | 367 | 867 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 18,360 | 18,360 | 0 |
| Fund Balance End of Year | <u>\$17,860</u> | <u>\$18,727</u> | <u>\$867</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, 2023

| | OMVI Indigent Fund | | |
|---|--------------------------|------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Fines, Licenses & Permits | \$35,000 | \$36,404 | \$1,404 |
| Total Revenues | 35,000 | 36,404 | 1,404 |
| Expenditures: | | | |
| Current: | | | |
| Public Safety | 50,000 | 0 | 50,000 |
| Total Expenditures | 50,000 | 0 | 50,000 |
| Net Change in Fund Balance | (15,000) | 36,404 | 51,404 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 273,531 | 273,531 | 0 |
| Fund Balance End of Year | <u>\$258,531</u> | <u>\$309,935</u> | <u>\$51,404</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, 2023

| | Computer Legal Research Fund | | |
|---|---------------------------------------|-----------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Fines, Licenses & Permits | \$120,000 | \$96,457 | (\$23,543) |
| Total Revenues | 120,000 | 96,457 | (23,543) |
| Expenditures: | | | |
| Current: | | | |
| General Government | 149,255 | 70,767 | 78,488 |
| Capital Outlay | 62,904 | 29,825 | 33,079 |
| Total Expenditures | 212,159 | 100,592 | 111,567 |
| Net Change in Fund Balance | (92,159) | (4,135) | 88,024 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 123,513 | 123,513 | 0 |
| Fund Balance End of Year | \$31,354 | \$119,378 | \$88,024 |

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, 2023

| | Indigent Drivers IAM Fund | | |
|---|---------------------------------|------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Fines, Licenses & Permits | \$15,000 | \$5,589 | (\$9,411) |
| Total Revenues | 15,000 | 5,589 | (9,411) |
| Expenditures: | | | |
| Current: | | | |
| General Government | 21,413 | 2,000 | 19,413 |
| Total Expenditures | 21,413 | 2,000 | 19,413 |
| Net Change in Fund Balance | (6,413) | 3,589 | 10,002 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 180,822 | 180,822 | 0 |
| Fund Balance End of Year | <u>\$174,409</u> | <u>\$184,411</u> | <u>\$10,002</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, 2023

| | 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) | 24,587 | 24,587 | 0 |
| Fund Balance End of Year | \$24,587 | \$24,587 | \$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, 2023

| | FEMA Fund | | |
|---|-----------------|-----------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Intergovernmental | \$225,567 | \$0 | (\$225,567) |
| Total Revenues | 225,567 | 0 | (225,567) |
| Expenditures: | | | |
| Current: | | | |
| Capital Outlay | 277,473 | 277,473 | 0 |
| Total Expenditures | 277,473 | 277,473 | 0 |
| Net Change in Fund Balance | (51,906) | (277,473) | (225,567) |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 277,476 | 277,476 | 0 |
| Fund Balance End of Year | \$225,570 | \$3 | (\$225,567) |

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, 2023

| | Stormwater Fund | | |
|---|--------------------|------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Charges for Services | \$354,588 | \$365,915 | \$11,327 |
| Intergovernmental | 39,537 | 40,800 | 1,263 |
| Other Revenues | 16,875 | 17,414 | 539 |
| Total Revenues | 411,000 | 424,129 | 13,129 |
| Expenditures: | | | |
| Current: | | | |
| Public Works | 341,625 | 304,867 | 36,758 |
| Capital Outlay | 370,292 | 330,449 | 39,843 |
| Debt Service: | | | |
| Principal Retirement | 10,058 | 8,976 | 1,082 |
| Total Expenditures | 721,975 | 644,292 | 77,683 |
| Net Change in Fund Balance | (310,975) | (220,163) | 90,812 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 463,007 | 463,007 | 0 |
| Fund Balance End of Year | \$152,032 | \$242,844 | \$90,812 |

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, 2023

| | Magistrate Fund | | |
|---|--------------------|-----------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Fines, Licenses & Permits | \$120,000 | \$106,740 | (\$13,260) |
| Total Revenues | 120,000 | 106,740 | (13,260) |
| Expenditures: | | | |
| Current: | | | |
| General Government | 152,118 | 93,965 | 58,153 |
| Total Expenditures | 152,118 | 93,965 | 58,153 |
| Net Change in Fund Balance | (32,118) | 12,775 | 44,893 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 1,787 | 1,787 | 0 |
| Fund Balance End of Year | (\$30,331) | \$14,562 | \$44,893 |

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, 2023

| | American Rescue Plan Act Fund | | |
|---|--|-----------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Intergovernmental | \$0 | \$13,000 | \$13,000 |
| Total Revenues | 0 | 13,000 | 13,000 |
| Expenditures: | | | |
| Current: | | | |
| Public Safety | 1,442 | 1,975 | (533) |
| Capital Outlay | 371,309 | 508,468 | (137,159) |
| Total Expenditures | 372,751 | 510,443 | (137,692) |
| Net Change in Fund Balance | (372,751) | (497,443) | (124,692) |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 794,910 | 794,910 | 0 |
| Fund Balance End of Year | \$422,159 | \$297,467 | (\$124,692) |

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, 2023

| | Crisis Intervention Training Fund | | |
|---|--|--------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Other Revenues | \$0 | \$0 | \$0 |
| Total Revenues | 0 | 0 | 0 |
| Expenditures: | | | |
| Current: | | | |
| Public Safety | 12,763 | 12,181 | 582 |
| Total Expenditures | 12,763 | 12,181 | 582 |
| Excess of Revenues Over (Under) Expenditures | (12,763) | (12,181) | 582 |
| Other Financing Sources (Uses): | | | |
| Transfers In | 12,763 | 12,763 | 0 |
| Total Other Financing Sources (Uses) | 12,763 | 12,763 | 0 |
| Net Change in Fund Balance | 0 | 582 | 582 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 0 | 0 | 0 |
| Fund Balance End of Year | <u>\$0</u> | <u>\$582</u> | <u>\$582</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, 2023

| | OneOhio Opioid Settlement Fund | | |
|---|---|-----------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Intergovernmental | \$0 | \$21,858 | \$21,858 |
| Total Revenues | 0 | 21,858 | 21,858 |
| Expenditures: | | | |
| Current: | | | |
| General Government | 0 | 0 | 0 |
| Total Expenditures | 0 | 0 | 0 |
| Net Change in Fund Balance | 0 | 21,858 | 21,858 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 8,360 | 8,360 | 0 |
| Fund Balance End of Year | <u>\$8,360</u> | <u>\$30,218</u> | <u>\$21,858</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, 2023

| | Job Creation and Revitalization Fund | | |
|---|---|--------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Fines, Licenses & Permits | \$261,953 | \$312,418 | \$50,465 |
| Total Revenues | 261,953 | 312,418 | 50,465 |
| Expenditures: | | | |
| Current: | | | |
| General Government | 1,200,000 | 13,763 | 1,186,237 |
| Total Expenditures | 1,200,000 | 13,763 | 1,186,237 |
| Excess of Revenues Over (Under) Expenditures | (938,047) | 298,655 | 1,236,702 |
| Other Financing Sources (Uses): | | | |
| Transfers In | 191,816 | 228,769 | 36,953 |
| Total Other Financing Sources (Uses) | 191,816 | 228,769 | 36,953 |
| Net Change in Fund Balance | (746,231) | 527,424 | 1,273,655 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 2,724,209 | 2,724,209 | 0 |
| Fund Balance End of Year | <u>\$1,977,978</u> | <u>\$3,251,633</u> | <u>\$1,273,655</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, 2023

| | Infrastructure Fund | | |
|---|------------------------|------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Fines, Licenses & Permits | \$0 | \$178,957 | \$178,957 |
| Total Revenues | 0 | 178,957 | 178,957 |
| Expenditures: | | | |
| Current: | | | |
| General Government | 0 | 0 | (0) |
| Total Expenditures | 0 | 0 | (0) |
| Net Change in Fund Balance | 0 | 178,957 | 178,957 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 734,204 | 734,204 | 0 |
| Fund Balance End of Year | <u>\$734,204</u> | <u>\$913,161</u> | <u>\$178,957</u> |

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.

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.

CDBG – A fund used to account for CDBG projects throughout the city.

City of Vandalia, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2023

| | Capital Improvement | Police, Fire, and Street Capital Improvements | TIF Capital Projects | Stonequarry Crossings TIF |
|--|------------------------|---|-------------------------|------------------------------|
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$1,782,343 | \$488,266 | \$487,771 | \$35,662 |
| Receivables (Net): | | | | |
| Revenue in Lieu of Taxes | 0 | 0 | 51,331 | 0 |
| Land Held for Resale | 1,497,046 | 0 | 0 | 0 |
| Total Assets | 3,279,389 | 488,266 | 539,102 | 35,662 |
| Liabilities: | | | | |
| Accounts Payable | 231,924 | 160,822 | 0 | 0 |
| Accrued Wages and Benefits | 0 | 17,484 | 0 | 0 |
| Interfund Payable | 0 | 0 | 0 | 0 |
| Total Liabilities | 231,924 | 178,306 | 0 | 0 |
| Deferred Inflows of Resources: | | | | |
| Revenue In Lieu of Taxes | 0 | 0 | 51,331 | 0 |
| Total Deferred Inflows of Resources | 0 | 0 | 51,331 | 0 |
| Fund Balances: | | | | |
| Restricted | 3,047,465 | 309,960 | 487,771 | 35,662 |
| Unassigned | 0 | 0 | 0 | 0 |
| Total Fund Balances | 3,047,465 | 309,960 | 487,771 | 35,662 |
| Total Liabilities, Deferred Inflows and Fund Balances | \$3,279,389 | \$488,266 | \$539,102 | \$35,662 |

| OPWC | Fire Equipment | CDBG | Total Nonmajor Capital Projects Funds |
|-----------|-------------------|------|--|
| \$0 | \$259 | \$0 | \$2,794,301 |
| 0 | 0 | 0 | 51,331 |
| 0 | 0 | 0 | 1,497,046 |
| 0 | 259 | 0 | 4,342,678 |
| 29,423 | 0 | 0 | 422,169 |
| 0 | 0 | 0 | 17,484 |
| 236,493 | 0 | 0 | 236,493 |
| 265,916 | 0 | 0 | 676,146 |
| 0 | 0 | 0 | 51,331 |
| 0 | 0 | 0 | 51,331 |
| 0 | 259 | 0 | 3,881,117 |
| (265,916) | 0 | 0 | (265,916) |
| (265,916) | 259 | 0 | 3,615,201 |
| \$0 | \$259 | \$0 | \$4,342,678 |

