



City of Pataskala, Ohio
Comprehensive Annual
Financial Report

For the Year Ended
December 31, 2012





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James M. Nicholson
Finance Director



Introductory Section

City of Pataskala | CAFR



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Finance Department

James M. Nicholson
Finance Director

Janice A. Smith
Finance Manager

June 13, 2013

The Honorable Mayor, Members of City Council, and
The Citizens of the City of Pataskala, Ohio:

The Comprehensive Annual Financial Report (CAFR) of the City of Pataskala, Licking County, Ohio (the "City") is hereby presented. This CAFR represents the official report of the City's operations and financial position for the year ended December 31, 2012, and has been developed to accurately detail the status of City finances to its nearly fifteen thousand residents, elected officials, investment banks, underwriters and all other interested parties. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) set forth by the Governmental Accounting Standards Board (GASB).

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. 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.

State statutes require the City to be subjected to an examination by the Auditor of State of Ohio. Upon the approval of the Auditor of State of Ohio, the City may select an independent public accountant to perform this annual examination and the City has accordingly selected the firm of Balestra, Harr & Scherer CPAs, Inc. Based on the results of their audit, an unqualified opinion was rendered on the City's basic financial statements and the Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditor's Report.

REPORTING ENTITY AND SERVICES PROVIDED

The City's reporting entity is comprised of the primary government and other organizations which are included to ensure that the financial statements are not misleading. The reporting entity has been defined in accordance with the principles established by the Governmental Accounting Standards Board (GASB) in Statement No. 14, "The Financial Reporting Entity" and in GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units".

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 also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes. No potential component units met these criteria. The following potential component units have been excluded from the City's financial statements because the City is not financially accountable for them nor are the entities fiscally dependent on the City:

- Southwest Licking Local School District
- Licking Heights Local School District
- Pataskala Public Library

The City is associated with five jointly-governed organizations and one insurance purchasing pool. These organizations are the Mid-Ohio Regional Planning Commission (MORPC), the Southwest Licking Community Water & Sewer District, the West Licking Joint Fire District, the Pataskala Corporate Park Joint Economic Development District (JEDD) and the Regional Income Tax Agency (RITA)

The Municipal Charter, which was adopted in 1996, became effective January 1, 1996, and was most recently amended in 2011. This Charter provides for the Mayor-Council-Administrator form of government, whereby the legislative powers of the City are vested in a seven-member City Council. Three members are elected at large for a four-year term each biennium, and the remaining four are elected at-large for a four-year term the following biennium. Council concurs on the Mayor's appointment of the City Administrator, Law Director, Finance Director, and City Engineer. Council also makes citizen appointments to several boards and commissions. There are nine standing Council Committees that Council appoints, and include the following: Agriculture, Finance, Buildings & Grounds, Safety, Street, Utilities, Parks Advisory, Technology and Development. Council sets the compensation guidelines for City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, appropriations, indebtedness, building permits and licenses and other municipal purposes.

The Mayor, who is elected by popular vote, performs ceremonial functions, recommends appointment of and acts as supervisor of the City Administrator, is the presiding officer of Council and is an ex-officio member of all Council Committees.

The City Administrator, who is the chief administrator and operational manager of the City, is appointed by the Mayor with concurrence of Council, and is responsible for the day-to day operations of the municipality and municipal employees, and appoints all department heads and hires all employees not otherwise appointed by Council.

The Finance Director is the chief fiscal and accounting officer of the City. The responsibilities of this office include: assisting the City Administrator in the preparation and management of the capital and operating budgets; managing the debt and treasury programs of the City; managing the City's procurement and risk management processes; and overall responsibility for the financial and accounting records of the City.

The Director of Law is the primary legal advisor, and also serves as prosecuting attorney and counsel for the City. The Director is subject to the direction of Council, and shall represent the City in all proceedings in Court or before any administrative board or body.

The City has engaged the services of an independent engineering firm for the provision of fundamental services, including plan review, project engineering, RFP document development and utility plan reviews. In addition, the City has developed an internal database of pre-qualified engineering firms which meet the City's stringent qualifications that can be retained for special project needs on an ad hoc basis.

The City provides the following services: public safety, operation of water and sewer utilities, and a planning and zoning department. Fire protection services are provided by the West Licking Joint Fire District, of which the City participates and has a seat on its board. Solid waste collection services in the City are awarded on a contract basis every three years. The City also contracts with the Licking County Board of Health for Health Department services. In 2008, the City elected to eliminate all parks and recreation programs as a cost-saving measure. In response, members of the community created several 501(c)(3) organizations in order to continue the youth soccer and softball programs. These organizations are governed by a Parks and Recreation Advisory Committee. This Committee then reports to the City Administrator for direction and guidance.

The annual budget serves as the foundation for the City's financial planning and control. The City complies with the requirements of the Ohio Revised Code in the adoption of the budget. Appropriations for the operation of various City departments are established through the passage of an ordinance by City Council. Budgetary control is facilitated through the maintenance of an encumbrance system for requisitions and purchase orders, and through the use of the City's automated financial system. All departments of the City are required to submit requests for appropriation to the Finance Director on an annual basis. The Finance Director uses these requests as the starting point for developing a proposed budget.

The Finance Director presents the proposed estimated revenue budget for the City Administrator's review and approval and appropriations are then finalized. The City Administrator and the Finance Director then present the proposed budget to the City Council for review before the end of the current year. Council may elect to hold public hearings on the proposed budget and to adopt the budget by no later than December 31, the close of the City's fiscal year. State law provides that municipalities may adopt a temporary budget if the governing body is unable to adopt a permanent budget prior to December 31st. If a governing body adopts a temporary budget, a permanent budget must be adopted and sent to the County Auditor no later than April 1st of that year.

A jurisdiction's 'basis of budgeting' refers to when revenues and expenditures are recognized in the accounts. The City's budget basis is a cash/encumbrance basis, wherein transactions are recorded when cash is received or disbursed, or when a commitment has been recorded as an encumbrance against and applicable appropriation. All annual appropriations lapse at year-end to the extent that they have not been expended or lawfully encumbered. Fund balances are shown as unencumbered fund balances. This basis is used for all interim financial statements during the year.

Ohio Revised Code (ORC) §5705.38(c) requires each municipality to present their annual operating budget to their legislative authority, at minimum, at the level of fund, department, and within department, identifying personal services and other expenditures. The City adopts its annual budget in the format of fund, function to categories such as personal services, contractual services, materials and

supplies and capital outlay. *Fund* is the individual fund number and description established by the authority to separate and control expenditures of specific monies. While all governmental funds are included in the annual appropriation ordinance, agency and fiduciary funds are not included. *Program/Department* represents groupings of functionally similar tasks performed by the jurisdiction and is the local equivalent of the ORC-required department. There are twelve major programs/departments identified by the City Finance Director and include the following:

- General Government
- Police
- Public Service
- Planning & Zoning
- Finance
- Legal
- Mayor's Court
- Lands & Buildings
- Office of the Mayor
- City Council
- Boards & Commissions
- Transfers & Advances

The final ORC required component is *Object*. The object code is the lowest level of control provided for in the appropriation legislation. The current format provides the level of detail required by the ORC while not unduly restricting the ability of the Finance Director to manage the budget without submitting numerous supplemental appropriations to provide for minor budget transfers. In this budget structure, similar types of account numbers are grouped together into higher-level summary accounts. These summary groups include:

- Personal Services
- Contractual Services
- Materials and Supplies
- Capital Outlay
- Debt Service
- Transfers & Advances

Amendments to authorized appropriations at the legal level of control may be made periodically as changing circumstances dictate. These will be recommended to City Council by either the City Administrator or the Director of Finance, along with the rationale supporting the requests. Such budget amendments must be formally approved by ordinance of Council. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted.

PROFILE OF THE CITY

The Pataskala area was settled in the 1800's and was incorporated as a village in 1891. From the 1800's up until 1995, the former Village of Pataskala grew in all directions except south. In the 1960's, the village added territory north and south of State Route 16. One 627 acre annexation added several residential subdivisions to the village, plus some commercial development.

In the 1970's, the village added 240 acres to the east. A major part of this annexation was land along Blacks Road, the railroad tracks, and Township Road. A Newark Advocate article from 1971 described the site as the future location for single and multi-family residences, warehouses, light manufacturing, and commercial industry. The development was originally expected to be completed by 1976. Presently, portions of the single-family, multi-family and light manufacturing components of the project have been completed.

The 1980's saw the Village of Pataskala grow by 404 acres. The territory located north and east of the village, was brought in through three annexations. This annexed territory was developed as the Bright Waters subdivision on Township Road, and the Dehlendorf development (which includes commercial and office development).

The adjacent Lima Township had grown and developed over the last fifty years, as well. The 1980's were a time of moderate increases in land subdivision and construction activity. The average annual number of permits issued from 1980-1990 were 17.9 residential zoning permits and 13 subdivision permits.

Just prior to 1996, the Village of Pataskala was a small rural community situated on the borders of Lima Township and Harrison Township in southwest Licking County. The village had approximately 3,346 residents in 1990, while Lima Township had approximately 4,398 residents. Both the township and the village were experiencing rapid growth, influenced by the expansion of the Cities of Reynoldsburg and Columbus directly to the west. Facing strong development pressures from these western municipalities, the Village of Pataskala and Lima Township determined they had three future interests in common. First, most citizens from both entities were satisfied with their community and did not want major change or expansion. Secondly, the citizens enjoyed the rural nature of their living environment. Finally, if changes had to occur within their community (such as increased industrial or residential development), the citizens wanted to be able to control and have a voice in the manner of such expansion.



These common beliefs led the Village of Pataskala and Lima Township to propose a merger, which was approved by the voters on November 8th, 1994, and went into effect on January 1st, 1996. At that point in time, Lima Township ceased to exist; the resulting municipality was simply known as Pataskala.

The City has a population of 14,962 residents based on the 2010 Census which makes the City the 2nd largest City in Licking County when compared to the 2010 Census counts.

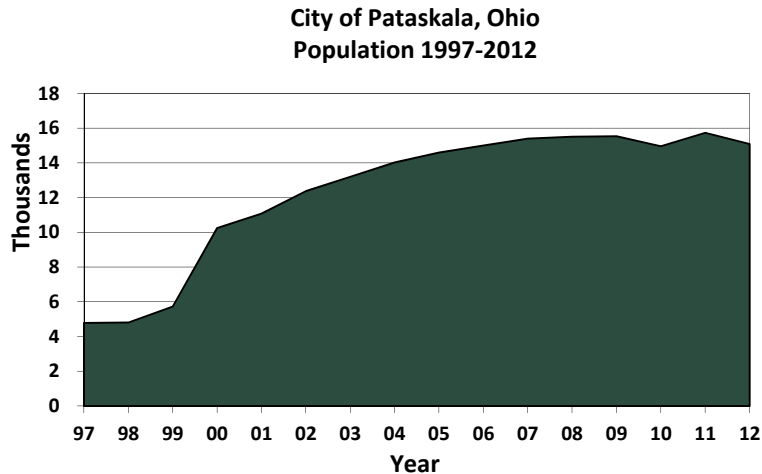
City residents have easy access to downtown Columbus and the entire central Ohio area via Interstate 270 and Interstate 70, U.S. Route 40 and State Routes 16 and 310. Commercial passenger air service is available at Port Columbus International Airport and Rickenbacker International Airport in the City of Columbus. The Licking County Heath Airport is located approximately 15 miles to the east of the City in Heath, Ohio and provides private commuter service.

The City is served by the Southwest Licking and Licking Heights Local School Districts, which are independent political subdivisions not under the control or supervision of the City in any respect. The geographic boundaries of the School Districts are different than those of the City. Both school districts estimate that between 95-96 percent of students in their school systems reside in the City.

ECONOMIC CONDITION AND OUTLOOK

Growth and development within the City is expected to increase due to the City's strategic location between the Interstate 70 and State Route 161 corridors in the growing eastern gateway area of the Columbus Region. The United States Census Bureau officially counted population in the City in 2010 as 14,962, an increase of 4,713 (46%) since the 2000 Census count. It is projected that the current 2013

population exceeds 15,000. The main factor contributing to this growth over a sustained period has been the small-town atmosphere and the rural character of Pataskala along with relatively close proximity to the region's core city, Columbus.



Within the past 13 years the City has seen major commercial development occurring within the eastern portion of the City along Broad Street with the development of a Kroger store and adjacent strip retail center, the Hazelwood Shopping Center. In

addition to the construction of Kroger in 2000, the first phase of the Hazelwood Shopping Center was also constructed with approximately 19 additional retail units ranging from 1,400 square feet to 4,800 square feet and totaling 28,800 square feet. In the years following, another small retail center was built to the east of the Kroger/Hazelwood Shopping Center on the opposite side of Corylus Drive. Along with the retail center there is a car wash and a two-story bank, Bremen Bank of Pataskala. There was also enough additional residential growth in the area that Kroger came back in 2006 to ask for approval to expand their existing store by approximately 22,000 square feet. In addition to this expansion, Phase II of the Hazelwood Shopping Center totaling 22,000 square feet was also completed. This development offers an additional 12 retail units ranging from 1,400 to 10,200 square feet.

The City also approved development plans for a mixed-use project along State Route 310 just south of the old Village area. This project has retail/office development located along the west and east frontages, along with an area for a nursing facility on the west side which has space for 100 individual units with future plans of expansion. A retail center located on the west side of State Route 310 has three separate buildings totaling approximately 37,500 square feet for local retail business uses. A ten (10) year Tax Increment Financing district was established along the SR310 Corridor with the intent to generate payment in lieu of tax revenues for future infrastructure improvements in this development area.

In early 2007, the City rezoned property located at the northeast corner of State Route 310 and Refugee Road for another mixed use project with approximately 30 acres each of commercial, condominium, and apartments/assisted living units. This action is consistent with the Comprehensive Plan for the City and will allow commercial development to occur in areas planned for such development. It is anticipated that such development will provide new jobs and income tax revenue to the City.

In late 2006, the Ohio Department of Development designated an approximately 521 acre site in the City as eligible for \$3.4 million in Job Ready Sites (JRS) funding to construct an access road to open up the site, known as the Pataskala Corporate Park, for development. As such, this JRS site, at the southeast

corner of State Route 16 (Broad Street) and Mink Street is recognized as one of the premier sites for manufacturing and industrial development in the State of Ohio. This new road, linking State Route 16 (Broad Street) and U.S. 40 (The National Road), and providing improved access to Interstate 70 offers unparalleled access for commerce. The roadway is one of the initial projects funded under Ohio's Job Ready Sites (JRS) program, and is critical in order for the City to create jobs and investment. Phase I of this development is a two-lane roadway, with a future Phase II to add an additional 3rd and 4th lane, as well as other associated infrastructure improvements. The total cost of Phase I of the project is estimated at over \$5 million. Phase II of the project is projected to cost an additional \$6.3 million. The Phase I roadway was completed in late 2011 and the City has been actively marketing the Pataskala Corporate Park to attract advanced manufacturing, logistics, research & development, and corporate headquarters facility uses.

The Pataskala Corporate Park currently has all utilities and infrastructure in place and is prepared to support new development. In January 2012, the Austen Company, in conjunction with the Ohio Development Service Agency (formerly known as the Ohio Department of Development), designated the site with the Corporate Park as a certified JRS site. While the JRS site is nearly 521 acres in size, the new road potentially opens up over 1,000 acres of prime development land for manufacturing, distribution, corporate office and technology-oriented companies. The Pataskala Corporate Park is served by dual electric, open access rail service, planned fiber optic networking, and has all utilities



available. The site is within 3 miles of US-40 and I-70, and 8 miles of I-270 and SR-161.

In 2008, the City, Licking County, City of Newark, and Harrison Township and property owners/Development Corporation (Red Chip Farms, Inc.) agreed to a partnership agreement setting the stage for development of the JRS Roadway; and establishment of a Joint Economic Development District (JEDD) overlaying the Pataskala Corporate Park.

The strategy for the partnership and job creation is a multifaceted approach combining four key economic development tools consisting of: (i) the creation of the JEDD; (ii) utilization of grant funding from the Department of Development's (ODOD) JRS program; (iii) utilization of Community Reinvestment Area (CRA) property tax exemptions; and (iv) utilization of an existing Tax Increment Financing (TIF) area, in order to attract hundreds of jobs and millions of dollars in new investment.

The JRS area is intended to be developed into a planned industrial park resulting in the construction of new buildings and related site improvements. Strong job creation is anticipated, with an estimated 150–300 construction jobs and 1,000-1,800 new manufacturing, technology and logistics employment opportunities generating \$28-49 million in new annual payroll being created. The cost of the private investments to be made is estimated at between \$100-250 million for construction of new buildings containing approximately 5-8 million square feet of commercial & industrial space; approximately \$10-300 million invested in new machinery & equipment; approximately \$5-300 million for acquisition of furniture and fixtures; and approximately \$25-300 million for acquisition of inventory at the park.

During 2011, the City formally accepted the Etna Parkway Job Ready Site Parkway extending from Broad Street to Refugee Road, or the portion within the corporate limits. Etna Township, which borders the City, also accepted their portion of the roadway thus opening the roadway from Broad Street to State Route 40 and the Etna Corporate Park. This Etna Parkway Extension Project (Phases I & II) will hopefully provide a tremendous stimulus for growth in Central Ohio.

A new small subdivision of upscale homes, Erickson Farms was completed and the City approved and accepted the related infrastructure improvements in 2011. This subdivision is located near Summit Road. Ryan Homes, Westport Homes and Fisher Homes have undertaken completion of the Barrington Ridge and Settlement Subdivisions as well as completing the expansion of the Taylor Glen Subdivision.

MAJOR INITIATIVES:

Planning and Zoning Department/Economic Development

The Planning and Zoning Department has developed a mission statement which works to enhance the quality of life offered to those who live or work in the City through long range comprehensive land use planning and management. The Department's guiding principles are: 1) public engagement in planning discussions; 2) achievement of a balance of land uses that sustain the City; 3) enhancement of pedestrian connections to parks, schools, government, commercial, industrial and residential designations; 4) protection of the environment; 5) revitalization of the historic village centers; and 6) maintaining the City's identity with its agrarian and rail heritage.

The Department is comprised of a Director of Planning, Zoning Inspector, a part-time Assistant Zoning Inspector and a Zoning Clerk which are responsible for operations of the Department. The Department also serves as staff to the Board of Zoning Appeals and the Planning and Zoning Commission, comprised of 5 and 7 citizen members, respectively.

The Director of Planning compiles business and industry information and data for the City. The Director assists the City in preparing information packets for businesses looking for sites for major expansions as well as assisting entrepreneurs navigate the requirements for zoning, signage and land development.

Economic activity picked up in 2012 with major renovation projects on two businesses and several sign replacements that conformed to the new sign code passed in 2011. Several more small businesses entered into the development pipeline that may ultimately provide 20 or more new jobs within our community.

Housing starts were somewhat even in 2012, but indicators are that 2013 may see significant increases. A seniors-only apartment complex was proposed in 2012 and the developers are awaiting news of their financing package.

The Planning and Zoning Department was responsible for securing federal grant funding and partnered with the Mid-Ohio Regional Planning Commission (MORPC) Housing Division for administrative services, housing rehabilitation specialist services, and other related services associated with the City's participation in the Community Housing Improvement Program (CHIP) grant funds passed through the Ohio Department of Development. In 2012, the City received a second round of this funding in the amount of \$500,000 in federal funding to make improvements to low income housing areas within the City starting in 2013. The annual CDBG allocation we receive through Licking County was used for the

second year running to make drainage improvements in a low income neighborhood known as Blanche Addition, where the City has secured over 14 acres via tax forfeiture through the Licking County Auditor. The City hopes to begin some revitalization planning, using these properties for catalysts in 2013. CDBG funds also provided \$15,000 in matching funds to complete a market analysis and redevelopment plan for the “Old Village” area of Pataskala.

The Ohio Department of Transportation announced the City would be the beneficiary of \$273,000 Safe Routes to Schools grant funding to make improvements to the Licking Heights Local School District on Summit Road. The funding is designated for improvements such as flashing school zone sign areas, education and encouragement of safe pedestrian travel, and traffic enforcement. Designs were started in 2012 with construction expected to begin in 2013. The City has also been the beneficiary of \$508,000 Safe Routes to Schools grant funding for Pataskala Elementary which is a school building of the Southwest Licking Local School District. Project design continued through 2012 with construction expected to begin in 2013.

Police Department

The Police Department now has nineteen fulltime officers and three part-time officers. The newest part-time officer is a certified K-9 handler who recently retired from the Licking County Sheriff’s Office. The officer was given his K-9 when he left the county Sheriff’s Office. This experienced dog, Junior, has a lot of life to him, so we utilize the team when our full time K-9 officer and his partner are off duty. We hope to see an increase in our drug arrests with the help of Officer Morton and Junior.



The Police Department takes every opportunity to be involved in community events whenever possible. Through that growing relationship with the community, we are better able to serve the needs of our citizens, business owners, and visitors. It also brings allies that are more apt to notify us when they see issues that we need to be made aware of. This helps us provide our services in a timely manner.

The Police Department has continued with the Drug Take-Back day program (bi-annually). In addition to these two days the department has procured a permanent drop box so residents don’t have to hold on to drugs for six months. It is located at the Pataskala Police Station, and is available any time day or night with the assistance of an officer. We will continue with our bike patrol as well. In addition to patrol duties, we will utilize them at events so they are more accessible to the public.

Our auxiliary staff has continued to grow. The officers in this program allow the police department to better serve our community and no additional cost. They are professionals from other backgrounds that have an interest in law enforcement. They ride with our full time officers and provide them with assistance.

Public Service Department

In 2012, 15% of the income tax revenue was dedicated for Public Service Department operations. This funding provided the opportunity for the Public Service Department to be staffed with seven full-time employees and two part-time grounds maintenance employees, and resulted in the department improving service delivery during 2012. These increased efforts in 2012 include the repair of over 100 street lights,

repair of nearly 750 pot holes, repair or replacement of almost 650 street and traffic signs, 84 repairs to traffic signals, and upgrading/replacing the berms on nearly 30 miles of roads. Additionally, the department committed over 1,000 labor hours to the mowing of public right-of-way and over 150 hours to facility maintenance. The Public Service Department's standard services include street maintenance, snow removal, storm water system maintenance, facility and grounds maintenance, street light maintenance, street and traffic sign maintenance, and management of infrastructure construction projects. The Public Service Department is responsible for maintaining approximately 328 lane miles of roads, 17 bridges, and all non-utility related public infrastructures.

The City completed several infrastructure construction projects during 2012, including completing Phase I of the Roadway Asset Management Plan (RAMP). This phase included the reconstruction of a portion of Havens Corner Road, repair and chip sealing of McIntosh Road, repaving of Township Road from SR 16 to the bridge north of Willow Street, a portion of John Reese Parkway, Cedar Street, Front Street, Laurel Lane, a portion of Bristol Drive, Linda Avenue, a portion of Depot Street, and a portion of High Street. Additionally, streets in the Kylemore subdivision and Taylor Glen West subdivision were micro-surfaced.



Improvements were completed to the Mink Street Public Service garage. A new roof, gutters, downspouts, and pedestrian access doors were installed on the main garage. The office area of the garage was updated, and new interior lighting in the garage was installed to provide an improved work area.

Utilities Department

The City continued to implement a number of the recommendations set forth within the 2010 Utility Study, including the items listed below. Funding for many of the projects came from the issuance of \$2.0 million in bond anticipation notes in early-2012. In November 2012, an additional \$1.0 million in BANs were issued in order to fund the planned 2013 projects.

Wastewater Department

- **Cedar, Front, and High Sewer Line Replacement Project.** All new sewer main lines, manholes, and service line connections on Cedar, Front, and a portion of High Street were replaced.
- **Completion of WWTP Upgrade Phase II Project.** The upgrade at the WWTP was completed in order to achieve compliance with the Ohio EPA. The WWTP received increased capacity for the Oxidation Ditch-equipment upgrades, installation of influent screening equipment, and digester and sludge processing equipment.
- **Security Fence Project.** Consisted of security fence installation around the parameter of the Eastside and Administration pump stations.
- **Oaks Subdivision Sanitary Sewer Project.** Sanitary sewer main lines were installed in the Oaks Subdivision according to OEPA requirements. All residents made service line connections to the main infrastructure.

- **I & I Smoke Test Study Downtown.** In efforts to locate inflow and infiltration (I&I) sources in the downtown area, a smoke test was conducted. This located public and private areas of improvement in order to eliminate any sources of I&I.
- **Manhole Rehab Project.** 65 sanitary sewer manhole were selected for rehabilitation. Engineering and bidding was conducted in 2012, with project completion anticipated in early 2013. This also included raising 18 manholes, otherwise buried, to accessible and locatable grade.
- **Clarifier Rebuild Project.** Engineering was conducted for the WWTP Clarifier Replacement Project. The new equipment was purchased during 2012 with labor bid selection process and installation work commencing in May 2013.
- **Emergency Portable Pump.** A back up portable emergency pump, pipe, and fittings was purchased for lift station and treatment plant emergencies. In the event of major lift station failure or pump failure at the WWTP this pump will be utilized to prevent property damage and maintain OEPA compliance.
- **Manhole Camera.** A camera system was purchased to be used for manhole inspections and flow line inspections for main line preventative maintenance efforts.
- **Lift Station Pumps.** A back up pump was purchased or rebuilt for each lift station.
- **Settlement Pump Station.** Due to excessive pump clogs from inorganic material in the sewage, new pumps were purchased for the Settlement Lift Station. *Flygt N-Impeller Pumps* were selected for their efficient, non-clog operation.
- **Sanitary Sewer Main Line Cleaning and Televising.** Approximately 25% of the sanitary sewer main line inventory was preventatively cleaned and televised in 2012. This consists of over 8 miles of our 33 miles of inventory. Efforts were taken to reduce the potential for sewer back up related issues. The main lines were also televised to gauge the overall health of the sewers and to prioritize for more frequent cleaning efforts or future replacement.
- **Sugar Mill Lift Station.** The Sugar Mill Lift Station received new electrical power mains to the lift station due to failure. The lift station is also been integrated to the SCADA Control System. This work was completed in anticipation of building in the Sugar Mill Subdivision.
- **Safety Equipment.** Operator safety equipment was purchased in 2012. The equipment consisted of all needs for safe confined space entry, harnesses for all staff members, tripod retrieval system, davit arm, and gas detectors. Equipment also included proper fall suppression devices for overhead work and tower climbing protection.

Water Department

- **Cedar and Vine Water Line Replacement Project.** All new water lines, main line valves, service lines and valves in the easement, and fire hydrants.
- **Headley's Mill Water Tower Painting Project.** The tower was sand blasted, primed, and repainted to extend the useful life of the structure.
- **Security Fence Project.** Consisted of security fence installation around the perimeter of Water Treatment Plant #2, and gate modifications at Water Treatment Plant #1.
- **Booster Station Pipe and Pump Rehab Project.** Project consisted of pipe work and valve repair/replacement work, also includes the full replacement of Booster Pump #1.

- **Source Water Protection Plan Project.** This project included the development of the Source Water Protection Plan for the Water System.
- **Hydrant Replacement Project.** This project goal was to replace all aged fire hydrants throughout the system. The scope of the project also included replacing fire hydrants that did not have watch valves for maintenance. A total of 37 hydrants were replaced under the project, including new hydrants and watch valves.
- **Well #6 Replacement Project.** Well #6 was fully rehabbed and replaced; this included a new pump with motor, new stand pipe work, pit-less adapter, and cleaning of the well.
- **WTP #1 Brine Tank Replacement Project.** Due to age-related failure, the brine tank at WTP#1 had to be replaced. A new tank was purchased and installed during 2012.
- **WTP #1 Brine Pump System Replacement Project.** The brine pumping system at WTP#1 received full upgrade with a duplex pumping system, new pipe work, and properly secured control components.
- **WTP #1 Media Replacement Project.** Over the course of late 2011 and early 2012, the softeners at WTP#1 received new media in efforts to improve plant quality.
- **WTP #1 Valve Replacement Project.** The project consisted of full replacement of the main influent and effluent valves at WTP#1. The project consisted of full replacement of 6 treatment control valves on Softeners 3 and 4, and also included pipe work replacement to accommodate the new valves.
- **WTP #1 Softener Solenoid Replacement Project.** The solenoid control systems for each softener (4 total) were replaced due to age-related failure.
- **Sodium Hypochlorite Installation Project.** In efforts to remove the dangerous chlorine gas system, a new liquid sodium hypochlorite system was installed. The project required some in-house design work and approval from the Ohio EPA. A new storage tank was installed, along with spill containment, and feed pump system.
- **SCADA System Upgrade.** The SCADA System required a major upgrade to the computer and software for reliability.
- **Main to Township Water Line Project.** Due to past failures, the main line was repaired to allow for an additional redundant loop in the water system in this area.
- **New Line Location Equipment.** In efforts to accurately locate our utility lines, a utility line locating system was purchased. Additionally, leak detection equipment was purchased to locate exact locations of leaks for repair efforts.
- **Booster Station Generator Project.** In order to prevent water system service disruptions a backup power generator was purchased, with installation being performed in 2013.

Utility Billing Department

- **Check Scan Equipment.** The Billing Department purchased check scanning equipment and software to efficiently enter billing data.
- **Change to Utility Rate Structure:** The multi-tier utility rate structure approved in 2011 proved to be deficient, and resulted in operating shortfalls due to a decline in capacity fee-generated revenue. In 2012, City Council approved a flat-rate billing structure per 1,000 gallon usage

along with a Capital Improvement Fee (CIP) per 1,000 gallon usage. It is anticipated that this change will lead to positive financial results from operations.

- **Upgrades to meter reading equipment and software.** In order to improve the efficiency of the Billing Department the billing system received an upgrade.
- **Information and Outreach Efforts.** The Billing Department worked with the Director to make intentional education and outreach efforts on a monthly basis. The information pertained to Consumer Confidence Reports, Billing Informational Updates, Project Updates, and general tips and information to the customers.

Parks and Recreation Department

In 2008, City Council decided to suspend the Parks and Recreation Department and related services due to funding challenges faced by the City. However, based on the importance of parks and recreation related services within the City, agreements were entered into between the City and several non-profit organizations to continue youth soccer and girls softball within the City. The City's existing Parks and Recreation Advisory Board took on greater importance and responsibilities, as it became responsible for working with these non-profit organizations addressing operational and administrative needs - essentially serving as the City's Director of parks and Recreation services. 2012 was the fourth year the City successfully worked with these non-profit groups. Participation in the non-profit recreational programs and community events continue to increase.

The City's parks system has six parks within its corporation limits, totaling more than 143 acres of passive and active parkland. The City's largest, Foundation Park, provides softball diamonds, soccer fields, picnic shelters, and a walking trail along a stream and in September boasts the annual Antique Power Show, which includes tractor pulls, and antique equipment demonstrations.

In 2010, a local group affiliated with the Columbus Clippers Baseball Organization invested over \$8,000 of its own money toward improvements to the baseball diamond at Municipal Park. The work was completed in 2011, in addition to soccer fields that were seeded and improved by a soccer team and completion of a sand volleyball court by a local high school team. In December 2011, the City signed a lease with a local nonprofit that is opening the community pool. A partially grant funded walking trail was built along the central creek connecting two large subdivisions to the park thus making this park a lively, centrally located community gathering place.



During 2011, a regulation soccer field was added at Freedom Park along with aeration, seeding and fertilization of the area. Two additional youth fields are also in the plans, all donated and maintained by a local group. Further improvements include mulching of the tot lot and painting of the shelter house.

Future anticipated projects for the Parks Advisory Board include the continued support for expansion of youth, middle school, and high school soccer programs, adult softball and pool memberships through the Pataskala Recreation Association, continuation of youth softball programs through the Licking Heights Youth Association, providing JV and Varsity Fields for Southwest Licking Girls' softball teams, support of local nonprofits that utilize the concession stands to support scholarships for youth, and the addition

of a local baseball league to the fields in the Fall.



Finally, the Park Advisory Board is working with a nonprofit group to add two baseball fields to Foundation Park consistent with the master plan for this park. Repairing existing buildings and grounds, purchasing information signage and community boards, planting garden beds, and establishing a plan for improvement of the current Conaway Trail and addition of a walking path on the western side near Freedom Park will also be projects that are being focused upon.

The City opened a 3,400 linear foot multi-purpose bike path in late October 2011, called the Cross Town Line, which connects the Bright Waters Subdivision on the eastern edge of the City and move west along the scenic portions of the Licking River crossing through Municipal Park before ending near the City's water treatment plant on the west side of State Route 310. The City funded this bike path through \$239,829 in federal and state dollars, along with a required local match by the City. This effort is in response to a revitalization plan provided by a group of residents in 2009 to improve the community.

Land and Buildings Department

In 2007, the City purchased an existing office building located on Broad Street to serve as its Municipal Headquarters with the intention of leasing any excess space. Improvements to the building since 2007 have included a new parking lot, new roof, and technology upgrades completed in 2012.



The Lands and Buildings Department is primarily funded by the General Fund, and expenditures included improvements to the Old Town Hall (which also serves as the Police Department Headquarters), Municipal Building, Street Department, and park facilities.

Specific to the Old Town Hall, in 2008 City Council determined it was in the best interest of the City, businesses, and residents to make necessary improvements to the Old Town Hall, designated as a historic



site by the Ohio Historical Society, rather than sell this building and find another location for the City's Police Department. These discussions were a result of the deteriorating condition the building was in and necessary improvements needed. On the second floor of the Old Town Hall is the "Sterling Theatre" which was used as a movie theatre and gathering area for residents when constructed in 1910. This space was also used as Council Chambers for several years until the space became unusable. In an effort to make necessary improvements to the building as a whole, a

non-profit group, the Historic Town Hall Inc. collected monetary donations as well as donated labor to improve the Sterling Theatre. Donations by the non-profit group have been used for new windows, cleaning, and other miscellaneous improvements. City Council also elected to budget \$250,000 which comprised 2009 through 2012 operating budgets into Old Town Hall for specific Police Department operations, including façade improvements, windows, electrical improvements, HVAC improvements, and plumbing improvements. This project was substantially completed in 2012.

The City continues to upgrade its website at www.ci.pataskala.oh.us in order to provide timely information and make the site more user-friendly. The City also publishes quarterly newsletters providing residents the recent events, projects, and accomplishments throughout the year, as well as an e-newsletter and Facebook page.

Finance Department

The Finance Department, which consists of 2 full-time employees, is responsible for the following functions: payroll, budgetary compliance, accounts payable/receivable, income tax collection, human resources, capital asset accounting, investing public funds, and ensuring compliance with Bureau of Worker's Compensation guidelines.

The department provides timely financial information to City Council, employees, and residents. This includes monthly financial budgetary reports which are posted to the City's website, a 5 year forecast of the City's general fund, outlining expected revenues, expenditures and cash position, and also updates regarding the City's budget. Policies and procedures are continuously updated and reviewed ensuring proper internal controls are in place.

The City continues to participate in the Licking County Safety Council, a program designed to provide ideas for a safer workplace, along with potential cost savings related to the City's Bureaus of Workers Compensation premiums.

During 2012, the City participated in two separate debt issuances for a combined total of \$5.26 million in bond anticipation notes. Of the total, \$2.25 million was issued for the construction of roadway improvements and \$3.01 million was issued for the construction of water and sewer utility-related improvements. The City anticipates rolling these notes over for 1-2 years, eventually locking in long-term financing through the issuance of bonds. In conjunction with the transaction, the City's Aa3 rating was affirmed by Moody's Investors Service. Assignment of this rating was based upon the City's modest tax base located near the state capital of Columbus; satisfactory financial operations; healthy reserve levels for the City's small budget; and manageable debt position with moderate near term borrowing plans.

As discussed under Long-Term Financial Planning, the City also received the Moody's Investor Grade (MIG) 1 rating for the Series 2013-A Various Purpose General Obligation Limited Tax Bond Anticipation Notes issued in 2013, the highest investment grade category available for short-term debt.

This year will mark the nineteenth consecutive year of filing financial statements according to accounting principles generally accepted in the United States of America (GAAP), and the fourth consecutive year that the City has submitted a Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers Association for their Certificate of Achievement Program.

LONG-TERM FINANCIAL PLANNING

A 1.0% income tax was enacted by the voters in May, 2010 and it provides support for police protection as well as funding for investment in maintenance/improvements of the City's roadway infrastructure. The income tax became effective July 1, 2010. At that time, City Council initially earmarked 75% of the revenue for police and 25% for street maintenance and repair through December 2011. Based upon 2011 and 2012 collections being significantly higher than originally estimated, the City was able to allocate additional income tax revenues in 2012 toward the City's infrastructure needs. City Council directed that the 2012 income tax collections were to be allocated to the Police (24%), Street (15%), Capital Improvement (55%), and Debt Service (6%) funds.

Pataskala is considered to be a bedroom community, with a significant portion of its approximately 15,000 residents working outside the corporate limits, including the cities of Columbus, Pickerington, Reynoldsburg, Whitehall, and Newark. The Licking County unemployment rate declined to 6.9% in March 2013, slightly better than the State of Ohio's rate of 7.1% for the same time period. This is a welcome improvement over Licking County's 8.0% rate in December 2011. The City also monitors and utilizes unemployment rates in surrounding counties forecasting future income tax collections.

The City Administrator compiled a list of eight planning topics, which include: attracting jobs to the City; improving the City's roads; and completing a vision of how residents want the City to look in coming years.

Please find below an outline of Goals & Projects for 2013. The Administration has prepared this plan in order to focus our planning and align our action steps consistent with these goals in order to achieve maximum efficiencies and results for the citizens of Pataskala.