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, 2023

| | Capital Improvement | Police, Fire, and Street Capital Improvements | TIF Capital Projects | Stonequarry Crossings TIF |
|---|------------------------|---|-------------------------|------------------------------|
| Revenues: | | | | |
| Income Taxes | \$0 | \$2,465,439 | \$0 | \$0 |
| Intergovernmental | 34,384 | 58,149 | 0 | 0 |
| Revenue in Lieu of Taxes | 0 | 0 | 65,059 | 9,090 |
| Other Revenues | 23,447 | 705 | 0 | 0 |
| Total Revenues | 57,831 | 2,524,293 | 65,059 | 9,090 |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | 0 | 0 | 20,023 | 2,797 |
| Public Safety | 0 | 457,653 | 0 | 0 |
| Capital Outlay | 1,339,968 | 2,153,606 | 0 | 0 |
| Debt Service: | | | | |
| Principal | 0 | 666,958 | 0 | 0 |
| Interest and Other Charges | 0 | 97,516 | 0 | 0 |
| Total Expenditures | 1,339,968 | 3,375,733 | 20,023 | 2,797 |
| Excess of Revenues Over (Under) Expenditures | (1,282,137) | (851,440) | 45,036 | 6,293 |
| Other Financing Sources (Uses): | | | | |
| Proceeds from Sale of Capital Assets | 33,080 | 54,500 | 0 | 0 |
| Transfers In | 1,908,860 | 0 | 0 | 0 |
| Transfers (Out) | 0 | (188,000) | 0 | 0 |
| Total Other Financing Sources (Uses) | 1,941,940 | (133,500) | 0 | 0 |
| Net Change in Fund Balance | 659,803 | (984,940) | 45,036 | 6,293 |
| Fund Balance - Beginning of Year | 2,387,662 | 1,294,900 | 442,735 | 29,369 |
| Fund Balance - End of Year | \$3,047,465 | \$309,960 | \$487,771 | \$35,662 |

| OPWC | Fire Equipment | CDBG | Total Nonmajor Capital Projects Funds |
|--------------------|-------------------|----------------|--|
| \$0 | \$0 | \$0 | \$2,465,439 |
| 69,480 | 0 | 100,000 | 262,013 |
| 0 | 0 | 0 | 74,149 |
| 0 | 0 | 0 | 24,152 |
| <u>69,480</u> | <u>0</u> | <u>100,000</u> | <u>2,825,753</u> |
| 0 | 0 | 0 | 22,820 |
| 0 | 0 | 0 | 457,653 |
| 335,396 | 0 | 100,000 | 3,928,970 |
| 0 | 0 | 0 | 666,958 |
| 0 | 0 | 0 | 97,516 |
| <u>335,396</u> | <u>0</u> | <u>100,000</u> | <u>5,173,917</u> |
| <u>(265,916)</u> | <u>0</u> | <u>0</u> | <u>(2,348,164)</u> |
| 0 | 0 | 0 | 87,580 |
| 0 | 0 | 0 | 1,908,860 |
| 0 | 0 | 0 | (188,000) |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>1,808,440</u> |
| (265,916) | 0 | 0 | (539,724) |
| 0 | 259 | 0 | 4,154,925 |
| <u>(\$265,916)</u> | <u>\$259</u> | <u>\$0</u> | <u>\$3,615,201</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, 2023

| | Capital Improvement Fund | | |
|---|--------------------------------|-------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Intergovernmental | \$35,599 | \$34,384 | (\$1,215) |
| Other Revenues | 24,276 | 23,447 | (829) |
| Total Revenues | 59,875 | 57,831 | (2,044) |
| Expenditures: | | | |
| Capital Outlay | 2,658,361 | 2,137,538 | 520,823 |
| Total Expenditures | 2,658,361 | 2,137,538 | 520,823 |
| Excess of Revenues Over (Under) Expenditures | (2,598,486) | (2,079,707) | 518,779 |
| Other Financing Sources (Uses): | | | |
| Proceeds from Sale of Capital Assets | 34,249 | 33,080 | (1,169) |
| Transfers In | 1,976,335 | 1,908,860 | (67,475) |
| Total Other Financing Sources (Uses) | 2,010,584 | 1,941,940 | (68,644) |
| Net Change in Fund Balance | (587,902) | (137,767) | 450,135 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 1,015,276 | 1,015,276 | 0 |
| Fund Balance End of Year | \$427,374 | \$877,509 | \$450,135 |

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, 2023

| | Police, Fire, and Street Capital Improvements Fund | | |
|---|---|------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Intergovernmental | \$175,672 | \$180,350 | \$4,678 |
| Other Revenues | \$687 | \$705 | \$18 |
| Total Revenues | 176,359 | 181,055 | 4,696 |
| Expenditures: | | | |
| Current: | | | |
| Public Safety | 507,599 | 453,602 | 53,997 |
| Capital Outlay | 2,411,386 | 2,154,868 | 256,518 |
| Debt Service: | | | |
| Principal Retirement | 976,372 | 872,508 | 103,864 |
| Interest and Fiscal Charges | 89,486 | 79,967 | 9,519 |
| Total Expenditures | 3,984,843 | 3,560,945 | 423,898 |
| Excess of Revenues Over (Under) Expenditures | (3,808,484) | (3,379,890) | 428,594 |
| Other Financing Sources (Uses): | | | |
| Proceeds from Sale of Capital Assets | 53,086 | 54,500 | 1,414 |
| Transfers In | 2,401,494 | 2,465,439 | 63,945 |
| Total Other Financing Sources (Uses) | 2,454,580 | 2,519,939 | 65,359 |
| Net Change in Fund Balance | (1,353,904) | (859,951) | 493,953 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 1,202,037 | 1,202,037 | 0 |
| Fund Balance End of Year | (\$151,867) | \$342,086 | \$493,953 |

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, 2023

| | TIF Capital Projects Fund | | |
|---|---------------------------------|------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Revenue in Lieu of Taxes | \$71,450 | \$65,059 | (\$6,391) |
| Total Revenues | 71,450 | 65,059 | (6,391) |
| Expenditures: | | | |
| Current: | | | |
| General Government | 25,720 | 24,426 | 1,294 |
| Total Expenditures | 25,720 | 24,426 | 1,294 |
| Net Change in Fund Balance | 45,730 | 40,633 | (5,097) |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 442,732 | 442,732 | 0 |
| Fund Balance End of Year | <u>\$488,462</u> | <u>\$483,365</u> | <u>(\$5,097)</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, 2023

| | Stonequarry Crossings TIF Fund | | |
|---|--------------------------------------|-----------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Revenue in Lieu of Taxes | \$20,000 | \$9,091 | (\$10,909) |
| Total Revenues | 20,000 | 9,091 | (10,909) |
| Expenditures: | | | |
| Current: | | | |
| General Government | 15,500 | 15,102 | 398 |
| Total Expenditures | 15,500 | 15,102 | 398 |
| Net Change in Fund Balance | 4,500 | (6,011) | (10,511) |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 29,369 | 29,369 | 0 |
| Fund Balance End of Year | <u>\$33,869</u> | <u>\$23,358</u> | <u>(\$10,511)</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, 2023

| | OPWC Fund | | |
|---|-----------------|-------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Intergovernmental | \$715,879 | \$69,480 | (\$646,399) |
| Total Revenues | 715,879 | 69,480 | (646,399) |
| Expenditures: | | | |
| Capital Outlay | 266,305 | 305,973 | (39,668) |
| Total Expenditures | 266,305 | 305,973 | (39,668) |
| Net Change in Fund Balance | 449,574 | (236,493) | (686,067) |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 0 | 0 | 0 |
| Fund Balance End of Year | \$449,574 | (\$236,493) | (\$686,067) |

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, 2023

| | Fire Equipment Fund | | |
|---|---------------------------|--------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Property Taxes | \$0 | \$0 | \$0 |
| Total Revenues | 0 | 0 | 0 |
| Expenditures: | | | |
| Capital Outlay | 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) | 259 | 259 | 0 |
| Fund Balance End of Year | \$259 | \$259 | \$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, 2023

| | CDBG Fund | | |
|---|-----------------|------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Intergovernmental | \$100,000 | \$100,000 | \$0 |
| Total Revenues | 100,000 | 100,000 | 0 |
| Expenditures: | | | |
| Current: | | | |
| Capital Outlay | \$100,000 | 100,000 | 0 |
| Total Expenditures | 100,000 | 100,000 | 0 |
| Excess of Revenues Over (Under) Expenditures | 0 | 0 | 0 |
| Other Financing Sources (Uses): | | | |
| Advances (Out) | (100,000) | (100,000) | 0 |
| Total Other Financing Sources (Uses) | (100,000) | (100,000) | 0 |
| Net Change in Fund Balance | (100,000) | (100,000) | 0 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 100,000 | 100,000 | 0 |
| Fund Balance End of Year | <u>\$0</u> | <u>\$0</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, 2023

| | 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 | 17,378 | 2,673 | 14,705 |
| Public Safety | 268,301 | 41,268 | 227,033 |
| Public Works | 63,493 | 9,766 | 53,727 |
| Total Expenditures | 349,172 | 53,707 | 295,465 |
| Excess of Revenues Over (Under) Expenditures | (349,172) | (53,707) | 295,465 |
| Other financing sources (uses): | | | |
| Transfers In | 325,000 | 325,000 | 0 |
| Total Other Financing Sources (Uses) | 325,000 | 325,000 | 0 |
| Net Change in Fund Balance | (24,172) | 271,293 | 295,465 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 719,965 | 719,965 | 0 |
| Fund Balance End of Year | \$695,793 | \$991,258 | \$295,465 |

(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, 2023

| | Municipal Court | Multi-District Tax | Butler Township JEDD Tax Collection |
|---|--------------------|-----------------------|---|
| Assets: | | | |
| Equity in Pooled Cash and Investments | \$0 | \$0 | \$14,745 |
| Cash and Cash Equivalents in Segregated Accounts | 116,587 | 0 | 0 |
| Receivables (Net): | | | |
| Accounts | 0 | 0 | 0 |
| Due from Other Governments | 0 | 528,021 | 14,714 |
| Total Assets | 116,587 | 528,021 | 29,459 |
| Liabilities: | | | |
| Accounts Payable | 0 | 0 | 0 |
| Held for Other Governments | 0 | 528,021 | 29,459 |
| Undistributed Monies | 116,587 | 0 | 0 |
| Accrued Liabilities | 0 | 0 | 0 |
| Total Liabilities | 116,587 | 528,021 | 29,459 |
| Net Position: | | | |
| Restricted for Individuals, Organizations and Other Governments | 0 | 0 | 0 |
| Total Net Position | \$0 | \$0 | \$0 |

| Butler Township JEDZ Tax Collection | Tri-Cities North Regional Wastewater Authority | Northern Area Water Authority | Total |
|---|---|-------------------------------------|-------------|
| \$57,660 | \$2,826,236 | \$849,085 | \$3,747,726 |
| 0 | 0 | 0 | 116,587 |
| 0 | 271,819 | 138,164 | 409,983 |
| 107,820 | 0 | 0 | 650,555 |
| 165,480 | 3,098,055 | 987,249 | 4,924,851 |
| 0 | 462,259 | 12,861 | 475,120 |
| 165,480 | 0 | 0 | 722,960 |
| 0 | 0 | 0 | 116,587 |
| 0 | 56,764 | 259,798 | 316,562 |
| 165,480 | 519,023 | 272,659 | 1,631,229 |
| 0 | 2,579,032 | 714,590 | 3,293,622 |
| \$0 | \$2,579,032 | \$714,590 | \$3,293,622 |

City of Vandalia, Ohio
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended December 31, 2023

| | Municipal Court | Multi-District Tax | Butler Township JEDD Tax Collection |
|---|--------------------|-----------------------|---|
| Additions: | | | |
| Investment Earnings | \$0 | \$0 | \$0 |
| Income Tax Collections for Other Governments | 0 | 3,994,676 | 169,184 |
| Contributions and Rentals | 0 | 0 | 0 |
| Fines and Forfeitures for Other Governments | 2,244,830 | 0 | 0 |
| Total Additions | 2,244,830 | 3,994,676 | 169,184 |
| Deductions: | | | |
| Distributions of Income Tax Collections | 0 | 3,994,676 | 166,406 |
| Income Tax Refunds | 0 | 0 | 2,778 |
| Payments for Joint Venture | 0 | 0 | 0 |
| Distributions from Municipal Court to Other Governments | 2,244,830 | 0 | 0 |
| Total Deductions | 2,244,830 | 3,994,676 | 169,184 |
| Change in Net Position | 0 | 0 | 0 |
| Net Position - Beginning of Year | 0 | 0 | 0 |
| Net Position - End of Year | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

| Butler Township JEDZ Tax Collection | Tri-Cities North Regional Wastewater Authority | NAWA Northern Area Water Authority | Total |
|---|---|---|--------------------|
| \$668 | \$59,499 | \$19,765 | \$79,932 |
| 744,196 | 0 | 0 | 4,908,056 |
| 0 | 3,443,820 | 1,661,245 | 5,105,065 |
| 0 | 0 | 0 | 2,244,830 |
| <u>744,864</u> | <u>3,503,319</u> | <u>1,681,010</u> | <u>12,337,883</u> |
| 737,771 | 0 | 0 | 4,898,853 |
| 7,093 | 0 | 0 | 9,871 |
| 0 | 3,421,024 | 1,758,162 | 5,179,186 |
| 0 | 0 | 0 | 2,244,830 |
| <u>744,864</u> | <u>3,421,024</u> | <u>1,758,162</u> | <u>12,332,740</u> |
| 0 | 82,295 | (77,152) | 5,143 |
| 0 | 2,496,737 | 791,742 | 3,288,479 |
| <u>\$0</u> | <u>\$2,579,032</u> | <u>\$714,590</u> | <u>\$3,293,622</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 | | | | | | | | | |
|---|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Governmental Activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$45,004,853 | \$47,900,553 | \$48,804,352 | \$49,337,872 | \$49,032,022 | \$50,467,034 | \$50,880,711 | \$49,799,448 | \$51,211,552 | \$55,390,664 |
| Restricted | 3,895,737 | 3,929,597 | 3,939,012 | 3,695,303 | 4,055,358 | 4,107,791 | 5,351,626 | 7,174,016 | 12,911,885 | 11,952,440 |
| Unrestricted (Deficit) | 3,669,638 | 4,639,893 | 5,874,223 | (6,954,821) | (7,372,457) | (1,887,718) | 305,408 | 8,762,529 | 8,115,050 | 10,268,633 |
| Total governmental activities net position | \$52,570,228 | \$56,470,043 | \$58,617,587 | \$46,078,354 | \$45,714,923 | \$52,687,107 | \$56,537,745 | \$65,735,993 | \$72,238,487 | \$77,611,737 |
| Business-type activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$18,585,891 | \$18,584,910 | \$18,740,110 | \$18,654,104 | \$18,116,128 | \$18,181,701 | \$17,914,412 | \$17,419,140 | \$16,627,300 | \$15,501,444 |
| Restricted | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 189,333 | 0 |
| Unrestricted (Deficit) | 11,992,590 | 12,516,989 | 12,449,139 | 12,658,259 | 13,153,710 | 13,239,670 | 13,990,661 | 14,973,413 | 14,157,345 | 14,599,171 |
| Total business-type activities net position | \$30,578,481 | \$31,101,899 | \$31,189,249 | \$31,312,363 | \$31,269,838 | \$31,421,371 | \$31,905,073 | \$32,392,553 | \$30,973,978 | \$30,100,615 |
| Total Primary Government | | | | | | | | | | |
| Net Investment in Capital Assets | \$63,590,744 | \$66,485,463 | \$67,544,462 | \$67,991,976 | \$67,148,150 | \$68,648,735 | \$68,795,123 | \$67,218,588 | \$67,838,852 | \$70,892,108 |
| Restricted | 3,895,737 | 3,929,597 | 3,939,012 | 3,695,303 | 4,055,358 | 4,107,791 | 5,351,626 | 7,174,016 | 13,101,218 | 11,952,440 |
| Unrestricted (Deficit) | 15,662,228 | 17,156,882 | 18,323,362 | 5,703,438 | 5,781,253 | 11,351,952 | 14,296,069 | 23,735,942 | 22,272,395 | 24,867,804 |
| Total primary government net position | \$83,148,709 | \$87,571,942 | \$89,806,836 | \$77,390,717 | \$76,984,761 | \$84,108,478 | \$88,442,818 | \$98,128,546 | \$103,212,465 | \$107,712,352 |

Source: City Records

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

| | Calendar Year | | | | | | | | | |
|---|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Expenses | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government | \$5,520,951 | \$5,130,767 | \$4,836,921 | \$5,838,359 | \$5,792,732 | \$6,331,613 | \$6,170,357 | \$4,372,365 | \$5,262,201 | \$6,430,472 |
| Public Safety | 7,124,303 | 7,236,385 | 7,841,876 | 8,571,205 | 9,307,432 | 3,502,843 | 9,820,126 | 6,933,977 | 8,025,631 | 11,011,244 |
| Public Works | 4,736,869 | 4,900,560 | 4,890,378 | 5,616,975 | 6,029,741 | 5,698,606 | 5,374,110 | 4,362,230 | 6,754,583 | 5,636,115 |
| Recreation | 4,147,571 | 4,008,981 | 3,793,318 | 4,527,113 | 4,494,143 | 4,751,156 | 3,579,483 | 3,044,568 | 3,759,361 | 4,380,173 |
| Interest and Fiscal Charges | 569,379 | 209,376 | 235,861 | 231,297 | 220,783 | 215,241 | 154,643 | 143,539 | 698,066 | 634,351 |
| Total governmental activities expenses | 22,099,073 | 21,486,069 | 21,598,354 | 24,784,949 | 25,844,831 | 20,499,459 | 25,098,719 | 18,856,679 | 24,499,842 | 28,092,355 |
| Business-type activities: | | | | | | | | | | |
| Water | 2,072,336 | 2,151,550 | 2,010,094 | 1,942,016 | 1,904,562 | 1,942,576 | 2,163,506 | 1,979,276 | 2,635,930 | 3,733,210 |
| Sewer | 1,814,270 | 1,694,090 | 1,944,231 | 1,703,795 | 1,567,017 | 1,656,483 | 1,660,417 | 1,790,058 | 2,944,436 | 3,172,508 |
| Golf | 1,019,002 | 1,035,124 | 1,064,705 | 1,113,928 | 1,127,198 | 1,049,863 | 893,353 | 408,406 | 1,053,034 | 1,025,121 |
| Total business-type activities expenses | 4,905,608 | 4,880,764 | 5,019,030 | 4,759,739 | 4,598,777 | 4,648,922 | 4,717,276 | 4,177,740 | 6,633,400 | 7,930,839 |
| Total primary government expenses | \$27,004,681 | \$26,366,833 | \$26,617,384 | \$29,544,688 | \$30,443,608 | \$25,148,381 | \$29,815,995 | \$23,034,419 | \$31,133,242 | \$36,023,194 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services and Sales: | | | | | | | | | | |
| General Government | \$2,435,013 | \$2,579,526 | \$2,712,465 | \$2,819,251 | \$2,756,579 | \$2,999,331 | \$2,991,247 | \$2,255,544 | \$3,597,536 | \$2,782,266 |
| Public Safety | 569,797 | 489,852 | 593,124 | 483,193 | 600,885 | 498,103 | 470,438 | 590,292 | 694,783 | 645,300 |
| Public Works | 1,424,524 | 1,544,620 | 1,452,055 | 1,580,269 | 1,605,100 | 1,686,038 | 1,638,897 | 1,700,584 | 1,610,657 | 1,577,651 |
| Recreation | 1,446,891 | 1,476,639 | 1,510,517 | 1,448,313 | 1,546,317 | 1,454,654 | 636,253 | 1,025,939 | 1,173,887 | 1,136,331 |
| Operating Grants and Contributions | 1,177,845 | 1,458,405 | 1,184,517 | 1,028,220 | 1,268,969 | 1,775,243 | 2,966,379 | 2,123,379 | 2,379,353 | 2,626,577 |
| Capital Grants and Contributions | 1,623,771 | 2,399,492 | 151,524 | 131,649 | 22,083 | 458,104 | 112,276 | 280,451 | 129,868 | 69,479 |
| Total governmental activities program revenues | 8,677,841 | 9,948,534 | 7,604,202 | 7,490,895 | 7,799,933 | 8,871,473 | 8,815,490 | 7,976,189 | 9,586,084 | 8,837,604 |
| Business-type activities: | | | | | | | | | | |
| Charges for Services and Sales: | | | | | | | | | | |
| Water | 2,218,971 | 2,149,396 | 2,174,722 | 2,329,366 | 2,317,000 | 2,539,463 | 2,563,878 | 2,249,644 | 2,422,085 | 3,014,654 |
| Sewer | 1,691,533 | 1,823,665 | 1,892,558 | 1,932,540 | 1,341,381 | 1,570,853 | 1,790,025 | 1,392,413 | 1,585,458 | 2,635,487 |
| Golf | 885,919 | 880,378 | 907,446 | 859,629 | 812,708 | 845,219 | 757,033 | 841,780 | 826,591 | 950,030 |
| Operating Grants, Contributions and Interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (88,068) | 130,547 | 180,139 |
| Capital Grants and Contributions | 2,960 | 369,115 | 121,799 | 116,890 | 0 | 0 | 152,500 | 0 | 0 | 0 |
| Total business-type activities program revenues | 4,799,383 | 5,222,554 | 5,096,525 | 5,238,425 | 4,471,089 | 4,955,535 | 5,263,436 | 4,395,769 | 4,964,681 | 6,780,310 |
| Total primary government program revenues | \$13,477,224 | \$15,171,088 | \$12,700,727 | \$12,729,320 | \$12,271,022 | \$13,827,008 | \$14,078,926 | \$12,371,958 | \$14,550,765 | \$15,617,914 |