Tier I:	Initiatives of a critical or short term / immediate nature
Tier II:	Initiatives of a foundational or moderate / longer term nature

1) Economic Development – “Jobs in 2013”

Tier I:

- **Jobs-Ready Site:** Attracting investment in, and development of, The Pataskala Corporate Park/Job Ready Site (JRS). Coordination with Cassidy/Turley Commercial Real Estate Services (property marketing firm retained by Licking County) for marketing of the JRS.
- **Business Retention, Expansion & Attraction (BREa):** Focus economic development efforts within all commercial and industrial areas of the community in order to attract new business, as well as retaining and encouraging expansion of existing businesses.
- **Revitalization I:** Implementation of Community Reinvestment Areas and expand these areas as needed. Includes Columbia Center CRA; Summit Station/Gateway CRA; Old Village CRA; and Pataskala Corporate Park/Etna Parkway CRA.
- **Revitalization II:** Implementation of Downtown (Old Village) Market Study Recommendations.
- **Local School Districts:** Continue to strengthen relationship with both local school districts to form a strong partnership for economic growth.

- **Development Update:** Review of all commercial and industrially zoned properties, including assessing the development-readiness of these areas. Continue to stress business friendly/collaborative approach to encourage investment in the community.

Tier II:

- **Organizational Relationships:** Strengthen our partnerships with regional organizations, entities, and neighbors to enhance marketing and coordination:

Columbus 2020
Grow Licking County CIC
Mid-Ohio Regional Planning Commission (MORPC)
Etna, Harrison, St. Albans, Jersey, Jefferson townships.
Pataskala Area Chamber of Commerce
Franklin & Licking counties
Jobs Ohio
Pataskala Corporate Park JEDD
Ohio Development Services Agency
Southwest Licking & Licking Heights School Districts
Central Ohio Technical College/C-TEC
Mid-Ohio Development Exchange (MODE)
Mink Street Consortium
Southwest Licking Consolidated Water & Sewer District
Cities of Columbus & Reynoldsburg

- **Licking County CIC:** Continue in leadership role as Chairman of the Grow Licking County Strategic Planning Committee; seek leadership roles in other regional organizations.
- **Website Update:** Continual improvement in appearance and functionality of the City's web-based economic development system.
- **Economic Development:** Plan and host an annual economic development event to highlight that the City is "open for business".
- **Branding & Marketing:** Evaluate benefits/effectiveness of a community branding initiative.
- **Development Initiatives:** Build economic capacity through infrastructure development and marketing initiatives. This includes: outreach to new businesses; development of Pataskala Corporate Park rail spur; implementation of downtown redevelopment streetscape design; strengthening of performance-based incentives; and the completeness of the City's inventory of developable sites.
- **Workforce Development:** Continue efforts to improve the City's workforce development and training opportunities – ongoing efforts with our partners COTC and Workonomics.

Performance Metrics:

- Leads received, responded to, results, and evaluation of the process;

- Jobs created; investment level; payroll creation; income tax generated;
- Businesses retained and/or expanded; new businesses created or re-located to the City;
- Marketing initiatives; incentive agreements.

2) Infrastructure Improvements / CIP Implementation – “Investment in Our Future”

Tier I:

- **Safe Routes to School (SRTS) Grant Phases I & II:** Complete sidewalk and crossing improvements on approaches to Pataskala Elementary and Licking Heights campus.
- **Mink Street Reconstruction Phase I:** Complete design, engineering and construction of the first phase of roadway improvements to Mink Street (Bridge North of Havens Corner Road to Morse Road).
- **Broad Street:** Support the Ohio Department of Transportation’s (ODOT) efforts to resurface the entire length of Broad Street (SR 16) from the western to the eastern corporate lines.
- **Street & Road Infrastructure:** Implementation of the Roadway Asset Management Plan (RAMP) Phase II, including repaving/reconstruction of the following roadways:

Mill Street	Cable Road	Third Avenue
North End Drive	First Avenue	Veasey Lane
Robin Lane	Hickory Lane	Adams Lane
Bright Waters		
- **Broad Street Corridor – Sidewalk Plan Phase I:** Construct new sidewalks on Oak Meadows, Broad Street, and Vine Street. When completed, the walkways will provide safety, connectivity and pedestrian access from Foundation Park to the Bright Waters subdivision.

Tier II:

- **Mink Street Reconstruction Phase II** (Broad Street to Bridge North of Havens Corner Road): Work with ODOT & MORPC to attempt to accelerate construction time table – construction to begin 3rd Quarter 2016. Review and identify needed improvements to Mink St. / Broad Street Intersection – **potential Phase III.**
- **Broad Street Corridor – Sidewalk Plan Phase II:** Construct new sidewalks where needed from eastern terminus of Phase I to/along the Kroger Center. Focus is on preliminary design and researching grant funding opportunities.
- **Taylor Road Pedestrian & Bicycle Path:** Provide safety, connectivity and access to residents in Brooksedge and Taylor Glen with path linking these subdivisions with Freedom Park – Path from Freedom Park to Lockmead & Woodington Drives. Grant funding opportunity now available through the Clean Ohio Fund (State of Ohio) & Recreational Trails Program (US DOT/FHA).
- **Safe Routes to School – Phase III** (Township Road area): Grant application for this funding opportunity due at this time.
- **Municipal Bridge Program (ODOT):** Complete and submit application for funding to replace the Columbia Road Bridge north of Broad Street.

- **Citywide Sidewalk Program:** Current sidewalks throughout the City are in a deteriorated state, and many areas lack connectivity or access by any available sidewalk system. In order to promote safety, accessibility and connectivity, the program would result in accepted standard drawing design for sidewalks in the City; contacting property owners with deteriorated sidewalks and providing them with a system whereby they can make the needed repairs or have the City make the repairs and charge the cost back to the responsible property owners; system to provide new sidewalks in areas where they currently do not exist.

Performance Metrics:

- # miles of improved roadways;
- # residents and businesses directly impacted by improvements;
- Streets and sidewalks improved to provide more access, safety to pedestrians and connectivity;
- Economic Development Impact.

3) Employee Development – “Excellence in service delivery to our Residents”

Tier I:

- **Employee Compensation:** Establish non-union/supervisory-level employee compensation matrix for 2014 – 2016.
- **Staffing Analysis:** Perform organizational Review of current staffing levels and job duties within the organization – assess need for future positions such as Human Resource Manager; Grants Coordinator; Fleet & Facility Manager; and Public Information/Communications Officer.
- **Wage and Benefits:** Perform/update the wage and benefit survey for all City positions.
- **Collective Bargaining Agreement (CBA):** Successfully negotiate collective bargaining agreements with each of the three unions for 2014 – 2016 contracts.
- **Employee Health Insurance:** Continue cost containment focus that has served City so well over the past 6 years. Evaluate impact of Affordable Health Care Act on City, including implementation of additional benefit and reporting requirements.
- **Workplace Safety:** Utilize OSHA templates for monthly safety reviews; staff Safety Committee; ongoing oversight of workplace environment; and to take/recommend corrective action as needed.

Tier II:

- **Benchmarking:** Compare and contrast Pataskala against other communities. Identify where we stand in terms of service delivery, why and what is needed to improve.
- **Training, Training and more Training:** Continue structured programs for employee development.
- **Employee Recognition Program:** Develop formal program to recognize employees for their number years of service; including the possibility of either performance-based or training/certification-based compensation.

Performance Measures:

- Retention;
- Employee development;
- Cost containment;
- Workplace safety – goal of zero safety issues;
- Competitiveness;
- Job completion levels.

4) Public Service & Engineering – “Road to a 1st Class Transportation System”

Tier I:

- **Public Service Department – Core Services:** Continue to provide basic and enhanced services to the residents and businesses, including:
 - Roadway berm replacement
 - Urban forest management plan (city-owned trees only)
 - Roadway striping
 - Pothole repair and repaving
 - Ditch cleaning and culvert repair
 - Main Street corridor and right of-way mowing
 - Stream blockage removal
 - Street light repair and maintenance
 - Snow and ice removal program
 - City gateway maintenance
 - Street signage repair and replacement
 - Weekly park inspection program
 - Guardrail maintenance
 - Roadside vegetation spraying/removal – signage visibility
 - Road sweeping/alley maintenance
 - Mosquito control program
- **Traffic Signalization:** Traffic Signal LED upgrades Phase II – installation of LED bulbs in City traffic signals – 50% completed in Phase I – remainder to be completed in Phase II.
- **Downtown Storm Sewer Maintenance:** Targeted use of jet truck to maintain and clean-out lines. Inspect all drains and catch basins in the Old Village area.
- **Drainage Ditch Maintenance:** Continue efforts to improve and maintain City’s system of drainage ditches. Specific target areas to include:

Dixon Road
Cable & Mink (NW Corner)

Graham Road
Summit Road

- **Engineering Cost Containment:** Perform a detailed review of each project to ensure that the amount of funding spent on design and engineering is managed.
- **Geographic Information System (GIS):** Implementation and construction of system of digitally entering rights-of-way data onto City system.
- **Summit Road Drainage:** West side of Summit Road scheduled to be improved by City in anticipation of SRTS Phase II project later in 2013. City awaiting level of participation from LHSD on improvement to east side of Summit Road which benefits LHSD.
- **Brooksedge Emerald Ash Borer Street Tree Removal & Replanting Program Phases I & II:** The subdivision was devastated by infestation of ash borer which killed most of their Ash trees. The Public Service Department will assess other areas similarly impacted by this infestation and formulate recommended response for Council consideration.

Tier II:

- **Street Lighting:** Ongoing coordination with AEP on street light/electrical outage issues – quarterly meeting schedule.
- **RAMP Program Update:** Evaluation of 2010/2011 RAMP study, updating where needed, as well as including current assessment of conditions of City roadways.
- **Assessment of SR-310:** Development of plan for improvements in preparation of ODOT's resurfacing of SR-310 in 2015. Similar review as was done of SR-16/Broad Street in preparation of ODOT's resurfacing in 2013 (this review resulted in signal synchronization plan, sewer and sidewalk improvements).
- **Pedestrian Access Improvements:** Develop citywide sidewalk maintenance and replacement program. Develop pedestrian path and bicycle path plan combining current sidewalk & paths system and linking these via future improvements.
- **Corridor Street Tree Plan:** Identify and design future improvements to major corridors.
- **In-House vs. Outside Engineering Firm Review:** Detailed analysis in advance of Budget 2014 development. Determine most cost-effective approach to engineering function.

Performance Metrics:

- Infrastructure projects done on-time and at or below budget;
- Monthly performance measures applied to assess completeness and results of core service program activities.

5) Land Use, Planning & Zoning / Grant Funding, Parks & Recreation – “Future Pataskala!” (City is currently 5th fastest growing City in Central Ohio):

Tier I:

- **Economic Development:** Continue responding to leads, mapping projects/GIS, etc.

- **Code Review:** Proactive review by staff identifying areas of the code not working as intended – suggestions for code modifications, if needed, should be anticipated in 2013.
- **Property Maintenance Enforcement:** Continued prioritization of enforcement issues within the Department – trash, junk vehicles, tall grass and weeds, along with chronic property maintenance-related properties.
- **Pollution Control:** Redouble efforts to maintain compliance with the City’s NPDES MS4 permit requirements, including the annual report due at the end of March. The Utility Director and the Services Director are key partners in achieving this goal. Make recommendations for appropriate funding to accomplish some required activities.
- **Grant Funding:** The City has either received notice of grant awards or will submit an application for grant funding from the following programs in 2013:

Ohio Public Works Commission (OPWC)

Community Housing Improvement Program (CHIP)

Clean Ohio Fund

Municipal Bridge Program

Ohio Water Development Administration - Ohio Water Pollution Control Loan Fund

Demolition Grant / Neighborhood Stabilization

Taylor Road Pedestrian and Bicycle Path

Safe Routes to School Phase III – Township Road

Broad Street Sidewalks – Phase II

Columbia Road Bridge Replacement

CDBG Small Cities Grant

Recreational Trails program

- **Planning & Zoning:** Maintain the current average permit processing time to under thirty (30) days, which is the maximum time allowed by code.
- **Park Facilities:** Effective identification of grant funding sources through the engineering retainer agreement. Continued close relationship with, and support of, the P&R Advisory Board – especially in areas of Pool lease, Recreation Utilization Agreements, and Adopt-A-Park Program. The Public Service Department has been directed to continue to provide enhanced maintenance assistance in parks, parking areas and fence maintenance. Efforts in 2013 to be aided by creation of Parks Coordinator Position and addition of PT Parks Maintenance personnel.
- **Foundation Park Baseball Diamond Project:** Coordinate with the Parks & Recreation Advisory Board and Columbus Clippers Youth Baseball Organization to facilitate the construction of additional baseball fields at Foundation Park.

Tier II:

- **Community Visioning:** Continue to work to identify what the Citizens see as the “Pataskala of the Future”.

- **Comprehensive Plan Update:** Prepare the groundwork to update the City's Comprehensive land Use Plan in 2013.
- **Revitalization Plan for the Blanche Addition:** This plan would establish City policy for utilization of the tax forfeiture properties acquired by the City and which are currently being "land banked" for future neighborhood stabilization use.
- **Park Master Plans:** Update existing plans; prepare plans for parks without master plans.
- **Enhanced Constituent Communication:** Simplify citizen access to information about the City's zoning regulations and processes. Complete the "Citizens' Guide" consisting of a series of handouts summarizing the most common regulations and processes utilized by the average citizen, addressing such issues as: accessory buildings, home-based businesses, fees, permits, variances, conditional uses and rezoning.
- **Code Compliance Communication:** Expand use of advance educational communications, currently consisting of sign rule notices to candidates facing upcoming election and publication of permit rules prior to the spring building season. New materials to include information on criteria used to evaluate violations of regulations concerning vehicles stored on property, trash, outdoor use of interior furnishings, and tall weeds and grass.
- **Zoning Dept. Policies:** Development of a written policy and procedures manual. Work with the Law Director to create a manual that will ensure consistency of implementation and enforcement of departmental duties and to formalize procedures that are not explicitly laid out in the zoning and subdivision ordinances.

Performance Measures:

- Response time to zoning violations;
- Grant applications and results;
- Plans prepared and implemented.

6) Utilities – "Safety, Reliability, Excellence!"

Tier I:

- **Utility Master Plan:** Continued implementation of City's 2010 Utility Plan – Capital Improvements Plan Phase II.
- **Utility Interconnect:** Complete design work in 2013 for the Water System Emergency Interconnect Project.
- **Pat Haven/Broad Street Sewer Replacement:** Complete the construction of this section of sewer line prior to ODOT's planned repaving of Broad Street (SR 16).
- **Connector to Eastside Lift Station/Municipal Park Path:** Paving of this gravel path will improve accessibility to the lift station by Utility Department personnel. In addition, it will also result in paved area from the existing Municipal Park path to Shawnee Loop South in Bright Waters.
- **Utility Performance Audit:** Complete the 3rd Round of utility system performance audits, and move toward benchmarking with other utility systems

- **Source Water Pollution Prevention:** Significant outreach, education, and awareness initiatives to customers on SWPP, FOG, Backflow, Water Conservation Efforts, virtual tours of treatment plants on line, rain barrel initiatives, and rain garden initiatives.
- **Sewer Line Maintenance:** Increased efforts in sewer main preventative maintenance cleaning efforts. Goal to clean 50% of our main line inventory. Smoke test more portions of downtown lines to detect I&I and cross-connects.
- Perform annual sewer main and manhole relining and repair efforts.
- Install new clarifier equipment at the waste water treatment plant.
- Decant pump to Digester Project-properly send decanted and filtered press water to digester treatment.
- Jet Vac Truck Debris Dump Station at WWTP.
- New UV Sleeves and Lamps for WWTP disinfection system.
- Complete the remaining emergency interconnects for each lift station to receive the new portable pump hose connections.
- Install gravity sewer main from Connie Village to the Municipal Building lift station to eliminate problems with a private pump station.
- Wastewater portion of the Radio Read Project.
- Annual water line, valve, and hydrant replacement and repair efforts.
- Beechwood Annual water line, valve, hydrant, and service line repair and replacement efforts.
- Water Department portion of the Radio Read Project, replacing all meters in Beechwood Trails and Downtown (1,400 accounts) to radio read units for quicker reading efforts and replacing aged inaccurate meters.
- Annual age related equipment repairs at WTP#1.
- Implement the Annual Water Main Valve Exercising Program-utilizing new equipment for a yearly repeating program to operate every water main valve and make repairs as failures arise.
- Increased efforts in water loss percentage reduction by Radio Read Project, and annual meter replacement efforts for half of the customer base.
- Replace/complete WTP#1 Creek Crossing Transmission Main Project.
- Study and design work for repair and optimization of the Southeast Water Tower which is currently off line.
- Externally powerwash the Southeast, and both Beechwood Trails Tower.
- Continue to build on positive steps in relationship with OEPA established with OEPA in Wastewater in 2009 & 2010, and in Water in 2011 & 2012 (examples – OEPA recognized Source Water Protection Plan).

Tier II:

- Long term planning/vision for Utility Department. Where do we want to be 5, 10, and 15 years from now?
- GIS integration work.

- Heavy focus on education and outreach to residents on all functions of the Utility Department. Increased level of information in bills, monthly brochures, etc. Utilize the website and Facebook to its full potential in outreach and education. Virtual plant tours on line.
- Implementation and efforts in the Source Water Protection Task Force. Practical community events to protect the water supply. Heavy focus on the SWPP.
- Devise solid future planning for the WTP#1 and WTP#2, and how they will co-exist in the future.
- Develop a plan of action to make yearly efforts in facility/production energy usage (electric, gas, water) in efforts to reduce operational costs.
- Investigate/initiate 'green' technology options for utilization at our treatment facilities to reduce energy costs and encourage environmentally friendly production initiatives; solar, wind, hydraulic power generation options.
- Implement in-house maintenance tracking software for the Utility Department. Program will allow for easy data collection and filtering on specific locations or equipment.
- Research and potentially implement utility certification incentive compensation program-revised pay scale for utility operators, to compensate for obtaining OEPA Certifications.
- Pataskala to become a regular host for SEOWEA, AWWA, OTCO meetings/tours or another State Operator Education and Training Committees.
- Study and investigate cleaning/dredging work of both lagoons at the WWTP, possible abandonment of lagoons, or study if one of the lagoons could become a fishing preserve for Pataskala residents.
- Study on larger storage pad at the WWTP along with cost savings study associated with sending WWTP sludge to land application sites (farm fields) versus landfill operations.

Performance Metrics:

- Results of monthly performance reports;
- Projects completed on time and under or at budget;
- Completing projects outlined in 2010 Utility Study;
- Continue current low # of main breaks; boil advisories; back-ups; etc.

7) Facility & Fleet Management / Community Services – “Safeguarding our assets to serve our citizens better”

Tier I:

- **Solid Waste Collection:** Complete RFP process and award city-wide trash collection contract for 2013-2016.
- **Police Communications:** Complete the construction of a MARCS-compatible radio communications tower for public safety communications.
- **Municipal Building Safety:** Complete threat and security assessment of City Building, including recommended actions to improve safety and security.

- **Town Hall Improvements:** Identify desired course of action to replace existing slate roof on the old Town Hall/Police station. Solicit bids for project and commence replacement.

Tier II:

- Various safety improvements including improvements to parking areas.
- Fleet Maintenance reporting and review of vehicle and equipment replacement recommendations.
- Integrate former police department vehicles into the Administration's fleet.

Performance Metrics:

- Adherence to fleet replacement schedule;
- Bid out, negotiate, Council approval of Trash Collection Contract by end of 2nd quarter 2013;
- Complete all projects on time and under or at Budget.

8) Communications / Public Outreach & Media Relations / City's Regional Role – “A Partnership with our Residents”

Tier I:

- **Public outreach & Media Relations:** Continue “State of City” interviews by City Administrator with media outlets at least quarterly throughout the year; continue positive series of articles about the City. Articles by Directors in addition to those by the Administrator are anticipated. Continual improvement of City Newsletter content.
- **Resident Notification:** Continue Project Notifications to impacted residents and businesses prior to commencement of capital improvement projects. Continue customer satisfaction surveys to citizens after such projects have been completed to determine “How did we do?”.
- **Community Customer Service Response (CCSR) System:** Rapid response to citizens and problem resolution, increased reporting on citizen concerns and commitment to excellence in responding to our citizens and addressing their concerns.

Tier II:

- Continue to find creative ways of reaching our citizens through the website, Facebook page and other social media.
- Review staffing/resources directed to reach increased levels of public outreach and media relations. How can the Administration most effectively fulfill this vital role in the future given current resources, which in many communities is fulfilled by a specific and focused “Communications Officer” staff position.
- Continuing active staff attendance at community meetings and events.
- Continued strong relationship with volunteer groups in 2013 – public/private partnership.
- Continued relationship building with MORPC, Columbus 2020! and Grow Licking County CIC.
- Establish perception of the City as an attractive place to work, live and play.

Performance Metrics:

- Maximize customer/resident satisfaction with City operations;
- Attendance at regional meetings and events;
- Feedback from customers/residents on quality/relevance of website, Facebook page and other social media.

RELEVANT FINANCIAL POLICIES

By ordinance, City Council adopted the *Purchasing and Financial Policy Manual* which provides a tool for the City to better manage and streamline the City's purchasing procedures, budgeting and financial planning, debt management, and investment and deposit of funds to ensure the minimal City resources are utilized to their fullest. A summary of the significant components of the Purchasing and Financial Policy Manual as follows:

Purchasing Procedures - Clarification and direction was provided to all employees governing the use of requisitions, certification of funds, establishing communication channels between departments receiving goods and the authorization for payment, competitive bidding process, and finally establishing overall standards and ethics.

Budgeting and Financial Planning – The purpose is to identify the major elements of the budgeting/financial planning process to ensure the long-term objectives of the City are met and to recognize that prudent financial planning considers multi-year implications of short-term financial decisions. The major financial planning elements include:

1. Capital Improvement Plan – This document establishes a policy framework to guide the expansion of the City and future development and necessary infrastructure and capital equipment needs.
2. Five-Year Forecast – This plan projects the expected fund balances of the City's General Fund, or main operating fund, and considers the expected funding needs, essential funding sources, and may expand upon the Capital Improvement Plan by estimating the costs and funding for projects and programs that accomplish the long-term goals for the City.
3. Annual Operating and Capital Budgets – This annual financial plan is prepared by the City Administrator with assistance from the Finance Department and approved by Council. These budgets may be changed throughout the year based upon departmental needs and changes in estimated revenues.

The City will budget target cash fund balances for various operating funds to provide reserves for unforeseen emergencies or revenue shortfalls and to eliminate the need for short-term borrowings for cash flow needs.

Debt Management - Debt will only be used to fund capital projects or the purchase of capital assets that will continue to benefit the community and will not be used to finance operating expenditures. The City will work to obtain and maintain assigned credit from a rating agency consistent with the City's

financing objectives. Finally, the City will strive to retire short-term borrowings as considered beneficial to the City in relation to overall cost savings and interest rates.

Investments and Deposits of Funds – All idle funds shall be invested in accordance with the City’s investment policy as approved by City Council. The City’s investment policy emphasizes safety, preservation of principal, liquidity and yield.

AWARDS AND ACKNOWLEDGEMENTS

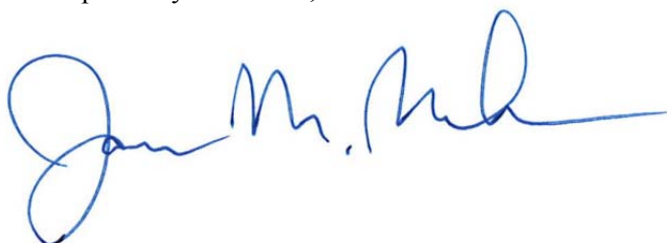
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pataskala for its Comprehensive Annual Financial Report for the year ended December 31, 2011. This was the third consecutive year that the City of Pataskala has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report 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 City has been awarded the Ohio Auditor of State’s “Award With Distinction” (formerly known as the “Making Your Tax Dollars Count” award) for 2009, 2010 and 2011 based on the submission of a Comprehensive Annual Financial Report, and the finding that no material noncompliance or internal control weaknesses were identified as a result of these audits.

The preparation of this Comprehensive Annual Financial Report was made possible by the dedicated service of the City’s Finance staff, department heads and to all other City employees who have contributed or assisted in its preparation.

Respectfully submitted,



James M. Nicholson
Finance Director



Timothy M. Boland
City Administrator

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Pataskala
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Moynell

President

Jeffrey R. Emer

Executive Director

City of Pataskala, Ohio
Elected & Appointed Officials
As of December 31, 2012

Elected Officials*

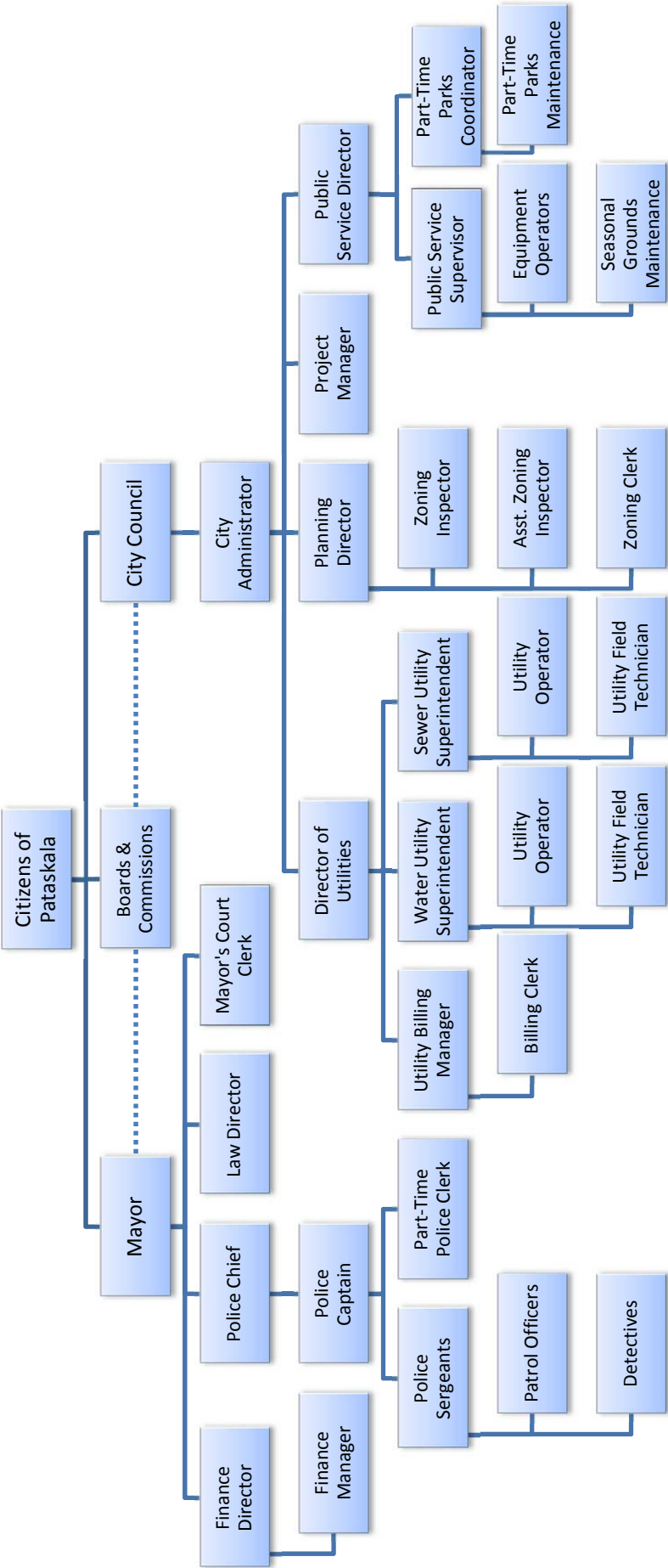
Mayor	Stephen Butcher (2013)
Council President	Ward 4 – C. Daniel Hayes (2015)
Council Members	At-Large – C. Bernard Brush (2013) At-Large – Bryan Lenzo (2013) At-Large – Merissa McKinstry (2013) Ward 1 – Patty A. Sagar (2015) Ward 2 – Michael W. Compton (2015) Ward 3 – Michael Fox (2015)

Appointed Officials:

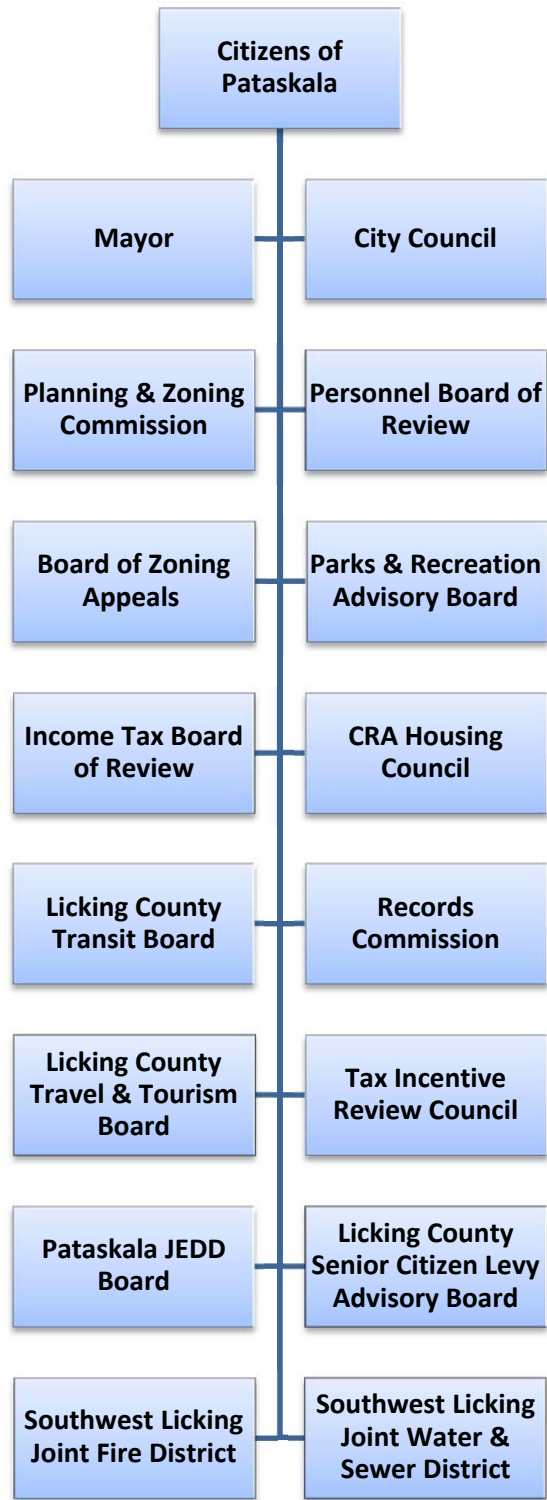
City Administrator	Timothy M. Boland
Director of Finance	James M. Nicholson
Law Director	Rufus B. Hurst
Planning Director	Dianne C. Harris
Public Service Director	Benjamin J. King
Chief of Police	Bruce Brooks
Utilities Director	Nathan W. Coey

* Elected officials terms of office listed in parentheses.

City of Pataskala, Ohio
Organizational Chart



City of Pataskala, Ohio
Boards & Commissions





Financial Section

City of Pataskala | CAFR





Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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Independent Auditor's Report

City of Pataskala
Licking County, Ohio
621 West Broad Street
Pataskala, Ohio 43062

To the Members of Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Pataskala, Licking County, Ohio (the City), as of and for the year ended December 31, 2012 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pataskala, Licking County, Ohio, as of December 31, 2012, and the respective changes in financial position, and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund, Street Fund, Permissive License Tax Fund, and Police Fund, for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2012 the City of Pataskala adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements*, No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

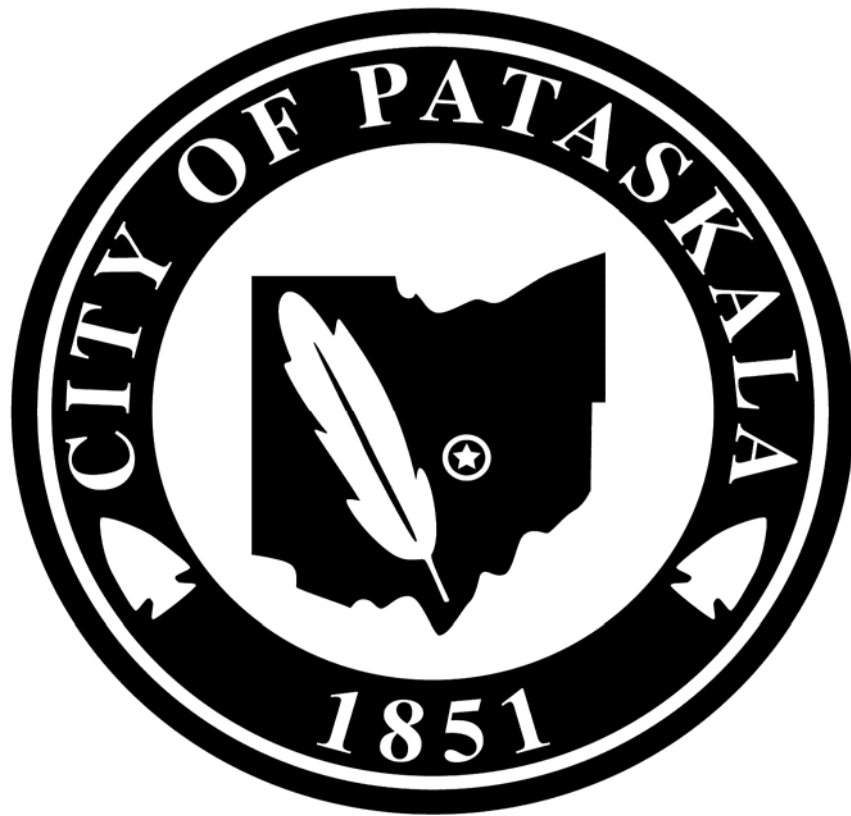
The financial section's combining statements, individual fund statements and schedules, are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2013, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Balestra, Harr & Scherer, CPAs
Balestra, Harr & Scherer, CPAs, Inc.
June 13, 2013



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CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012

The management's discussion and analysis of the City of Pataskala's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2012. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2012 are as follows:

- The total net position of the City increased \$2,619,858. Net position of governmental activities increased \$2,308,654 or 12.63%. Net position of business-type activities increased \$311,204 or 6.93% over 2011.
- General revenues accounted for \$5,647,416 or 69.41% of total governmental activities revenue. Program-specific revenues accounted for \$2,488,431 or 30.59% of total governmental activities revenue.
- The City had \$5,827,193 in expenses related to governmental activities; \$2,488,431 of these expenses were offset by program specific charges for services, grants or contributions.
- The general fund had revenues of \$1,562,858 in 2012. This represents an increase of \$5,696 from 2011 revenues. The expenditures and other financing uses of the general fund, which totaled \$1,825,220 in 2012 increased \$151,285 from 2011. The net decrease in fund balance for the general fund was \$262,362 or 19.06%.
- The street fund had revenues of \$1,327,663 in 2012, which is a decrease of \$111,600 from 2011 revenues. The expenditures in the street fund totaled \$1,310,898 in 2012, which increased \$57,418 from 2011. The net increase in fund balance was \$16,765 or 1.81%.
- The permissive license tax fund had revenues of \$623,794 in 2012, which is an increase of \$308,812 from 2011 revenues. The expenditures in the permissive license tax fund totaled \$882,072 in 2012, which increased \$653,991 from 2011. The net decrease in fund balance was \$258,278 or 41.53%.
- The police fund had revenues of \$1,185,815 in 2012, which is a decrease of \$1,110,888 from 2011 revenues. The expenditures in the police fund totaled \$1,912,578 in 2012, which increased \$395,850 from 2011. The net decrease in fund balance was \$726,763 or 34.25%.
- The capital improvements fund had revenues of \$2,569,376 in 2012, which is an increase of \$1,330,375 from 2011 revenues. The expenditures in the capital improvements fund totaled \$2,249,386 in 2012, which increased \$1,812,135 from 2011. The net increase in fund balance was \$319,990 or 126.69%.
- The bond improvements fund had expenditures of \$1,695 in 2012, which decreased \$25,859 from 2011. The net decrease in fund balance was \$1,695 or 100.00%.
- Net position for the business-type activities, which are made up of the water and sewer enterprise funds, increased in 2012 by \$311,204. This increase in net position was due primarily to an increase in program revenues during 2012.
- In the general fund, the actual revenues came in \$389,610 lower than they were in the final budget. Actual

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012

expenditures were \$209,953 less than the amount in the final budget. These variances are the result of the City's conservative budgeting process.

Using This Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to these statements. These statements are organized so the reader can understand the City as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the City as a whole, presenting both an aggregate view of the City's finances and a longer-term view of those finances. 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 what remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2012?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows, liabilities, deferred inflows, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's net position and changes in net position. This change in net position is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, variations of economic conditions, required community programs and other factors.

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

Governmental activities - Most of the City's programs and services are reported here including police, street maintenance, capital improvements and general administration. These services are funded primarily by property taxes, income taxes, and intergovernmental revenues including Federal and State grants and other shared revenues.

Business-type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The City's water and sewer operations are reported here.

The City's statement of net position and statement of activities can be found on pages 63- 65 of this report.

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012

Reporting the City's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focuses on the City's most significant funds. The analysis of the City's major governmental and proprietary funds begins on page 53.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund, street fund, permissive license tax fund, police levy fund, capital improvements fund and bond improvements fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 63-76 of this report.

Proprietary Funds

The City maintains one type of proprietary fund, enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations. All of the City's enterprise funds are considered major funds. The basic proprietary fund financial statements can be found on pages 77-80 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012

funds. The City's fiduciary fund is an agency fund. The basic fiduciary fund financial statement can be found on page 81 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 85-122 of this report.

Government-Wide Financial Analysis

The table below provides a summary of the City's assets, deferred inflows, liabilities, deferred outflows and net position at December 31, 2012 and 2011. The net position of the governmental activities and business-type activities has been restated as described in Note 3.B.