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

| | Calendar Year | | | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | (\$13,424,232) | (\$11,537,535) | (\$13,994,152) | (\$17,294,054) | (\$18,044,898) | (\$11,627,986) | (\$16,283,229) | (\$10,880,490) | (\$14,913,758) | (\$19,254,751) |
| Business-type activities | (106,225) | 341,790 | 77,495 | 478,686 | (127,688) | 306,613 | 546,160 | 218,029 | (1,668,719) | (1,150,529) |
| Total primary government net expenses | (\$13,527,457) | (\$11,195,745) | (\$13,916,657) | (\$16,815,368) | (\$18,172,586) | (\$11,321,373) | (\$15,737,069) | (\$10,662,461) | (\$16,582,477) | (\$20,405,280) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Income Taxes | \$13,021,106 | \$13,682,940 | \$14,247,899 | \$13,897,814 | \$15,237,654 | \$15,797,423 | \$16,732,440 | \$17,855,845 | \$19,396,645 | \$20,338,023 |
| Property Taxes Levied for: | | | | | | | | | | |
| General Purposes | 1,283,417 | 1,272,611 | 1,275,653 | 1,289,362 | 1,332,753 | 1,360,445 | 1,380,389 | 1,507,307 | 1,518,565 | 1,476,696 |
| Grants and Entitlements not Restricted | 761,023 | 408,435 | 345,958 | 615,526 | 720,412 | 406,388 | 673,470 | 503,643 | 658,945 | 651,004 |
| Payment in Lieu of Taxes | 196,368 | 105,453 | 115,268 | 104,572 | 75,798 | 72,214 | 91,376 | 73,554 | 91,245 | 74,150 |
| Investment Earnings | 215,329 | 129,436 | 119,752 | 273,681 | 351,588 | 755,855 | 678,910 | (135,305) | (626,104) | 1,814,974 |
| Gain on the Sale of Capital Assets | 0 | 0 | 7,906 | 0 | 0 | 39,962 | 484,880 | 0 | 0 | 0 |
| Other Revenues | 11,046 | 20,103 | 39,115 | 7,405 | 48,425 | 12,803 | 29,944 | 448,694 | 528,252 | 423,154 |
| Transfers-internal Activities | 197,578 | (181,628) | (9,855) | (240,660) | (85,163) | 155,080 | 62,458 | (175,000) | (151,296) | (150,000) |
| Total governmental activities | 15,685,867 | 15,437,350 | 16,141,696 | 15,947,700 | 17,681,467 | 18,600,170 | 20,133,867 | 20,078,738 | 21,416,252 | 24,628,001 |
| Business-type activities: | | | | | | | | | | |
| Other Revenues | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 94,451 | 98,848 | 127,166 |
| Transfers-internal Activities | (197,578) | 181,628 | 9,855 | 240,660 | 85,163 | (155,080) | (62,458) | 175,000 | 151,296 | 150,000 |
| Total business-type activities | (197,578) | 181,628 | 9,855 | 240,660 | 85,163 | (155,080) | (62,458) | 269,451 | 250,144 | 277,166 |
| Total primary government | \$15,488,289 | \$15,618,978 | \$16,151,551 | \$16,188,360 | \$17,766,630 | \$18,445,090 | \$20,071,409 | \$20,348,189 | \$21,666,396 | \$24,905,167 |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | \$2,264,635 | \$3,899,815 | \$2,147,544 | (\$1,346,354) | (\$363,431) | \$6,972,184 | \$3,850,638 | \$9,198,248 | \$6,502,494 | \$5,373,250 |
| Business-type activities | (303,803) | 523,418 | 87,350 | 719,346 | (42,525) | 151,533 | 483,702 | 487,480 | (1,418,575) | (873,363) |
| Total primary government | \$1,960,832 | \$4,423,233 | \$2,234,894 | (\$627,008) | (\$405,956) | \$7,123,717 | \$4,334,340 | \$9,685,728 | \$5,083,919 | \$4,499,887 |

Source: City Records

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

| | Calendar Year | | | | | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| General Fund | | | | | | | | | | |
| Nonspendable | \$34,636 | \$27,552 | \$61,808 | \$58,110 | \$58,792 | \$8,950 | \$13,555 | \$13,555 | \$13,555 | \$13,555 |
| Committed | 642,531 | 281,103 | 793,528 | 778,590 | 696,807 | 387,644 | 475,177 | 547,045 | 719,965 | 991,258 |
| Assigned | 683,527 | 708,434 | 593,417 | 1,289,226 | 1,099,521 | 2,164,088 | 1,818,743 | 1,494,522 | 2,426,617 | 1,874,566 |
| Unassigned | 11,068,945 | 12,284,198 | 13,978,050 | 13,952,840 | 15,248,811 | 17,272,807 | 20,931,405 | 20,874,560 | 18,408,664 | 21,492,303 |
| Total General Fund | 12,429,639 | 13,301,287 | 15,426,803 | 16,078,766 | 17,103,931 | 19,833,489 | 23,238,880 | 22,929,682 | 21,568,801 | 24,371,682 |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | 115,829 | 115,167 | 94,393 | 93,705 | 125,025 | 100,764 | 87,618 | 87,618 | 128,726 | 128,726 |
| Restricted | 3,207,520 | 3,495,329 | 3,515,142 | 3,193,409 | 3,277,645 | 3,103,273 | 4,424,189 | 6,151,938 | 10,663,186 | 10,940,011 |
| Committed | 2,057,468 | 2,083,166 | 2,160,426 | 1,818,386 | 1,751,744 | 1,653,686 | 1,602,631 | 3,214,307 | 7,421,464 | 2,881,876 |
| Unassigned (Deficit) | (5,675,573) | (5,070,761) | (4,251,864) | (3,619,658) | (2,741,890) | (1,918,590) | (1,052,282) | (1,491,238) | (2,519,882) | (2,901,262) |
| Total All Other Governmental Funds | (294,756) | 622,901 | 1,518,097 | 1,485,842 | 2,412,524 | 2,939,133 | 5,062,156 | 7,962,625 | 15,693,494 | 11,049,351 |
| Total Governmental Funds | \$12,134,883 | \$13,924,188 | \$16,944,900 | \$17,564,608 | \$19,516,455 | \$22,772,622 | \$28,301,036 | \$30,892,307 | \$37,262,295 | \$35,421,033 |