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2012	Restated 2011	2012	Restated 2011	2012	Restated 2011
<u>Assets</u>						
Current and other assets	\$ 10,066,392	\$ 8,010,604	\$ 4,929,730	\$ 3,122,446	\$ 14,996,122	\$ 11,133,050
Capital assets, net	15,275,599	12,522,996	13,958,110	12,573,082	29,233,709	25,096,078
Total assets	25,341,991	20,533,600	18,887,840	15,695,528	44,229,831	36,229,128
Deferred outflows	-	-	2,448	2,802	2,448	2,802
<u>Liabilities</u>						
Long-term liabilities						
outstanding	1,711,325	1,182,287	10,885,238	10,350,768	12,596,563	11,533,055
Other liabilities	2,053,876	234,739	3,202,770	856,486	5,256,646	1,091,225
Total liabilities	3,765,201	1,417,026	14,088,008	11,207,254	17,853,209	12,624,280
Deferred inflows	993,826	842,264	-	-	993,826	842,264
<u>Net Position</u>						
Net investment in						
capital assets	13,774,478	11,421,201	1,648,124	2,154,908	15,422,602	13,576,109
Restricted	5,606,919	4,700,023	-	-	5,606,919	4,700,023
Unrestricted	1,201,567	2,153,086	3,154,156	2,336,168	4,355,723	4,489,254
Total net position	\$ 20,582,964	\$ 18,274,310	\$ 4,802,280	\$ 4,491,076	\$ 25,385,244	\$ 22,765,386

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2012, the City's assets plus deferred outflows exceeded liabilities plus deferred inflows by \$25,385,244. At year end, net positions were \$20,582,964 and \$4,802,280 for the governmental activities and the business-type activities, respectively.

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012

Capital assets reported on the government-wide statements represent the largest portion of the City's net position. At year-end, capital assets represented 66.10% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, equipment, vehicles and infrastructure. Net investment in capital assets at December 31, 2012, were \$13,774,478 and \$1,648,124 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of December 31, 2012, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

A portion of the City's net position, \$5,606,919, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net position of \$1,201,567 may be used to meet the government's ongoing obligations to citizens and creditors.

The following table shows the changes in net position for 2012 and 2011. The net position of the governmental activities and business-type activities at December 31, 2011 have been restated as described in Note 3.B.

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012

	Governmental Activities		Change in Net Position Business-Type Activities		Total	
	2012	Restated 2011	2012	Restated 2011	2012	Restated 2011
Revenues						
<u>Program revenues:</u>						
Charges for services and sales	\$ 580,802	\$ 587,538	\$ 3,152,146	\$ 2,465,115	\$ 3,732,948	\$ 3,052,653
Operating grants and contributions	1,907,629	1,056,890	-	-	1,907,629	1,056,890
Capital grants and contributions	-	4,170,204	-	-	-	4,170,204
<u>General revenues:</u>						
Property taxes	802,654	623,868	-	-	802,654	623,868
Income taxes	4,504,389	3,714,811	-	-	4,504,389	3,714,811
Payments in lieu of taxes	127,553	126,439	-	-	127,553	126,439
Unrestricted grants	184,454	303,395	-	-	184,454	303,395
Interest	16,023	6,594	13,834	6,825	29,857	13,419
Other	12,343	106,889	35,668	164,913	48,011	271,802
Total Revenues	8,135,847	10,696,628	3,201,648	2,636,853	11,337,495	13,333,481
Expenses:						
General government	1,357,119	715,533	-	-	1,357,119	715,533
Security of persons and property	1,391,309	1,724,472	-	-	1,391,309	1,724,472
Public health and welfare	111,485	60,486	-	-	111,485	60,486
Transportation	2,279,621	1,561,671	-	-	2,279,621	1,561,671
Community environment	591,589	318,312	-	-	591,589	318,312
Leisure time activity	50,103	41,908	-	-	50,103	41,908
Economic development	-	24,799	-	-	-	24,799
Interest and fiscal charges	45,967	37,693	-	-	45,967	37,693
Water	-	-	1,541,391	1,925,316	1,541,391	1,925,316
Sewer	-	-	1,349,053	1,478,201	1,349,053	1,478,201
Total Expenses	5,827,193	4,484,874	2,890,444	3,403,517	8,717,637	7,888,391
Change in Net Position	2,308,654	6,211,754	311,204	(766,664)	2,619,858	5,445,090
Net position at beginning of year (restated)	18,274,310	12,062,556	4,491,076	5,257,740	22,765,386	17,320,296
Net Position at End of Year	\$ 20,582,964	\$ 18,274,310	\$ 4,802,280	\$ 4,491,076	\$ 25,385,244	\$ 22,765,386

Governmental Activities

Governmental activities net position increased \$2,308,654 in 2012.

Security of persons and property, which primarily supports the operations of the police department, had expenses of \$1,391,309 which accounted for 23.88% of the governmental expenses of the City. These expenses were partially funded by \$216,514 in direct charges to users of the services and \$97,026 in operating grants and contributions. Transportation, which primarily supports street construction and maintenance projects, had expenses of \$2,279,621

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012

which accounted for 39.12% of the governmental expenses of the City. These expenses were funded by \$1,372,877 in operating grants and contributions. General government expenses totaled \$1,357,119 which was partially funded by \$348,491 in direct charges to users of the services and \$1,000 in operating grants and contributions.

The State and Federal government contributed to the City a total of \$1,907,629 in operating grants and contributions. These revenues are restricted to a particular program or purpose.

General revenues totaled \$5,647,416, and amounted to 69.41% of total governmental revenues. These revenues primarily consist of property tax revenue, income tax revenue, payments in lieu of taxes and grants and entitlements not restricted to specific programs, including local government revenue, making up \$5,619,050 which is 99.50% of general revenues or 69.07% of all revenues.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. As can be seen in the table below, the City is highly dependent upon property taxes as well as unrestricted grants and entitlements to support its governmental activities.

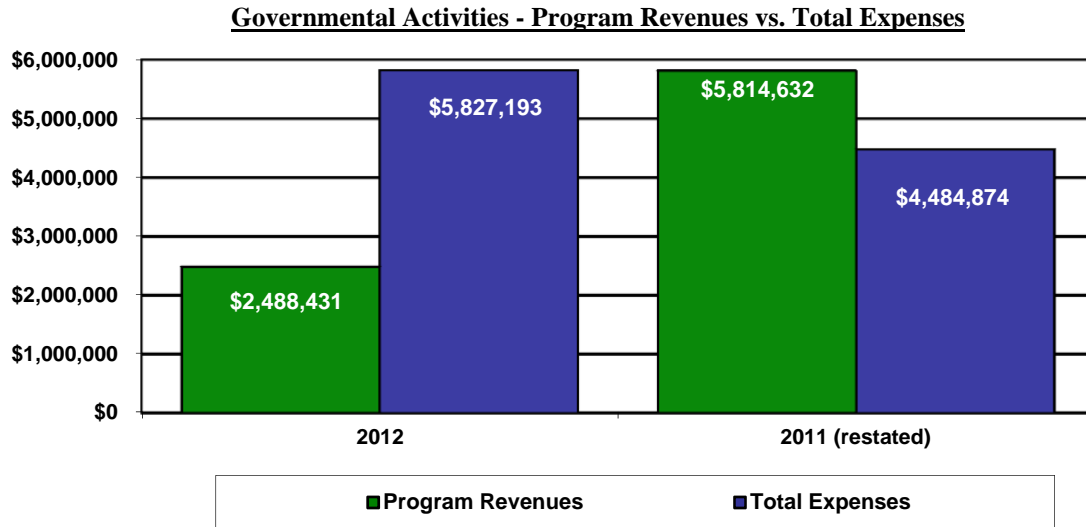
	Governmental Activities			
	Total Cost of Services	Net Cost of Services	Restated Total Cost of Services	Restated Net Cost of Services
	2012	2012	2011	2011
<u>Program expenses:</u>				
General government	\$ 1,357,119	\$ 1,007,628	\$ 715,533	\$ 370,849
Security of persons and property	1,391,309	1,077,769	1,724,472	1,439,960
Public health and welfare	111,485	111,485	60,486	60,486
Transportation	2,279,621	906,744	1,561,671	(3,214,716)
Community environment	591,589	154,863	318,312	197,389
Leisure time activity	50,103	34,306	41,908	(246,218)
Economic development	-	-	24,799	24,799
Interest and fiscal charges	45,967	45,967	37,693	37,693
Total Expenses	\$ 5,827,193	\$ 3,338,762	\$ 4,484,874	\$ (1,329,758)

The dependence upon general revenues for governmental activities is apparent, with 57.29% in 2012 supported through taxes and other general revenues. The increase in security of persons and property spending is attributed to the City hiring more police officers due to an identified need, and the ability to do so based on the collection of income tax revenues. Higher expenses for transportation are also the result of hiring additional employees, as well as providing services for street construction and repair, all of which was the result of increased income tax revenues.

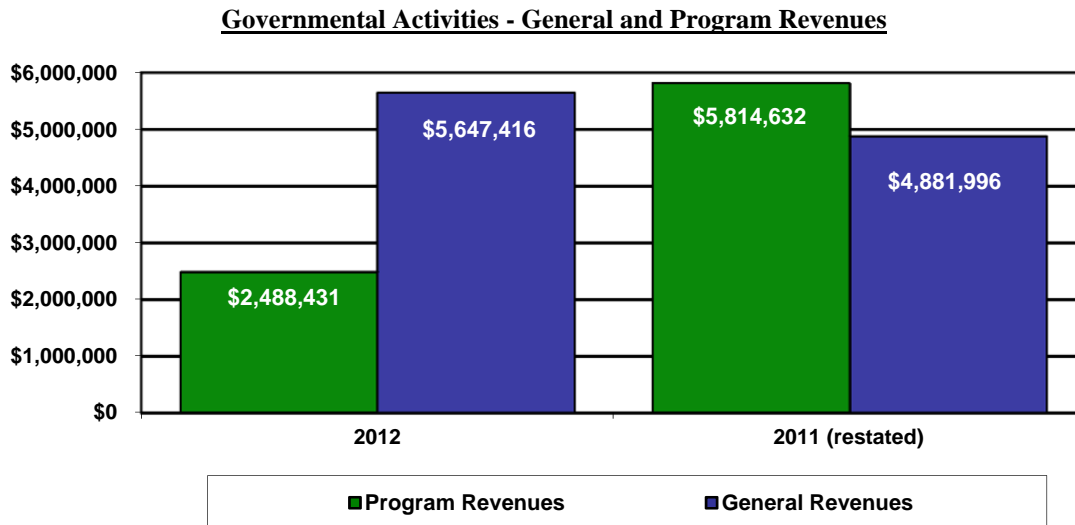
The following graph illustrates governmental-activities program revenues and total expenses for years 2012 and 2011.

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012



The graph below shows governmental-activities general and program revenues for years 2012 and 2011



General revenues increased from 2011 based on higher income tax collections. Program revenues decreased based on capital contributions for infrastructure and increased grant revenue.

Business-type Activities

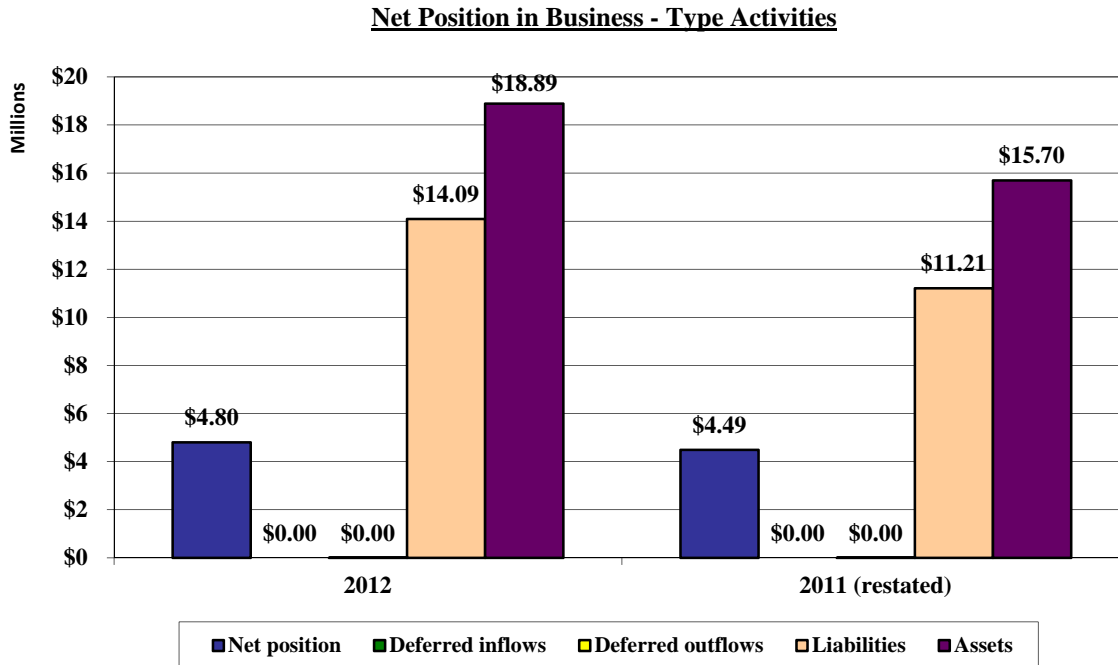
Business-type activities include the water and sewer enterprise funds. These programs had program revenues of

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012

\$3,152,146, general revenues of \$49,502, and expenses of \$2,890,444 for 2012.

The following graph illustrates the business-type activities assets, deferred outflows, liabilities, deferred inflows and net position at December 31, 2012 and 2011.



The City's total assets for business-type activities increased based on several construction projects during 2012, including the rehabilitation of the City's Wastewater Treatment Plant and the OAKS Sanitary Sewer Special Assessment Project. Liabilities also increased based on additional debt for these projects.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at year end.

The City's governmental funds (as presented on the balance sheet on pages 62-63) reported a combined fund balance of \$5,448,391 which is \$610,942 lower than last year's total of \$6,059,333. The following schedule indicates the fund balances and the total change in fund balances as of December 31, 2012 for all major and nonmajor governmental funds. The City restated fund balance at December 31, 2011 as described in Note 3.B.

CITY OF PATASKALA, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Fund Balances (Deficit) 12/31/12	Restated Fund Balances 12/31/11	Increase/ (Decrease)
Major funds:			
General	\$ 1,114,484	\$ 1,376,846	\$ (262,362)
Street	942,043	925,278	16,765
Permissive license tax	363,582	621,860	(258,278)
Police	1,395,092	2,121,855	(726,763)
Capital improvements	572,575	252,585	319,990
Bond improvements	(1,695)	-	(1,695)
Other nonmajor governmental funds	1,062,310	760,909	301,401
Total	\$ 5,448,391	\$ 6,059,333	\$ (610,942)

Total fund balances for other nonmajor governmental funds increased based on lower expenditures when compared to 2011.

General Fund

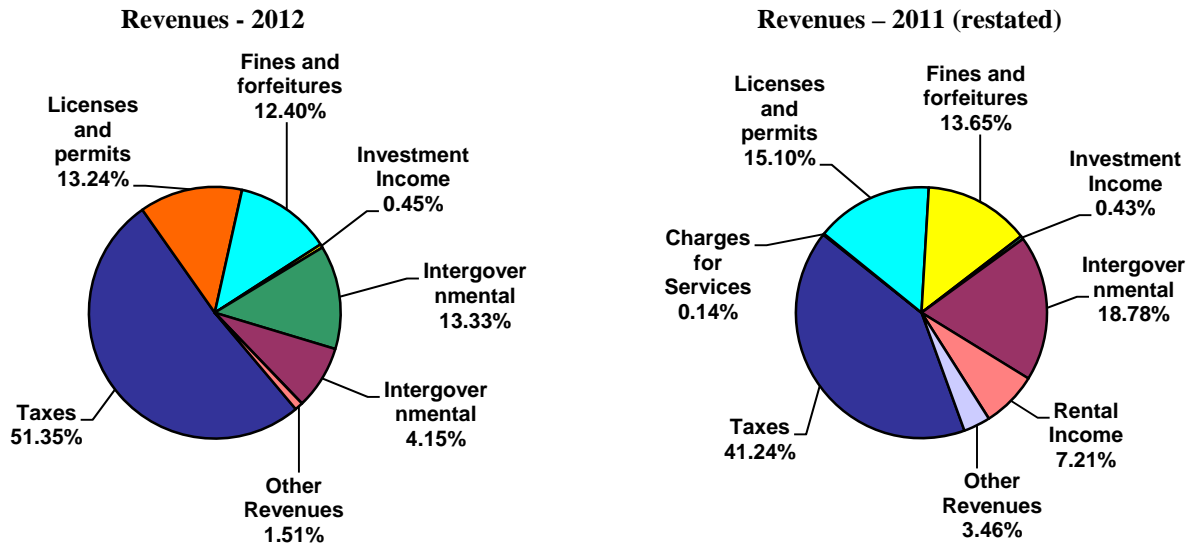
The table that follows assists in illustrating the revenues of the general fund.

	2012 Amount	Restated 2011 Amount	Percentage Change
<u>Revenues</u>			
Taxes	\$ 802,525	\$ 637,042	25.98%
Charges for services	-	2,138	(100.00%)
Licenses and permits	206,922	233,253	(11.29%)
Fines and forfeitures	193,737	210,877	(8.13%)
Intergovernmental	208,263	290,109	(28.21%)
Investment income	7,026	6,594	6.55%
Rental income	127,673	111,344	14.67%
Other	16,712	53,405	(68.71%)
Total Revenues	\$ 1,562,858	\$ 1,544,762	1.17%

Tax revenue represents 51.35% of all general fund revenue. Taxes increased 25.98% over 2011 revenues due to an increase in individual income tax withholdings during the year. Intergovernmental revenue decreased 28.21% which was a result of decrease in intergovernmental receivables. The following graphs illustrate the breakdown of the general fund's revenues for December 31, 2012 and 2011:

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012



The table that follows assists in illustrating the expenditures of the general fund.

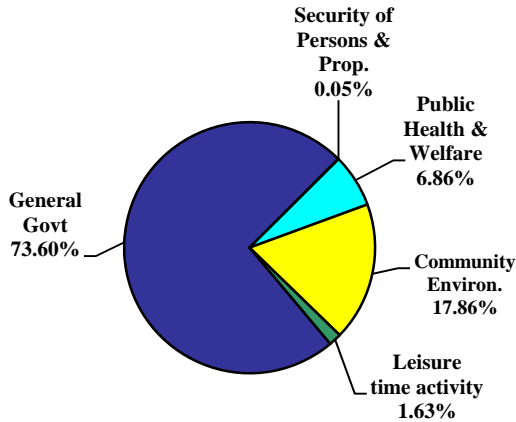
	2012 Amount	Restated 2011 Amount	Percentage Change
<u>Expenditures</u>			
General government	\$ 1,196,128	\$ 998,203	19.83%
Security of persons and property	869	145,760	(99.40%)
Public health and welfare	111,485	60,486	84.32%
Community environment	290,320	253,565	14.50%
Leisure time activity	26,418	24,044	9.87%
Total Expenditures	\$ 1,625,220	\$ 1,482,058	9.66%

The increase in general government is primarily due to an increase in city lands and buildings expenses, specifically costs associated with operating the City's buildings, as well as maintenance and repairs-related expenses. All other expenditures were comparable to 2011. The graphs below show the general fund's expenditures for December 31, 2012 and 2011:

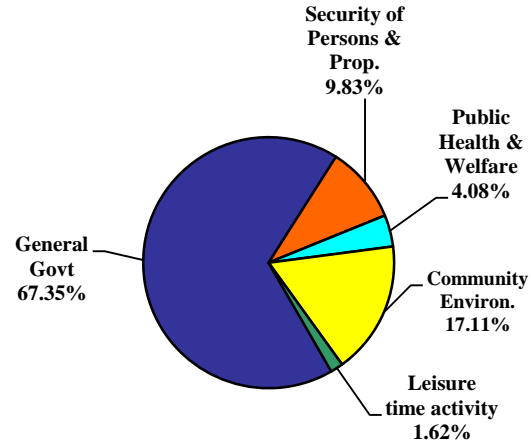
CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012

Expenditures - 2012



Expenditures – 2011 (restated)



Street Fund

The street fund had revenues of \$1,327,663 in 2012, which is a decrease of \$111,600 from 2011 revenues. The City began collecting income tax revenues into the street fund during 2011 and had a full year of collections in 2012. The expenditures in the street fund totaled \$1,310,898 in 2012, which increased \$57,418 from 2011. The net increase in fund balance was \$16,765 or 1.81%.

Permissive License Tax Fund

The permissive license tax fund had revenues of \$623,794 in 2012, which is an increase of \$308,812 from 2011 revenues. The expenditures in the permissive license tax fund totaled \$882,072 in 2012, which increased \$653,991 from 2011. The net decrease in fund balance was \$258,278 or 41.53%.

Police Fund

The police fund had revenues of \$1,185,815 in 2012, which is a decrease of \$1,110,888 from 2011 revenues. The expenditures in the police fund totaled \$1,912,578 in 2012, which increased \$395,850 in 2011. The net decrease in fund balance was \$726,763 or 34.25%.

Capital Improvements Fund

The capital improvements fund had revenues of \$2,569,376 in 2012, which is an increase of \$1,330,375 from 2011 revenues. The expenditures in the capital improvements fund totaled \$2,249,386 in 2012, which increased \$1,812,135 from 2011. The net increase in fund balance was \$319,990 or 126.69%.

Bond Improvements Fund

The bond improvements fund had expenditures of \$1,695 in 2012, which decreased \$25,859 from 2011. The net decrease in fund balance was \$1,695 or 100.00%.

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012

Budgeting Highlights

The City's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially, the budget is the City's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the City's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity then the appropriations can be adjusted accordingly.

Budget information for the general fund is presented on page 73. In the general fund, actual revenues came in \$59,784 greater than projected in the final budget. Actual expenditures were \$199,953 less than the amount in the approved final budget. These variances are the result of the City's conservative budgeting. The City continues to monitor the budget which further exemplifies the difference between total expenditures available to spend and actual expenditures which is evidenced by the \$199,953 positive variance.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. The only difference between the amounts reported as business-type activities and the amounts reported in the proprietary fund statements are interfund eliminations between proprietary funds and internal balances due to governmental activities for internal service activities. The only interfund activity reported in the government wide statements are those between business-type activities and governmental activities (reported as internal balances and transfers) whereas interfund amounts between various enterprise funds are reported in the proprietary fund statements. The City has no internal service funds and there was no internal balance outstanding at year end between the governmental and business-type activities.

Capital Assets and Debt Administration

Capital Assets

At the end of 2012, the City had \$29,233,709, net of accumulated depreciation, invested in land, construction in progress, land improvements, buildings and improvements, equipment, vehicles, and infrastructure. Of this total, \$15,275,599 was reported in governmental activities and \$13,958,110 was reported in business-type activities. The following table shows 2012 balances compared to 2011. Capital assets for governmental activities and business-type activities at December 31, 2011 have been restated as described in Note 3.B.

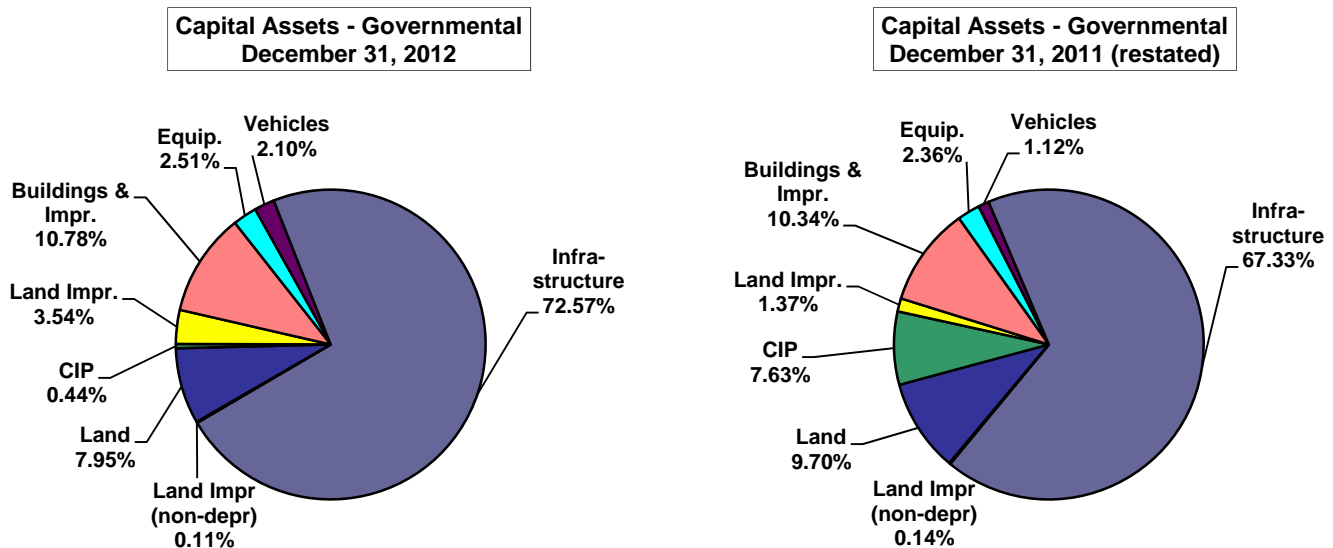
CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012

Capital Assets at December 31 (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2012	Restated 2011	2012	Restated 2011	2012	Restated 2011
Land	\$ 1,214,632	\$ 1,214,632	\$ 654,893	\$ 654,893	\$ 1,869,525	\$ 1,869,525
Land improvements (non depr.)	17,077	17,077	-	-	17,077	17,077
Construction-in-progress	67,189	955,486	138,535	4,099,540	205,724	5,055,026
Land improvements	540,290	171,505	126,606	-	666,896	171,505
Buildings and improvements	1,647,278	1,295,401	7,519,596	3,838,729	9,166,874	5,134,130
Equipment	383,597	296,020	1,035,014	804,369	1,418,611	1,100,389
Vehicles	320,624	140,776	38,321	44,831	358,945	185,607
Infrastructure	11,084,912	8,432,099	4,445,145	3,130,720	15,530,057	11,562,819
Totals	\$ 15,275,599	\$ 12,522,996	\$ 13,958,110	\$ 12,573,082	\$ 29,233,709	\$ 25,096,078

The following graphs show the breakdown of governmental capital assets by category for 2012 and 2011.



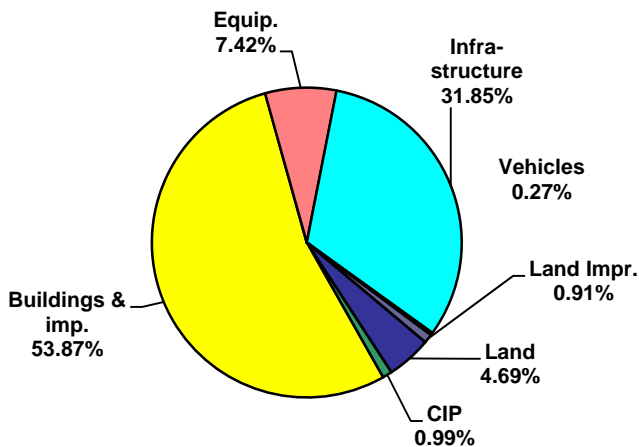
The City's largest capital asset category is infrastructure which includes roads, bridges, culverts, sidewalks and curbs. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant.

The following graphs show the breakdown of business-type capital assets by category for 2012 and 2011.

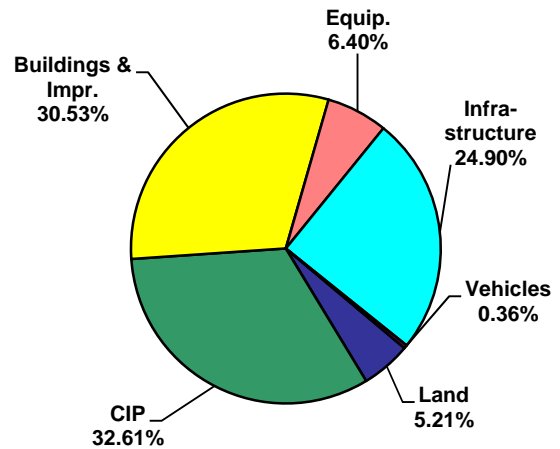
CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012

**Capital Assets - Business-Type Activities
December 31, 2012**



**Capital Assets - Business-Type Activities
December 31, 2011 (restated)**



The City's largest business-type capital asset category was buildings and improvements. The net book value of the City's buildings and improvement (cost less accumulated depreciation) represents approximately 53.87% of the City's total business-type capital assets.

See Note 10 to the basic financial statements for detail on the City's capital assets.

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2012 and 2011:

Governmental Activities			
	2012	2011	
Compensated absences	\$ 107,098	\$ 80,492	
SIB loan	245,771	245,771	
Note payable	583,015	790,035	
BANs	720,000	-	
OPWC loans	55,441	65,989	
Total Long-Term Obligations	\$ 1,711,325	\$ 1,182,287	

Business-type Activities			
	2012	2011	
General obligation bonds	\$ 6,485,000	\$ 6,670,000	
OWDA Loans	4,296,943	3,664,972	
Compensated absences	20,609	15,796	
Total Long-Term Obligations	\$ 10,802,552	\$ 10,350,768	

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012

During 2012, the City's governmental activities issued \$720,000 in bond anticipation notes for roadway projects. The City also paid \$330,249 in principal payments to decrease previous notes and Ohio Public Works Commission (OPWC) loans that were previously issued.

During 2012, the City's business-type activities issued \$1,048,913 in Ohio Water Development Authority (OWDA) loans for sewer design and sewer system projects. During the year, the City paid \$601,942 in principal payments on general obligation bonds and OWDA loans that were outstanding.

See Note 12 to the basic financial statements for detail on the City's debt administration.

Economic Conditions and Outlook

In May 2010, the City of Pataskala passed a 1% income tax with no credit given to taxes withheld by neighboring community. Initially, the revenue generated by the tax was allocated to the Police Fund (75%) and to the Street Fund (25%). City Council and management were cognizant that higher than expected income tax collections would provide for greater scrutiny regarding the use of taxpayer dollars and therefore changed the allocation of income taxes to provide greater resources for the implementation of the City's Roadway Asset Management Plan (RAMP) which evaluated the City's road infrastructure. During 2012, the Council approved legislation amending that allocation to provide additional funding for debt service and capital improvements. For 2012, the allocation was as follows: 24% - police fund; 15% - street fund; 55% - capital improvements fund; and 6% - debt service fund. This income tax allocation provides the framework for the City to begin addressing its infrastructure needs while providing sufficient funds for operations and accounting for debt service obligations.

Based upon the year-end 2012 fund balances, estimates of 2013 collections and funding requirements, the allocation was amended again. For 2013, the allocation was as follows: 58.5% - police fund; 32% - street fund; 6.75% - capital improvements fund; and 2.75% - debt service fund. It is anticipated that Council will continue to modify the allocation as funding requirements and the operating environment change. Original estimates provided by the Regional Income Tax Agency (RITA) provided that upon full collection of the income tax the City would collect approximately \$2.4 million by December 31, 2013. Management continues to closely monitor these estimates and maintain conservative budgeting practices, even though collections have significantly exceeded those estimates. As of December 31, 2012, cash-basis income tax collections of approximately \$7.0 million have been received. Higher income tax collections combined with continued conservative budgeting practices allowed the City's police and street funds to end 2012 with higher than expected carryover fund balances for 2013. The current 2013 budget estimates that income tax collections (cash-basis) will be approximately \$3.5 million.

The aforementioned Roadway Asset Management Plan (RAMP) is a management tool which is used to identify the current condition of the City's road infrastructure and the estimated improvement costs. The City previously lacked sufficient funding to adequately maintain its roads and infrastructure. As a result, many of its streets and related infrastructure fell into disrepair and required significant investment to return them to a satisfactory level. The plan estimated \$34 million in needed repairs over a 10-year period. Ordinance 2012-4064 authorized the City to proceed with implementing the necessary road repairs in 2012 and 2013 addressing critical roads within the City at an estimated cost of \$3.2 million, which would be financed by the issuance of \$2.25 million in bond anticipation notes, income taxes allocated to the capital improvements fund and permissive license tax funds allocated to the permissive license tax fund. Included in the 2012 BAN issuances was \$720,000 for expenses associated with improvements to Broad Street, including a \$500,000 local match to the Ohio Department of Transportation (ODOT) and approximately \$200,000 for the construction of sidewalks along Broad Street (SR-16). The City anticipates issuing additional debt in 2013 for additional road-related projects.

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012

In addition to the City's deteriorated road infrastructure, which the City has begun to address with the passage of the income tax, the infrastructure associated with the City's water and sewer utility operations was evaluated. This evaluation identified several areas in need of significant improvement and repair. In conjunction with the finalization of the \$4.2 million Wastewater Treatment Plant upgrade and OAKS Sanitary Sewer Special Assessment project, the City issued bond anticipation notes during 2012 totaling \$1,579,000 for water system improvements and \$1,434,000 for sewer system improvements. The City's utility funds do not receive income tax receipts and are self-supporting through user charges. In 2011 and 2012, the City implemented a new utility rate structures to address operations, needed capital improvements, and provides necessary funds to pay debt service related charges. Management will continue to closely monitor the revenue generated by the revised rate structures to ensure that adequate funding for debt service and operations is ensured.

The City continues to see declines in funding support from the State of Ohio and Licking County as those organizations continue to deal with budget shortfalls. The City expects to see continued cuts in local government funding, tangible personal property tax reimbursements, and public utility deregulation tax reimbursements which began July 1, 2011. Furthermore, effective January 1, 2013 the City will no longer receive estate tax revenues which will further challenge future budgets. These changes will require the Administration to adjust future operating budgets to avoid significant decreases in services.

Based on the recent cost estimates to repair the City's deteriorating road infrastructure, it has been made clear that the income tax will not be sufficient to cover these costs, when considering income tax receipts must also be used for police operations, street operations and debt service obligations. The Administration has been, and will continue to be, aggressive in seeking available grant funding for infrastructure needs consistently working with the Mid-Ohio Regional Planning Commission (MORPC), Licking County Engineer, the Ohio Department of Development and the Ohio Department of Transportation. During 2012, the City received nearly \$900,000 in state and federal grants to support operations and infrastructure improvements. In late 2012, the City received notice that it has been awarded nearly \$4.0 million from the Ohio Public Works Commission (OPWC) for significant improvements to Mink Road, a major roadway in the City. In addition, the City has been awarded a \$225,000 10-year, interest-free loan from the Local Government Innovation Fund (LGIF) for the construction of a radio communications tower to support City safety services. In addition to those awards, the City has received a nearly \$800,000 Safe Routes to School (SRTS) grant that will enable the City to construct sidewalks, crosswalks and signalization around local schools.

Following the investment of over \$3.4 million of site and infrastructure improvements, the 520+ acre Pataskala Corporate Park was completed in early 2012 and is a key component to the City's future economic growth. To promote this development and to assist in funding additional infrastructure improvements in the Park, a Joint Economic Development District (JEDD) was created in 2009. The JEDD consists of a partnership between the City, Licking County, Harrison Township and the property owner of the Park. The Pataskala Corporate site is also located in an Ohio Enterprise Zone, a Tax Increment Financing (TIF) District, and a Community Reinvestment Area (CRA). Businesses that locate in the district would be eligible for both state and local incentives to support new development. The County and City have recently begun to jointly market the property and hope to begin attracting businesses and investment in the Park in the near future. Growth in the Corporate Park would supplement the income taxes paid by residents, through the tax on the business net profits and withholding on wages paid to its employees. In January of 2012, the Pataskala Corporate Park Job Ready Site received certification from the State of Ohio as a State certified manufacturing site, recognizing that all elements required for development to commence are present within this development.

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact: Mr. James M. Nicholson, Finance Director, City of Pataskala, 621 W. Broad Street, Suite 2B, Pataskala, Ohio 43062 or email jnicholson@ci.pataskala.oh.us.



CITY OF PATASKALA, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2012

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 6,461,925	\$ 4,071,590	\$ 10,533,515
<u>Receivables:</u>			
Income taxes	1,702,578	-	1,702,578
Real and other taxes	863,491	-	863,491
Accounts	14,460	440,398	454,858
Special assessments	9,527	331,702	341,229
Payment in lieu of taxes	252,352	-	252,352
Due from other governments	485,651	126	485,777
Materials and supplies inventory	28,505	64,938	93,443
Prepayments	36,031	12,801	48,832
<u>Restricted assets:</u>			
Equity in pooled cash and cash equivalents	172,762	8,175	180,937
Cash with fiscal and escrow agents	39,110	-	39,110
<u>Capital assets</u>			
Land and construction in progress	1,298,898	793,428	2,092,326
Depreciable capital assets, net	13,976,701	13,164,682	27,141,383
Total capital assets, net	15,275,599	13,958,110	29,233,709
Total Assets	25,341,991	18,887,840	44,229,831
Deferred Outflows of Resources:			
Unamortized deferred charges on debt refunding	-	2,448	2,448
Total Deferred Outflows of Resources	-	2,448	2,448
Total Assets & Deferred Outflows of Resources	25,341,991	18,890,288	44,232,279
Liabilities:			
Accounts payable	106,062	94,876	200,938
Contracts payable	75,643	-	75,643
Retainage payable	172,762	8,175	180,937
Accrued wages and benefits payable	51,599	10,088	61,687
Due to other governments	50,416	14,389	64,805
Accrued interest payable	13,314	49,220	62,534
Pension obligation payable	47,416	13,022	60,438
Notes payable	1,530,000	3,013,000	4,543,000
Unearned revenue	6,664	-	6,664
<u>Long-term liabilities:</u>			
Due within one year	332,881	205,609	538,490
Due in more than one year	1,378,444	10,679,629	12,058,073
Total Liabilities	3,765,201	14,088,008	17,853,209
Deferred Inflows of Resources:			
Property taxes levied for the next fiscal year	786,788	-	786,788
PILOTs levied for the next fiscal year	207,038	-	207,038
Total Deferred Inflows of Resources	993,826	-	993,826
Total Liabilities & Deferred Inflows of Resources	4,759,027	14,088,008	18,847,035
Net position:			
Net investment in capital assets	13,774,478	1,648,124	15,422,602
<u>Restricted for:</u>			
Debt service	245,725	-	245,725
Capital projects	1,221,848	-	1,221,848
Transportation projects	1,948,664	-	1,948,664
Community development	102,975	-	102,975
Police	2,087,707	-	2,087,707
Unrestricted	1,201,567	3,154,156	4,355,723
Total Net Position	\$ 20,582,964	\$ 4,802,280	\$ 25,385,244

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Expenses	Program Revenues	
		Charges for Services and Sales	Operating Grants and Contributions
Governmental activities:			
General government	\$ 1,357,119	\$ 348,491	\$ 1,000
Security of persons and property	1,391,309	216,514	97,026
Public health and welfare	111,485	-	-
Transportation	2,279,621	-	1,372,877
Community environment	591,589	-	436,726
Leisure time activity	50,103	15,797	-
Interest and fiscal charges	45,967	-	-
Total Govenmental Activities	5,827,193	580,802	1,907,629
Business-type activities:			
Water	1,541,391	1,439,095	-
Sewer	1,349,053	1,713,051	-
Total Business-Type Activities	2,890,444	3,152,146	-
Total Primary Government	\$ 8,717,637	\$ 3,732,948	\$ 1,907,629

General revenues:
Property taxes levied for:
 General purposes
Income taxes levied for:
 Street fund
 Police levy fund
 Debt service fund
 Capital projects fund
Payments in lieu of taxes
Grants and entitlements not restricted
to specific programs
Investment earnings - unrestricted
Miscellaneous

Total General Revenues

Change in net position

Net Position at Beginning of Year (restated)

Net Position at End of Year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Expense) Revenue
and Changes in Net Position**

Governmental Activities	Business-type Activities	Total
\$ (1,007,628)	\$ -	\$ (1,007,628)
(1,077,769)	-	(1,077,769)
(111,485)	-	(111,485)
(906,744)	-	(906,744)
(154,863)	-	(154,863)
(34,306)	-	(34,306)
(45,967)	-	(45,967)
(3,338,762)	-	(3,338,762)
-	(102,296)	(102,296)
-	363,998	363,998
-	261,702	261,702
(3,338,762)	261,702	(3,077,060)
802,654	-	802,654
965,097	-	965,097
1,668,443	-	1,668,443
214,930	-	214,930
1,655,919	-	1,655,919
127,553	-	127,553
184,454	-	184,454
16,023	13,834	29,857
12,343	35,668	48,011
5,647,416	49,502	5,696,918
2,308,654	311,204	2,619,858
18,274,310	4,491,076	22,765,386
\$ 20,582,964	\$ 4,802,280	\$ 25,385,244

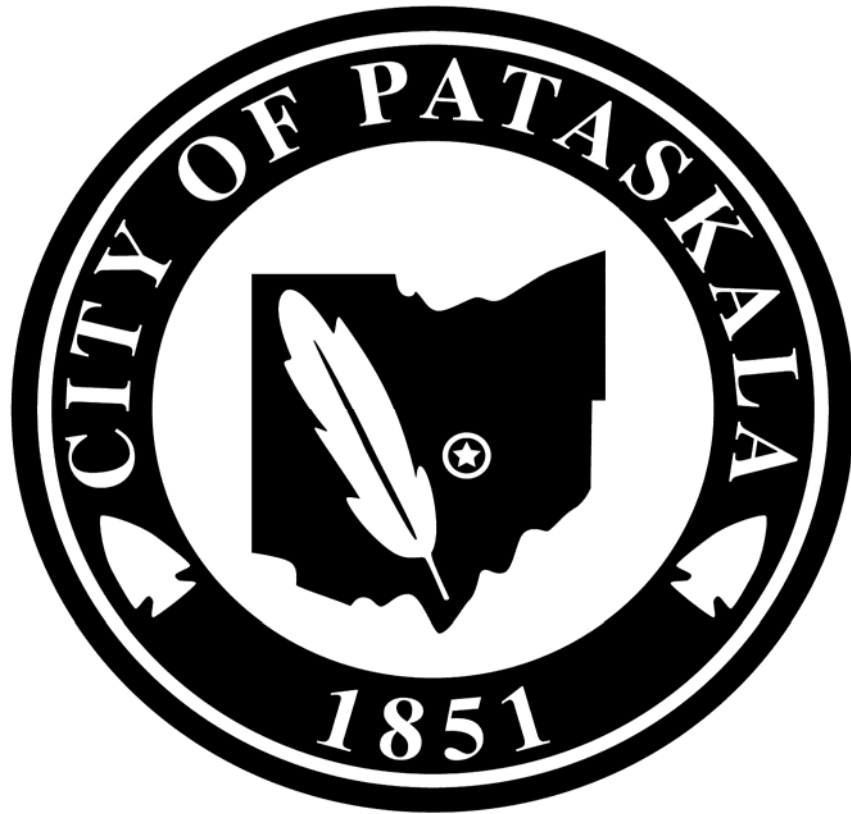
CITY OF PATASKALA, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	General	Street	Permissive License Tax	Police
Assets:				
Equity in pooled cash and cash equivalents	\$ 967,411	\$ 699,924	\$ 338,553	\$ 1,154,589
Receivables:				
Income taxes	-	544,825	-	996,008
Real and other taxes	863,491	-	-	-
Accounts	12,220	1,260	-	-
Special assessments	9,527	-	-	-
Interfund loans	144,000	-	-	-
Payment in lieu of taxes	-	-	-	-
Due from other governments	80,150	317,221	16,780	208
Materials and supplies inventory	-	28,505	-	-
Prepayments	15,491	6,509	-	14,031
Restricted assets:				
Equity in pooled cash and cash equivalents	-	-	23,257	-
Cash with fiscal and escrow agents	-	-	39,110	-
Total Assets	\$ 2,092,290	\$ 1,598,244	\$ 417,700	\$ 2,164,836
Liabilities:				
Accounts payable	\$ 18,126	\$ 28,486	\$ 11,433	\$ 9,058
Contracts payable	-	-	19,428	-
Retainage payable	-	-	23,257	-
Accrued wages and benefits payable	15,685	10,570	-	25,344
Compensated absences payable	-	10,442	-	-
Interfund loans payable	-	-	-	-
Due to other governments	11,303	10,540	-	25,676
Accrued interest payable	-	-	-	-
Unearned revenue	6,664	-	-	-
Pension obligation payable	11,122	9,240	-	27,054
Notes payable	-	-	-	-
Total Liabilities	62,900	69,278	54,118	87,132
Deferred Inflows of Resources:				
Property taxes levied for the next fiscal year	786,788	-	-	-
Delinquent property tax revenue not available	46,585	-	-	-
Special assessments revenue not available	9,527	-	-	-
Income tax revenue not available	-	373,395	-	682,612
Nonexchange transactions not available	72,006	213,528	-	-
Delinquent PILOT revenue not available	-	-	-	-
PILOTs levied for the next fiscal year	-	-	-	-
Total Deferred Inflows of Resources	914,906	586,923	-	682,612
Total Liabilities & Deferred Inflows of Resources	977,806	656,201	54,118	769,744
Fund balances:				
Nonspendable	15,491	35,014	-	14,031
Restricted	-	907,029	363,582	1,381,061
Committed	-	-	-	-
Assigned	383,681	-	-	-
Unassigned (deficit)	715,312	-	-	-
Total Fund Balances (Deficit)	1,114,484	942,043	363,582	1,395,092
Total Liabilities, Deferred Inflows of Resources & fund balances	\$ 2,092,290	\$ 1,598,244	\$ 417,700	\$ 2,164,836

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Capital Improvements	Bond Improvements	Other Governmental Funds	Total Governmental Funds
\$ 628,079	\$ 1,500,000	\$ 1,173,369	\$ 6,461,925
114,924	-	46,821	1,702,578
-	-	-	863,491
-	-	980	14,460
-	-	-	9,527
-	-	-	144,000
-	-	252,352	252,352
-	-	71,292	485,651
-	-	-	28,505
-	-	-	36,031
149,505	-	-	172,762
-	-	-	39,110
\$ 892,508	\$ 1,500,000	\$ 1,544,814	\$ 10,210,392
\$ 5,107	\$ -	\$ 33,852	\$ 106,062
56,215	-	-	75,643
149,505	-	-	172,762
-	-	-	51,599
-	-	-	10,442
-	-	144,000	144,000
-	-	2,897	50,416
343	1,695	-	2,038
-	-	-	6,664
-	-	-	47,416
30,000	1,500,000	-	1,530,000
241,170	1,501,695	180,749	2,197,042
-	-	-	786,788
-	-	-	46,585
-	-	-	9,527
78,763	-	32,089	1,166,859
-	-	17,314	302,848
-	-	45,314	45,314
-	-	207,038	207,038
78,763	-	301,755	2,564,959
319,933	1,501,695	482,504	4,762,001
-	-	-	64,536
572,575	-	1,063,872	4,288,119
-	-	31,809	31,809
-	-	-	383,681
-	(1,695)	(33,371)	680,246
572,575	(1,695)	1,062,310	5,448,391
\$ 892,508	\$ 1,500,000	\$ 1,544,814	\$ 10,210,392



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CITY OF PATASKALA, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2012

Total governmental fund balances		\$	5,448,391
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			15,275,599
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Income taxes receivable	\$	1,166,859	
Real and other taxes receivable		46,585	
Special assessments receivable		9,527	
Payment in lieu of taxes		45,314	
Due from other governments		302,848	
Total			1,571,133
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(11,276)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences		(96,656)	
OPWC loans payable		(55,441)	
SIB loan payable		(245,771)	
Notes payable		(1,303,015)	
Total			(1,700,883)
Net Position of Governmental Activities		\$	20,582,964

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	General	Street	Permissive License Tax	Police
Revenues:				
Income taxes	\$ -	\$ 665,944	\$ -	\$ 1,104,617
Real and other taxes	802,525	-	-	-
Charges for services	-	-	-	-
Licenses and permits	206,922	-	-	-
Fines and forfeitures	193,737	-	-	6,035
Intergovernmental	208,263	636,818	623,794	-
Special assessments	4,369	-	-	-
Investment income	7,026	1,086	-	-
Rental income	127,673	-	-	-
Payment in lieu of taxes	-	-	-	-
Other	12,343	23,815	-	75,163
Total Revenues	<u>1,562,858</u>	<u>1,327,663</u>	<u>623,794</u>	<u>1,185,815</u>
Expenditures:				
<u>Current:</u>				
General government	1,196,128	-	-	-
Security of persons and property	869	-	-	1,912,578
Public health and welfare	111,485	-	-	-
Transportation	-	1,310,898	882,072	-
Community environment	290,320	-	-	-
Leisure time activity	26,418	-	-	-
Capital outlay	-	-	-	-
<u>Debt service:</u>				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>1,625,220</u>	<u>1,310,898</u>	<u>882,072</u>	<u>1,912,578</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(62,362)</u>	<u>16,765</u>	<u>(258,278)</u>	<u>(726,763)</u>
Other Financing Sources (Uses):				
Note issuance	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(200,000)	-	-	-
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(262,362)</u>	<u>16,765</u>	<u>(258,278)</u>	<u>(726,763)</u>
Fund Balances at Beginning of Year (restated)	<u>1,376,846</u>	<u>925,278</u>	<u>621,860</u>	<u>2,121,855</u>
Fund Balances (Deficit) at End of Year	<u>\$ 1,114,484</u>	<u>\$ 942,043</u>	<u>\$ 363,582</u>	<u>\$ 1,395,092</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Capital Improvements	Bond Improvements	Other Governmental Funds	Total Governmental Funds
\$ 1,849,376	\$ -	\$ 212,538	\$ 3,832,475
-	-	-	802,525
-	-	15,797	15,797
-	-	-	206,922
-	-	16,742	216,514
-	-	557,220	2,026,095
-	-	-	4,369
-	-	9,081	17,193
-	-	-	127,673
-	-	82,239	82,239
-	-	1,000	112,321
1,849,376	-	894,617	7,444,123
-	-	11,063	1,207,191
-	-	17,018	1,930,465
-	-	-	111,485
-	-	80,238	2,273,208
-	-	302,359	592,679
-	-	6,708	33,126
2,249,043	-	120,468	2,369,511
-	-	217,568	217,568
343	1,695	37,794	39,832
2,249,386	1,695	793,216	8,775,065
(400,010)	(1,695)	101,401	(1,330,942)
720,000	-	-	720,000
-	-	200,000	200,000
-	-	-	(200,000)
720,000	-	200,000	720,000
319,990	(1,695)	301,401	(610,942)
252,585	-	760,909	6,059,333
\$ 572,575	\$ (1,695)	\$ 1,062,310	\$ 5,448,391

CITY OF PATASKALA, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

Net Change in Fund Balances - Total Governmental Funds	\$	(610,942)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the current period.

Capital asset additions	\$ 3,590,210	
Current year depreciation	(819,857)	
Total		2,770,353

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets.		(17,750)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Income taxes	671,914	
Real and other taxes	129	
Intergovernmental revenues	(35,160)	
Special assessments	9,527	
Payment in lieu of taxes	45,314	
Total		691,724

Proceeds of notes are reported as an other financing source in the governmental funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net position.		(720,000)
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Repayment of note and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.

Notes	207,020	
OPWC loans	10,548	
Total		217,568

In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due.		(6,135)
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Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(16,164)
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Change in Net Position of Governmental Activities	\$	<u>2,308,654</u>
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SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Real and other taxes	\$ 815,000	\$ 800,888	\$ 800,884	\$ (4)
Licenses and permits	220,500	228,000	245,707	17,707
Fines and forfeitures	150,000	165,250	195,213	29,963
Intergovernmental	256,500	230,962	213,524	(17,438)
Special assessments	3,000	4,300	4,369	69
Investment income	4,000	4,000	7,026	3,026
Rental income	100,000	100,000	126,641	26,641
Other	5,000	15,000	14,820	(180)
Total Revenues	1,554,000	1,548,400	1,608,184	59,784
Expenditures:				
Current:				
General government	2,132,346	1,401,178	1,227,185	173,993
Security of persons and property	50,000	-	-	-
Public health and welfare	61,500	111,500	111,485	15
Community environment	339,637	318,203	293,529	24,674
Leisure time activity	3,149	3,149	1,878	1,271
Total Expenditures	2,586,632	1,834,030	1,634,077	199,953
Excess of Expenditures Over Revenues	(1,032,632)	(285,630)	(25,893)	259,737
Other financing sources (uses):				
Advances in	330,247	666,030	216,636	(449,394)
Advances out	-	(144,000)	(144,000)	-
Transfers out	(236,000)	(236,400)	(226,400)	10,000
Total Other Financing Sources (Uses)	94,247	285,630	(153,764)	(439,394)
Net Change in Fund Balances	(938,385)	-	(179,657)	(179,657)
Fund Balances at Beginning of Year (restated)	1,083,726	1,083,726	1,083,726	-
Fund Balance at End of Year	\$ 145,341	\$ 1,083,726	\$ 904,069	\$ (179,657)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Income taxes	\$ 395,700	\$ 563,700	\$ 563,400	\$ (300)
Intergovernmental	550,000	615,000	636,107	21,107
Investment income	628	1,000	1,086	86
Other	500	22,000	22,990	990
Total Revenues	946,828	1,201,700	1,223,583	21,883
Expenditures:				
Current:				
Transportation	1,670,260	1,340,928	1,298,381	42,547
Total Expenditures	1,670,260	1,340,928	1,298,381	42,547
Net Change in Fund Balances	(723,432)	(139,228)	(74,798)	64,430
Fund Balances at Beginning of Year	723,432	723,432	723,432	-
Fund Balance at End of Year	\$ -	\$ 584,204	\$ 648,634	\$ 64,430

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMISSIVE LICENSE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 720,000	\$ 709,961	\$ 719,615	\$ 9,654
Total Revenues	720,000	709,961	719,615	9,654
Expenditures:				
<u>Current:</u>				
Transportation	1,202,481	1,013,442	917,644	95,798
Total Expenditures	1,202,481	1,013,442	917,644	95,798
Net Change in Fund Balances	(482,481)	(303,481)	(198,029)	105,452
Fund Balances at Beginning of Year	482,481	482,481	482,481	-
Fund Balance at End of Year	\$ -	\$ 179,000	\$ 284,452	\$ 105,452

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Income taxes	\$ 633,120	\$ 901,700	\$ 901,440	\$ (260)
Fines and forfeitures	500	4,700	6,105	1,405
Other	5,000	70,000	76,023	6,023
Total Revenues	638,620	976,400	983,568	7,168
Expenditures:				
<u>Current:</u>				
Security of persons and property	2,725,856	2,091,223	1,941,964	149,259
Total Expenditures	2,725,856	2,091,223	1,941,964	149,259
 Net Change in Fund Balances	 (2,087,236)	 (1,114,823)	 (958,396)	 156,427
 Fund Balances at Beginning of Year	 2,087,236	 2,087,236	 2,087,236	 -
Fund Balance at End of Year	\$ -	\$ 972,413	\$ 1,128,840	\$ 156,427

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2012

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Total
Assets:			
<i>Current assets:</i>			
Equity in pooled cash and cash equivalents	\$ 1,291,700	\$ 2,779,890	\$ 4,071,590
<u>Receivables:</u>			
Accounts	215,189	225,209	440,398
Special assessments	-	331,702	331,702
Due from other governments	53	73	126
Materials and supplies inventory	37,999	26,939	64,938
Prepayments	6,086	6,715	12,801
Total Current Assets	1,551,027	3,370,528	4,921,555
<i>Noncurrent assets:</i>			
<u>Capital assets:</u>			
Land and construction in progress	443,237	350,191	793,428
Depreciable capital assets, net	6,031,703	7,132,979	13,164,682
Total Capital Assets, Net	6,474,940	7,483,170	13,958,110
<u>Restricted assets:</u>			
Equity in pooled cash and cash equivalents	8,175	-	8,175
Total Restricted Assets	8,175	-	8,175
Total Noncurrent Assets	6,483,115	7,483,170	13,966,285
Total Assets	8,034,142	10,853,698	18,887,840
Deferred Outflows of Resources:			
Unamortized deferred charges on debt refunding	-	2,448	2,448
Total Deferred Outflows of Resources	-	2,448	2,448
Total Assets & Deferred Outflows of Resources	8,034,142	10,856,146	18,890,288
Liabilities:			
<u>Current liabilities:</u>			
Accounts payable	2,975	91,901	94,876
Retainage payable	8,175	-	8,175
Accrued wages and benefits payable	7,167	2,921	10,088
Due to other governments	6,570	7,819	14,389
Accrued interest payable	38,891	10,329	49,220
Compensated absences payable - current	11,168	9,441	20,609
General obligation bonds payable	125,000	60,000	185,000
Notes payable	1,579,000	1,434,000	3,013,000
Pension obligation payable	6,002	7,020	13,022
Total Current Liabilities	1,784,948	1,623,431	3,408,379
<u>Long-Term liabilities:</u>			
General obligation bonds payable	5,920,000	380,000	6,300,000
OWDA loans payable	-	4,296,943	4,296,943
Unamortized premium on bonds	82,686	-	82,686
Total Long-Term Liabilities	6,002,686	4,676,943	10,679,629
Total Liabilities	7,787,634	6,300,374	14,088,008
Net Position:			
Net investment in capital assets	(653,427)	2,301,551	1,648,124
Unrestricted	899,935	2,254,221	3,154,156
Total Net Position	\$ 246,508	\$ 4,555,772	\$ 4,802,280

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Total
Operating Revenues:			
Charges for services	\$ 1,349,949	\$ 1,174,951	\$ 2,524,900
Capacity fees	89,146	62,180	151,326
Special assessments	-	475,920	475,920
Other operating revenues	20,006	15,662	35,668
Total Operating Revenues	1,459,101	1,728,713	3,187,814
Operating Expenses:			
Personal services	370,137	415,625	785,762
Contract services	48,399	81,485	129,884
Materials and supplies	584,966	439,919	1,024,885
Depreciation	233,614	171,272	404,886
Total Operating Expenses	1,237,116	1,108,301	2,345,417
Operating Income	221,985	620,412	842,397
Nonoperating Revenues (Expenses):			
Interest and fiscal charges	(304,275)	(240,752)	(545,027)
Interest income	4,988	8,846	13,834
Total Nonoperating Revenues (Expenses)	(299,287)	(231,906)	(531,193)
Change in net position	(77,302)	388,506	311,204
Net position at beginning of year (restated)	323,810	4,167,266	4,491,076
Net position at end of year	\$ 246,508	\$ 4,555,772	\$ 4,802,280

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Total
Cash flows from operating activities:			
Cash received from charges for services	\$ 1,323,947	\$ 1,101,790	\$ 2,425,737
Cash received from capacity fees	89,146	62,180	151,326
Cash received from special assessments	-	144,218	144,218
Cash received from other operations	20,006	15,662	35,668
Cash payments for personal services	(355,970)	(410,149)	(766,119)
Cash payments for contractual services	(53,965)	(85,717)	(139,682)
Cash payments for materials and supplies	(626,961)	(480,964)	(1,107,925)
Net Cash Provided by Operating Activities	396,203	347,020	743,223
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(908,911)	(1,459,409)	(2,368,320)
Principal retirement on bonds and loans	(125,000)	(476,942)	(601,942)
Interest paid on bonds and loans	(292,387)	(226,937)	(519,324)
Notes issued	1,579,000	1,434,000	3,013,000
OWDA loans issued	-	1,048,913	1,048,913
Premiums on notes issued	13,659	8,499	22,158
Note issuance costs	(14,807)	(12,494)	(27,301)
Net Cash Provided by Capital and Related Financing Activities	251,554	315,630	567,184
Cash flows from investing activities:			
Interest received	4,988	8,846	13,834
Net Cash Provided by Investing Activities	4,988	8,846	13,834
Net Increase in Cash and Cash Equivalents	652,745	671,496	1,324,241
Cash and Cash Equivalents at Beginning of Year	647,130	2,108,394	2,755,524
Cash and Cash Equivalents at End of Year	\$ 1,299,875	\$ 2,779,890	\$ 4,079,765

(Continued)

CITY OF PATASKALA, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Total
Reconciliation of operating income to net cash provided by operating activities:			
Operating Income	\$ 221,985	\$ 620,412	\$ 842,397
<u>Adjustments:</u>			
Depreciation	233,614	171,272	404,886
<u>Changes in assets and liabilities:</u>			
(Increase) in materials and supplies inventory	(33,346)	(25,427)	(58,773)
(Increase) in accounts receivable	(26,002)	(73,161)	(99,163)
(Increase) in special assessment receivable	-	(331,702)	(331,702)
(Increase) in due from other governments	(53)	(73)	(126)
Decrease in prepayments	5,877	844	6,721
(Decrease) in accounts payable	(18,681)	(19,850)	(38,531)
(Decrease) in accrued wages and benefits	(2,017)	(6,342)	(8,359)
Increase in due to other governments	6,570	7,819	14,389
Increase (decrease) in compensated absences payable	5,443	(630)	4,813
Increase in pension obligation payable	2,813	3,858	6,671
Net Cash Provided by Operating Activities	\$ 396,203	\$ 347,020	\$ 743,223

Non-Cash Transactions:

At December 31, 2012, the Water and Sewer funds purchased \$8,175 and \$68,374, respectively in capital assets on account.

At December 31, 2011, the Water and Sewer funds purchased \$4,963 and \$649,992, respectively in capital assets on account.

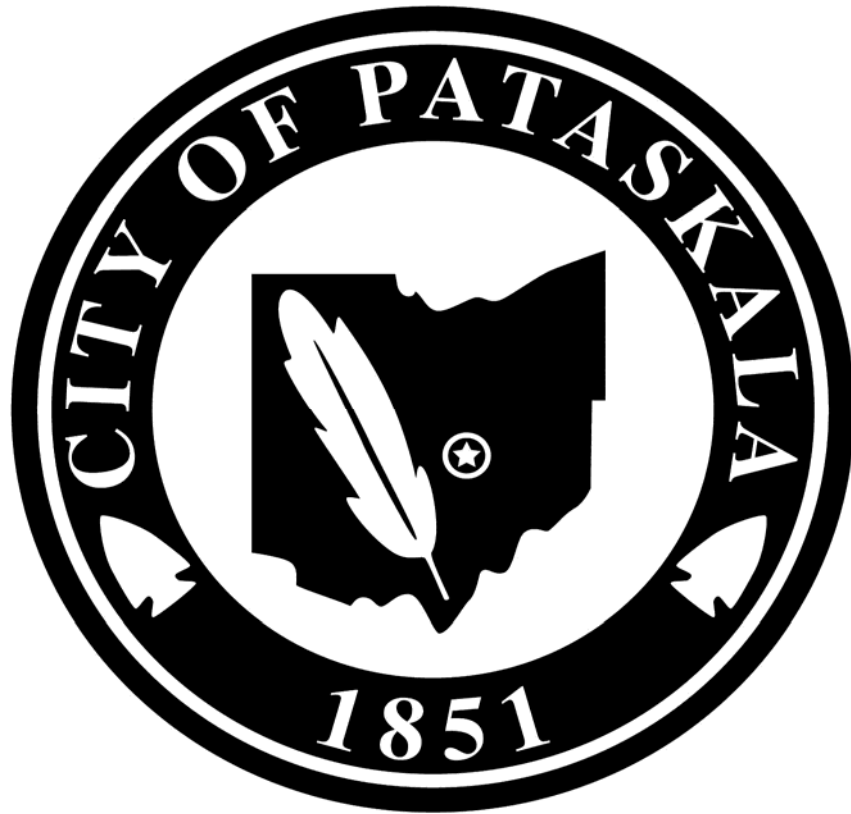
SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2012

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 224,065
Cash in segregated accounts	<u>250</u>
Total Assets	<u>\$ 224,315</u>
Liabilities:	
Undistributed monies	\$ 250
Deposits held and due to others	<u>224,065</u>
Total Liabilities	<u>\$ 224,315</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



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CITY OF PATASKALA, OHIO
SCHEDULE OF NOTES TO THE
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CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 1 - DESCRIPTION OF THE CITY

The City of Pataskala, Licking County, Ohio (the "City") is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The City operates under a government that is directed by a publicly-elected seven-member Council and a Mayor. The City Administrator is the chief executive officer, and the Finance Director is the chief fiscal officer. The City provides the following services: general government, including water and sewer utilities, police protection, public health, street maintenance and community development.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

For financial reporting purposes, the City's BFS include all funds, agencies, boards, commissions, and departments for which the City is financially accountable. Financial accountability, as defined by the GASB, exists if the City appoints a voting majority of an organization's Governing Board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the City. The City may also be financially accountable for governmental organizations with a separately elected Governing Board, a Governing Board appointed by another government, or a jointly appointed board that is fiscally dependent on the City. The City also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's BFS to be misleading or incomplete.

The primary government consists of all funds and departments which provide various services including police protection, street maintenance and repair, water and sewer services. Council and the City Administrator are directly responsible for these activities. The City contracts with various non-profit organizations for parks and recreation programmatic services. Currently, utilization agreements which set forth responsibilities for parks and recreation activities include the Pataskala Parks and Recreation Association (youth soccer), the Licking Heights Youth Association (girls softball), and the Lions Club (mowing and maintenance of parks). The City has no responsibility to these organizations other than providing related equipment and resources to maintain the grounds and surrounding areas but has no responsibility to maintain parks and recreation programs. The City contracts with the Licking County Health Department for public health services. The City does not approve each organization's operating budget nor is it responsible for its continued operation.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The accompanying financial statements represent the City, which has no component units. The following organizations are described due to their relationship with the City:

JOINTLY GOVERNED ORGANIZATIONS

West Licking Joint Fire District - The West Licking Joint Fire District, a jointly governed organization, is a political subdivision governed by a Board of Trustees which possesses its own contracting and budgeting authority. The Board of Trustees consists of one representative from each of the participating governments; the City of Pataskala, the Village of Kirkersville, City of New Albany, Harrison Township, Etna Township, City of Reynoldsburg and Jersey Township. The City made no contributions during 2012 for the operation of the West Licking Joint Fire District.

Southwest Licking Community Water and Sewer District - The Southwest Licking Community Water and Sewer District (the "Sewer District"), a jointly governed organization, is a political subdivision governed by a Board of Trustees which possesses its own contracting and budgeting authority. The City Council of Pataskala appoints one member of the Sewer District and the remaining members are appointed by Harrison and Etna Townships. The City made no contributions during 2012 for the operation of the Sewer District.

Mid-Ohio Regional Planning Commission - The City participates in the Mid-Ohio Regional Planning Commission (MORPC), a jointly governed organization. MORPC is composed of 74 representatives appointed by member governments who make the Commission, the policy-making body of MORPC, and the oversight board. MORPC is a voluntary association of local governments in central and south central Ohio and a regional planning agency whose membership includes 42 political subdivisions in and around Franklin, Ross, Fayette, Delaware, Pickaway, Madison, Licking, and Fairfield counties, Ohio. The purpose of the organization is to improve the quality of life for member communities by improving housing conditions, to promote and support livability/sustainability measures as a means of addressing regional growth challenges, and to administer and facilitate the availability of regional environmental infrastructure program funding to the full advantage of MORPC's members.

Pataskala Corporate Park Joint Economic Development District - The Pataskala Corporate Park Joint Economic Development District (JEDD), Licking County (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District was created as a result of an agreement between the City of Pataskala, Harrison Township, Licking County, and the City of Newark on December 22, 2009. The District is directed by a five-member Board of Trustees. The District's purpose is to promote and facilitate economic development that will create jobs and employment opportunities and improve the economic welfare of the people in the State, the County, the City, the City of Newark, Harrison Township, and the District. Such area is located in the City of Pataskala corporate limits and the primary source of revenue is a tax on earned income in the District.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

In late 2006, the Ohio Department of Development designated a nearly 521 acre site in the City of Pataskala as eligible for Job Ready Sites (JRS) funding. As such, this site known as the Pataskala Corporate Park, located at the southeast corner of State Route 16 (Broad Street) and Mink Street is recognized as one of the premier sites for manufacturing and industrial development in the State of Ohio. A roadway was constructed in 2010 linking State Route 16 (Broad Street) and Refugee Road with the intention to ultimately link the access road to U.S. Route 40 (The National Road), improving the routing to Interstate 70 and offering unparalleled access for commerce. In late 2006, the project received funding of approximately \$3.4 million to develop this roadway. It is considered one of the initial projects funded under Ohio's Job Ready Sites program, and is critical in order for the City to create jobs and investment.

The Board of Trustees adopted a resolution levying an income tax at a rate of 1.75 percent on income earned by persons working in the District and on the net profits of businesses located in the District. The income tax shall follow the provisions of Chapter 718 of the Ohio Revised Code. Income tax revenues are collected by the City of Newark Treasurer and deposited quarterly in the Pataskala Corporate Park JEDD Fund, or its general fund. Monies deposited to the JEDD Fund shall be allocated to the JEDD Improvement Account for future infrastructure improvements and to the Newark Account for future distributions to governmental entities subject to the tax sharing agreement.

Regional Income Tax Agency (RITA) - In 1971, 38 municipalities joined together to organize a Regional Council of Governments (RCOG) under the authority of Chapter 167 of the Ohio Revised Code to administer tax collection and enforcement concerns facing the cities and villages. The purpose of the RCOG is to foster cooperation between the municipalities through sharing facilities for their common benefit. This includes the establishment of a central collection facility for the purpose of administering the income tax laws of the various municipal corporations who are members of the RCOG and for the purpose of collecting income taxes on behalf of each member municipality, doing all things allowed by law to accomplish such purpose. The first official act of the RCOG was to form RITA. Today RITA serves as the income tax collection agency for 210 municipalities throughout the State of Ohio. The City began using RITA for its income tax collection services in 2010.

Each member municipality appoints its own delegate to the RCOG, including electing members to the RITA Board of Trustees. The Pataskala Finance Director currently serves on the RITA Board. Regardless of the population or tax collections of member municipalities, each member of the RCOG has an equal say in the operations of RITA.

B. Basis of Presentation - Fund Accounting

The City's BFS 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 statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 which are 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 business segment or governmental functions are self-financing or draw 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. Fiduciary funds are reported by type.

C. Fund Accounting

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

Governmental Funds - Governmental funds are those through which most governmental functions are typically 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 plus deferred inflow of resources is reported as fund balance.

The following are the City's major governmental funds:

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Street fund - The street fund accounts for revenues generated from income tax, license and gasoline taxes that are restricted for local roads within the City.

Permissive license tax fund - This fund accounts for the \$5.00 license tax levied by the City of Pataskala and Licking County on each motor vehicle registered in the City. Money is restricted for planning, constructing, improving, maintaining and repairing roads, streets and bridges within the City.

Police fund - This fund accounts for tax and other revenues collected that are restricted for police operations.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Capital improvements fund - This fund is used to account for income taxes that are restricted for the purchase of equipment and to construct capital assets.

Bond improvements fund - This fund is used to account for bond or note proceeds that are restricted for the purchase of equipment and to construct capital assets.

Other governmental funds of the City are used to account for: (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets; (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects; and (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Proprietary Funds - Proprietary fund reporting focuses on changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service. The City has no internal service funds.

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

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

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Agency funds are custodial in nature (assets plus deferred outflows equal liabilities plus deferred inflows) and do not involve measurement of results of operations. The City's agency funds account for the Mayor's Court activity, the fire escrow fund and the construction accounts fund.

D. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows, liabilities and deferred inflows associated with the operation of the City are included on the statement of 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, current deferred outflows, current liabilities and current deferred inflows 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 financial statements for governmental funds.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the City's proprietary funds are charges for sales and services. Operating expenses for the enterprise funds include personnel and other expenses related to the operations of the enterprise activities. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Agency funds do not report a measurement focus as they do not report operations.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and agency funds use the 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 and in the presentation of expenses versus expenditures.

Revenues: Exchange and Nonexchange Transactions - Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal 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 sixty days of year end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, payments in lieu of taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income tax is recognized in the period in which the income is earned (See Note 7). Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Payment in lieu of taxes are treated the same way property taxes are in the financial statements. Revenue from grants, entitlements 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 taxes, State-levied locally shared taxes (including gasoline tax, local government funds and permissive tax), fines and forfeitures, fees and special assessments.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Deferred Inflows of Resources and Deferred Outflows of Resources - A deferred inflow of resources is an acquisition of net position by the City that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net position by the City that is applicable to a future reporting period.

Property taxes for which there is an enforceable legal claim as of December 31, 2012, but which were levied to finance year 2013 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as deferred inflows. Income taxes, payment in lieu of taxes and grants not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at December 31, 2012, are recorded as deferred inflows on the governmental fund financial statements.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

F. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. The City's legal level of budgetary control is established at the object level within each department, within each fund. Budgetary modifications may only be made by ordinance by the City Council at the legal level of control.

Tax Budget - During the first Council meeting in July, the City Administrator presents the following year's annual operating budget to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. The Licking County Budget Commission waived this requirement for 2012.

Estimated Resources - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include unencumbered cash balances at December 31 of the preceding year. The certificate may be further amended during the year if the Finance Director determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statement reflect the amounts in the original and final certificate of estimated resources issued during 2012.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Appropriations - A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the object level within each department, within each fund. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The appropriations at the legal level of control may only be modified during the year by an ordinance of Council. The amounts on the budgetary statement reflect the original and final appropriation amounts, including all amendments and modifications legally enacted by Council.

Lapsing of Appropriations - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. Encumbrances are carried forward and are not reappropriated as part of the subsequent year appropriations.

G. Cash and Cash Equivalents

Cash balances of the City's funds, except cash in segregated accounts and cash held by a fiscal and escrow agent, are pooled and invested in investments maturing within five years in order to provide improved cash management. Individual fund integrity is maintained through City records. Each fund's interest in the pooled bank accounts is presented on the financial statements as "equity in pooled cash and cash equivalents".

During 2012, investments were limited to nonnegotiable certificates of deposit and overnight sweep. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

The City has a segregated bank account for Mayor's Court monies separate from the City's central bank account. This interest bearing depository account is presented on the financial statements as "cash in segregated accounts" since it is not required to be deposited into the City treasury.

Interest income is distributed to the funds according to statutory requirements. Interest revenue earned and credited to the general fund during 2012 amounted to \$7,026, which included \$6,156 assigned from other funds of the City.

For purposes of the statement of cash flows and for presentation on the financial statement, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments, to the extent they are purchased from a specific fund.

An analysis of the City's investment account at year end is provided in Note 4.

H. Inventories of Materials and Supplies

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

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental funds when consumed. Inventories of the proprietary funds are expensed when used.

On the fund financial statements, reported material and supplies inventory is equally offset by a nonspendable fund balance which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$5,000. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, and water and sewer lines. 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 not. Interest incurred during the construction of capital assets is also capitalized for business-type activities.

All reported capital assets are depreciated except for land, certain land improvements and construction in 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:

<u>Description</u>	Governmental Activities	Business-type Activities
	<u>Estimated Lives</u>	<u>Estimated Lives</u>
Land improvements	5 - 20 years	5 - 20 years
Buildings and improvements	20 - 60 years	20 - 60 years
Equipment	5 - 30 years	5 - 30 years
Vehicles	8 - 10 years	8 years
Infrastructure	15 - 60 years	50 - 60 years

J. Compensated Absences

Compensated absences of the City consist of vacation leave and sick leave to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the City and the employee.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if: (a) employees' rights to payment are attributable to services already rendered; and (b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for sick leave is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, all employees age fifty or greater with at least ten years of service or any employee with at least twenty years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16. Sick leave benefits were accrued using the "vesting" method.

The total liability for vacation, compensatory time, and sick leave payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus applicable additional salary related payments. City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation and sick leave at various rates.

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 "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. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2012, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed. At year end, because prepayments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

L. 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, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Loans and notes are recognized as a liability on the governmental fund financial statements when due.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

M. Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund loans receivable” and “interfund loans payable”. These amounts are eliminated in the governmental activities column of the statement of net position, with the exception of the net residual amounts due between governmental and business-type activities which are presented as internal balances. At December 31, 2012, there were no internal balances.

N. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental funds are eliminated for reporting of governmental activities on the government-wide financial statements.

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 BFS. Interfund services provided and used are not eliminated on the government-wide financial statements.

O. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally 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 loans receivable.

Restricted - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of City Council (the highest level of decision making authority). 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. 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 PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 nor 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 policies of City Council, which includes giving the Finance Director the authority to constrain monies for intended purposes.