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 | | | | | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Revenues | | | | | | | | | | |
| Taxes | \$14,301,371 | \$15,150,725 | \$15,829,083 | \$15,010,861 | \$16,004,566 | \$17,858,542 | \$17,379,812 | \$19,071,802 | \$20,395,605 | \$22,210,461 |
| Charges for Services | 3,669,349 | 3,750,556 | 3,592,620 | 3,638,049 | 3,657,390 | 3,643,948 | 2,747,971 | 3,204,271 | 3,459,784 | 3,596,210 |
| Investment Earnings | 215,329 | 129,436 | 119,752 | 282,336 | 368,536 | 779,369 | 699,854 | (135,305) | (626,104) | 1,814,974 |
| Intergovernmental | 3,562,887 | 3,817,380 | 2,284,559 | 2,097,904 | 2,162,961 | 2,722,275 | 4,170,705 | 3,119,128 | 3,560,767 | 3,732,305 |
| Special Assessments | 6,018 | 24,246 | 10,088 | 28,095 | 9,971 | 2,478 | 0 | 15,120 | 46,430 | 27,673 |
| Fines, Licenses & Permits | 1,796,072 | 1,866,756 | 1,911,822 | 1,968,089 | 1,931,816 | 2,150,193 | 1,828,027 | 1,921,138 | 3,011,316 | 2,073,127 |
| Revenue in Lieu of Taxes | 196,368 | 105,453 | 106,688 | 99,979 | 88,971 | 72,214 | 91,376 | 73,554 | 91,245 | 74,149 |
| Other Revenues | 309,685 | 164,552 | 282,277 | 377,171 | 451,166 | 372,175 | 897,980 | 407,425 | 528,094 | 422,820 |
| Total Revenues | \$24,057,079 | \$25,009,104 | \$24,136,889 | \$23,502,484 | \$24,675,377 | \$27,601,194 | \$27,815,725 | \$27,677,133 | \$30,467,137 | \$33,951,719 |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General Government | \$5,252,837 | \$4,894,718 | \$4,527,753 | \$4,981,109 | \$5,131,291 | \$5,255,036 | \$5,515,153 | \$5,511,642 | \$5,585,373 | \$5,966,897 |
| Public Safety | 6,832,743 | 6,813,125 | 6,952,097 | 7,408,236 | 7,672,943 | 8,130,967 | 8,220,851 | 8,810,476 | 9,256,307 | 9,980,764 |
| Leisure Time Activities | 3,731,450 | 3,623,674 | 3,280,416 | 3,581,667 | 3,727,179 | 3,727,938 | 2,908,181 | 3,224,899 | 3,730,384 | 3,866,207 |
| Public Works | 3,433,779 | 3,419,534 | 3,386,391 | 3,670,307 | 3,911,640 | 3,675,176 | 3,442,202 | 3,759,853 | 3,705,519 | 3,319,028 |
| Capital Outlay | 3,589,683 | 4,407,748 | 2,263,170 | 2,694,434 | 1,498,176 | 2,896,470 | 1,962,263 | 2,895,044 | 10,014,164 | 10,754,069 |
| Debt Service: | | | | | | | | | | |
| Principal Retirement | 6,847,216 | 520,306 | 563,031 | 545,311 | 584,591 | 572,785 | 561,090 | 645,004 | 661,217 | 1,195,934 |
| Interest and Fiscal Charges | 359,838 | 201,615 | 238,849 | 237,742 | 233,004 | 219,578 | 158,621 | 147,227 | 672,537 | 668,412 |
| Issuance Costs | 0 | 5,500 | 2,750 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Current Refunding | 149,300 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | \$30,196,846 | \$23,886,220 | \$21,214,457 | \$23,118,806 | \$22,758,824 | \$24,477,950 | \$22,768,361 | \$24,994,145 | \$33,625,501 | \$35,751,311 |
| Excess of revenues over (under) expenditures | (\$6,139,767) | \$1,122,884 | \$2,922,432 | \$383,678 | \$1,916,553 | \$3,123,244 | \$5,047,364 | \$2,682,988 | (\$3,158,364) | (\$1,799,592) |

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

| | Calendar Year | | | | | | | | | |
|---|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Issuance of Capital Leases | \$461,016 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Proceeds from Sale of Capital Assets | 42,238 | 0 | 24,889 | 485,131 | 0 | 39,962 | 631,050 | 83,283 | 8,875 | 108,330 |
| Issuance of Long-Term Capital-Related Debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9,199,416 | 0 |
| Issuance of Loans | 308,334 | 866,421 | 161,775 | 110,899 | 240,294 | 167,961 | 0 | 0 | 0 | 0 |
| Premium on Debt Issued | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 471,357 | 0 |
| Transfers In | 3,456,840 | 3,338,920 | 1,793,157 | 2,718,775 | 2,006,201 | 1,542,000 | 1,611,081 | 4,660,375 | 5,003,989 | 3,318,642 |
| Transfers (Out) | (3,456,840) | (3,538,920) | (1,881,541) | (3,078,775) | (2,211,201) | (1,617,000) | (1,761,081) | (4,835,375) | (5,155,285) | (3,468,642) |
| Total Other Financing Sources (Uses) | 811,588 | 666,421 | 98,280 | 236,030 | 35,294 | 132,923 | 481,050 | (91,717) | 9,528,352 | (41,670) |
| Net Change in Fund Balances | (\$5,328,179) | \$1,789,305 | \$3,020,712 | \$619,708 | \$1,951,847 | \$3,256,167 | \$5,528,414 | \$2,591,271 | \$6,369,988 | (\$1,841,262) |
| Debt service as a percentage of noncapital expenditures (1) | 27.10% | 3.70% | 4.20% | 3.80% | 3.80% | 3.70% | 3.50% | 3.66% | 5.30% | 7.31% |

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 |
|---------------|------------------------------|--|----------------------|------------------------------|-------------------|
| 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 |
| 2022 | 385,352,090 | 9,675,910 | 395,028,000 | 1,134,254,747 | 4.14 |
| 2023 | 387,341,110 | 10,329,110 | 397,670,220 | 1,141,841,426 | 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 | | | | Total | Overlapping Rates | | | | | |
|---------------|--------------|---------|----------------|-------------|-------|--------------------------------------|---------------------------------|---------|--|--|--|
| | General Fund | Charter | Police Pension | County Levy | | Vandalia-Butler City School District | Miami Valley Career Tech Center | Library | | | |
| 2014 | 1.54 | 2.30 | 0.30 | 20.94 | 4.14 | 62.53 | 2.58 | 3.31 | | | |
| 2015 | 1.54 | 2.30 | 0.30 | 21.94 | 4.14 | 62.56 | 2.58 | 3.31 | | | |
| 2016 | 1.54 | 2.30 | 0.30 | 22.94 | 4.14 | 62.48 | 2.58 | 3.31 | | | |
| 2017 | 1.54 | 2.30 | 0.30 | 22.94 | 4.14 | 62.40 | 2.58 | 3.31 | | | |
| 2018 | 1.54 | 2.30 | 0.30 | 22.94 | 4.14 | 61.65 | 4.01 | 3.31 | | | |
| 2019 | 1.54 | 2.30 | 0.30 | 23.14 | 4.14 | 61.63 | 4.01 | 3.31 | | | |
| 2020 | 1.54 | 2.30 | 0.30 | 23.14 | 4.14 | 61.05 | 3.96 | 3.15 | | | |
| 2021 | 1.54 | 2.30 | 0.30 | 23.14 | 4.14 | 61.25 | 3.96 | 3.09 | | | |
| 2022 | 1.54 | 2.30 | 0.30 | 23.14 | 4.14 | 61.35 | 3.93 | 3.04 | | | |
| 2023 | 1.54 | 2.30 | 0.30 | 23.14 | 4.14 | 61.25 | 3.96 | 3.09 | | | |

Source: County Auditor

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

| Taxpayer | 2023 | |
|--|----------------------|------------------------------------|
| | Assessed Value | Percentage of Total Assessed Value |
| Dayton Power and Light | \$16,286,860 | 4.10% |
| Industrial Logistics Properties | 7,783,190 | 1.96% |
| Vectren Energy Delivery of Ohio | 3,556,170 | 0.89% |
| Sand Lake Plaza LLC | 2,975,000 | 0.75% |
| 6400 Sand Lake Property LLC | 2,747,500 | 0.69% |
| 4120 Dayton OH Hotel LLC | 2,310,000 | 0.58% |
| DABA LLC | 2,257,500 | 0.57% |
| KRF Dayton LLC | 2,249,340 | 0.57% |
| Dayton Webster Street LLC | 2,183,200 | 0.55% |
| Realty Income Properties 6 LLC | 2,084,950 | 0.52% |
| Total Principal Property Tax Payers | 44,433,710 | 11.18% |
| Total All Others | 353,236,510 | 88.82% |
| Total Assessed Value | \$397,670,220 | 100.00% |

| Taxpayer | 2014 | |
|--|----------------------|------------------------------------|
| | Assessed Value | Percentage of Total Assessed Value |
| Shoppes at Northwoods | \$3,320,340 | 0.97% |
| Sand Lake Plaza LLC | 2,281,150 | 0.67% |
| Garrett-Ryan LLC | 1,936,960 | 0.57% |
| Floriday LLC | 1,770,840 | 0.52% |
| Delphi Properties Management | 1,612,800 | 0.47% |
| 3920 Space Drive Building | 1,551,620 | 0.45% |
| Mehland Developers | 1,454,070 | 0.42% |
| Timberlake Limited Partners | 1,287,410 | 0.38% |
| Vandalia CG LLC | 1,260,900 | 0.37% |
| Joseph Realty LLC | 1,242,230 | 0.36% |
| Total Principal Property Tax Payers | 17,718,320 | 5.18% |
| Total All Others | 324,861,450 | 94.82% |
| Total Assessed Value | \$342,579,770 | 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 |
| 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% |
| 2022 | 1,635,416 | 1,609,425 | 98.41% | 25,991 | 1,635,416 | 100.00% |
| 2023 | 1,646,355 | 1,623,709 | 98.62% | 22,646 | 1,646,355 | 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 |
|----------|----------|---------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|
| 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% |
| 2022 | 2.00% | 19,152,508 | 14,724,102 | 76.88% | 2,934,659 | 15.32% | 1,493,747 | 7.80% |
| 2023 | 2.00% | 20,948,066 | 16,049,823 | 76.62% | 3,234,853 | 15.44% | 1,663,389 | 7.94% |

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 | | | | Total Primary Government | Percentage of Personal Income | Per Capita |
|---------------|--------------------------|------------|--------------|----------------|--------------------------|-------------------------------|------------|
| | General Obligation Bonds | OPWC Loans | Loan Payable | Capital Leases | | | |
| 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 | | | |
| 2022 | 9,861,846 | 263,454 | 351,221 | 0 | | | |
| 2023 | 8,921,897 | 209,920 | 118,821 | 0 | | | |

| Calendar Year | Business-Type Activities | | | Total | Percentage of Personal Income | Per Capita |
|---------------|--------------------------|------------|----------------|-------------|-------------------------------|------------|
| | General Obligation Bonds | OPWC Loans | Capital Leases | | | |
| 2014 | \$0 | \$0 | \$169,306 | \$4,100,575 | 0.99% | 150 |
| 2015 | 0 | 0 | 131,020 | 4,404,584 | 1.06% | 162 |
| 2016 | 0 | 0 | 91,797 | 3,960,655 | 0.95% | 145 |
| 2017 | 0 | 67,061 | 51,614 | 3,550,048 | 0.85% | 130 |
| 2018 | 0 | 137,410 | 10,448 | 3,232,251 | 0.78% | 119 |
| 2019 | 0 | 158,236 | 0 | 2,835,530 | 0.68% | 104 |
| 2020 | 0 | 290,555 | 0 | 2,404,905 | 0.46% | 70 |
| 2021 | 0 | 199,512 | 0 | 1,667,438 | 0.31% | 48 |
| 2022 | 4,879,783 | 128,649 | 0 | 15,484,953 | 2.73% | 416 |
| 2023 | 7,762,722 | 71,198 | 0 | 17,084,558 | 2.81% | 427 |

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 |
|---------------|--------------------------|--|----------------------------|
| 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 |
| 2022 | 9,861,846 | 0.87% | 648 |
| 2023 | 8,921,897 | 0.78% | 587 |

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, 2023
 Schedule 12

| Governmental Unit | Net Debt Outstanding | Estimated Percentage Applicable (1) | Amount Applicable to the City |
|---|-----------------------------|---|-------------------------------------|
| Vandalia-Butler City School District | \$35,632,256 | 57.19% | \$20,378,087 |
| Miami Valley Career Technology Center | 116,770,000 | 4.97% | 5,803,469 |
| Dayton Metro Library District Miscellaneous | <u>118,369,986</u> | 4.69% | <u>5,551,552</u> |
| Subtotal Overlapping Debt | <u>\$270,772,242</u> | | <u>\$31,733,109</u> |
| City of Vandalia - Direct Debt | <u>9,250,638</u> * | 100.00% | <u>9,250,638</u> |
| Total Direct and Overlapping Debt | <u><u>\$280,022,880</u></u> | | <u><u>\$40,983,747</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.