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 only used to report a deficit fund 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 restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

P. Estimates

The preparation of the BFS in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the BFS and accompanying notes. Actual results may differ from those estimates.

Q. Net Position

Net position represents the difference between assets plus deferred outflows less liabilities plus deferred inflows. Net investment in 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. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes consist primarily of monies restricted for the City's sesquicentennial. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

R. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water and sewer programs. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

S. Minimum Fund Balance Policy

The City shall create within the general fund a contingency appropriation line item in which prior to any expenditure being incurred Council must authorize by motion. The City will strive to target a range of 10-25% balance within this line item.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

T. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature of 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 provision or enabling legislation.

Restricted assets represent certain resources which are segregated from other resources of the City. These assets are generally held in separate accounts of the City or by a trustee. Restricted assets represent permissive tax monies held by Licking County.

U. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2012.

V. Bond Discounts and Premiums/Bond Issuance Costs

Bond discounts or premiums are: (1) shown as additions to, or deductions from, the account of the bond liability; (2) amortized using the straight-line method; and (3) reflected as an adjustment to interest expense for the period in the proprietary fund.

Bond issuance costs are expensed when they occur.

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES

A. Change in Accounting Principles

For 2012, the City has implemented GASB Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements", GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements", GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position", and GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities".

GASB Statement No. 60 addresses issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. An SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The implementation of GASB Statement No. 60 did not have an effect on the financial statements of the City.

GASB Statement No. 62 codifies accounting and financial reporting guidance contained in pre-November 30, 1989 FASB and AICPA pronouncements in an effort to codify all sources of GAAP for State and local governments so that they derive from a single source. The implementation of GASB Statement No. 62 did not have an effect on the financial statements of the City.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES - (Continued)

GASB Statement No. 63 provides financial and reporting guidance for *deferred outflows of resources* and *deferred inflows of resources* which are financial statement elements that are distinct from assets and liabilities. GASB Statement No. 63 standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's *net position*. The implementation of GASB Statement No. 63 has changed the presentation of the City's financial statements to incorporate the concepts of net position, deferred outflows of resources and deferred inflows of resources.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as *deferred outflows of resources* or *deferred inflows of resources*, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 also provides other financial reporting guidance related to the impact of the financial statement elements *deferred outflows of resources* and *deferred inflows of resources*, such as changes in the determination of the major fund calculations and limiting use of the term *deferred* in financial statement presentations. See Note 3.B. for the effect GASB Statement No. 65 had on city financial statements.

B. Restatement of Fund Balance/Net Position

The net position at December 31, 2011 has been restated for the following reasons: (i) to reclassify the construction account fund from the general fund to an agency fund, (ii) to remove unamortized bond issuance cost due to the implementation of GASB Statement No. 65, (iii) to decrease delinquent payment in lieu of taxes (PILOT's) and (iv) to restate capital assets due to errors and omissions previously reported. These restatements had the following effect on fund balances/net position:

	<u>General</u>	<u>Street Fund</u>	<u>Police Fund</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental</u>
Fund balance as previously reported	\$ 1,577,032	\$ 925,278	\$ 2,121,855	\$ 1,635,354	\$ 6,259,519
Fund reclassifications:					
Construction account fund	(200,186)	-	-	-	(200,186)
Total fund reclassifications	<u>(200,186)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200,186)</u>
Fund Balance at January 1, 2012 (restated)	<u>\$ 1,376,846</u>	<u>\$ 925,278</u>	<u>\$ 2,121,855</u>	<u>\$ 1,635,354</u>	<u>\$ 6,059,333</u>

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Enterprise Funds</u>	
			<u>Water</u>	<u>Sewer</u>
Net assets as previously reported	\$ 18,380,770	\$ 5,010,887	\$ 782,051	\$ 4,228,836
Removal of unamortized bond issuance costs (GASB 65)	-	(162,134)	(136,994)	(25,140)
Reclassification of construction account fund	(200,186)	-	-	-
Overstatement of delinquent PILOTS	(134,970)	-	-	-
Restatement of capital assets	<u>228,696</u>	<u>(357,677)</u>	<u>(321,247)</u>	<u>(36,430)</u>
Net Position at January 1, 2012 (restated)	<u>\$ 18,274,310</u>	<u>\$ 4,491,076</u>	<u>\$ 323,810</u>	<u>\$ 4,167,266</u>

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES - (Continued)

C. Budgetary Prior Period Adjustment

In prior years the construction account fund was considered part of the general fund on a budgetary basis. The City has elected to report the construction account fund as an agency fund; therefore, a restatement to the beginning budgetary balance is required. The restatement of the general fund's budgetary-basis fund balance at December 31, 2011 is as follows:

Budgetary Basis	<u>General Fund</u>
Balance at December 31, 2011	\$ 1,283,912
Construction account fund	<u>(200,186)</u>
Restated balance at January 1, 2012	<u>\$ 1,083,726</u>

D. Deficit Fund Balances

Fund balances at December 31, 2012 included the following individual fund deficits:

<u>Major governmental fund</u>	<u>Deficit</u>
Bond improvement fund	\$ 1,695
 <u>Nonmajor governmental fund</u>	
Community housing improvement program fund	33,371

These funds complied with Ohio state law, which does not permit a cash balance deficit at year-end. The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the City into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the City Council has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one-year from the date of deposit or by savings or deposit accounts including passbook accounts.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Finance Director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Finance Director or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

A. Cash with Fiscal and Escrow Agent

At year end, the City had \$39,110 on deposit with the Licking County Treasurer for permissive tax collections. The data regarding insurance and collateralization can be obtained from the Licking County Comprehensive Annual Financial Report for the year ended December 31, 2012. This amount is included in the City's depository balance detailed in Note 4.C.

B. Cash in Segregated Accounts

At year end, the City had \$250 deposited with a financial institution for monies related to the Mayor's Court which are reported as an agency fund. These amounts were covered by the FDIC and are included in the City's depository balance detailed in Note 4.C.

C. Deposits with Financial Institutions

At December 31, 2012, the carrying amount of all City deposits was \$10,938,517. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2012, \$10,868,975 of the City's bank balance of \$11,168,595 was exposed to custodial risk as discussed below, while \$299,620 was covered by the Federal Deposit Insurance Corporation (FDIC).

Custodial credit risk is the risk that, in the event of bank failure, the City's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the City. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institution's trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

D. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2012:

Cash and Investments per Note

Carrying amount of deposits	\$ 10,938,517
Cash with fiscal and escrow agent	39,110
Cash in segregated accounts	<u>250</u>
Total	<u>\$ 10,977,877</u>

Cash and Investments per Statement of Net Position

Governmental activities	\$ 6,673,797
Business type activities	4,079,765
Agency fund	<u>224,315</u>
Total	<u>\$ 10,977,877</u>

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund loans receivable/payable consisted of the following at December 31, 2012, as reported on the fund statement:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental fund	<u>\$ 144,000</u>

The primary purpose of these interfund balances is to cover costs in specific funds where revenues were not received by December 31, 2012. These interfund balances will be repaid once the anticipated revenues are received.

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at December 31, 2012 are reported on the statement of net position.

- B. Interfund transfers for the year ended December 31, 2012, consisted of the following:

Transfers to nonmajor governmental funds from:

General fund	<u>\$ 200,000</u>
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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; to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to provide additional resources for current operations or debt service; reclassification of prior year distributed monies, to segregate money for anticipated capital projects; and to return money to the fund from which it was originally provided once a project is completed.

Transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Transfers between governmental funds are eliminated on the government-wide financial statements.

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, 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.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year proceeding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2012 public utility property taxes became a lien December 31, 2011, are levied after October 1, 2012, and are collected in 2013 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 6 - PROPERTY TAXES - (Continued)

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Pataskala. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, tangible personal property taxes and outstanding delinquencies which are measurable as of December 31, 2012 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow of resources since the current taxes were not levied to finance 2012 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

The full tax rate for all City operations for the year ended December 31, 2012 was \$2.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2012 property tax receipts were based are as follows:

Real Property	\$ 312,438,100
Public Utility	<u>10,287,700</u>
Total Assessed Value	<u>\$ 322,725,800</u>

NOTE 7 - INCOME TAXES

The City levies a voted income tax of one percent (1.0%) on all income earned within the City, as well as on income of residents earned outside the City.

Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

Income tax revenue is credited to four funds. During 2012, of the one percent levied, the police fund receives 24%, the street fund receives 15%, the capital improvement fund receives 55%, and the debt service fund received the remaining 6% and shall be used for operations specific to those departments. Income tax collections allocated to the police, street, capital improvement and debt service funds totaled \$1,104,617, \$665,944, \$1,849,376 and \$212,538, respectively, for the year ended December 31, 2012.

RITA administers and collects income taxes for the City. Payments are remitted monthly net of collection fees of three percent.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2012, consisted of income taxes, property taxes, accounts (billings for user charged services), special assessments, payments in lieu of taxes, and intergovernmental receivables arising from grants, entitlements and shared revenue. All intergovernmental receivables have been classified as "due from other governments" on the BFS. Receivables have been recorded to the extent that they are measurable at December 31, 2012.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 8 - RECEIVABLES - (Continued)

A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities:

Income taxes	\$ 1,702,578
Real and other taxes	863,491
Accounts	14,460
Special assessments	9,527
Payments in lieu of taxes	252,352
Due from other governments	485,651

Business-type activities:

Accounts	440,398
Special assessments	331,702
Due from other governments	126

Receivables have been disaggregated on the face of the BFS. All receivables are expected to be collected within the subsequent year.

NOTE 9 - TAX INCREMENT FINANCING DISTRICT (TIF)

The City, pursuant to the Ohio Revised Code and City ordinances, has established a TIF. A TIF represents a geographic area wherein property values created after the commencement date of the TIF are exempt, in whole or in part, from property taxes. Owners of such property, however, must pay amounts equal to the property taxes, known as “payments in lieu of taxes (PILOT)”, as though the TIF had not been established. These “PILOTS” are then dedicated to the payments for various public improvements within or adjacent to the TIF area. Property values existing before the commencement date of a TIF continue to be subjected to property taxes.

On December 18, 2006, City Council authorized the creation of the State Route 310 Project Municipal Public Improvement Tax District, also known as the Pataskala Town Center, pursuant to the Ohio Revised Code declaring that the increase in assessed value and providing for the exemption of 75% of the improvements from real property taxation constructed on new parcels and ending on the earlier of 10 years after such date such parcels appeared on the real estate tax lists or the date on which the City can no longer require service payments in lieu of taxes on any improvements within the TIF district.

The City established the State Route 310 TIF fund which shall be maintained in the custody of the City. This fund shall receive PILOT revenues property rollback payments and any money recorded in this fund may only be used for public infrastructure improvements associated with State Route 310 North and South TIF service areas as defined by Ordinance.

PILOT revenue for 2012 was \$127,553 in the statement of activities. The TIF has longevity of the shorter period of 10 years or until there is no money available to be spent for the TIF areas. Any unspent funds remaining after the 10 year period shall be returned to the City’s general fund in accordance with Ohio Revised Code Section 5709.43. The property tax exemption then ceases; PILOT’s cease and property taxes then apply to the increased property values.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 10 - CAPITAL ASSETS

- A.** Governmental activities capital asset activity for the year ended December 31, 2012, was as follows. The governmental activities capital assets at December 31, 2011 have been restated as described in Note 3.B.

	<u>Balance</u> <u>12/31/11</u>	<u>Adjustments</u>	<u>Restated</u> <u>Balance</u> <u>12/31/11</u>
<u>Governmental activities:</u>			
<i>Capital assets, not being depreciated:</i>			
Land	\$ 1,253,240	\$ (38,608)	\$ 1,214,632
Land improvements	17,077	-	17,077
Construction in progress	<u>955,486</u>	<u>-</u>	<u>955,486</u>
Total Capital Assets, Not Being Depreciated	<u>2,225,803</u>	<u>(38,608)</u>	<u>2,187,195</u>
<i>Capital assets, being depreciated:</i>			
Land improvements	290,424	22,434	312,858
Buildings and improvements	1,536,265	248,286	1,784,551
Equipment	834,902	(42,023)	792,879
Vehicles	1,218,486	-	1,218,486
Infrastructure	<u>9,929,833</u>	<u>-</u>	<u>9,929,833</u>
Total Capital Assets, Being Depreciated	<u>13,809,910</u>	<u>228,697</u>	<u>14,038,607</u>
<i>Less: accumulated depreciation:</i>			
Land improvements	(124,170)	(17,183)	(141,353)
Buildings and improvements	(548,823)	59,673	(489,150)
Equipment	(497,456)	597	(496,859)
Vehicles	(1,077,713)	3	(1,077,710)
Infrastructure	<u>(1,493,251)</u>	<u>(4,483)</u>	<u>(1,497,734)</u>
Total Accumulated Depreciation	<u>(3,741,413)</u>	<u>38,607</u>	<u>(3,702,806)</u>
Total Capital Assets, Being Depreciated, Net	<u>10,068,497</u>	<u>267,304</u>	<u>10,335,801</u>
Governmental Activities Capital Assets, Net	<u>\$ 12,294,300</u>	<u>\$ 228,696</u>	<u>\$ 12,522,996</u>

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 10 - CAPITAL ASSETS - (Continued)

<u>Governmental activities:</u>	<u>Restated Balance 12/31/11</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/12</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,214,632	\$ -	\$ -	\$ 1,214,632
Land improvements	17,077	-	-	17,077
Construction in progress	<u>955,486</u>	<u>3,217,031</u>	<u>(4,105,328)</u>	<u>67,189</u>
Total Capital Assets, Not Being Depreciated	<u>2,187,195</u>	<u>3,217,031</u>	<u>(4,105,328)</u>	<u>1,298,898</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	312,858	384,030	-	696,888
Buildings and improvements	1,784,551	404,732	-	2,189,283
Equipment	792,879	122,152	(18,495)	896,536
Vehicles	1,218,486	245,000	(40,572)	1,422,914
Infrastructure	<u>9,929,833</u>	<u>3,322,593</u>	<u>-</u>	<u>13,252,426</u>
Total Capital Assets, Being Depreciated	<u>14,038,607</u>	<u>4,478,507</u>	<u>(59,067)</u>	<u>18,458,047</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(141,353)	(15,245)	-	(156,598)
Buildings and improvements	(489,150)	(52,855)	-	(542,005)
Equipment	(496,859)	(34,575)	18,495	(512,939)
Vehicles	(1,077,710)	(47,402)	22,822	(1,102,290)
Infrastructure	<u>(1,497,734)</u>	<u>(669,780)</u>	<u>-</u>	<u>(2,167,514)</u>
Total Accumulated Depreciation	<u>(3,702,806)</u>	<u>(819,857)</u>	<u>41,317</u>	<u>(4,481,346)</u>
Total Capital Assets, Being Depreciated, Net	<u>10,335,801</u>	<u>3,658,650</u>	<u>(17,750)</u>	<u>13,976,701</u>
Governmental Activities Capital Assets Net	<u>\$ 12,522,996</u>	<u>\$ 6,875,681</u>	<u>\$ (4,123,078)</u>	<u>\$ 15,275,599</u>

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 10 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:

General government	\$ 162,499
Security of persons and property	56,160
Leisure time activity	23,003
Transportation	<u>578,195</u>

Total Depreciation Expense - Governmental Activities **\$ 819,857**

- B.** Business-type activities capital asset activity for the year ended December 31, 2012, was as follows. The business-type activities capital assets at December 31, 2011 have been restated as described in Note 3.B.

	<u>Balance</u> <u>12/31/11</u>	<u>Adjustments</u>	<u>Restated</u> <u>Balance</u> <u>12/31/11</u>
<u>Business-type activities:</u>			
<i>Capital assets, not being depreciated:</i>			
Land	\$ 654,893	\$ -	\$ 654,893
Construction in progress	<u>3,943,352</u>	<u>156,188</u>	<u>4,099,540</u>
Total Capital Assets, Not Being Depreciated	<u>4,598,245</u>	<u>156,188</u>	<u>4,754,433</u>
<i>Capital assets, being depreciated:</i>			
Land improvements	105,881	-	105,881
Buildings and improvements	6,674,317	(1,774,478)	4,899,839
Equipment	1,997,943	(26,748)	1,971,195
Vehicles	60,051	-	60,051
Infrastructure	<u>6,698,229</u>	<u>1,384,349</u>	<u>8,082,578</u>
Total Capital Assets, Being Depreciated	<u>15,536,421</u>	<u>(416,877)</u>	<u>15,119,544</u>
<i>Less: accumulated depreciation:</i>			
Land improvements	(105,881)	-	(105,881)
Buildings and improvements	(1,876,308)	815,198	(1,061,110)
Equipment	(1,060,870)	(105,956)	(1,166,826)
Vehicles	(15,219)	(1)	(15,220)
Infrastructure	<u>(4,145,629)</u>	<u>(806,229)</u>	<u>(4,951,858)</u>
Total Accumulated Depreciation	<u>(7,203,907)</u>	<u>(96,988)</u>	<u>(7,300,895)</u>
Total Capital Assets, Being Depreciated, Net	<u>8,332,514</u>	<u>(513,865)</u>	<u>7,818,649</u>
Governmental Activities Capital Assets, Net	<u>\$ 12,930,759</u>	<u>\$ (357,677)</u>	<u>\$ 12,573,082</u>

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 10 - CAPITAL ASSETS - (Continued)

	Restated Balance			Balance
<u>Business-type activities:</u>	<u>12/31/11</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/12</u>
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$ 654,893	\$ -	\$ -	\$ 654,893
Construction in progress	4,099,540	1,666,579	(5,627,584)	138,535
Total Capital Assets, Not Being Depreciated	<u>4,754,433</u>	<u>1,666,579</u>	<u>(5,627,584)</u>	<u>793,428</u>
<i>Capital Assets, Being Depreciated:</i>				
Land improvements	105,881	128,045	-	233,926
Buildings and improvements	4,899,839	3,848,897	-	8,748,736
Equipment	1,971,195	317,483	-	2,288,678
Vehicles	60,051	-	-	60,051
Infrastructure	8,082,578	1,456,494	-	9,539,072
Total Capital Assets, Being Depreciated	<u>15,119,544</u>	<u>5,750,919</u>	<u>-</u>	<u>20,870,463</u>
<i>Less: Accumulated Depreciation:</i>				
Land improvements	(105,881)	(1,439)	-	(107,320)
Buildings and improvements	(1,061,110)	(168,030)	-	(1,229,140)
Equipment	(1,166,826)	(86,838)	-	(1,253,664)
Vehicles	(15,220)	(6,510)	-	(21,730)
Infrastructure	(4,951,858)	(142,069)	-	(5,093,927)
Total Accumulated Depreciation	<u>(7,300,895)</u>	<u>(404,886)</u>	<u>-</u>	<u>(7,705,781)</u>
Total Capital Assets, Being Depreciated, Net	<u>7,818,649</u>	<u>5,346,033</u>	<u>-</u>	<u>13,164,682</u>
Business-Type Activities Capital Assets, Net	<u>\$ 12,573,082</u>	<u>\$ 7,012,612</u>	<u>\$ (5,627,584)</u>	<u>\$ 13,958,110</u>

Depreciation expense was charged to fund's (business-type activities) of the City as follows:

Business-type activities:

Water	\$ 233,614
Sewer	<u>171,272</u>
Total Depreciation Expense - Business Type Activities	<u>\$ 404,886</u>

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 11 - OTHER EMPLOYEE BENEFITS

Compensated Absences

Employees earn vacation at different rates which are also affected by length of service. Vacation is accrued each pay and may be carried over. The maximum number of hours which may be accrued is based on years of service. Vacation and sick leave accumulated by governmental fund type employees has been recorded in the statement of net position to the extent they were not paid using current expendable available resources. Vacation and sick leave earned by proprietary funds type employees is expensed when earned and has been recorded in the fund.

Employees earn compensatory-time and may accrue a maximum of forty hours, except police officers may accrue a maximum of eighty hours, which may be carried forward to the next year.

As of December 31, 2012, the liability for compensated absences in governmental activities and business-type activities was \$107,098 and \$20,609, respectively. The total liability for the City's compensated absences reported on the statement of net position was \$127,707 with \$111,132 being due within one year.

NOTE 12 - LONG-TERM OBLIGATIONS

A. During 2012, the following activity occurred in the City's governmental long-term obligations:

	<u>Balance</u>			<u>Balance</u>	<u>Amounts</u>
Governmental activities:	12/31/11	Additions	Reductions	12/31/12	Due in
					One Year
Notes payable	\$ 790,035	\$ -	\$ (207,020)	\$ 583,015	\$ 235,466
Bond anticipation notes - Series					
2012B	-	720,000	-	720,000	-
SIB loan	245,771	-	-	245,771	-
OPWC loans	65,989	-	(10,548)	55,441	6,892
Compensated absences	80,492	139,287	(112,681)	107,098	90,523
Total Governmental Activities					
Long-Term Obligations	\$ 1,182,287	\$ 859,287	\$ (330,249)	\$ 1,711,325	\$ 332,881

Compensated Absences: Compensated absences will be paid from the fund from which the employees' salaries are paid. For the City's governmental activities, this is the general, street and police funds.

Notes Payable: The City issued a long-term note in the amount of \$860,000 on December 9, 2009 to retire the bond anticipation note previously issued to finance municipal building improvements. The note bears an interest rate of 4.8159% and matures on December 9, 2014. The terms of the note allow the City to apply more towards principal each year. When the note matures, if the note is not paid in full, the City has the option to refinance the note at comparable terms. The note is backed by the full faith and credit of the City.

The City issued a long-term note on August 20, 2010 in the amount of \$150,000 to retire the short-term note previously issued to finance bridge improvements. The note bears an interest rate of 4.8165% and matures on August 20, 2015. The note is backed by the full faith and credit of the City.

The City issued a long-term note on August 20, 2010 in the amount of \$45,000 to finance engineering fees associated with the Summit Road South Project. The note bears an interest rate of 4.8177% and matures on August 20, 2015. The note is backed by the full faith and credit of the City.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

Bond anticipation notes - Series 2012: On March 28, 2012, the City issued Series 2012 bond anticipation notes in the amount of \$2,753,000 for the following purposes: (a) \$750,000 for roadway projects; (b) \$1,236,000 for water utility projects; and (c) \$767,000 for sewer utility projects. The notes bore an interest rate of 1.50% and were partially refunded on March 28, 2013. Of the \$750,000 notes issued for roadway projects, \$720,000 has been replaced by debt that extends at least one year beyond the date of the balance sheet (See Note 22). A total of \$103,106 of the bond anticipation note proceeds remained unspent at year end.

OPWC Loans: The Ohio Public Works Commission (OPWC) loans are general obligations of the City, and will be repaid from the City's general operating revenues. The OPWC loans are interest free, providing repayment remains current.

State Infrastructure Bank Loan: On September 30, 2010, the City entered into an agreement with the Ohio Department of Transportation for a State Infrastructure Bank ("SIB") direct loan transaction for the Summit Road South Project in the amount of \$317,000. Revenues from the permissive license tax fund will be used to repay the loan. The loan agreement functions similar to a line-of-credit agreement. At December 31, 2012, the City has a \$245,771 balance outstanding on the loan. It is anticipated that an additional \$9,433 in capitalized interest will accrue on the loan during 2013.

A summary of the City's future debt service requirements for governmental activities long-term obligations outstanding as of December 31, 2012 are as follows:

Year Ending December 31,	OPWC Loans		
	Principal	Interest	Total
2013	\$ 6,892	\$ -	\$ 6,892
2014	3,236	-	3,236
2015	3,237	-	3,237
2016	3,237	-	3,237
2017	3,236	-	3,236
2018 - 2022	16,184	-	16,184
2023 - 2027	16,182	-	16,182
2028	3,237	-	3,237
Total	\$ 55,441	\$ -	\$ 55,441

Year Ending December 31,	Notes Payable		
	Principal	Interest	Total
2013	\$ 235,466	\$ 20,854	\$ 256,320
2014	304,793	16,738	321,531
2015	42,756	2,059	44,815
Total	\$ 583,015	\$ 39,651	\$ 622,666

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

<u>Year Ending December 31,</u>	<u>SIB Loan</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ -	\$ -	\$ -
2014	27,841	8,278	36,119
2015	28,683	7,436	36,119
2016	29,550	6,569	36,119
2017	30,443	5,676	36,119
2018 - 2021	129,254	13,222	142,476
Total	\$ 245,771	\$ 41,181	\$ 286,952

B. During 2012, the following activity occurred in the City's business-type long-term obligations:

<u>Business-type activities:</u>	<u>Interest Rate</u>	<u>Balance 12/31/11</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/12</u>	<u>Amounts Due in One Year</u>
<u>General Obligation Bonds</u>						
Sewer bonds	5.50-6.125%	\$ 500,000	\$ -	\$ (60,000)	\$ 440,000	\$ 60,000
Water bonds	4.25-5.00%	6,170,000	-	(125,000)	6,045,000	125,000
Total General Obligation Revenue Bonds	4.25% - 6.125%	6,670,000	-	(185,000)	6,485,000	185,000
<u>OWDA Loans</u>						
Sewer planning loan	3.25%	46,239	-	(1,549)	44,690	-
Sewer design loan	3.17%	99,420	392,570	(160,409)	331,581	-
Sewer system loan	2.66%	3,519,313	656,343	(254,984)	3,920,672	-
Total OWDA loans		3,664,972	1,048,913	(416,942)	4,296,943	-
<u>Other Obligations</u>						
Compensated absences		15,796	44,565	(39,752)	20,609	20,609
Total Other Obligations		15,796	44,565	(39,752)	20,609	20,609
Total Business-Type Activities Long- Term Obligations		\$ 10,350,768	\$ 1,093,478	\$ (641,694)	10,802,552	\$ 205,609
Add: Unamortized premium on bond issue					82,686	
Total Reported on the Statement of Net Position					\$ 10,885,238	

General Obligation Bonds: The sewer bonds are general obligation bonds, which are supported by the full faith and credit of the City.

CITY OF PATASKALA, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

On June 2, 2011, the City issued \$550,000 Sanitary Sewer Refunding Bonds - Series 2011 for the purpose of refunding the Sewer Improvement Bonds - Series 1995. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

The refunding bonds are comprised of current interest bonds, par value \$550,000. The bonds bear interest rates ranging from 1.00% - 3.00%. Principal and interest payments are made from the sewer fund and are due on June 1 and December 1 of each year. The bonds mature on December 1, 2019.

The reacquisition price exceeded the net carrying amount of old debt by \$3,008. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. The refunding resulted in \$64,992 in gross debt service savings.

On August 28, 2007, the City issued \$6,550,000 in Water System Improvement General Obligation Bonds. The proceeds of the bond issue were used to repay \$6,145,000 in water treatment plant notes and to fund construction of various water system improvements. The bonds bear interest rates ranging from 4.25% to 5.00% and mature on December 1, 2037. The water bonds are general obligation bonds, which are supported by the full faith and credit of the City. At December 31, 2012, the City had spent all bond proceeds on this bond issue.

OWDA Loans: The City has entered into debt financing arrangements through the Ohio Water Development Authority (OWDA) to fund construction projects. The amounts due to OWDA are intended to be paid primarily from water and sewer revenues. The loan agreements function similar to a line-of-credit agreement. At December 31, 2012, the City had outstanding borrowings of \$4,296,943. During 2012, the sewer fund made \$416,942 principal payments on the OWDA loans.

The City has pledged future sewer revenues to repay the sewer system, sewer planning and sewer design OWDA loans. The loans are payable solely from sewer fund revenues. Annual principal and interest payments on the loans are expected to require 73.61 percent of the sewer fund net revenues and 33.71 percent of total revenues. Principal and interest paid for the current year were \$582,729, total net revenues were \$791,684 and total revenues were \$1,728,713.

The future debt service requirements for the OWDA loans are not included as these loans have not been completely disbursed and closed out as of December 31, 2012.

Compensated Absences: Compensated absences will be paid from the fund from which the employees' salaries are paid. For the City's business-type activities, this is the water fund and sewer fund.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

The future debt service requirements for business-type activities long-term obligations outstanding as of year end are as follows:

Year Ending December 31,	General Obligation Bonds		
	Principal	Interest	Total
2013	\$ 185,000	\$ 296,637	\$ 481,637
2014	200,000	290,726	490,726
2015	205,000	283,724	488,724
2016	210,000	276,513	486,513
2017	220,000	268,787	488,787
2018 - 2022	1,030,000	1,204,438	2,234,438
2023 - 2027	1,145,000	950,687	2,095,687
2028 - 2032	1,455,000	639,963	2,094,963
2033 - 2037	1,835,000	262,237	2,097,237
Total	\$ 6,485,000	\$ 4,473,712	\$ 10,958,712

C. Legal Debt Margin

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the City's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the City's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2012, the City's total debt margin was \$33,807,245 and the unvoted debt margin was \$18,256,155.

NOTE 13 - NOTES PAYABLE

Changes in the City's note activity for the year ended December 31, 2012, were as follows:

	<u>12/31/2011</u>	<u>Issued</u>	<u>Retired</u>	<u>12/31/2012</u>
<u>Governmental fund notes</u>				
Bond anticipation notes - Series 2012	\$ -	\$ 30,000	\$ -	\$ 30,000
Bond anticipation notes - Series 2012B	-	1,500,000	-	1,500,000
Total Governmental Fund Notes	\$ -	\$ 1,530,000	\$ -	\$ 1,530,000

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 13 - NOTES PAYABLE - (Continued)

	<u>12/31/2011</u>	<u>Issued</u>	<u>Retired</u>	<u>12/31/2012</u>
<u>Enterprise fund notes</u>				
Bond anticipation notes - Series 2012	\$ -	\$ 2,003,000	\$ -	\$ 2,003,000
Bond anticipation notes - Series 2012B	-	1,010,000	-	1,010,000
Total Enterprise Fund Notes	\$ -	\$ 3,013,000	\$ -	\$ 3,013,000

All notes were backed by the full faith and credit of the City. The note liability is reflected in the fund which received the proceeds. The notes were issued in anticipation of long-term bond financing and will be refinanced until such bonds are issued.

On March 28, 2012, the City issued Series 2012 bond anticipation notes in the amount of \$2,753,000 for the following purposes: (a) \$750,000 for roadway projects; (b) \$1,236,000 for water utility projects; and (c) \$767,000 for sewer utility projects. The notes bore an interest rate of 1.50% and were partially refunded on March 28, 2013. Of the \$750,000 notes issued for road way projects, \$720,000 has been replaced by debt that extends at least one year beyond the date of the balance sheet (See Note 21). \$235,319 and \$319,876 of the water and sewer portions, respectively, remained unspent at year end.

On November 28, 2012, the City issued Series 2012B bond anticipation notes in the amount of \$2,510,000 for the following purposes: (a) \$1,500,000 for roadway projects; (b) \$343,000 for water utility projects; and (c) \$667,000 for sewer utility projects. The notes bear an interest rate of 1.25% and will mature on November 28, 2013. All proceeds of the Series 2012B bond anticipation notes remained unspent at year end.

NOTE 14 - RISK MANAGEMENT

A. Risk Pool Membership

The City belongs to the Ohio Plan Risk Management (the "Plan"), a non-assessable, incorporated non-profit providing a formalized, jointly administered self-insurance risk management program and other administrative services to over 720 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except for the 41.5% of the first \$250,000 casualty treaty, and 10% of the first \$1.0 million property treaty. The Plan retains the lesser of 41.5% or \$103,750 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 14 - RISK MANAGEMENT - (Continued)

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years. There have been no significant reductions in coverage levels from prior year levels.

The Pool's audited financial statements conform to generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2012 and 2011 (the latest information available):

	<u>2012</u>	<u>2011</u>
Assets	\$13,100,381	\$12,501,280
Liabilities	<u>(6,687,193)</u>	<u>(5,328,761)</u>
Members' Equity	<u>\$ 6,413,188</u>	<u>\$ 7,172,519</u>

You can read the complete audited financial statements for The Ohio Plan Risk Management at the Plan's website, www.ohioplan.org.

B. Employee Medical, Dental, Vision and Life

The City provides employee medical, dental, vision and life insurance through traditional insurance carriers. Medical insurance is provided by Medical Mutual of Ohio, dental is provided by Delta Dental, vision is provided by the Vision Service Plan and life insurance is provided by the Hartford Company. The risk of loss transfers entirely to the insurance carriers. The City pays a portion of the premiums, currently also pays a portion of the annual deductible. The employees pay a portion of the premiums depending on union contracts and personal choice of levels of contribution to deductibles.

C. Workers' Compensation

The City participates in the Ohio Municipal League (OML) public entity insurance purchasing pool for workers' compensation. The Group Rating Plan is administered by Comp Management Health Systems, Inc. The OML Group Rating Plan is intended to achieve lower workers' compensation premium rates for the participants, and result in the establishment of a safer working environment. There are no additional contributions required by a participant other than their annual fee.

There were no significant reductions in insurance coverage from the prior year in any category of risk. Claims have not exceeded coverage limitations in any of the past three years.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 15 - PENSION PLANS

A. Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2012, member and contribution rates were consistent across all three plans. The 2012 member contribution rates were 10.00% for members. The City's contribution rate for 2012 was 14.00% of covered payroll.

The City's contribution rate for pension benefits for members in the Traditional Plan for 2012 was 10.00%. The City's contribution rate for pension benefits for members in the Combined Plan for 2012 was 7.95%. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2012, 2011, and 2010 were \$114,441, \$102,885, and \$104,862, respectively; 85.03% has been contributed for 2012 and 100% has been contributed for 2011 and 2010. The remaining 2012 pension liability has been reported as pension obligation payable on the basic financial statements. Contributions to the member-directed plan for 2012 were \$964 made by the City and \$689 made by the plan members.

B. Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability 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 statements and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164 or by visiting the website at www.op-f.org.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 15 - PENSION PLANS - (Continued)

Funding Policy - Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute. For 2012, the portion of the City's contributions to fund pension obligations was 12.75% for police officers. The City's required contributions for pension obligations to OP&F for police officers were \$110,378 for the year ended December 31, 2012, \$93,036 for the year ended December 31, 2011, and \$84,305 for the year ended December 31, 2010. The full amount has been contributed for 2011 and 2010. For 2012, 87.98% has been contributed for police. The remaining 2012 pension liability has been reported as pension obligation payable on the basic financial statements.

NOTE 16 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code Section 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2012, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the post-employment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan for 2012 was 4.00%. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for 2012 was 6.05%.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 16 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2012, 2011, and 2010 were \$87,090, \$78,297, and \$59,781, respectively; 85.03% has been contributed for 2012 and 100% has been contributed for 2011 and 2010. The remaining 2012 post-employment health care benefits liability has been reported as pension obligation payable on the basic financial statements.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4% of the employer contributions toward the health care fund after the end of the transition period.

B. Ohio Police and Fire Pension Fund

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

OP&F provides access to post-employment health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person.

The 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 statements and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164 or by visiting the website at www.op-f.org.

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, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 16 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2012, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers were \$58,435 for the year ended December 31, 2012, \$49,254 for the year ended December 31, 2011, and \$44,632 for the year ended December 31, 2010. The full amount has been contributed for 2011 and 2010. 87.98% has been contributed for police for 2012. The remaining 2012 post-employment health care benefits liability has been reported as pension obligation payable on the basic financial statements.

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund, street fund and police 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 the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis);
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statements for all governmental funds for which a budgetary basis statement is presented:

	Net Change in Fund Balance			
	<u>General fund</u>	<u>Street</u>	<u>Permissive License Tax</u>	<u>Police Levy</u>
Budget basis	\$ (179,657)	\$ (74,798)	\$ (198,029)	\$ (958,396)
Net adjustment for revenue accruals	(49,513)	104,080	(83,489)	202,247
Net adjustment for expenditure accruals	185,951	(63,807)	(54,118)	4,333
Net adjustment for other sources/uses	(272,636)	-	-	-
Funds budgeted elsewhere	6,146	-	-	-
Adjustment for encumbrances	<u>47,347</u>	<u>51,290</u>	<u>77,358</u>	<u>25,053</u>
GAAP basis	<u>\$ (262,362)</u>	<u>\$ 16,765</u>	<u>\$ (258,278)</u>	<u>\$ (726,763)</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the recreation fund and sesquicentennial fund.

NOTE 18 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2012.

B. Litigation

The City is involved in various lawsuits. The City's management and legal counsel is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material adverse effect on the financial condition of the City.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 19 - 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 resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund balance	General	Street Fund	Permissive License Tax Fund	Police Fund	Capital Improvements Fund	Bond Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:								
Materials and supplies inventory	\$ -	\$ 28,505	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,505
Prepays	15,491	6,509	-	14,031	-	-	-	36,031
Total Nonspendable	15,491	35,014	-	14,031	-	-	-	64,536
Restricted:								
Debt service	-	-	-	-	-	-	213,636	213,636
Capital improvements	-	-	-	-	572,575	-	637,429	1,210,004
Transportation projects	-	907,029	363,582	-	-	-	28,670	1,299,281
Community development	-	-	-	-	-	-	129,225	129,225
Police	-	-	-	1,381,061	-	-	54,912	1,435,973
Total Restricted	-	907,029	363,582	1,381,061	572,575	-	1,063,872	4,288,119
Committed:								
Community development programs	-	-	-	-	-	-	4,431	4,431
Parks and recreation	-	-	-	-	-	-	27,378	27,378
Total Committed	-	-	-	-	-	-	31,809	31,809
Assigned:								
Subsequent year appropriation	325,810	-	-	-	-	-	-	325,810
General government	36,615	-	-	-	-	-	-	36,615
Community environment	5,354	-	-	-	-	-	-	5,354
Other purposes	15,902	-	-	-	-	-	-	15,902
Total Assigned	383,681	-	-	-	-	-	-	383,681
Unassigned (deficit)	715,312	-	-	-	-	(1,695)	(33,371)	680,246
Total Fund Balances	\$ 1,114,484	\$ 942,043	\$ 363,582	\$ 1,395,092	\$ 572,575	\$ (1,695)	\$ 1,062,310	\$ 5,448,391

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 20 - CONTRACTUAL COMMITMENTS

As a result of various projects that were in progress at December 31, 2012, the City had the following outstanding contractual commitments at year end:

<u>Vendor</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Amount Outstanding</u>
America Rock Salt Co.	\$ 50,301	\$ -	\$ 50,301
America Suncraft	201,900	(145,778)	56,122
Culy Contracting	89,015	-	89,015
Columbus Asphalt Paving	333,441	(306,306)	27,135
EMH&T	506,825	(401,107)	105,718
Strawser Paving Co.	1,772,695	(1,637,414)	135,281
Seimens Industry, Inc.	136,500	-	136,500
Total	\$ 3,090,677	\$ (2,490,605)	\$ 600,072

NOTE 21 - OTHER COMMITMENTS

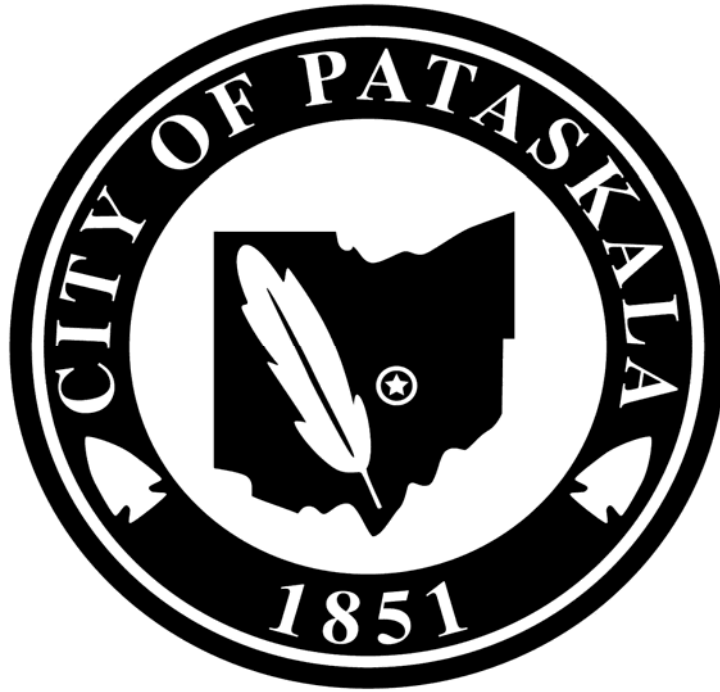
The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the City's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 42,049
Street fund	25,580
Permissive tax fund	42,668
Police fund	22,236
Capital improvements fund	25,706
Other governmental	76,982
Total	\$ 235,221

NOTE 22 - SUBSEQUENT EVENTS

On March 27, 2013, the City issued \$5,365,000 in bond anticipation notes. Of the notes \$2,555,000 will be used to retire a portion of the Series 2012 bond anticipation notes used for multiple purposes (See Notes 12 and 13). The \$2,555,000 will be used to retire \$720,000 of the governmental activities portion, \$1,144,000 of the water fund portion and \$591,000 of the sewer fund portion. \$2,695,000 of the notes will be used for Mink Road improvements and \$115,000 will be used for the Summit Road storm sewer. These notes bear an interest rate of 1.50% and mature on March 26, 2014.

In 2013, the City changed how income tax is credited to funds. Of the one percent (1.0%) levied, the police fund will receive 58.5%, the street fund will receive 32%, the capital improvement fund will receive 6.75% and the debt service fund will receive the remaining 2.75%.



COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

CITY OF PATASKALA, OHIO
INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - 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 and/or the general laws of Ohio.

MAJOR FUNDS

Street Fund

The street fund accounts for revenues generated from license and gasoline taxes that are restricted to be used on local roads within

Permissive License Tax Fund

This fund accounts for the \$5.00 license tax levied by the City of Pataskala and Licking County on each motor vehicle registered in the City. Money is restricted for planning, constructing, improving, maintaining, and repairing roads, streets and bridges within the City.

Police Fund

This fund accounts for tax and other revenues collected that are restricted for police operations.

Capital Improvements Fund

This fund is used to account for income taxes that are restricted for the purchase of equipment and to construct capital assets.

Bond Improvements Fund

The fund is used to account for bond or note proceeds that are restricted for the purchase of equipment and to construct capital

NONMAJOR 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 expenditure for specific 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. The following are the special revenue funds which the City operates:

State Highway Fund

This fund accounts for the portion of state gasoline tax restricted for maintenance of state highways within the City.

Ecological Preservation Fund

This fund accounts for revenues received that are restricted for the use of perserving ecological projects within the City.

Pataskala Corporate Park Joint Economic Development District Fund

This fund accounts for income taxes received from collections within the Pataskala Corporate Park which are restricted used for improvements specifical within the Corporate Park.

Park Use Fund

This fund accounts for developers' fees collected that are committed for capital improvements associated with the City's parks.

Immobilization Fund

This fund receives fines assessed from Mayor's Court for immobilized vehicles. Money is restricted for training and education

Court Computer Fund

This fund receives fines assesed from the City's Mayor's Court andare restricted to improve the court computer systems.

CITY OF PATASKALA, OHIO

INDIVIDUAL FUND SCHEDULES FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Alcohol Enforcement and Education Fund

Account for fines received by the City's Mayor's Court and are restricted to educate the public about laws governing the operation of motor vehicles while under the influence.

Law Enforcement Trust Fund

Accounts for fines generated in the prosecution of those in possession of contraband and any proceeds received from the sale of confiscated contraband. This money is restricted for any law enforcement activity.

Pataskala Mobile Home Park Fund

This fund accounts for a donation received that are committed formaintenance of the storm sewer line underlying the railroad

Federal Emergency Management Agency Fund (FEMA)

This fund receives federal and state money to reimburse the City for costs incurred for disasters within the City.

Community Housing Improvement Program Fund

This fund accounts for federal grant dollars that are restricted for improvements made to housing within the City.

Safe Routes to Schools Fund

This fund accounts for federal and state grant dollars for improvements made to infrastructure surrounding the Southwest Licking School District and the Licking Heights Local School District.

Ohio Department of Natural Resources Trail Fund

This fund accounts for federal and state grant dollars that are restricted for the construction of a walking trail at Municipal Park.

CDBG Fund

This fund receives federal grant money received or expended on behalf of the City restricted for housing, development, and City-wide improvements.

The following funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis):

Recreation Fund

This fund accounts for fees charged for recreational activities and is used for park and recreation purposes.

Sesquecentennial Fund

This fund receives grants and donations to be used for historical activities and programs within the City.

The following fund is included in the police fund (GAAP basis), but has a separate legally adopted budget (budget basis):

Police K-9 Unit Fund

This fund receives grants and donations for the upkeep, care, and maintenance of the City's investigative police dog.

NONMAJOR DEBT SERVICE FUNDS

Debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest. The following is a description of all nonmajor debt service funds:

Street Bond Fund

This fund accounts for the remaining fund balance associated with special assessment bonds issued and retired by the City.

Debt Service Fund

This fund accounts for income taxes that are restricted for the use of paying principal and interest.

CITY OF PATASKALA, OHIO

**INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS**

NONMAJOR CAPITAL PROJECTS FUNDS

Capital project funds are 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 project 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. The following is a description of all nonmajor capital project funds:

Courter Bridge Improvement Fund

This fund receives bond anticipation note proceeds restricted for improvements made to Courter Road Bridge in previous years.

Municipal Building Purchase Fund

This fund is used to account for the purchase of the municipal building.

State Route 310 Tax Increment Finance Equivalent Fund

This fund accounts for tax incentive equivalent funds .

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Real and Other Taxes	\$ 815,000	\$ 800,888	\$ 800,884	\$ (4)
Licenses and Permits	220,500	228,000	245,707	17,707
Fines and Forfeitures	150,000	165,250	195,213	29,963
Intergovernmental	256,500	230,962	213,524	(17,438)
Special Assessments	3,000	4,300	4,369	69
Investment Income	4,000	4,000	7,026	3,026
Rental Income	100,000	100,000	126,641	26,641
Other	5,000	15,000	14,820	(180)
Total Revenues	1,554,000	1,548,400	1,608,184	59,784
Expenditures:				
<i>Current:</i>				
<u>General Government</u>				
Mayor				
Personal services	15,306	15,356	15,318	38
Contractual services	1,000	1,000	638	362
Materials and supplies	2,800	2,800	1,628	1,172
Total Mayor	19,106	19,156	17,584	1,572
Finance				
Personal services	124,011	145,800	137,482	8,318
Contractual services	56,350	48,350	42,980	5,370
Materials and supplies	12,800	12,700	12,527	173
Total Finance	193,161	206,850	192,989	13,861
Law Director				
Personal services	144,740	151,240	150,598	642
Contractual services	56,000	61,500	59,694	1,806
Materials and supplies	10,800	10,800	9,164	1,636
Total Law Director	211,540	223,540	219,456	4,084
City Administrator				
Personal services	35,883	46,039	43,300	2,739
Contractual services	60,000	60,000	54,394	5,606
Materials and supplies	24,800	24,800	21,823	2,977
Total City Administrator	120,683	130,839	119,517	11,322
Public Service Director				
Personal services	49,079	50,279	48,685	1,594
Materials and supplies	7,500	7,500	6,044	1,456
Total Public Service Director	56,579	57,779	54,729	3,050
Boards & Commissions				
Personal services	3,238	5,535	4,157	1,378
Materials and supplies	2,000	5,500	4,936	564
Total Boards & Commssions	5,238	11,035	9,093	1,942

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CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Lands & Buildings				
Contractual services	71,000	121,000	78,185	42,815
Materials and supplies	134,500	38,000	23,330	14,670
Capital outlay	479,000	354,500	298,331	56,169
Total Lands & Buildings	684,500	513,500	399,846	113,654
Council				
Personal services	73,363	73,363	71,815	1,548
Contractual services	5,000	5,000	3,602	1,398
Materials and supplies	16,400	13,900	10,866	3,034
Total Council	94,763	92,263	86,283	5,980
Mayors Court & Related				
Personal services	59,716	61,116	59,273	1,843
Materials and supplies	18,000	12,500	11,837	663
Total Mayor's Court & Related	77,716	73,616	71,110	2,506
General Office, Liability Insurance & Contingency				
Contractual services	46,600	62,300	47,451	14,849
Materials and supplies	26,300	10,300	9,127	1,173
Contingency	596,160	-	-	-
Total General Office, Insurance & Contingency	669,060	72,600	56,578	16,022
Total General Government	2,132,346	1,401,178	1,227,185	173,993
<u>Security of Persons & Property</u>				
Street Lighting				
Contractual services	50,000	-	-	-
Total Street Lighting	50,000	-	-	-
Total Security of Persons & Property	50,000	-	-	-
<u>Public Health & Welfare</u>				
Health services				
Contractual services	61,500	111,500	111,485	15
Total Health Services	61,500	111,500	111,485	15
Total Public Health & Welfare	61,500	111,500	111,485	15
<u>Community Environment</u>				
Planning				
Personal services	259,887	257,253	249,773	7,480
Contractual services	19,000	44,806	29,301	15,505
Materials and supplies	60,750	16,144	14,455	1,689
Total Planning	339,637	318,203	293,529	24,674
Total Community Environment	339,637	318,203	293,529	24,674

- - Continued

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Leisure Time Activity</u>				
Recreation - Administration				
Personal services	2,649	2,649	1,878	771
Materials and supplies	500	500	-	500
Total Recreation - Administration	<u>3,149</u>	<u>3,149</u>	<u>1,878</u>	<u>1,271</u>
Total Leisure Time Activity	<u>3,149</u>	<u>3,149</u>	<u>1,878</u>	<u>1,271</u>
Total Expenditures	<u>2,586,632</u>	<u>1,834,030</u>	<u>1,634,077</u>	<u>199,953</u>
Excess of expenditures over revenues	<u>(1,032,632)</u>	<u>(285,630)</u>	<u>(25,893)</u>	<u>259,737</u>
Other Financing Sources (Uses):				
Advances in	330,247	666,030	216,636	(449,394)
Advances out	-	(144,000)	(144,000)	-
Transfers out	(236,000)	(236,400)	(226,400)	10,000
Total Other Financing Sources (Uses)	<u>94,247</u>	<u>285,630</u>	<u>(153,764)</u>	<u>(439,394)</u>
Net Change in Fund Balance	<u>(938,385)</u>	<u>-</u>	<u>(179,657)</u>	<u>(179,657)</u>
Fund Balance at Beginning of Year (restated)	<u>1,083,726</u>	<u>1,083,726</u>	<u>1,083,726</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 145,341</u></u>	<u><u>\$ 1,083,726</u></u>	<u><u>\$ 904,069</u></u>	<u><u>\$ (179,657)</u></u>

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

STREET FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income taxes	\$ 395,700	\$ 563,700	\$ 563,400	\$ (300)
Intergovernmental	550,000	615,000	636,107	21,107
Investment income	628	1,000	1,086	86
Other	500	22,000	22,990	990
Total Revenues	946,828	1,201,700	1,223,583	21,883
Expenditures:				
<i>Current:</i>				
<u>Transportation</u>				
Street Department				
Personnel services	572,658	513,977	488,849	25,128
Contractual services	153,300	176,300	166,851	9,449
Materials and supplies	460,659	454,659	453,327	1,332
Capital outlay	205,000	195,992	189,354	6,638
Contingency	278,643	-	-	-
Total Transportation	1,670,260	1,340,928	1,298,381	42,547
Total Expenditures	1,670,260	1,340,928	1,298,381	42,547
Net Change in Fund Balance	(723,432)	(139,228)	(74,798)	64,430
Fund Balance at Beginning of Year	723,432	723,432	723,432	-
Fund Balance at End of Year	\$ -	\$ 584,204	\$ 648,634	\$ 64,430

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMISSIVE LICENSE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 720,000	\$ 709,961	\$ 719,615	\$ 9,654
Total Revenues	720,000	709,961	719,615	9,654
Expenditures:				
<i>Current:</i>				
<u>Transportation</u>				
Street department				
Contractual services	100,000	15,582	14,604	978
Materials and supplies	59,694	59,694	59,063	631
Capital outlay	1,042,787	938,166	843,977	94,189
Total Transportation	1,202,481	1,013,442	917,644	95,798
Total Expenditures	1,202,481	1,013,442	917,644	95,798
Net Change in Fund Balance	(482,481)	(303,481)	(198,029)	105,452
Fund Balance at Beginning of Year	482,481	482,481	482,481	-
Fund Balance at End of Year	\$ -	\$ 179,000	\$ 284,452	\$ 105,452

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

POLICE FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income taxes	\$ 633,120	\$ 901,700	\$ 901,440	\$ (260)
Fines and forfeitures	500	4,700	6,105	1,405
Other	5,000	70,000	76,023	6,023
Total Revenues	638,620	976,400	983,568	7,168
Expenditures:				
<i>Current:</i>				
<u>Security of Persons & Property</u>				
Police				
Personal services	1,480,663	1,373,163	1,334,340	38,823
Contractual services	218,400	196,360	135,248	61,112
Materials and supplies	302,000	257,700	212,892	44,808
Capital outlay	275,000	264,000	259,484	4,516
Contingency	449,793	-	-	-
Total Security of Persons & Property	2,725,856	2,091,223	1,941,964	149,259
Total Expenditures	2,725,856	2,091,223	1,941,964	149,259
Net Change in Fund Balance	(2,087,236)	(1,114,823)	(958,396)	156,427
Fund Balance at Beginning of Year	2,087,236	2,087,236	2,087,236	-
Fund Balance at End of Year	\$ -	\$ 972,413	\$ 1,128,840	\$ 156,427

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

CAPITAL IMPROVEMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amount</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Income tax	\$ 1,450,900	\$ 2,066,500	\$ 2,065,800	\$ (700)
Total Revenues	1,450,900	2,066,500	2,065,800	(700)
Expenditures:				
<u>Community Development</u>				
Capital outlay	\$ 2,950,900	2,228,296	2,218,534	9,762
Total Community Development	2,950,900	2,228,296	2,218,534	9,062
Total Expenditures	2,950,900	2,228,296	2,218,534	9,762
Excess of Expenditures Over Revenues	(1,500,000)	(161,796)	(152,734)	9,062
Other Financing Sources:				
Note issuance	1,500,000	750,000	750,000	-
Total Other Financing Sources	1,500,000	750,000	750,000	-
Net Change in Fund Balance	-	588,204	597,266	9,062
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ 588,204	\$ 597,266	\$ 9,062

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BOND IMPROVEMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amount</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Other Financing Sources:				
Bond issuance	-	\$ 1,500,000	\$ 1,500,000	\$ -
Total Other Financing Sources	<u>-</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
Net Change in Fund Balance	-	1,500,000	1,500,000	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ 1,500,000</u></u>	<u><u>\$ 1,500,000</u></u>	<u><u>\$ -</u></u>

CITY OF PATASKALA, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2012

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 337,036	\$ 198,904	\$ 637,429	\$ 1,173,369
Receivables (net of allowances of uncollectibles):				
Income taxes	-	46,821	-	46,821
Accounts	980	-	-	980
Payment in lieu of taxes	-	-	252,352	252,352
Due from other governments	71,292	-	-	71,292
Total Assets	<u>\$ 409,308</u>	<u>\$ 245,725</u>	<u>\$ 889,781</u>	<u>\$ 1,544,814</u>
<u>Liabilities:</u>				
Accounts payable	\$ 33,852	\$ -	\$ -	\$ 33,852
Interfund loans payable	144,000	-	-	144,000
Due to other governments	2,897	-	-	2,897
Total Liabilities	<u>180,749</u>	<u>-</u>	<u>-</u>	<u>180,749</u>
<u>Deferred Inflows of Resources:</u>				
Income tax revenue not available	-	32,089	-	32,089
Nonexchange transactions not available	17,314	-	-	17,314
Delinquent PILOT revenue not available	-	-	45,314	45,314
PILOTs levied for the next fiscal year	-	-	207,038	207,038
Total Deferred Inflows of Resources	<u>17,314</u>	<u>32,089</u>	<u>252,352</u>	<u>301,755</u>
Total Liabilities & Deferred Inflows of Resources	<u>198,063</u>	<u>32,089</u>	<u>252,352</u>	<u>482,504</u>
<u>Fund balances:</u>				
Restricted	212,807	213,636	637,429	1,063,872
Committed	31,809	-	-	31,809
Unassigned (deficit)	(33,371)	-	-	(33,371)
Total Fund Balances	<u>211,245</u>	<u>213,636</u>	<u>637,429</u>	<u>1,062,310</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances (deficit)	<u>\$ 409,308</u>	<u>\$ 245,725</u>	<u>\$ 889,781</u>	<u>\$ 1,544,814</u>

CITY OF PATASKALA, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Income taxes	\$ -	\$ 212,538	\$ -	\$ 212,538
Charges for services	15,797	-	-	15,797
Fines and forfeitures	16,742	-	-	16,742
Intergovernmental	557,220	-	-	557,220
Investment income	84	8,997	-	9,081
Payments in lieu of taxes	-	-	82,239	82,239
Other	1,000	-	-	1,000
Total Revenues	590,843	221,535	82,239	894,617
Expenditures:				
<u>Current:</u>				
General Government	-	10,158	905	11,063
Security of Persons and Property	17,018	-	-	17,018
Transportation	80,238	-	-	80,238
Community Environment	302,359	-	-	302,359
Leisure Time Activity	6,708	-	-	6,708
Capital outlay	120,468	-	-	120,468
<u>Debt service:</u>				
Principal retirement	-	47,658	169,910	217,568
Interest and fiscal charges	-	7,704	30,090	37,794
Total Expenditures	526,791	65,520	200,905	793,216
Excess (deficiency) of Revenues Over (under) Expenditures	64,052	156,015	(118,666)	101,401
Other Financing Sources:				
Transfers in	-	-	200,000	200,000
Total Other Financing Sources	-	-	200,000	200,000
Net Change in Fund Balance	64,052	156,015	81,334	301,401
Fund Balance at Beginning of Year	147,193	57,621	556,095	760,909
Fund Balance at End of Year	\$ 211,245	\$ 213,636	\$ 637,429	\$ 1,062,310



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CITY OF PATASKALA, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2012

	State Highway Fund	Ecological Preservation Fund	JEDD Income Tax Fund	Park Use Fund
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 52,871	\$ 1,000	\$ 237	\$ 27,378
Receivables (net of allowances of uncollectibles):				
Accounts	-	-	-	-
Due from other governments	25,714	-	-	-
Total Assets	<u>\$ 78,585</u>	<u>\$ 1,000</u>	<u>\$ 237</u>	<u>\$ 27,378</u>
<u>Liabilities:</u>				
Accounts payable	\$ 33,838	\$ -	\$ -	\$ -
Interfund loans payable	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>33,838</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Deferred Inflows of Resources:</u>				
Nonexchange transactions not available	17,314	-	-	-
Total Deferred Inflows of Resources	<u>17,314</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities & Deferred Inflows of Resources	<u>51,152</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund balances:</u>				
Restricted	27,433	1,000	237	-
Committed	-	-	-	27,378
Unassigned (deficit)	-	-	-	-
Total Fund Balances	<u>27,433</u>	<u>1,000</u>	<u>237</u>	<u>27,378</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances (deficit)	<u>\$ 78,585</u>	<u>\$ 1,000</u>	<u>\$ 237</u>	<u>\$ 27,378</u>

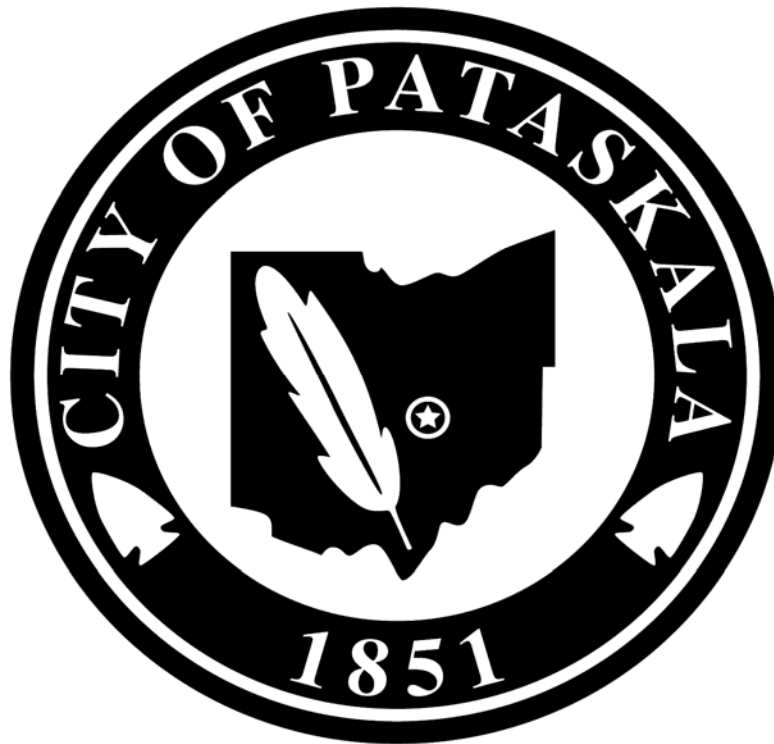
Immobilization Fund	Court Computer Fund	Alcohol Enforcement and Education Fund	Law Enforcement Trust Fund	Pataskala Moble Home Park Fund	FEMA Fund
\$ 490	\$ 36,241	\$ 5,521	\$ 2,562	\$ 4,431	\$ -
-	930	-	50	-	-
-	-	-	-	-	36,605
\$ 490	\$ 37,171	\$ 5,521	\$ 2,612	\$ 4,431	\$ 36,605
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
490	37,171	5,521	2,612	-	36,605
-	-	-	-	4,431	-
-	-	-	-	-	-
490	37,171	5,521	2,612	4,431	36,605
\$ 490	\$ 37,171	\$ 5,521	\$ 2,612	\$ 4,431	\$ 36,605

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CITY OF PATASKALA, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 DECEMBER 31, 2012

	CHIP Fund	Safe Route To School Fund	CDBG	Total Nonmajor Special Revenue Funds
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 110,382	\$ 2,145	\$ 93,778	\$ 337,036
Receivables (net of allowances of uncollectibles):				
Accounts	-	-	-	980
Due from other governments	2,000	6,973	-	71,292
Total Assets	\$ 112,382	\$ 9,118	\$ 93,778	\$ 409,308
<u>Liabilities:</u>				
Accounts payable	\$ 14	\$ -	\$ -	\$ 33,852
Interfund loans payable	144,000	-	-	144,000
Due to other governments	1,739	-	1,158	2,897
Total Liabilities	145,753	-	1,158	180,749
<u>Deferred Inflows of Resources:</u>				
Nonexchange transactions not available	-	-	-	17,314
Total Deferred Inflows of Resources	-	-	-	17,314
Total Liabilities & Deferred Inflows of Resources	145,753	-	1,158	198,063
<u>Fund balances:</u>				
Restricted	-	9,118	92,620	212,807
Committed	-	-	-	31,809
Unassigned (deficit)	(33,371)	-	-	(33,371)
Total Fund Balances	(33,371)	9,118	92,620	211,245
Total Liabilities, Deferred Inflows of Resources & Fund Balances (deficit)	\$ 112,382	\$ 9,118	\$ 93,778	\$ 409,308



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CITY OF PATASKALA, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	State Highway Fund	Ecological Preservation Fund	Jedd Income Tax Fund	Park Use Fund
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ 15,797
Fines and forfeitures	-	-	-	-
Intergovernmental	51,633	-	-	-
Investment income	62	-	-	-
Other	-	1,000	-	-
Total Revenues	51,695	1,000	-	15,797
Expenditures:				
<u>Current:</u>				
Security of Persons and Property	-	-	-	-
Transportation	80,238	-	-	-
Community Environment	-	-	-	-
Leisure Time Activity	-	-	-	-
Capital outlay	-	-	-	32,555
Total Expenditures	80,238	-	-	32,555
Net Change in Fund Balance	(28,543)	1,000	-	(16,758)
Fund Balance at Beginning of Year	55,976	-	237	44,136
Fund Balance at End of Year	\$ 27,433	\$ 1,000	\$ 237	\$ 27,378

Immobilization Fund	Court Computer Fund	Alcohol Enforcement and Education Fund	Law Enforcement Trust Fund	Pataskala Moble Home Park Fund	FEMA Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	15,231	-	1,511	-	-
-	-	-	-	-	36,605
-	-	-	-	22	-
-	-	-	-	-	-
-	15,231	-	1,511	22	36,605
-	4,273	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	4,273	-	-	-	-
-	10,958	-	1,511	22	36,605
490	26,213	5,521	1,101	4,409	-
\$ 490	\$ 37,171	\$ 5,521	\$ 2,612	\$ 4,431	\$ 36,605

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CITY OF PATASKALA, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2012

	CHIP Fund	Safe Route To School Fund	ODNR Recreation Trail Fund	CDBG	Total Nonmajor Special Revenue Funds
Revenues:					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 15,797
Fines and forfeitures	-	-	-	-	16,742
Intergovernmental	274,877	32,278	-	161,827	557,220
Investment income	-	-	-	-	84
Other	-	-	-	-	1,000
Total Revenues	274,877	32,278	-	161,827	590,843
Expenditures:					
<u>Current:</u>					
Security of persons and property	-	12,745	-	-	17,018
Transportation	-	-	-	-	80,238
Community environment	302,359	-	-	-	302,359
Leisure time activity	-	-	6,708	-	6,708
Capital outlay	-	-	-	87,913	120,468
Total Expenditures	302,359	12,745	6,708	87,913	526,791
Net Change in Fund Balance	(27,482)	19,533	(6,708)	73,914	64,052
Fund Balance at Beginning of Year	(5,889)	(10,415)	6,708	18,706	147,193
Fund Balance at End of Year	<u><u>\$ (33,371)</u></u>	<u><u>\$ 9,118</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 92,620</u></u>	<u><u>\$ 211,245</u></u>

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STATE HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)	
	<u>Final</u>	<u>Actual</u>		
Revenues:				
Intergovernmental	\$ 50,100	\$ 51,576	\$ 1,476	
Investment Income	60	62	2	
Total Revenues	<u>50,160</u>	<u>51,638</u>	<u>1,478</u>	
Expenditures:				
<i>Current:</i>				
<u>Transportation</u>				
Street Department				
Contractual	10,000	9,611	389	
Materials and Supplies	69,343	69,196	147	
Total Expenditures	<u>79,343</u>	<u>78,807</u>	<u>536</u>	
Net Change in Fund Balance	(29,183)	(27,169)	2,014	
Fund Balance at Beginning of Year	<u>48,093</u>	<u>48,093</u>	<u>-</u>	
Fund Balance at End of Year	<u><u>\$ 18,910</u></u>	<u><u>\$ 20,924</u></u>	<u><u>\$ 2,014</u></u>	

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ECOLOGICAL PRESERVATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Other	\$ 1,000	\$ 1,000	\$ -
Total Revenues	1,000	1,000	-
Net Change in Fund Balance	1,000	1,000	-
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	\$ 1,000	\$ 1,000	\$ -

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PATASKALA CORPORATE PARK JOINT ECONOMIC DEVELOPMENT DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Income taxes	\$ 250	\$ -	\$ (250)
Total Revenues	<u>250</u>	<u>-</u>	<u>(250)</u>
Expenditures:			
<i>Current:</i>			
<u>General Government</u>			
Economic Development			
Materials and supplies	87	-	87
Total General Government	<u>87</u>	<u>-</u>	<u>87</u>
Total Expenditures	<u>87</u>	<u>-</u>	<u>87</u>
Net Change in Fund Balance	163	-	(163)
Fund Balance at Beginning of Year	<u>237</u>	<u>237</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 400</u></u>	<u><u>\$ 237</u></u>	<u><u>\$ (163)</u></u>

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARK USE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)	
	<u>Final</u>	<u>Actual</u>		
Revenues:				
Charges for Services	\$ 15,000	\$ 15,797	\$ 797	
Total Revenues	15,000	15,797	797	
Expenditures:				
<i>Current:</i>				
<u>Leisure Time Activity</u>				
Recreation Improvement				
Capital outlay	57,497	54,667	2,830	
Total Leisure Time Activity	57,497	54,667	2,830	
Total Expenditures	57,497	54,667	2,830	
Excess of Expenditures Over Revenues	(42,497)	(38,870)	3,627	
Other Financing Sources:				
Transfers in	10,000	-	10,000	
Total Other Financing Sources	10,000	-	10,000	
Net Change in Fund Balance	(52,497)	(38,870)	13,627	
Fund Balance at Beginning of Year	66,248	66,248	-	
Fund Balance at End of Year	\$ 13,751	\$ 27,378	\$ 13,627	

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
IMMOBILIZATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Fines and forfeitures	\$ 600	\$ -	\$ (600)
Total Revenues	600	-	(600)
Expenditures:			
<u>Security of Persons & Property:</u>			
Materials and supplies	1,090	-	1,090
Total Security of Persons & Property	1,090	-	1,090
Total Expenditures	1,090	-	1,090
Net Change in Fund Balance	(490)	-	490
Fund Balance at Beginning of Year	490	490	-
Fund Balance at End of Year	\$ -	\$ 490	\$ 490

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COURT COMPUTER FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)	
	<u>Final</u>	<u>Actual</u>		
Revenues:				
Fines and forfeitures	\$ 13,000	\$ 15,252	\$ 2,252	
Total Revenues	13,000	15,252	2,252	
Expenditures:				
<u>Security of Persons & Property:</u>				
Contractual services	9,692	4,694	4,998	
Total Security of Persons & Property	9,692	4,694	4,998	
Total Expenditures	9,692	4,694	4,998	
Net Change in Fund Balance	3,308	10,558	7,250	
Fund Balance at Beginning of Year	25,262	25,262	-	
Fund Balance at End of Year	\$ 28,570	\$ 35,820	\$ 7,250	

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALCOHOL ENFORCEMENT AND EDUCATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Fines and forfeitures	\$ 500	\$ -	\$ (500)
Total Revenues	500	-	(500)
Expenditures:			
<u>Security of Persons & Property</u>			
Personal services	2,000	-	2,000
Contractual services	4,021	-	4,021
Total Security of Persons & Property	6,021	-	6,021
Total Expenditures	6,021	-	6,021
Net Change in Fund Balance	(5,521)	-	5,521
Fund Balance at Beginning of Year	5,521	5,521	-
Fund Balance at End of Year	\$ -	\$ 5,521	\$ 5,521

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)	
	<u>Final</u>	<u>Actual</u>		
Revenues:				
Fines and forfeitures	\$ 1,351	\$ 1,784	\$ 433	
Total Revenues	<u>1,351</u>	<u>1,784</u>	<u>433</u>	
Expenditures:				
<u>Security of Persons & Property</u>				
Contractual services	1,078	-	1,078	
Total Security of Persons & Property	<u>1,078</u>	<u>-</u>	<u>1,078</u>	
Total Expenditures	<u>1,078</u>	<u>-</u>	<u>1,078</u>	
Net Change in Fund Balance	273	1,784	1,511	
Fund Balance at Beginning of Year	<u>778</u>	<u>778</u>	<u>-</u>	
Fund Balance at End of Year	<u><u>\$ 1,051</u></u>	<u><u>\$ 2,562</u></u>	<u><u>\$ 1,511</u></u>	

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PATASKALA MOBILE HOME PARK FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Investment Income	\$ 41	\$ 22	\$ (19)
Total Revenues	<u>41</u>	<u>22</u>	<u>(19)</u>
Net Change in Fund Balance	41	22	(19)
Fund Balance at Beginning of Year	<u>4,409</u>	<u>4,409</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 4,450</u></u>	<u><u>\$ 4,431</u></u>	<u><u>\$ (19)</u></u>

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY HOUSING IMPROVEMENT PROGRAM FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Intergovernmental	\$ 474,593	\$ 276,524	\$ (198,069)
Total Revenues	474,593	276,524	(198,069)
Expenditures:			
<i>Current:</i>			
<u>Community Environment</u>			
Contractual services	407,000	307,314	99,686
Total Community Environment	407,000	307,314	99,686
Total Expenditures	407,000	307,314	99,686
Excess (deficiency) of Revenues Over (under) Expenditures	67,593	(30,790)	(98,383)
Other Financing Sources (Uses):			
Advances in	144,000	144,000	-
Advances out	(147,000)	(3,000)	144,000
Total Other Financing Sources (Uses)	(3,000)	141,000	144,000
Net Change in Fund Balance	64,593	110,210	45,617
Fund Balance at Beginning of Year	172	172	-
Fund Balance at End of Year	\$ 64,765	\$ 110,382	\$ 45,617

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SAFE ROUTES TO SCHOOLS FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Intergovernmental	\$ 772,226	\$ 64,480	\$ (707,746)
Total Revenues	772,226	64,480	(707,746)
Expenditures:			
<i>Current:</i>			
<u>Community Environment</u>			
Personal services	15,356	-	15,356
Contractual services	31,870	12,745	19,125
Capital outlay	725,000	49,590	675,410
Total Community Environment	772,226	62,335	709,891
Total Expenditures	772,226	62,335	709,891
Net Change in Fund Balance	-	2,145	2,145
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	\$ -	\$ 2,145	\$ 2,145

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OHIO DEPARTMENT OF NATURAL RESOURCES TRAIL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Intergovernmental	\$ 64,370	\$ 44,885	\$ (19,485)
Total Revenues	64,370	44,885	(19,485)
Expenditures:			
<i>Current:</i>			
<u>Leisure Time Activities</u>			
Recreation			
Capital Outlay	6,708	6,708	-
Total Leisure Time Activities	6,708	6,708	-
Total Expenditures	6,708	6,708	-
Excess of Revenues Over Expenditures	57,662	38,177	(19,485)
Other Financing Sources (Uses):			
Advances out	(213,636)	(213,636)	-
Total Other Financing Sources (Uses)	(213,636)	(213,636)	-
Net Change in Fund Balance	(155,974)	(175,459)	(19,485)
Fund Balance at Beginning of Year	175,459	175,459	-
Fund Balance at End of Year	\$ 19,485	\$ -	\$ (19,485)

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE K-9 UNIT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Other	\$ 1	\$ -	\$ (1)
Total Revenues	<u>1</u>	<u>-</u>	<u>(1)</u>
Expenditures:			
Security of Persons & Property			
Contract services	1,280	584	696
Total Security of Persons & Property	<u>1,280</u>	<u>584</u>	<u>696</u>
Total Expenditures	<u>1,280</u>	<u>584</u>	<u>696</u>
Net Change in Fund Balance	(1,279)	(584)	695
Fund Balance at Beginning of Year	<u>1,280</u>	<u>1,280</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 1</u></u>	<u><u>\$ 696</u></u>	<u><u>\$ 695</u></u>

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CDBG FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)	
	<u>Final</u>	<u>Actual</u>		
Revenues:				
Intergovernmental	\$ 221,000	\$ 180,533	\$ (40,467)	
Total Revenues	221,000	180,533	(40,467)	
Expenditures:				
<i>Current:</i>				
<u>Economic Development</u>				
Contractual services	183,000	86,755	96,245	
Capital outlay	38,000	-	38,000	
Total Economic Development	221,000	86,755	134,245	
Total Expenditures	221,000	86,755	134,245	
Net Change in Fund Balance	-	93,778	93,778	
Fund Balance at Beginning of Year	-	-	-	
Fund Balance at End of Year	\$ -	\$ 93,778	\$ 93,778	

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RECREATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Other	\$ 4,000	\$ 4,170	\$ 170
Total Revenues	4,000	4,170	170
Expenditures:			
<i>Current:</i>			
<u>Leisure Time Activities</u>			
Recreation			
Contractual services	16,100	5,133	10,967
Capital outlay	27,777	18,886	8,891
Total Leisure Time Activities	43,877	24,019	19,858
Total Expenditures	43,877	24,019	19,858
Excess of Revenues Over Expenditures	(39,877)	(19,849)	20,028
Other Financing Sources:			
Transfers in	36,000	26,000	(10,000)
Total Other Financing Sources	36,000	26,000	(10,000)
Net Change in Fund Balance	(3,877)	6,151	10,028
Fund Balance at Beginning of Year	9,377	9,377	-
Fund Balance at End of Year	\$ 5,500	\$ 15,528	\$ 10,028