City of Vandalia, Ohio
 Legal Debt Margin Information
 Last Ten Calendar Years
 Schedule 13

Legal Debt Margin Calculation for Year 2023

| | | |
|-------------------------------------|---------------|---------------|
| Assessed Value | \$397,670,220 | \$397,670,220 |
| Statutory Legal Debt Limitation (1) | 10.5% | 5.5% |
| Total Debt Limit | 41,755,373 | 21,871,862 |
| Debt Applicable to Limit: | | |
| Applicable City Debt Outstanding | 8,921,897 | 8,921,897 |
| Less: Debt Outside Limitations (2) | 0 | 0 |
| Total Net Debt Applicable to Limit | 8,921,897 | 8,921,897 |
| Legal Debt Margin | \$32,833,476 | \$12,949,965 |

| | Calendar Year | | | | | | | | | |
|------------------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Total Debt Limit (1) | | | | | | | | | | |
| Debt Limit (10.5%) | \$35,970,876 | \$35,026,604 | \$34,762,637 | \$35,278,697 | \$36,901,920 | \$37,087,511 | \$41,397,618 | \$41,477,940 | \$41,477,940 | \$41,755,373 |
| Total Net Debt Applicable to Limit | 9,450,099 | 3,185,511 | 2,681,210 | 2,221,667 | 1,742,098 | 1,361,029 | 1,014,631 | 766,450 | 9,861,846 | 8,921,897 |
| Legal Debt Margin | \$26,520,777 | \$31,841,093 | \$32,081,427 | \$33,057,030 | \$35,159,822 | \$35,726,482 | \$40,382,987 | \$40,711,490 | \$31,616,094 | \$32,833,476 |

| | | | | | | | | | | |
|--|--------|-------|-------|-------|-------|-------|-------|-------|--------|--------|
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 26.27% | 9.09% | 7.71% | 6.30% | 4.72% | 3.67% | 2.45% | 1.85% | 23.78% | 21.37% |
|--|--------|-------|-------|-------|-------|-------|-------|-------|--------|--------|

| | Calendar Year | | | | | | | | | |
|------------------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Total Unvoted Debt Limit (1) | | | | | | | | | | |
| Debt Limit (5.5%) | \$18,841,887 | \$18,347,269 | \$18,209,000 | \$18,479,317 | \$19,329,577 | \$19,426,791 | \$21,684,467 | \$21,726,540 | \$21,726,540 | \$21,871,862 |
| Total Net Debt Applicable to Limit | 9,450,099 | 3,185,511 | 2,681,210 | 2,221,667 | 1,742,098 | 1,361,029 | 1,014,631 | 766,450 | 9,861,846 | 8,921,897 |
| Legal Debt Margin | \$9,391,788 | \$15,161,758 | \$15,527,790 | \$16,257,650 | \$17,587,479 | \$18,065,762 | \$20,669,836 | \$20,960,090 | \$11,864,694 | \$12,949,965 |

| | | | | | | | | | | |
|--|--------|--------|--------|--------|-------|-------|-------|-------|--------|--------|
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 50.15% | 17.36% | 14.72% | 12.02% | 9.01% | 7.01% | 4.68% | 3.53% | 45.39% | 40.79% |
|--|--------|--------|--------|--------|-------|-------|-------|-------|--------|--------|

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 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Debt Service | \$1,245,640 | \$409,615 | \$405,765 | \$406,015 | \$410,165 | \$407,977 | \$404,577 | \$410,777 | \$406,178 | \$405,990 |
| General Governmental Expenditures | 30,196,846 | 23,886,220 | 21,214,457 | 23,118,806 | 22,758,824 | 24,477,950 | 22,768,361 | 24,994,145 | 33,625,501 | 35,751,311 |
| Ratio of debt service to general governmental expenditures | 4.13% | 1.71% | 1.91% | 1.76% | 1.80% | 1.67% | 1.78% | 1.64% | 1.21% | 1.14% |

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) |
|---------------|----------------|---------------------------|--------------------------------|-----------------------------|----------------|---|-----------------------|--|---|-----------------------------------|
| | | | | | | | | | | |
| 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 |
| 2022 | 15,209 | 566,611,295 | 37,255 | 69,255 | 41.3 | 3,894 | 2,935 | 3.6% | 148,300 | 385,352,090 |
| 2023 | 15,209 | 608,679,389 | 40,021 | 73,171 | 39.3 | 3,817 | 2,878 | 3.8% | 173,400 | 397,670,220 |

- Sources:
- (1) Source: U. S. Census
 - (a) Years 2014 through 2020 - 2010 Federal Census
 - (b) Years 2021 through 2023 - 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

2023

| Major Employers (1) | Number of Employees | Rank | Employer's Percentage of Total Employment |
|---|---------------------|------|---|
| GE Aviation (formerly Smiths Aerospace) | 654 | 1 | N/A |
| All Service Plastic Molding | 514 | 2 | N/A |
| Vandalia - Butler Schools | 513 | 3 | N/A |
| Central Transport | 424 | 4 | N/A |
| City of Vandalia | 396 | 5 | N/A |
| SAIA Burgess Inc (formerly Johnson Controls) | 347 | 6 | N/A |
| Beau Townsend Ford/Nissan | 346 | 7 | N/A |
| Dayton Freight Lines Inc | 336 | 8 | N/A |
| Kroger Limited Partnership | 297 | 9 | N/A |
| Staffmark Investment LLC (formerly CBS Personnel) | 285 | 10 | N/A |

2014

| Major Employers (1) | Number of Employees | Rank | Employer's Percentage of Total Population |
|---|---------------------|------|---|
| CBS Peronal Services | 900 | 1 | 1.87% |
| Delphi Automotive System | 611 | 2 | 1.27% |
| Vandalia - Butler Schools | 504 | 3 | 1.05% |
| GE Aviation (formerly Smiths Aerospace) | 501 | 4 | 1.04% |
| City of Vandalia | 482 | 5 | 1.00% |
| SAIA Burgess, Inc. | 410 | 6 | 0.85% |
| Beua Townsend Ford, Inc. | 398 | 7 | 0.83% |
| Kroger Limited Partnership | 285 | 8 | 0.59% |
| Aptalis Pharmatech Inc. | 254 | 9 | 0.53% |
| IMDS Holding Corp | 244 | 10 | 0.51% |

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.

N/A - Information not available

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

| Function/Program | Calendar Year | | | | | | | | | |
|-----------------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| General Government | | | | | | | | | | |
| Council | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 9.0 | 7.0 | 7.0 | 7.0 |
| Finance | 5.5 | 5.0 | 6.0 | 6.5 | 7.0 | 8.0 | 7.0 | 10.0 | 8.0 | 8.0 |
| Tax | 8.5 | 8.0 | 4.5 | 9.0 | 5.0 | 5.0 | 4.5 | 4.5 | 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 | 6.5 | 6.5 | 7.0 | 7.0 | 9.0 | 8.0 | 8.0 | 9.5 | 10.5 | 11.5 |
| Engineer | 9.5 | 9.5 | 7.5 | 9.0 | 8.0 | 6.5 | 6.5 | 7.5 | 8.5 | 6.5 |
| 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 | 24.5 | 27.5 | 24.0 | 24.5 | 21.5 | 22.0 | 21.5 | 21.0 |
| Public Building | 7.5 | 7.5 | 7.0 | 19.0 | 18.0 | 18.5 | 15.0 | 13.0 | 16.5 | 9.5 |
| Security of Persons and Property | | | | | | | | | | |
| Police | 32.0 | 32.0 | 32.0 | 32.0 | 28.0 | 30.0 | 35.0 | 32.0 | 29.0 | 33.0 |
| Police - Dispatchers/Office/Other | 9.0 | 9.0 | 9.0 | 12.0 | 17.5 | 15.5 | 12.5 | 15.5 | 18.5 | 15.5 |
| Fire | 37.5 | 37.5 | 46.5 | 44.0 | 43.5 | 42.5 | 43.0 | 42.0 | 44.0 | 47.5 |
| 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 | 119.0 | 119.0 | 126.0 | 118.0 | 111.5 | 125.5 | 92.5 | 70.5 | 72.0 | 94.5 |
| Municipal Pool | 4.5 | 4.5 | 3.0 | 6.0 | 2.0 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| Golf Course | 21.5 | 21.5 | 24.0 | 32.5 | 26.0 | 28.0 | 18.0 | 20.5 | 19.0 | 20.5 |
| Transportation | | | | | | | | | | |
| Service | 18.0 | 18.0 | 18.0 | 19.0 | 20.5 | 21.0 | 20.0 | 20.0 | 24.5 | 20.5 |
| Basic Utility Services | | | | | | | | | | |
| Water | 1.0 | 1.0 | 1.0 | 2.0 | 1.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Wastewater | 1.0 | 1.0 | 1.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 318.0 | 317.0 | 328.0 | 354.5 | 332.0 | 344.5 | 296.5 | 278.0 | 287.5 | 303.5 |