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SESQUICENTENNIAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Expenditures:			
<u>Community Environment:</u>			
Materials and supplies	\$ 368	\$ 348	\$ 20
Total Community Environment	<u>368</u>	<u>348</u>	<u>20</u>
Total Expenditures	<u>368</u>	<u>348</u>	<u>20</u>
Excess of Revenues Over Expenditures	<u>(368)</u>	<u>(348)</u>	<u>20</u>
Other Financing Sources:			
Transfers in	401	400	(1)
Total Other Financing Sources	<u>401</u>	<u>400</u>	<u>(1)</u>
Net Change in Fund Balance	33	52	19
Fund Balance at Beginning of Year	315	315	-
Fund Balance at End of Year	<u><u>\$ 348</u></u>	<u><u>\$ 367</u></u>	<u><u>\$ 19</u></u>

CITY OF PATASKALA, OHIO
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2012

	Street Bond Fund	Debt Service Fund	Total Nonmajor Debt Service Funds
<u>Assets:</u>			
Equity in pooled cash and cash equivalents	\$ 30,067	\$ 168,837	\$ 198,904
Receivables (net of allowances of uncollectibles):			
Income taxes	-	46,821	46,821
Total Assets	<u>\$ 30,067</u>	<u>\$ 215,658</u>	<u>\$ 245,725</u>
<u>Deferred Inflows of Resources:</u>			
Income tax revenue not available	-	32,089	32,089
Total Deferred Inflows of Resources	<u>-</u>	<u>32,089</u>	<u>32,089</u>
Total Liabilities & Deferred Inflows of Resources	<u>-</u>	<u>32,089</u>	<u>32,089</u>
<u>Fund Balances:</u>			
Restricted	30,067	183,569	213,636
Total Fund Balances	<u>30,067</u>	<u>183,569</u>	<u>213,636</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances (deficit)	<u>\$ 30,067</u>	<u>\$ 215,658</u>	<u>\$ 245,725</u>

CITY OF PATASKALA, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Street Bond Fund	Debt Service Fund	Total Nonmajor Debt Service Funds
Revenues:			
Income taxes	\$ -	\$ 212,538	\$ 212,538
Investment income	-	8,997	8,997
Total Revenues	-	221,535	221,535
Expenditures:			
<i>Current:</i>			
General government	-	10,158	10,158
<i>Debt service:</i>			
Principal retirement	-	47,658	47,658
Interest and fiscal charges	-	7,704	7,704
Total Debt Service	-	55,362	55,362
Total Expenditures	-	65,520	65,520
Net Change in Fund Balance	-	156,015	156,015
Fund Balance at Beginning of Year	<u>30,067</u>	<u>27,554</u>	<u>57,621</u>
Fund Balance at End of Year	<u>\$ 30,067</u>	<u>\$ 183,569</u>	<u>\$ 213,636</u>

CITY OF PATASKALA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET BOND FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	Final	Actual	
Fund Balance at Beginning of Year	\$ 30,067	\$ 30,067	\$ -
Fund Balance at End of Year	<u>\$ 30,067</u>	<u>\$ 30,067</u>	<u>\$ -</u>

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Income taxes	\$ 225,450	\$ 225,360	\$ (90)
Total Revenues	225,450	225,360	(90)
Expenditures:			
<i>Current:</i>			
<u>General government</u>			
Contractual services	35,480	10,158	25,322
Total General Government	35,480	10,158	25,322
<i>Debt service:</i>			
Principal retirement	86,000	47,658	38,342
Interest and fiscal charges	52,800	7,704	45,096
Note issuance costs	11,150	10,848	302
Total Debt Service	149,950	66,210	83,740
Total Expenditures	185,430	76,368	109,062
Excess of Revenues Over Expenditures	40,020	148,992	108,972
Other Financing Sources:			
Premium on sale of notes	7,396	19,845	12,449
Total Other Financing Sources	7,396	19,845	12,449
Net Change in Fund Balance	47,416	168,837	121,421
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	\$ 47,416	\$ 168,837	\$ 121,421

CITY OF PATASKALA, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2012

	<u>Courter Bridge Improvement Fund</u>	<u>Municipal Building Purchase Fund</u>	<u>State Route 310 TIF Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 59	\$ 6,871	\$ 630,499	\$ 637,429
Receivables (net of allowances of uncollectibles):				
Payment in lieu of taxes	-	-	252,352	252,352
Total Assets	<u>\$ 59</u>	<u>\$ 6,871</u>	<u>\$ 882,851</u>	<u>\$ 889,781</u>
<u>Deferred Inflows of Resources:</u>				
Delinquent PILOT revenue not available	-	-	45,314	45,314
PILOTs levied for the next fiscal year	-	-	207,038	207,038
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>252,352</u>	<u>252,352</u>
Total Liabilities & Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>252,352</u>	<u>252,352</u>
<u>Fund Balances:</u>				
Restricted	59	6,871	630,499	637,429
Total Fund Balances	<u>59</u>	<u>6,871</u>	<u>630,499</u>	<u>637,429</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances (deficit)	<u>\$ 59</u>	<u>\$ 6,871</u>	<u>\$ 882,851</u>	<u>\$ 889,781</u>

CITY OF PATASKALA, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Courter Bridge Improvement Fund</u>	<u>Municipal Building Purchase Fund</u>	<u>State Route 310 TIF Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:				
Payment in lieu of taxes	\$ -	\$ -	\$ 82,239	\$ 82,239
Total Revenues	-	-	82,239	82,239
Expenditures:				
<i>Current:</i>				
General government	-	-	905	905
<i>Debt service:</i>				
Principal retirement	-	169,910	-	169,910
Interest and fiscal charges	-	30,090	-	30,090
Total Debt Service	-	200,000	-	200,000
Total Expenditures	-	200,000	905	200,905
Excess of Revenues Over Expenditures	-	(200,000)	81,334	(118,666)
<u>Other Financing Sources:</u>				
Transfers in	-	200,000	-	200,000
Total Other Financing Sources	-	200,000	-	200,000
Net Change in Fund Balance	-	-	81,334	81,334
Fund Balance at Beginning of Year	59	6,871	549,165	556,095
Fund Balance at End of Year	\$ 59	\$ 6,871	\$ 630,499	\$ 637,429

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COURTER BRIDGE IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	Final	Actual	
Fund Balance at Beginning of Year	<u>\$ 59</u>	<u>\$ 59</u>	<u>\$ -</u>
Fund Balance at End of Year	<u><u>\$ 59</u></u>	<u><u>\$ 59</u></u>	<u><u>\$ -</u></u>

CITY OF PATASKALA, OHIO

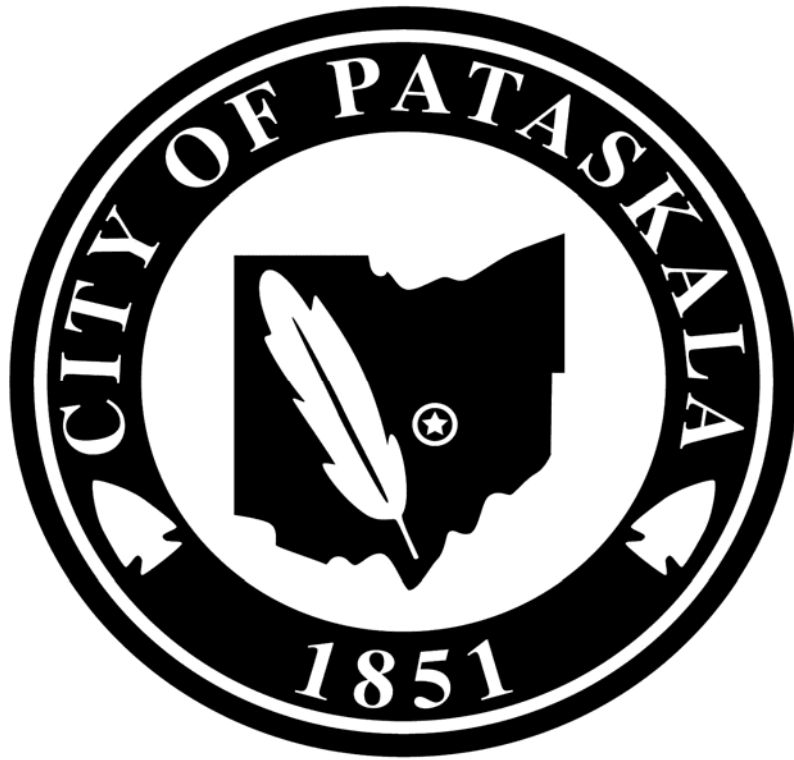
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MUNICIPAL BUILDING PURCHASE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Other	\$ 1	\$ -	\$ (1)
Total Revenues	<u>1</u>	<u>-</u>	<u>(1)</u>
Expenditures:			
<u>General Government</u>			
Materials and supplies	6,871	-	6,871
Total General Government	<u>6,871</u>	<u>-</u>	<u>6,871</u>
Total Expenditures	<u>6,871</u>	<u>-</u>	<u>6,871</u>
Net Change in Fund Balance	(6,870)	-	6,870
Fund Balance at Beginning of Year	<u>6,871</u>	<u>6,871</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 1</u></u>	<u><u>\$ 6,871</u></u>	<u><u>\$ 6,870</u></u>

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STATE ROUTE 310 TAX INCREMENT FINANCE EQUIVALENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)	
	<u>Final</u>	<u>Actual</u>		
Revenues:				
Payment in lieu of taxes	\$ 104,001	\$ 103,415	\$ (586)	
Total Revenues	104,001	103,415	(586)	
Expenditures:				
<i>Current:</i>				
<u>General Government</u>				
Contractual services	2,000	919	1,081	
Total General Government	2,000	919	1,081	
Total Expenditures	2,000	919	1,081	
Net Change in Fund Balance	102,001	102,496	495	
Fund Balance at Beginning of Year	527,989	527,989	-	
Fund Balance at End of Year	<u>\$ 629,990</u>	<u>\$ 630,485</u>	<u>\$ 495</u>	



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CITY OF PATASKALA, OHIO
INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - PROPRIETARY FUNDS

ENTERPRISE FUNDS

To account for the financing of costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis that are financed or recovered primarily through user charges.

Major Enterprise Funds

Water Fund

This fund accounts for the provision of water treatment and distribution to its residential and commercial users located within the City.

Water Expansion Fund

To account for revenues and expenses related to the expansion of water lines within the City. For GAAP reporting, this activity is reflected in the Water enterprise fund.

Water Bond Improvements Fund

To account for bond or notes issued that are used to improve the water infrastructure within the City.

Water Debt Service Fund

To account for water revenue that is transferred from the water fund and used to retire bond principal, interest and related costs for water construction projects. For GAAP reporting, this activity is reflected in the Water enterprise fund.

Sewer Fund

This fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.

Sewer Capital Improvement Fund

To account for sewer revenue that is transferred from the sewer fund and debt proceeds used for construction projects and improvements. For GAAP reporting, this activity is reflected in the Sewer enterprise fund.

Sewer Bond Improvements Fund

To account for bond or notes issued that are used to improve the sewer infrastructure within the City.

The Oaks Assessment Fund

To account for the activity of the special assessment in The Oaks subdivision.

Sewer Debt Service Fund

To account for sewer revenue that is transferred from the water fund and used to retire bond principal, interest and related costs for sewer construction projects. For GAAP reporting, this activity is reflected in the Sewer enterprise fund.

Wastewater Treatment Plant Phase II Fund

This fund receives loan proceeds from the Ohio Water Development Authority for the purpose of improving one of the City's wastewater treatment plants.

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)	
	<u>Final</u>	<u>Actual</u>		
Operating Revenues:				
Charges for services	\$ 1,300,000	\$ 1,280,817	\$ (19,183)	
Other operating revenues	15,000	16,982	1,982	
Total Operating Revenues	1,315,000	1,297,799	(17,201)	
Operating Expenses:				
Personal services	375,598	355,969	19,629	
Contractual services	62,636	55,672	6,964	
Materials and supplies	570,000	505,660	64,340	
Total Operating Expenses	1,008,234	917,301	90,933	
Income Before Transfers	306,766	380,498	73,732	
Transfers:				
Transfers out	(245,761)	(245,761)	-	
Net Change in Fund Equity	61,005	134,737	73,732	
Fund Equity at Beginning of Year	349,521	349,521	-	
Fund Equity at End of Year	\$ 410,526	\$ 484,258	\$ 73,732	

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

WATER EXPANSION FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Operating Revenues:			
Charges for services	\$ -	\$ 43,130	\$ 43,130
Capacity fees	80,000	89,146	9,146
Other	3,000	3,024	24
Total Operating Revenues	<u>\$ 83,000</u>	<u>\$ 135,300</u>	<u>\$ 52,300</u>
Operating Expenses:			
Capital outlay	1,357,671	1,253,560	104,111
Total Operating Expenses	<u>1,357,671</u>	<u>1,253,560</u>	<u>104,111</u>
Operating Income (Loss)	<u>(1,274,671)</u>	<u>(1,118,260)</u>	<u>156,411</u>
Non-Operating Revenues:			
Notes issued	1,236,000	1,236,000	-
Total Non-Operating Revenues	<u>1,236,000</u>	<u>1,236,000</u>	<u>-</u>
Net Change in Fund Equity	<u>(38,671)</u>	<u>117,740</u>	<u>156,411</u>
Fund Equity at Beginning of Year	<u>123,171</u>	<u>123,171</u>	<u>-</u>
Fund Equity at End of Year	<u><u>\$ 84,500</u></u>	<u><u>\$ 240,911</u></u>	<u><u>\$ 156,411</u></u>

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER BOND IMPROVEMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)	
	<u>Final</u>	<u>Actual</u>		
Non-Operating Revenues:				
Note issuance	\$ 343,000	\$ 343,000	\$ -	
Total Non-Operating Revenues	343,000	343,000	-	
Net Change in Fund Equity	343,000	343,000	-	
Fund Equity at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	
Fund Equity at End of Year	<u>\$ 343,000</u>	<u>\$ 343,000</u>	<u>\$ -</u>	

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	Final	Actual	
Non-Operating Revenues (expenses):			
Investment income	\$ 2,400	\$ 4,988	\$ 2,588
Premium on notes issued	14,877	13,659	(1,218)
<u>Debt Service:</u>			
Principal	(127,812)	(125,000)	2,812
Interest and fiscal charges	(292,387)	(292,387)	-
Note issuance costs	(14,877)	(14,807)	70
Total Debt Service	(435,076)	(432,194)	2,882
Total Non-Operating Revenues (expenses)	(417,799)	(413,547)	4,252
Loss Before Transfers	(417,799)	(413,547)	4,252
Other Financing Sources:			
Transfers in	245,761	245,761	-
Net Change in Fund Equity	(172,038)	(167,786)	4,252
Fund Equity at Beginning of Year	174,438	174,438	-
Fund Equity at End of Year	\$ 2,400	\$ 6,652	\$ 4,252

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amount		Variance with Final Budget Positive (Negative)	
	Final	Actual		
Operating Revenues:				
Charges for services	\$ 1,050,000	\$ 1,036,824	\$ (13,176)	
Other operating revenues	15,000	15,662	662	
Total Operating Revenues	1,065,000	1,052,486	(12,514)	
Operating Expenses:				
Personal services	446,372	410,348	36,024	
Contractual services	149,750	121,075	28,675	
Materials and supplies	527,750	413,357	114,393	
Total Operating Expenses	1,123,872	944,780	179,092	
Operating Income (Loss)	(58,872)	107,706	166,578	
Non-Operating Revenues:				
Proceeds of bonds	52,000	-	(52,000)	
Total Non-Operating Revenues	52,000	-	(52,000)	
Income (Loss) Before Transfers	(6,872)	107,706	114,578	
Other Financing Sources (Uses):				
Transfers out	(820,200)	(820,000)	(200)	
Net Change in Fund Equity	(827,072)	(712,294)	114,378	
Fund Equity at Beginning of Year	1,927,336	1,927,336	-	
Fund Equity at End of Year	\$ 1,100,264	\$ 1,215,042	\$ 114,378	

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Operating Revenues:			
Charges for services	\$ 2,001	\$ 64,966	\$ 62,965
Capacity fees	70,000	62,180	(7,820)
Total Operating Revenues	72,001	127,146	55,145
Operating Expenses:			
<i>Current:</i>			
<u>Capital Outlay</u>			
Capital outlay	1,360,484	1,231,336	129,148
Total Capital Outlay	1,360,484	1,231,336	129,148
Total Operating Expenses	1,360,484	1,231,336	129,148
Operating Income (Loss)	(1,288,483)	(1,104,190)	184,293
Non-Operating Revenues:			
Loan proceeds	505,000	392,570	(112,430)
Note issuance	767,000	767,000	-
Total Non-Operating Revenues	1,272,000	1,159,570	(112,430)
Income (Loss) Before Transfers	(16,483)	55,380	71,863
Other Financing Sources (Uses):			
Transfers in	277,000	277,000	-
Net Change in Fund Equity	260,517	332,380	71,863
Fund Equity at Beginning of Year	139,523	139,523	-
Fund Equity at End of Year	\$ 400,040	\$ 471,903	\$ 71,863

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER BOND IMPROVEMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Non-Operating Revenues:			
Note issuance	\$ 667,000	\$ 667,000	\$ -
Total Non-Operating Revenues	667,000	667,000	-
Net Change in Fund Equity	667,000	667,000	-
Fund Equity at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Equity at End of Year	<u>\$ 667,000</u>	<u>\$ 667,000</u>	<u>\$ -</u>

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OAKS ASSESSMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	Final	Actual	
Operating Revenues:			
Special assessments	\$ 144,219	\$ 144,219	\$ -
Total Operating Revenues	144,219	144,219	-
Operating Expenses:			
Capital outlay	\$ 144,219	\$ 144,219	\$ -
Total Operating Expenses	144,219	144,219	-
Net Change in Fund Equity	-	-	-
Fund Equity at Beginning of Year	-	-	-
Fund Equity at End of Year	\$ -	\$ -	\$ -

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	Final	Actual	
Non-Operating Revenues (expenses):			
Investment income	\$ 2,601	\$ 8,846	\$ 6,245
Premium on notes issued	12,670	8,499	(4,171)
<u>Debt Service:</u>			
Principal	(387,245)	(326,124)	61,121
Interest and fiscal charges	(200,090)	(195,700)	4,390
Issuance costs	(12,671)	(12,494)	177
Total Debt Service	(600,006)	(534,318)	65,688
Total Non-Operating Revenues (expenses)	(584,735)	(516,973)	67,762
Loss Before Transfers	(584,735)	(516,973)	67,762
Other Financing Sources:			
Transfers in	543,200	543,200	-
Net Change in Fund Equity	(41,535)	26,227	67,762
Fund Equity at Beginning of Year	41,535	41,535	-
Fund Equity at End of Year	\$ -	\$ 67,762	\$ 67,762

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WASTEWATER TREATMENT PLANT PHASE II FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Operating Expenses:			
Capital outlay	\$ 625,106	\$ 625,106	\$ -
Total Operating Expenses	625,106	625,106	-
Operating Loss	(625,106)	(625,106)	-
Non-Operating Revenues (expenses):			
OWDA loan proceeds	656,343	656,343	-
Debt service:			
Interest and fiscal charges	(31,237)	(31,237)	-
Total Debt Service	(31,237)	(31,237)	-
Total Non-Operating Revenues (expenses)	625,106	625,106	-
Net Change in Fund Equity	-	-	-
Fund Equity at Beginning of Year	-	-	-
Fund Equity at End of Year	\$ -	\$ -	\$ -

CITY OF PATASKALA, OHIO

**INDIVIDUAL FUND STATEMENT
FUND DESCRIPTION - FIDUCIARY FUNDS**

Agency Funds

Agency funds maintain assets held by the City as an agent for individuals, private organizations, other governmental units and/or funds. These funds are purely custodial (assets equal liabilities) and therefore do not involve the measurement of results of operation. The following are the City's agency funds:

Mayors Court Fund

To account for assets received and disbursed by the Mayor's Court as agent or custodian related to various court matters and cases.

Fire Escrow Fund

To account for funds for insurance payments received and disbursed as agent relative to fire damages incurred by City property owners.

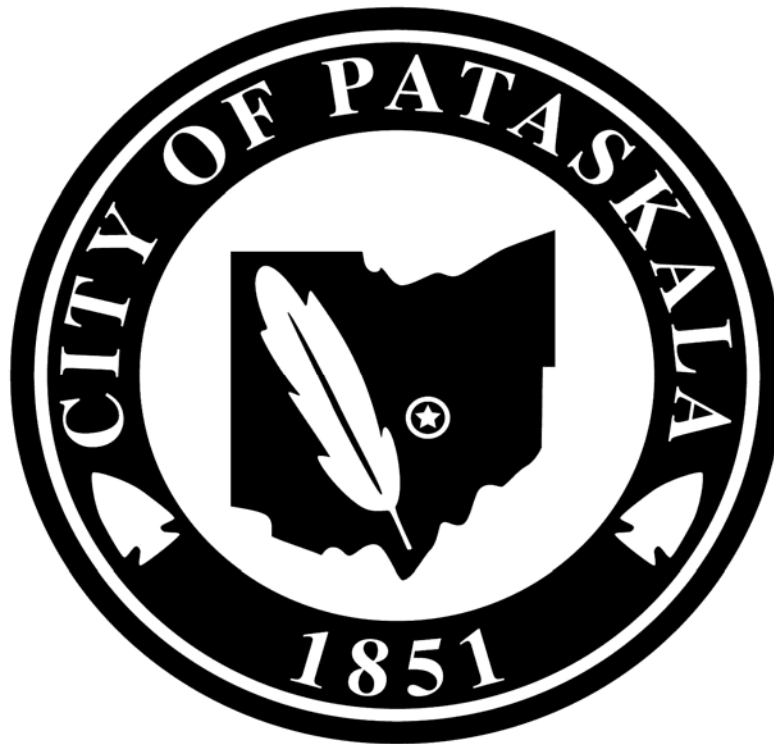
Construction Accounts Fund

To account for money held for construction projects throughout the City.

CITY OF PATASKALA, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Restated Beginning Balance 12/31/2011	Additions	Reductions	Ending Balance 12/31/2012
Mayor's Court Fund				
<u>Assets:</u>				
Cash in segregated accounts	\$ 18,062	\$ 266,724	\$ 284,536	\$ 250
Total Assets	\$ 18,062	\$ 266,724	\$ 284,536	\$ 250
<u>Liabilities:</u>				
Undistributed monies	\$ 18,062	\$ 266,724	\$ 284,536	\$ 250
Total Liabilities	\$ 18,062	\$ 266,724	\$ 284,536	\$ 250
Fire Escrow Fund				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ -	\$ 24,000	\$ -	\$ 24,000
Total Assets	\$ -	\$ 24,000	\$ -	\$ 24,000
<u>Liabilities:</u>				
Deposits held and due to others	\$ -	\$ 24,000	\$ -	\$ 24,000
Total Liabilities	\$ -	\$ 24,000	\$ -	\$ 24,000
Construction Accounts Fund				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 200,186	\$ 1,685	\$ 1,806	\$ 200,065
Total Assets	\$ 200,186	\$ 1,685	\$ 1,806	\$ 200,065
<u>Liabilities:</u>				
Deposits held and due to others	\$ 200,186	\$ 1,685	\$ 1,806	\$ 200,065
Total Liabilities	\$ 200,186	\$ 1,685	\$ 1,806	\$ 200,065
TOTAL AGENCY FUNDS				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 200,186	\$ 25,685	\$ 1,806	\$ 224,065
Cash in segregated accounts	18,062	266,724	284,536	250
Total Assets	\$ 218,248	\$ 292,409	\$ 286,342	\$ 224,315
<u>Liabilities:</u>				
Undistributed monies	\$ 18,062	\$ 266,724	\$ 284,536	\$ 250
Deposits held and due to others	200,186	25,685	1,806	224,065
Total Liabilities	\$ 218,248	\$ 292,409	\$ 286,342	\$ 224,315



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Statistical Section

City of Pataskala | CAFR



CITY OF PATASKLA, OHIO

STATISTICAL SECTION TABLE OF CONTENTS

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

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Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

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Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and income tax.

198-205

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.

206-210

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

211-212

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.

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Sources: Sources are noted on the individual schedules. The City implemented GASB Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.

CITY OF PATASKLA, OHIO
NET POSITION BY COMPONENT
LAST NINE YEARS ^(a)
(accrual basis of accounting)

	Fiscal Year			
	<u>2012</u>	<u>2011 ^(b)</u>	<u>2010</u>	<u>2009</u>
<u>Governmental activities</u>				
Net investment in capital assets	\$ 13,774,478	\$ 11,421,201	\$ 6,885,892	\$ 5,768,494
Restricted for:				
Capital projects	1,221,848	894,345	428,679	8,830
Debt service	245,725	67,217	30,067	30,067
Street construction, maintenance and repairs	1,948,664	1,494,751	1,368,440	1,419,374
Community development	102,975	23,352	8,813	-
Parks and recreation	-	50,844	100,733	99,467
Police	2,087,707	2,169,514	1,431,654	579,510
Other purposes	-	-	358	5,058
Unrestricted	1,201,567	2,153,086	1,807,920	1,168,314
Total Governmental Activities Net Position	<u>\$ 20,582,964</u>	<u>\$ 18,274,310</u>	<u>\$ 12,062,556</u>	<u>\$ 9,079,114</u>
<u>Business-type activities</u>				
Net investment in capital assets	\$ 1,648,124	\$ 2,154,908	\$ 2,890,611	\$ 2,327,739
Unrestricted	3,154,156	2,336,168	2,367,129	3,482,621
Total Business-Type Activities Net Position	<u>\$ 4,802,280</u>	<u>\$ 4,491,076</u>	<u>\$ 5,257,740</u>	<u>\$ 5,810,360</u>
<u>Primary government</u>				
Net investment in capital assets	\$ 15,422,602	\$ 13,576,109	\$ 9,776,503	\$ 8,096,233
Restricted for:				
Capital projects	1,221,848	894,345	428,679	8,830
Debt service	245,725	67,217	30,067	30,067
Street construction, maintenance and repairs	1,948,664	1,494,751	1,368,440	1,419,374
Community development	102,975	23,352	8,813	-
Parks and recreation	-	50,844	100,733	99,467
Police	2,087,707	2,169,514	1,431,654	579,510
Other purposes	-	-	358	5,058
Unrestricted	4,355,723	4,489,254	4,175,049	4,650,935
Total Primary Government Net Position	<u>\$ 25,385,244</u>	<u>\$ 22,765,386</u>	<u>\$ 17,320,296</u>	<u>\$ 14,889,474</u>

(a) The year ended December 31, 2004 was the first year of implementation of GASB Statement No. 34

(b) The Net Position at December 31, 2011 been restated to conform to 2012's presentation in respect to GASB Statement No. 65.

Source: City financial reports

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 4,965,912	\$ 3,374,813	\$ 3,123,377	\$ 2,633,554	\$ 2,697,516
-	-	-	-	-
30,067	30,067	30,067	30,067	30,068
1,328,269	1,141,807	1,218,590	718,716	642,146
-	-	-	-	-
84,991	78,690	108,498	-	-
368,748	220,905	277,968	180,561	199,308
7,248	393,076	362,393	467,403	218,125
890,439	1,104,231	1,060,773	1,177,550	827,281
<u>\$ 7,675,674</u>	<u>\$ 6,343,589</u>	<u>\$ 6,181,666</u>	<u>\$ 5,207,851</u>	<u>\$ 4,614,444</u>
\$ 1,868,441	\$ 1,566,742	\$ 3,325,935	\$ 2,116,473	\$ 1,311,484
4,629,883	4,916,251	2,968,971	3,486,977	3,357,343
<u>\$ 6,498,324</u>	<u>\$ 6,482,993</u>	<u>\$ 6,294,906</u>	<u>\$ 5,603,450</u>	<u>\$ 4,668,827</u>
\$ 6,834,353	\$ 4,941,555	\$ 6,449,312	\$ 4,750,027	\$ 4,009,000
-	-	-	-	-
30,067	30,067	30,067	30,067	30,068
1,328,269	1,141,807	1,218,590	718,716	642,146
-	-	-	-	-
84,991	78,690	108,498	-	-
368,748	220,905	277,968	180,561	199,308
7,248	393,076	362,393	467,403	218,125
5,520,322	6,020,482	4,029,744	4,664,527	4,184,624
<u>\$ 14,173,998</u>	<u>\$ 12,826,582</u>	<u>\$ 12,476,572</u>	<u>\$ 10,811,301</u>	<u>\$ 9,283,271</u>

CITY OF PATASKLA, OHIO

CHANGES IN NET POSITION

LAST NINE YEARS (a)

(accrual basis of accounting)

	Fiscal Year			
<u>PROGRAM REVENUES:</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental Activities:				
<i>Charges for Services:</i>				
General government	\$ 348,491	\$ 359,222	\$ 372,604	\$ 345,726
Security of persons and property	216,514	231,099	155,183	170,419
Transportation	-	-	-	40,568
Community environment	-	-	-	-
Leisure time activities	15,797	11,755	19,375	26,808
<i>Operating Grants & Contributions:</i>				
General government	1,000	-	-	-
Security of persons and property	97,026	53,413	147,517	257,748
Transportation	1,372,877	678,261	908,554	951,379
Community environment	436,726	85,387	47,548	37,644
Leisure time activities	-	239,829	-	3,103
<i>Capital Grants & Contributions:</i>				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	-	4,098,126	1,031,411	828,333
Community environment	-	35,536	-	-
Leisure time activities	-	36,542	-	-
Total Governmental Activities Program Revenues	<u>\$ 2,488,431</u>	<u>\$ 5,829,170</u>	<u>\$ 2,682,192</u>	<u>\$ 2,661,728</u>
Business-type activities:				
<i>Charges for Services:</i>				
Water	1,439,095	1,363,563	779,089	766,464
Sewer	1,713,051	1,101,552	866,261	853,948
<i>Capital Grants & Contributions:</i>				
Water	-	-	-	101,460
Sewer	-	-	56,665	101,000
Total Business-Type Activities Program Revenues	<u>\$ 3,152,146</u>	<u>\$ 2,465,115</u>	<u>\$ 1,702,015</u>	<u>\$ 1,822,872</u>
Total Primary Government Program Revenues	<u>\$ 5,640,577</u>	<u>\$ 8,294,285</u>	<u>\$ 4,384,207</u>	<u>\$ 4,484,600</u>
<u>PROGRAM EXPENSES:</u>				
Governmental Activities:				
General government	\$ 1,357,119	\$ 758,581	\$ 871,750	\$ 826,900
Security of persons and property	1,391,309	1,724,472	1,373,081	1,401,767
Public health services	111,485	60,486	59,300	57,500
Transportation	2,279,621	1,561,671	1,228,925	1,145,854
Community environment	591,589	318,312	270,207	335,062
Leisure time activities	50,103	41,908	46,494	48,003
Economic development	-	24,799	4,462	9,800
Other	-	-	-	-
Interest and fiscal charges	45,967	37,693	51,942	77,952
Total Governmental Activities Expenses	<u>\$ 5,827,193</u>	<u>\$ 4,527,922</u>	<u>\$ 3,906,161</u>	<u>\$ 3,902,838</u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 330,353	\$ 329,569	\$ 377,297	\$ 348,665	\$ 465,690
176,275	169,535	63,076	10,921	29,134
-	-	-	-	331,435
2,182	739	746	328	439
105,210	123,240	138,684	162,027	80,022
-	-	296,711	258,899	283,531
1,840	7,461	100,724	170,903	141,320
1,179,526	1,097,946	683,419	678,030	300,938
37,000	-	-	-	-
1,125	-	-	-	18,471
-	-	-	223,082	85,930
-	60,592	-	-	17,848
1,009,944	207,446	364,566	17,676	178,864
-	-	-	-	-
-	-	-	-	-
<u>\$ 2,843,455</u>	<u>\$ 1,996,528</u>	<u>\$ 2,025,223</u>	<u>\$ 1,870,531</u>	<u>\$ 1,933,622</u>
769,684	1,011,506	953,613	1,120,539	998,463
853,857	973,410	923,912	1,108,618	934,207
131,079	79,695	123,070	-	160,611
216,391	112,898	174,344	-	206,100
<u>\$ 1,971,011</u>	<u>\$ 2,177,509</u>	<u>\$ 2,174,939</u>	<u>\$ 2,229,157</u>	<u>\$ 2,299,381</u>
<u>\$ 4,814,466</u>	<u>\$ 4,174,037</u>	<u>\$ 4,200,162</u>	<u>\$ 4,099,688</u>	<u>\$ 4,233,003</u>
\$ 967,338	\$ 1,063,385	\$ 1,131,868	\$ 1,217,964	\$ 979,742
1,649,394	1,710,954	1,613,421	1,411,576	1,330,112
57,500	57,500	57,000	47,693	44,546
1,056,476	1,128,655	1,004,060	774,839	669,463
410,129	335,154	329,149	386,665	446,947
108,228	257,006	206,123	136,392	159,546
-	-	-	-	-
-	-	-	-	15
92,133	117,610	68,765	14,963	19,718
<u>\$ 4,341,198</u>	<u>\$ 4,670,264</u>	<u>\$ 4,410,386</u>	<u>\$ 3,990,092</u>	<u>\$ 3,650,089</u>

(Continued)

CITY OF PATASKLA, OHIO

**CHANGES IN NET POSITION
LAST NINE YEARS (CONTINUED) ^(a)**
(accrual basis of accounting)

	Fiscal Year			
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Business-type activities:				
Water	\$ 1,541,391	\$ 1,467,074	\$ 1,338,996	\$ 1,614,297
Sewer	<u>1,349,053</u>	<u>1,416,632</u>	<u>939,701</u>	<u>945,829</u>
Total Business-Type Activities Program Expenses	\$ <u>2,890,444</u>	\$ <u>2,883,706</u>	\$ <u>2,278,697</u>	\$ <u>2,560,126</u>
Total Primary Government Program Expenses	\$ <u>8,717,637</u>	\$ <u>7,411,628</u>	\$ <u>6,184,858</u>	\$ <u>6,462,964</u>
Governmental Activities	\$ (3,338,762)	\$ 1,301,248	\$ (1,223,969)	\$ (1,241,110)
Business-Type Activities	<u>261,702</u>	<u>(418,591)</u>	<u>(576,682)</u>	<u>(737,254)</u>
Total Primary Government Net (Expense)/Revenue	\$ <u>(3,077,060)</u>	\$ <u>882,657</u>	\$ <u>(1,800,651)</u>	\$ <u>(1,978,364)</u>

GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:

Governmental Activities:				
Taxes:				
Property taxes levied for:				
General purposes	\$ 802,654	\$ 623,868	\$ 1,063,530	\$ 862,226
Street fund	-	-	-	-
Police fund	-	-	1,259,991	1,375,422
Income taxes levied for:				
Street fund	965,097	833,223	272,986	-
Police fund	1,668,443	2,299,295	818,953	-
Debt service fund	214,930	57,251	-	-
Capital projects fund	1,655,919	524,805	-	-
JEDD income tax fund	-	237	-	-
Payments in lieu of taxes (PILOT)	127,553	261,409	424,161	-
Grants and entitlements not restricted to specific programs	184,454	303,395	331,221	368,296
Investment earnings-unrestricted	16,023	6,594	4,223	11,624
Miscellaneous	<u>12,343</u>	<u>106,889</u>	<u>32,346</u>	<u>26,982</u>
Total Governmental Activities	\$ <u>5,647,416</u>	\$ <u>5,016,966</u>	\$ <u>4,207,411</u>	\$ <u>2,644,550</u>
Business-Type Activities:				
Investment earnings-unrestricted	13,834	6,825	4,714	27,583
Miscellaneous	<u>35,668</u>	<u>164,913</u>	<u>19,348</u>	<u>21,707</u>
Total Business-Type Activities	\$ <u>49,502</u>	\$ <u>171,738</u>	\$ <u>24,062</u>	\$ <u>49,290</u>
Total Primary Government	\$ <u>5,696,918</u>	\$ <u>5,188,704</u>	\$ <u>4,231,473</u>	\$ <u>2,693,840</u>

Change in Net Position:

Governmental Activities	\$ 2,308,654	\$ 6,318,214	\$ 2,983,442	\$ 1,403,440
Business-Type Activities	<u>311,204</u>	<u>(246,853)</u>	<u>(552,620)</u>	<u>(687,964)</u>
Total Primary Government	\$ <u>2,619,858</u>	\$ <u>6,071,361</u>	\$ <u>2,430,822</u>	\$ <u>715,476</u>

(a) The year ended December 31, 2004 was the first year of implementation of GASB Statement No. 34

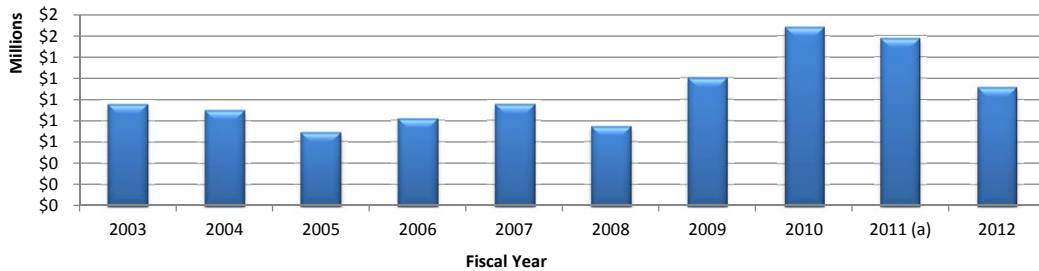
Source: City financial reports

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 1,244,786 835,364	\$ 1,525,419 788,867	\$ 964,444 807,882	\$ 894,526 612,421	\$ 893,969 717,220
\$ 2,080,150	\$ 2,314,286	\$ 1,772,326	\$ 1,506,947	\$ 1,611,189
\$ 6,421,348	\$ 6,984,550	\$ 6,182,712	\$ 5,497,039	\$ 5,261,278
\$ (1,497,743) (109,139)	\$ (2,673,736) (136,777)	\$ (2,385,163) 402,613	\$ (2,119,561) 722,210	\$ (1,716,467) 688,192
\$ (1,606,882)	\$ (2,810,513)	\$ (1,982,550)	\$ (1,397,351)	\$ (1,028,275)
\$ 845,202 - 1,342,858	\$ 826,407 1,726 1,311,759	\$ 853,878 525,244 1,316,392	\$ 690,564 502,568 996,877	\$ 693,435 513,583 1,007,172
- - - - - -	- - - - - -	- - - - - -	- - - - - -	- - - - - -
466,879 38,676 136,213	455,723 114,274 125,770	434,943 110,276 118,245	338,895 61,951 122,113	267,013 28,329 43,570
\$ 2,829,828	\$ 2,835,659	\$ 3,358,978	\$ 2,712,968	\$ 2,553,102
104,178 20,292	300,956 23,905	271,525 17,318	143,716 68,697	25,540 24,950
\$ 124,470	\$ 324,861	\$ 288,843	\$ 212,413	\$ 50,490
\$ 2,954,298	\$ 3,160,520	\$ 3,647,821	\$ 2,925,381	\$ 2,603,592
\$ 1,332,085 15,331	\$ 161,923 188,084	\$ 973,815 691,456	\$ 593,407 934,623	\$ 836,635 738,682
\$ 1,347,416	\$ 350,007	\$ 1,665,271	\$ 1,528,030	\$ 1,575,317

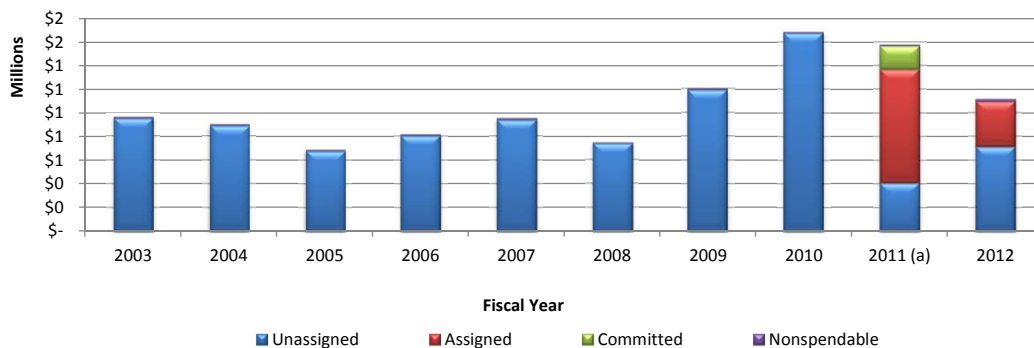
CITY OF PATASKLA, OHIO
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)

	<u>2012</u>	<u>2011</u> ^(a)	<u>2010</u>	<u>2009</u>
<u>General Fund</u>				
Nonspendable	\$ 15,491	\$ 7,442	\$ 7,173	\$ 7,825
Committed	-	200,186	-	-
Assigned	383,681	958,541	-	-
Unassigned	<u>715,312</u>	<u>410,863</u>	<u>1,679,354</u>	<u>1,193,775</u>
Total General Fund	\$ 1,114,484	\$ 1,577,032	\$ 1,686,527	\$ 1,201,600
<u>All Other Governmental Funds</u>				
Nonspendable	\$ 49,045	\$ 68,667	\$ 64,871	\$ 66,247
Restricted	4,288,119	4,581,579	2,570,543	1,718,379
Committed	31,809	48,545	-	-
Unassigned (deficit)	<u>(35,066)</u>	<u>(16,304)</u>	<u>-</u>	<u>(168,275)</u>
Total All Other Governmental Funds	\$ 4,333,907	\$ 4,682,487	\$ 2,635,414	\$ 1,616,351
Total Governmental Funds	\$ 5,448,391	\$ 6,259,519	\$ 4,321,941	\$ 2,817,951

Unassigned General Fund Balance



General Fund Balance - by Category

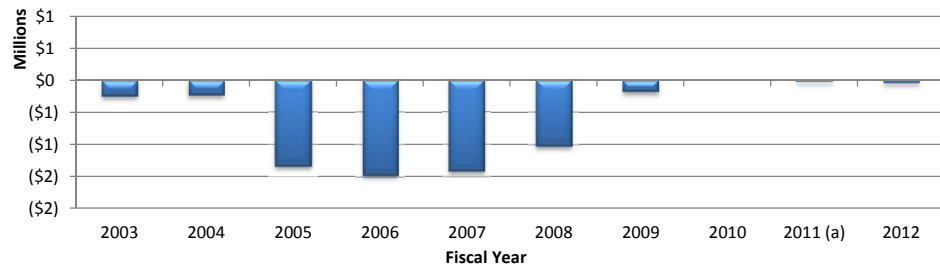


(a) The City implemented GASB 54 in 2011. The prior years (2003-2010) have been restated to reflect the change.