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 | | | | | | | | | |
|--|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| General Government | | | | | | | | | | |
| Council and Clerk | | | | | | | | | | |
| Number of Ordinances Passed | 31 | 44 | 23 | 40 | 34 | 26 | 33 | 36 | 26 | 33 |
| Number of Resolutions Passed | 87 | 94 | 7,451 | 7,506 | 9,070 | 9,283 | 9,619 | 9,161 | 9,854 | 9,571 |
| Number of Planning Commission docket items | 3 | 19 | 2,468 | 2,454 | 2,923 | 3,143 | 3,665 | 3,988 | 4,426 | 4,917 |
| Zoning Board of Appeals docket items | 16 | 21 | \$18,504 | \$15,404 | \$15,130 | \$39,859 | \$16,129 | \$15,231 | \$18,278 | \$20,342 |
| | | | \$213,417 | \$365,776 | \$599,852 | \$448,460 | \$201,158 | \$146,071 | \$137,269 | \$138,696 |
| | | | 6 | 8 | 6 | 6 | 6 | 3 | 4 | 7 |
| Finance Department | | | | | | | | | | |
| Number of payroll checks issued | 45 | 21 | Aa2 | Aa2 | Aa2 | Aa2 | Aa2 | Aa2 | Aa2 | Aa2 |
| Number of payroll direct deposits issued | 8,017 | 7,506 | 7,451 | 6,869 | 9,070 | 9,283 | 9,619 | 9,161 | 9,854 | 9,571 |
| Number of checks/ vouchers issued | 2,458 | 2,468 | 2,370 | 2,454 | 2,923 | 3,143 | 3,665 | 3,988 | 4,426 | 4,917 |
| Amount of checks written (\$000 omitted) | \$23,529 | \$18,504 | \$15,404 | \$14,617 | \$15,130 | \$39,859 | \$16,129 | \$15,231 | \$18,278 | \$20,342 |
| Interest earnings for fiscal year (cash basis) | \$1,141,212 | \$436,400 | \$213,417 | \$365,776 | \$599,852 | \$448,460 | \$201,158 | \$146,071 | \$137,269 | \$138,696 |
| Number of Budget Adjustments issued | 4 | 4 | 6 | 8 | 6 | 6 | 6 | 3 | 4 | 7 |
| Agency Ratings - Moody's Financial Services | Aa2 | Aa2 | Aa2 | Aa2 | Aa2 | Aa2 | Aa2 | Aa2 | Aa2 | Aa2 |
| Health Insurance Costs vs General Fund Expenditures % | 12.92% | 18.57% | 11.80% | 10.25% | 8.21% | 6.31% | 6.31% | 7.02% | 7.94% | 6.68% |
| General Fund Receipts (cash basis, \$000 omitted) | \$29,577 | \$26,923 | \$24,716 | \$24,819 | \$25,501 | \$23,795 | \$23,592 | \$22,808 | \$21,971 | \$20,829 |
| General Fund Expenditures (cash basis, \$000 omitted) | \$27,926 | \$27,137 | \$25,434 | \$22,124 | \$23,743 | \$22,681 | \$22,261 | \$21,673 | \$21,131 | \$21,980 |
| General Fund Cash Balances (\$000 omitted) | \$22,842 | \$21,091 | \$21,630 | \$21,368 | \$18,647 | \$15,710 | \$14,595 | \$13,263 | \$12,128 | \$11,288 |
| Income Tax Department | | | | | | | | | | |
| Number of Individual/Business Returns | 11,659 | 11,505 | 11,725 | 10,993 | 9,194 | 12,060 | 12,291 | 12,949 | 22,605 | 24,212 |
| Number of business withholding accounts | 2,006 | 1,900 | 1,812 | 1,771 | \$1,763 | 1,768 | 2,520 | 2,649 | 2,331 | 3,604 |
| Amount of Penalties and Interest Collected | \$142,674 | \$155,928 | \$111,520 | \$93,049 | \$131,099 | \$88,198 | \$101,284 | \$122,520 | \$113,693 | \$118,174 |
| Annual number of withholding forms processed | 21,585 | 21,167 | 19,338 | 17,986 | 17,291 | 16,435 | 22,603 | 21,906 | 32,757 | 36,703 |
| Annual number of balance due statements forms processed | 3,547 | 2,974 | 3,072 | 2,799 | 3,315 | 3,809 | 4,811 | 6,257 | 10,626 | 10,431 |
| Annual number of estimated payment forms processed | 2,226 | 2,303 | 2,415 | 2,483 | 2,661 | 2,592 | 3,023 | 3,508 | 5,613 | 5,779 |
| Annual number of reconciliations of withholdings processed | 2,006 | 1,900 | 1,812 | 1,771 | 1,763 | 1,768 | 2,520 | 2,649 | 4,617 | 4,360 |
| Engineer Contracted Services | | | | | | | | | | |
| Dollar amount of Construction overseen by Engineer | \$7,019,703 | \$2,426,021 | \$1,521,009 | \$1,350,622 | \$1,705,723 | \$1,724,536 | \$1,325,899 | \$1,531,693 | \$1,047,864 | \$512,644 |
| Municipal Court | | | | | | | | | | |
| Number of Civil Cases | 2,434 | 2,494 | 2,210 | 1,940 | 2,639 | 2,143 | 1,996 | 1,807 | 1,628 | 2,065 |
| Number of Criminal/Traffic cases | 8,991 | 9,686 | 10,423 | 10,460 | 14,070 | 13,954 | 14,533 | 14,471 | 14,293 | 14,000 |
| Civil Service | | | | | | | | | | |
| Number of police entry tests administered | 3 | 1 | 6 | 16 | 103 | 17 | 2 | 1 | 1 | 0 |
| Number of fire entry tests administered | 2 | 2 | 7 | 5 | 14 | 7 | 4 | 1 | 1 | 0 |
| Number of police promotional tests administered | 1 | 0 | 1 | 0 | 1 | 5 | 0 | 0 | 0 | 0 |
| Number of fire promotional tests administered | 1 | 0 | 0 | 0 | 4 | 1 | 0 | 0 | 0 | 0 |
| Number of hires of Police Officers from certified lists | 4 | 2 | 0 | 2 | 4 | 2 | 3 | 2 | 0 | 1 |
| Number of hires of Fire/Medics from certified lists | 6 | 3 | 1 | 2 | 1 | 4 | 2 | 2 | 0 | 0 |
| Number of promotions from police certified lists | 2 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 0 | 0 |

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

| | Calendar Year | | | | | | | | | |
|--|---------------|---------------|--------------|--------------|--------------|--------------|-------------|-------------|--------------|-------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Building Department Indicators | | | | | | | | | | |
| Construction Permits Issued | 163 | 171 | 47 | 73 | 68 | 72 | 67 | 72 | 71 | 69 |
| Estimated Value of Construction | \$288,636,097 | \$103,933,921 | \$23,346,291 | \$34,943,369 | \$27,602,410 | \$10,699,597 | \$7,543,900 | \$4,680,457 | \$21,137,691 | \$8,783,595 |
| Number of permits issued | 779 | 795 | 649 | 727 | 788 | 756 | 741 | 739 | 815 | 754 |
| Amount of Revenue generated from permits | \$564,508 | \$1,531,694 | \$183,992 | \$277,282 | \$241,913 | \$205,138 | \$177,673 | \$138,914 | \$202,980 | \$110,652 |
| Revenue generated from above 1,2,3,4 | \$564,508 | \$1,531,694 | \$183,992 | \$277,282 | \$241,913 | \$205,138 | \$177,673 | \$138,914 | \$202,980 | \$110,652 |
| Security of Persons & Property | | | | | | | | | | |
| Police | | | | | | | | | | |
| Total Calls for Services | 12,798 | 13,016 | 13,309 | 12,506 | 12,996 | 13,048 | 14,405 | 13,545 | 12,983 | 13,610 |
| Number of traffic citations issued | 1,010 | 800 | 1,149 | 470 | 1,061 | 1,210 | 1,394 | 1,213 | 1,365 | 1,342 |
| Number of parking citations issued | 175 | 35 | 5 | 21 | 48 | 61 | 57 | 103 | 61 | 100 |
| Number of criminal arrests | 394 | 409 | 461 | 428 | 559 | 596 | 607 | 626 | 574 | 622 |
| Number of accident reports completed | 250 | 233 | 265 | 230 | 257 | 271 | 358 | 339 | 312 | 270 |
| Part 1 Offenses (major offenses) | 488 | 604 | 575 | 378 | 397 | 379 | 376 | 400 | 521 | 440 |
| Reserve officers hours worked | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 320 | 235 | 6 |
| DUI Arrests | 37 | 38 | 55 | 41 | 42 | 38 | 77 | 75 | 86 | 101 |
| Prisoners - Processed - Temporary Holdings | 24 | 22 | 29 | 27 | 38 | 41 | 55 | 67 | 78 | 124 |
| Property damage accidents | 184 | 166 | 184 | 153 | 196 | 229 | 286 | 263 | 229 | 210 |
| Fatalities from Motor Vehicle Accidents | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 2 | 0 |
| Gasoline costs of fleet | \$62,124 | \$79,289 | \$63,702 | \$36,978 | \$53,780 | \$56,566 | \$44,659 | \$42,436 | \$62,658 | \$80,138 |
| DARE youth program | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Volunteer Service Program | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 207 | 139 | 164 |
| Fire | | | | | | | | | | |
| EMS Calls | 2,625 | 2,560 | 2,503 | 2,138 | 2,293 | 2,369 | 2,554 | 2,526 | 2,441 | 2,199 |
| Ambulance Billing Collections (net) | \$596,400 | \$486,150 | \$505,154 | \$444,190 | \$509,340 | \$485,275 | \$530,308 | \$451,399 | \$521,946 | \$500,094 |
| Fire Calls | 1,105 | 1,180 | 1,137 | 1,151 | 1,177 | 963 | 898 | 1,066 | 859 | 1,056 |
| Fires with Loss | 11 | 52 | 23 | 24 | 24 | 12 | 15 | 11 | 78 | 30 |
| Fires with Losses exceeding \$10K | 5 | 6 | 2 | 7 | 3 | 3 | 1 | 5 | 7 | 5 |
| Fire Losses \$ | \$1,378,150 | \$2,808,100 | \$1,036,150 | \$228,650 | \$214,625 | \$159,300 | \$50,275 | \$408,852 | \$749,186 | \$87,850 |
| Fire Safety Inspections | 650 | 206 | 180 | 125 | 358 | 215 | 339 | 332 | 721 | 801 |
| Number of times Mutual Aid given to Fire and EMS | 424 | 638 | 543 | 442 | 427 | 149 | 174 | 121 | 96 | 79 |
| Number of times Mutual Aid received for Fire and EMS | 622 | 464 | 399 | 371 | 455 | 110 | 117 | 83 | 105 | 63 |
| Public Health and Welfare | | | | | | | | | | |
| Cemetery burials | 17 | 34 | 29 | 32 | 31 | 28 | 22 | 29 | 27 | 27 |
| Cemetery cremations | 12 | 6 | 18 | 14 | 5 | 9 | 15 | 11 | 3 | 18 |
| Cemetery sale of lots | 33 | 66 | 40 | 48 | 28 | 48 | 32 | 30 | 29 | 46 |
| Cemetery receipts | \$22,661 | \$42,326 | \$35,492 | \$38,567 | \$29,099 | \$35,515 | \$31,883 | \$27,267 | \$25,273 | \$30,778 |

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

| | Calendar Year | | | | | | | | | |
|--|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Leisure Time Activities | | | | | | | | | | |
| Recreation | | | | | | | | | | |
| Recreation Swimming pool receipts | \$43,950 | \$62,674 | \$54,494 | \$0 | \$54,465 | \$53,230 | \$50,196 | \$49,242 | \$44,568 | \$36,525 |
| Recreation Mens & Womens Leagues receipts | \$33,109 | \$33,730 | \$21,286 | \$0 | \$33,420 | \$34,710 | \$38,270 | \$39,781 | \$40,697 | \$42,743 |
| Recreation Programs | \$123,209 | \$122,718 | \$97,931 | \$20,779 | \$111,483 | \$109,377 | \$95,371 | \$108,290 | \$100,509 | \$99,033 |
| Youth Soccer League | \$39,478 | \$33,941 | \$33,495 | \$20,791 | \$27,080 | \$29,015 | \$30,129 | \$32,674 | \$30,920 | \$33,378 |
| Youth Baseball League | \$36,949 | \$36,271 | \$50,647 | \$9,453 | \$49,230 | \$61,522 | \$55,395 | \$37,729 | \$35,838 | \$38,024 |
| Facilities rentals | \$33,258 | \$29,945 | \$30,850 | \$7,871 | \$38,164 | \$34,537 | \$44,631 | \$58,113 | \$59,922 | \$98,894 |
| Total Recreation Department receipts | \$309,953 | \$319,279 | \$288,703 | \$58,894 | \$313,842 | \$322,391 | \$313,992 | \$325,829 | \$312,454 | \$348,597 |
| Community Development | | | | | | | | | | |
| Grant amounts received due to Economic Development Dept. | \$0 | \$0 | \$94,692 | \$256,226 | \$96,000 | \$290,000 | \$282,500 | \$0 | \$25,000 | \$500,000 |
| Basic Utility Services | | | | | | | | | | |
| Refuse disposal per year (in tons) January through December | 5,775 | 5,859 | 6,101 | 6,030 | 5,950 | 5,603 | 5,920 | 5,615 | 5,511 | 5,466 |
| Refuse disposal costs per year January through December | \$907,780 | \$958,574 | \$1,004,602 | \$988,564 | \$984,848 | \$981,035 | \$940,552 | \$862,134 | \$870,856 | \$912,886 |
| Annual recycling tonnage (excluding leaf, and compost items) | 592 | 630 | 648 | 717 | 726 | 773 | 810 | 718 | 666 | 662 |
| Transportation | | | | | | | | | | |
| Street Improvements - asphalt overlay (linear feet) | 32,058 | 33,954 | 22,328 | 17,103 | 7,992 | 32,584 | 17,921 | 21,152 | 17,773 | 13,310 |
| Street Repair (Concrete, asphalt, crack sealing) (hours) | 2,098 | 2,900 | 2,974 | 2,926 | 3,178 | 3,916 | 2,886 | 3,361 | 3,895 | 3,758 |
| Mowing (hours) | 1,042 | 112 | 1,142 | 1,028 | 1,156 | 1,084 | 888 | 690 | 562 | 658 |
| Paint Stripping (hours) | 4 | 20 | 16 | 5 | 12 | 240 | 1,098 | 1,180 | 784 | 872 |
| Street Sweeper (hours) | 972 | 465 | 1,304 | 1,225 | 1,225 | 592 | 915 | 1,084 | 993 | 849 |
| Snow & Ice Removal regular hours | 197 | 558 | 502 | 408 | 668 | 588 | 248 | 488 | 844 | 735 |
| Sewer and Sanitary calls for service (hours) | 734 | 246 | 416 | 666 | 400 | 636 | 1,382 | 124 | 1,234 | 794 |
| Fire hydrants (hours) | 296 | 420 | 520 | 284 | 118 | 140 | 184 | 244 | 356 | 401 |
| Catch basin (hours) | 761 | 1,482 | 1,526 | 2,798 | 2,669 | 1,616 | 2,762 | 1,932 | 2,705 | 2,489 |
| Water and Water calls for service (hours) | 5,366 | 2,753 | 3,446 | 2,596 | 2,216 | 2,724 | 2,337 | 2,044 | 2,006 | 3,039 |
| Leaf collection (hours) | 989 | 1,134 | 1,330 | 1,184 | 1,344 | 1,262 | 1,476 | 1,660 | 1,454 | 1,792 |
| Holiday lights setup (hours) | 1414 | 274 | 348 | 354 | 275 | 424 | 241 | 240 | 310 | 244 |
| Burial services (hours) | 1,076 | 814 | 700 | 744 | 681 | 569 | 584 | 564 | 431 | 516 |
| Equipment repair/body shop (hours) | 2,791 | 3,414 | 3,480 | 3,412 | 3,168 | 2,524 | 3,557 | 3,528 | 3,542 | 3,738 |
| Sign department (hours) | 2,268 | 2,182 | 4,011 | 3,466 | 3,750 | 2,784 | 2,460 | 2,898 | 2,764 | 2,838 |
| Building maintenance (hours) | 1218 | 640 | 1,544 | 1,018 | 651 | 963 | 758 | 1,242 | 1,178 | 1,382 |
| Other (hours) | 1,700 | 3,310 | 3,742 | 3,708 | 3,784 | 3,920 | 2,429 | 1,886 | 1,325 | 1,365 |
| Water Department | | | | | | | | | | |
| Water Rates per 1st 300 Cu ft of water used (2,250 gallons) | \$19 | \$15 | \$15 | \$15 | \$15 | \$15 | \$15 | \$13 | \$13 | \$13 |
| Avg. number of water accounts billed monthly (Cu. Ft.) | 5,390 | 5,822 | 5,396 | 5,390 | 5,397 | 5,412 | 5,400 | 5,390 | 5,425 | 5,444 |
| Total Water Collections Annually (Including P&I) | \$2,767,467 | \$2,428,960 | \$2,312,846 | \$2,244,093 | \$2,314,668 | \$2,261,017 | \$2,226,045 | \$2,084,024 | \$2,074,955 | \$2,079,548 |
| Wastewater Department | | | | | | | | | | |
| Wastewater Rates per 1st 300 Cu ft of water used | \$8 | \$4 | \$4 | \$4 | \$4.40 | \$4.40 | \$4.40 | \$4.86 | \$4.86 | \$4.86 |
| Total flow of wastewater treatment plant (Millions of Gallons) | 3,133 | 3,669 | 3,627 | 3,675 | 4,583 | 4,475 | 4,085 | 3,655 | 3,803 | 2,958 |
| Average daily flow (Millions of gallons per day) | 9 | 10 | 10 | 10 | 13 | 12 | 11 | 10 | 8 | 8 |

Source: City of Vandalia

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

| Function/Program | Calendar Year | | | | | | | | | |
|-------------------------------------|---------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| General Government | | | | | | | | | | |
| Square Footage Occupied | 23,843 | 23,843 | 23,843 | 23,843 | 23,843 | 23,843 | 23,843 | 23,843 | 23,843 | 23,843 |
| Administrative Vehicles | 2 | 2 | 3 | 4 | 4 | 4 | 3 | 3 | 3 | 3 |
| Inspection Vehicles | 6 | 6 | 5 | 5 | 4 | 5 | 5 | 7 | 7 | 7 |
| Municipal Court Vehicles | 3 | 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 | 28 | 22 | 23 | 21 | 26 | 26 | 26 | 25 | 25 | 21 |
| Fire | | | | | | | | | | |
| Stations | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 |
| Number of fire hydrants | 836 | 805 | 802 | 802 | 802 | 802 | 802 | 802 | 802 | 770 |
| Square Footage of Building | 30,056 | 30,056 | 30,056 | 30,056 | 33,443 | 33,443 | 33,443 | 33,443 | 33,443 | 33,443 |
| Vehicles | 14 | 14 | 14 | 14 | 18 | 17 | 14 | 15 | 15 | 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 | 0 | 21 | 23 | 23 | 21 | 21 | 21 | 21 | 20 |
| Other Public Works | | | | | | | | | | |
| Streets (miles) | 86 | 86 | 86 | 86 | 86 | 86 | 86 | 86 | 86 | 86 |
| Service Vehicles | 22 | 22 | 22 | 23 | 26 | 28 | 28 | 26 | 26 | 24 |
| Wastewater | | | | | | | | | | |
| Sanitary Sewers (miles) | 76 | 75 | 74 | 74 | 74 | 74 | 74 | 74 | 74 | 74 |
| Storm Sewers (miles) | 81 | 80 | 79 | 79 | 79 | 78 | 78 | 78 | 78 | 78 |
| Vehicles | | | | | | | | | | |
| Water Department | | | | | | | | | | |
| Water Lines (miles) | 89 | 88 | 87 | 87 | 87 | 87 | 87 | 87 | 87 | 87 |
| Vehicles | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

Source: City of Vandalia

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 8/20/2024

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

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