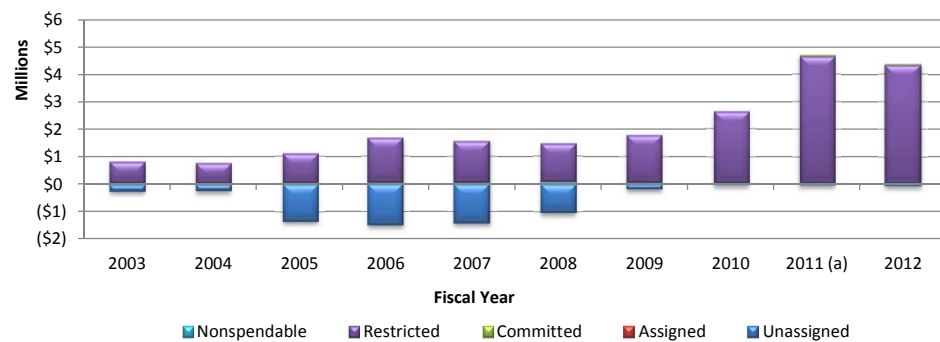
Source: City financial reports

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 5,696	\$ 12,787	\$ 7,569	\$ 9,797	\$ 10,128	\$ 7,768
-	-	-	-	-	-
-	-	-	-	-	-
737,870	938,413	807,844	677,499	889,866	951,854
\$ 743,566	\$ 951,200	\$ 815,413	\$ 687,296	\$ 899,994	\$ 959,622
\$ 95,809	\$ 58,681	\$ 63,704	\$ 50,908	\$ 37,531	\$ 42,917
1,350,443	1,495,967	1,604,404	1,049,351	726,511	761,305
-	-	-	-	-	-
(1,020,333)	(1,411,683)	(1,472,570)	(1,335,209)	(226,547)	(240,000)
\$ 425,919	\$ 142,965	\$ 195,538	\$ (234,950)	\$ 537,495	\$ 564,222
\$ 1,169,485	\$ 1,094,165	\$ 1,010,951	\$ 452,346	\$ 1,437,489	\$ 1,523,844

Unassigned All Other Governmental Funds Balance

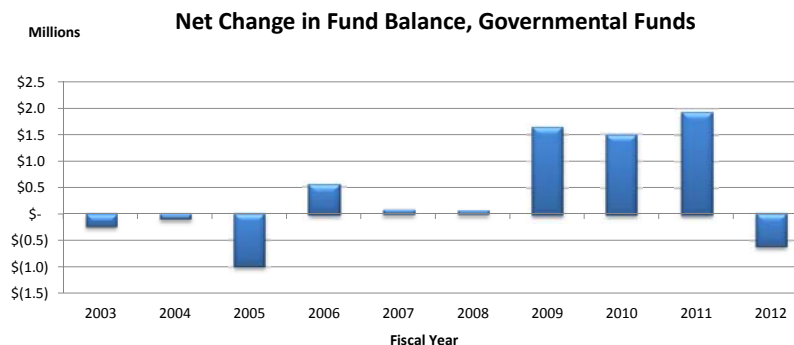


All Other Governmental Fund Balance - by Category



CITY OF PATASKLA, OHIO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Revenues:				
Income taxes	\$ 3,832,475	\$ 3,335,770	\$ 976,035	\$ -
Property and other taxes	802,525	637,042	2,434,278	2,192,130
Charges for services	15,797	26,293	28,181	23,310
Licenses and permits	206,922	233,253	235,985	259,098
Fines and forfeitures	216,514	231,099	155,183	134,523
Intergovernmental	2,026,095	1,938,053	2,480,970	1,638,319
Special assessments	4,369	2,967	-	-
Payments in lieu of taxes (PILOT)	82,239	550,600	-	-
Investment income	17,193	7,826	5,118	15,675
Contributions	-	163	-	-
Rental Income	127,673	111,344	120,200	118,538
Other	112,321	106,726	79,661	112,133
Total Revenues	\$ 7,444,123	\$ 7,181,136	\$ 6,515,611	\$ 4,493,726
Expenditures:				
<i>Current:</i>				
General government	\$ 1,207,191	\$ 1,012,038	\$ 855,648	\$ 817,413
Security of persons and property	1,930,465	1,722,313	1,360,206	1,380,665
Public health and welfare	111,485	60,486	59,300	57,500
Transportation	2,273,208	1,418,164	1,166,311	821,874
Community environment	592,679	269,258	239,698	229,192
Leisure time activity	33,126	257,165	20,352	14,340
Economic development	-	24,799	4,462	9,800
Other	-	-	-	-
Capital outlay	2,369,511	519,744	1,170,248	270,420
<i>Debt service:</i>				
Principal retirement	217,568	166,928	299,833	258,810
Interest and fiscal charges	39,832	38,434	48,563	77,179
Total Expenditures	\$ 8,775,065	\$ 5,489,329	\$ 5,224,621	\$ 3,937,193
Excess of Revenues Over (Under) Expenditures	\$ (1,330,942)	\$ 1,691,807	\$ 1,290,990	\$ 556,533
Other Financing Sources (Uses):				
Loan Issued	\$ -	\$ -	\$ -	\$ -
Sale of capital assets	-	-	18,000	49,500
Note issuance	720,000	245,771	195,000	860,000
Premium on notes sold	-	-	-	1,730
Sale of bonds	-	-	-	-
Premium on sale of bonds	-	-	-	-
Capital lease obligation	-	-	-	180,703
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	200,000	179,477	172,445	65,657
Transfers (out)	(200,000)	(179,477)	(172,445)	(65,657)
Total Other Financing Sources (Uses)	\$ 720,000	\$ 245,771	\$ 213,000	\$ 1,091,933
Net Change in Fund Balances	\$ (610,942)	\$ 1,937,578	\$ 1,503,990	\$ 1,648,466
Capital Expenditures	\$ 3,590,210	\$ 1,420,744	\$ 1,499,257	\$ 1,083,821
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	<i>4.96%</i>	<i>5.05%</i>	<i>9.35%</i>	<i>11.78%</i>



Source: City financial reports

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,159,252	2,169,911	2,688,325	2,271,826	2,151,815	2,026,792
179,345	225,982	245,173	235,377	299,487	276,426
237,392	170,188	176,807	270,443	574,103	278,460
115,769	113,232	63,076	10,921	28,964	53,743
1,822,969	1,660,086	1,660,587	1,503,542	1,061,429	1,492,426
-	-	-	-	-	-
-	-	-	-	-	-
53,533	141,600	110,276	61,951	28,329	26,549
-	-	-	-	-	-
106,162	102,879	94,747	-	-	-
87,091	129,901	115,796	122,113	112,807	132,991
\$ 4,761,513	\$ 4,713,779	\$ 5,154,787	\$ 4,476,173	\$ 4,256,934	\$ 4,287,387
\$ 927,449	\$ 991,432	\$ 1,185,194	\$ 1,177,317	\$ 993,506	\$ 795,453
1,650,201	1,682,856	1,604,152	1,406,116	1,321,780	1,288,667
57,500	57,500	57,000	47,693	44,546	29,488
871,259	866,760	693,215	1,061,145	1,003,030	973,469
287,595	242,974	261,046	226,208	197,978	389,949
80,296	135,840	116,516	118,725	137,107	113,614
-	-	-	-	-	-
-	-	-	-	15	-
685,462	964,755	536,597	1,276,525	507,705	792,230
83,270	95,818	73,697	132,624	127,595	122,767
92,133	117,610	68,765	14,963	19,718	18,631
\$ 4,735,165	\$ 5,155,545	\$ 4,596,182	\$ 5,461,316	\$ 4,352,980	\$ 4,524,268
\$ 26,348	\$ (441,766)	\$ 558,605	\$ (985,143)	\$ (96,046)	\$ (236,881)
\$ -	\$ 101,283	\$ -	\$ -	\$ -	\$ -
48,972	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	423,697	-	-	-	-
-	-	-	-	-	-
461,948	178,093	15,480	-	-	-
(461,948)	(178,093)	(15,480)	-	-	-
\$ 48,972	\$ 524,980	\$ -	\$ -	\$ -	\$ -
\$ 75,320	\$ 83,214	\$ 558,605	\$ (985,143)	\$ (96,046)	\$ (236,881)
\$ 1,522,106	\$ 933,118	\$ 360,656	\$ 1,635,411	\$ 1,095,366	\$ 136,055
5.46%	5.05%	3.36%	3.86%	4.52%	3.22%

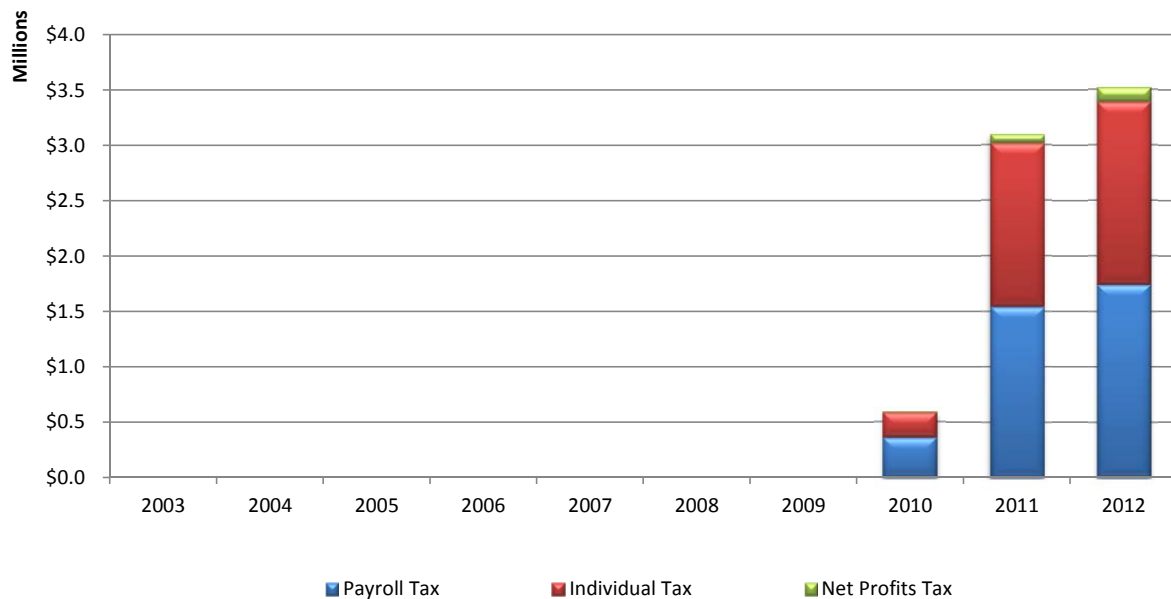
CITY OF PATASKLA, OHIO GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE LAST TEN YEARS (modified accrual basis of accounting - \$000's omitted)					
<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Income Tax</u>	<u>Motor Vehicle Tax</u>	<u>Gasoline Tax</u>	<u>Total Tax Revenues</u>
2012	\$ 805.5	\$ 3,832.5	\$ 146.3	\$ 542.2	\$ 5,326.5
2011	637.0	3,335.8	152.8	530.9	4,656.5
2010	2,434.0	976.0	129.3	546.9	4,086.2
2009	2,192.0	-	139.8	529.7	2,861.5
2008	2,159.0	-	151.8	554.6	2,865.4
2007	2,170.0	-	158.7	534.1	2,862.8
2006	2,688.0	-	145.0	507.5	3,340.4
2005	2,271.8	-	141.3	444.2	2,857.3
2004	2,151.8	-	147.4	383.3	2,682.5
2003	2,026.8	-	147.4	383.3	2,557.5

CITY OF PATASKLA, OHIO
GOVERNMENT-WIDE INCOME TAX COLLECTIONS
LAST TEN YEARS
(Cash Basis)

Tax Year	Tax Rate	Payroll Tax	Individual Tax	Net Profits Tax	Total Tax Collections	Total Government-Wide Revenues	Total Income Taxes as % of Total Government Revenues
2003	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
2004	0.0%	-	-	-	-	-	0.00%
2005	0.0%	-	-	-	-	-	0.00%
2006	0.0%	-	-	-	-	-	0.00%
2007	0.0%	-	-	-	-	-	0.00%
2008	0.0%	-	-	-	-	-	0.00%
2009	0.0%	-	-	-	-	-	0.00%
2010	1.0%*	360,868	223,122	3,297	587,287	6,889,603	8.52%
2011	1.0%	1,540,840	1,474,395	79,801	3,095,036	10,846,136	28.54%
2012	1.0%	1,740,511	1,648,552	130,832	3,519,894	8,135,847	43.26%
Three Year Average		\$ 1,214,073	\$ 1,115,356	\$ 71,310	\$ 2,400,739	\$ 8,623,862	27.84%

*Note: A 1.0% of taxable income was passed by the electorate in May, 2010 with the tax becoming effective on July 1, 2010.

**Government-Wide Income
Tax Revenues by Type
Collection Years 2003 - 2012**



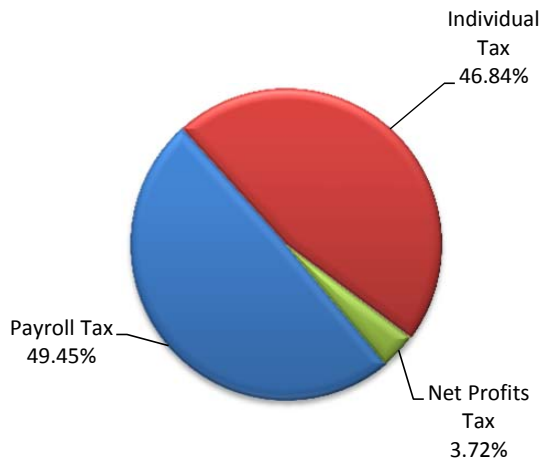
Source: Regional Income Tax Agency & City financial reports

CITY OF PATASKLA, OHIO
GOVERNMENT-WIDE INCOME TAX COLLECTIONS
CURRENT YEAR AND TWO YEARS AGO
(Cash Basis)

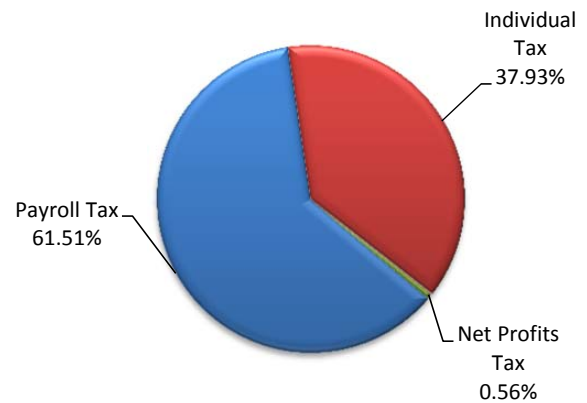
	<u>Fiscal Year 2012</u>		<u>Fiscal Year 2010</u>	
Payroll Tax	\$ 1,740,511	49.44%	\$ 360,868	61.45%
Individual Tax	1,648,552	46.84%	223,122	37.99%
Net Profits Tax	<u>130,832</u>	<u>3.72%</u>	<u>3,297</u>	<u>0.56%</u>
Total Income Tax Collections	<u>\$ 3,519,894</u>	<u>100.00%</u>	<u>\$ 587,287</u>	<u>100.00%</u>

**2012 - 2010 Income Tax Breakdown
by Tax Type**

Fiscal Year 2012



Fiscal Year 2010



Source: City financial reports

NOTE: The City did not have an income tax in effect until the electorate approved a 1.0% tax in May 2010, effective July 1, 2010.

CITY OF PATASKLA, OHIO
ASSESSED VALUATION & ESTIMATED TRUE VALUES OF TAXABLE PROPERTY
LAST TEN YEARS
(\$000's omitted)

Tax Year	Collection Year	Real Property		Personal Property		Public Utility		TOTAL		
		Assessed	Estimated Actual ^(a)	Assessed	Estimated Actual ^(b)	Assessed	Estimated Actual ^(c)	Assessed	Estimated Actual	Average Effective Millage
2003	2004	\$227,656	\$650,446	\$9,391	\$37,565	\$8,619	\$9,866	\$245,665	\$697,877	\$9.5863
2004	2005	246,001	702,859	9,011	36,044	8,442	9,593	\$263,454	\$748,496	\$9.4643
2005	2006	289,712	827,748	9,705	38,820	7,793	8,856	\$307,210	\$875,424	\$9.5199
2006	2007	240,880	688,228	3,977	20,944	5,720	8,557	\$250,577	\$717,729	\$9.4820
2007	2008	318,169	909,054	3,246	12,985	6,371	7,304	\$327,786	\$929,343	\$7.4524
2008	2009	326,214	932,039	625	2,500	7,966	9,117	\$334,805	\$943,656	\$7.4467
2009	2010	326,066	931,618	0	0	9,095	10,649	\$335,161	\$942,267	\$7.5037
2010	2011	325,908	931,167	0	0	9,462	10,753	\$335,371	\$941,920	\$2.9000
2011	2012	316,684	904,811	0	0	9,158	10,407	\$325,842	\$915,218	\$2.9000
2012	2013	312,438	892,680	0	0	10,288	11,691	\$322,726	\$904,371	\$2.9000

Note: Assessed values only include taxable property and do not include any TIF'd or otherwise tax-exempt property.

(a) Real property is assessed at 35% of actual value.

(b) Public utility is assessed at 88% of actual value.

(c) For 2005 and prior, tangible personal is assessed at 25% of true value for capital assets and 23% of true value for inventory included in tangible personal property.

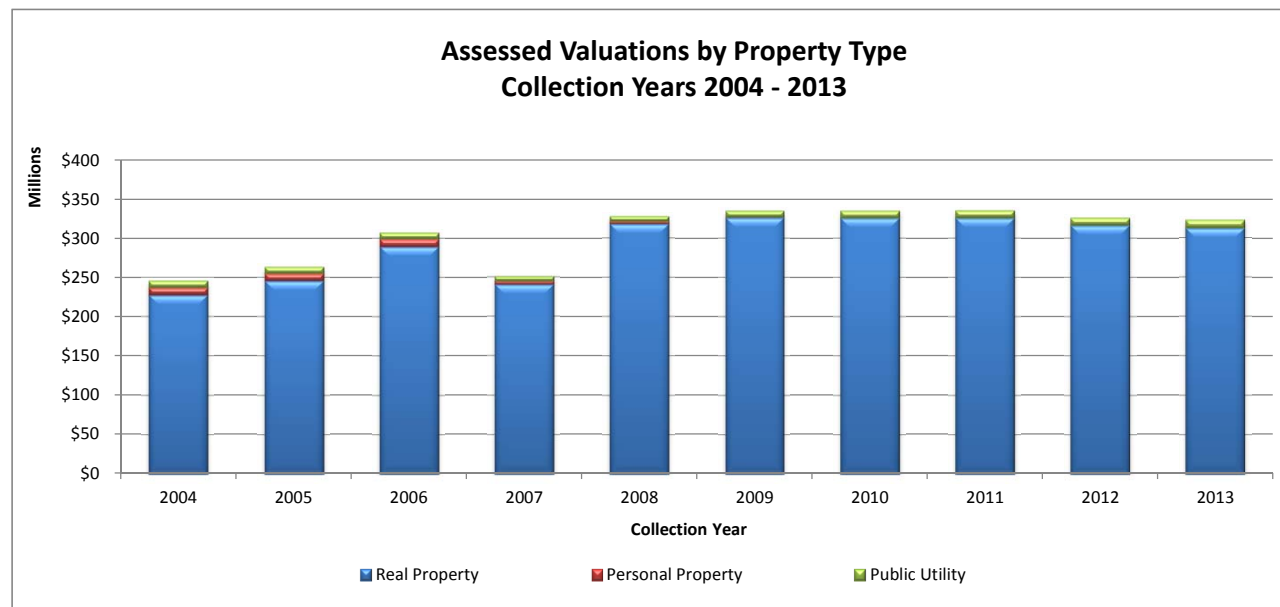
For 2006, tangible personal is assessed at 18.75% of property value, including inventory.

For 2007, tangible personal is assessed at 12.50% of property value, including inventory.

For 2008, tangible personal is assessed at 6.25% of property value, including inventory.

For 2009-2012, tangible personal is assessed at 0% of property value, including inventory.

Source: Licking County, Ohio; Fiscal Officer



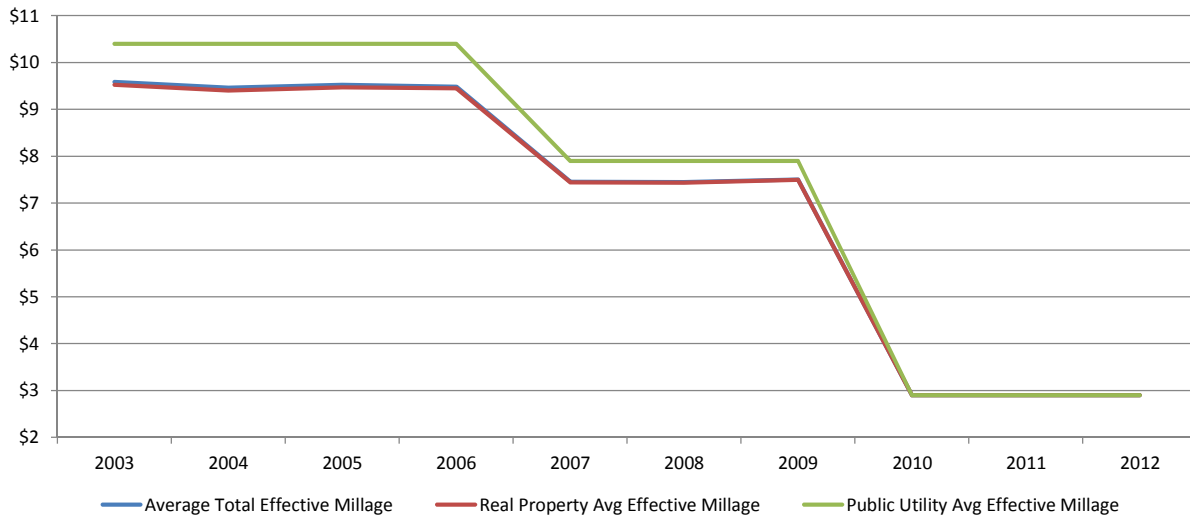
CITY OF PATASKLA, OHIO
ESTIMATED ASSESSED TAXES & AVERAGE EFFECTIVE RATES OF TAXABLE PROPERTY
LAST TEN YEARS

Tax Year	Real Property		Personal Property		Public Utility		TOTAL	
	Estimated Assessed Taxes	Average Effective Millage	Estimated Assessed Taxes	Average Effective Millage	Estimated Assessed Taxes	Average Effective Millage	Estimated Assessed Taxes	Average Effective Millage
2003	\$2,167,702	\$9.5218	\$97,670	\$10.4000	\$89,639	\$10.4000	\$2,355,011	\$9.5863
2004	2,311,897	9.3979	93,715	10.4000	87,794	10.4000	\$2,493,406	\$9.4643
2005	2,742,635	9.4668	100,933	10.4000	81,050	10.4000	\$2,924,618	\$9.5199
2006	2,275,121	9.4450	41,364	10.4000	59,490	10.4000	\$2,375,975	\$9.4820
2007	2,366,816	7.4389	25,645	7.9000	50,327	7.9000	\$2,442,788	\$7.4524
2008	2,425,320	7.4348	4,938	7.9000	62,933	7.9000	\$2,493,191	\$7.4467
2009	2,443,103	7.4927	0	0.0000	71,848	7.9000	\$2,514,951	\$7.5037
2010	945,134	2.9000	0	0.0000	27,441	2.9000	\$972,575	\$2.9000
2011	918,383	2.9000	0	0.0000	26,558	2.9000	\$944,941	\$2.9000
2012	906,070	2.9000	0	0.0000	29,835	2.9000	\$935,905	\$2.9000

Notes: Estimated taxes do not include any estimates of prior-year delinquent tax payments, state tax rollbacks or homestead credits provided to the taxpayer.

Source: Licking County, Ohio; County Auditor

**Average Effective Millage Rate
By Tax Type**

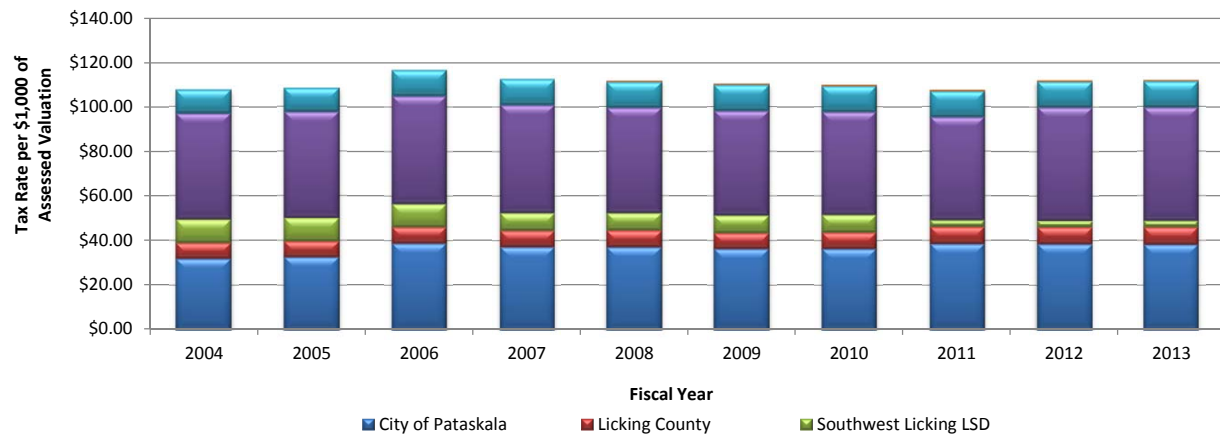


CITY OF PATASKLA, OHIO
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
RATES EXPRESSED PER \$1,000 OF ASSESSED VALUATION
LAST TEN YEARS
LICKING COUNTY

Tax Year	Collection Year	City Direct Rates				Licking County	Southwest Licking Local School District	Licking Heights Local School District
		Operating	Street Levy	Police	Total Direct Rate			
2003	2004	\$2.90	\$2.50	\$5.00	\$10.40	\$7.20	\$31.90	\$47.52
2004	2005	\$2.90	\$2.50	\$5.00	\$10.40	\$7.20	\$32.62	\$47.52
2005	2006	\$2.90	\$2.50	\$5.00	\$10.40	\$7.40	\$38.83	\$48.50
2006	2007	\$2.90	\$0.00	\$5.00	\$7.90	\$7.40	\$37.30	\$48.52
2007	2008	\$2.90	\$0.00	\$5.00	\$7.90	\$7.40	\$37.22	\$47.07
2008	2009	\$2.90	\$0.00	\$5.00	\$7.90	\$7.10	\$36.39	\$47.00
2009	2010	\$2.90	\$0.00	\$5.00	\$7.90	\$7.40	\$36.41	\$46.24
2010	2011	\$2.90	\$0.00	\$0.00	\$2.90	\$7.70	\$38.62	\$46.22
2011	2012	\$2.90	\$0.00	\$0.00	\$2.90	\$7.70	\$38.58	\$50.89
2012	2013	\$2.90	\$0.00	\$0.00	\$2.90	\$7.70	\$38.37	\$50.87

Source: Franklin County, Ohio; County Auditor

Assessed Property Tax Rates - By Entity
Collection Years 2004 - 2013

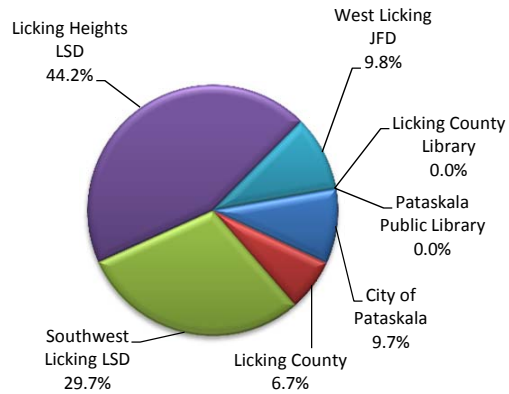


West Licking Joint Fire District	Pataskala Public Library	Licking County Library	TOTAL
\$10.50	\$0.00	\$0.00	\$107.52
\$10.50	\$0.00	\$0.00	\$108.24
\$11.50	\$0.00	\$0.00	\$116.63
\$11.50	\$0.00	\$0.00	\$112.62
\$11.50	\$0.50	\$0.00	\$111.59
\$11.50	\$0.50	\$0.00	\$110.39
\$11.50	\$0.50	\$0.00	\$109.95
\$11.50	\$0.50	\$1.00	\$108.44
\$11.50	\$0.50	\$1.00	\$113.07
\$11.50	\$0.50	\$1.00	\$112.84

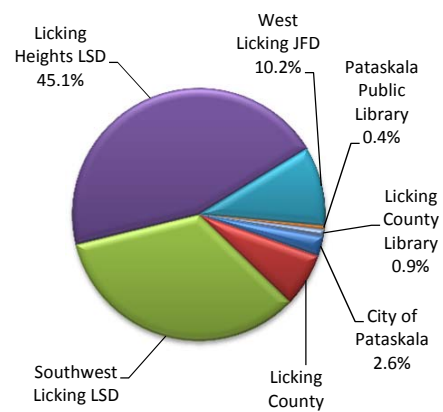
Res/Agr Effective Rate	Com/Ind Effective Rate
\$9.0389	\$10.0048
\$8.9371	\$9.8587
\$9.5327	\$9.4009
\$9.4835	\$9.4066
\$7.5503	\$7.3274
\$7.5115	\$7.3580
\$7.5259	\$7.4594
\$2.9000	\$2.9000
\$2.9000	\$2.9000
\$2.9000	\$2.9000

2004 - 2013 Property Tax Breakdown by Government Entity

2004 Collection Year



2013 Collection Year



CITY OF PATASKLA, OHIO
TOP PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND THREE YEARS AGO

Taxpayer Name	2012			2009		
	Rank	Assessed Valuation	% of Total Assessed Valuation	Rank	Assessed Valuation	% of Total Assessed Valuation
<u>Real Estate</u>						
Catalina Club, LLC	1	\$2,486,020	0.77%	2	\$2,469,290	0.74%
Village Gate Apt Ltd	2	\$1,750,000	0.54%	4	\$2,021,600	0.60%
Kroger Co.	3	\$1,576,470	0.49%	5	\$1,562,960	0.47%
Reyno Holding Co.	4	\$900,900	0.28%	6	\$900,900	0.27%
Pataskala Green IV Limited	5	\$817,880	0.25%	10	\$705,810	0.21%
Hazelton Management Group LLC	6	\$761,290	0.24%	1	\$2,636,100	0.79%
Pataskala Green	7	\$721,500	0.22%			0.00%
Tolson Investments LLC	8	\$706,830	0.22%			0.00%
Newcon, Inc.	9	\$704,060	0.22%			0.00%
Fernco Dev Ltd, Norco Dev Ltd, Lenco Dev	10	\$688,790	0.21%	7	\$800,940	0.24%
Licking Memorial Health Systems				3	\$2,288,090	0.68%
Dominion Homes Inc.				8	\$799,330	0.24%
Hazelton Retail LTD				9	\$765,140	0.23%
<u>Public Utility</u>						
Ohio Power Co.	1	8,305,580	2.57%	2	869,890	0.26%
Columbia Gas of Ohio	2	683,870	0.21%	4	508,790	0.15%
National Gas & Oil Corp	3	604,700	0.19%	3	584,450	0.17%
Licking Rural Electrification	4	186,030	0.06%			0.00%
Columbus Southern Power				1	6,509,410	1.94%
General Electric Capital Commercial Inc.				5	353,540	0.11%
ALL OTHER TAXPAYERS		\$301,832,080	93.53%		\$311,384,620	92.91%
TOTAL ASSESSED VALUATION		\$322,726,000	100.00%		\$335,160,860	100.00%

CITY OF PATASKLA, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Tax Year	Collection Year	Total Tax Levy	Current Collection	Delinquent Collection ⁽¹⁾	Total Tax Collections	Accumulated Outstanding Delinquent Taxes	Percent of Total Collections to Tax Levy ⁽²⁾	Percent of Delinquent Taxes to Total Tax Levy
2002	2003	\$2,400,120	\$2,269,217	\$74,621	\$2,343,838	\$126,868	94.55%	5.29%
2003	2004	2,537,479	2,401,520	77,045	2,478,565	200,780	94.64%	7.91%
2004	2005	2,639,130	2,523,104	81,367	2,604,471	130,359	95.60%	4.94%
2005	2006	3,020,403	2,896,778	83,307	2,980,085	427,856	95.91%	14.17%
2006	2007	2,422,756	2,342,779	60,072	2,402,851	126,039	96.70%	5.20%
2007	2008	2,419,380	2,341,780	60,071	2,401,851	124,869	96.79%	5.16%
2008	2009	2,510,313	2,416,286	61,676	2,477,962	164,135	96.25%	6.54%
2009	2010	2,507,307	2,413,468	88,874	2,502,342	56,037	96.26%	2.23%
2010	2011	1,056,076	939,100	19,155	958,255	48,264	88.92%	4.57%
2011	2012	934,491	883,993	22,726	906,719	44,000	94.60%	4.71%
Ten Year Average		\$ 2,244,746	\$ 2,142,803	\$ 62,891	\$ 2,205,694	\$ 144,921	95.46%	6.46%

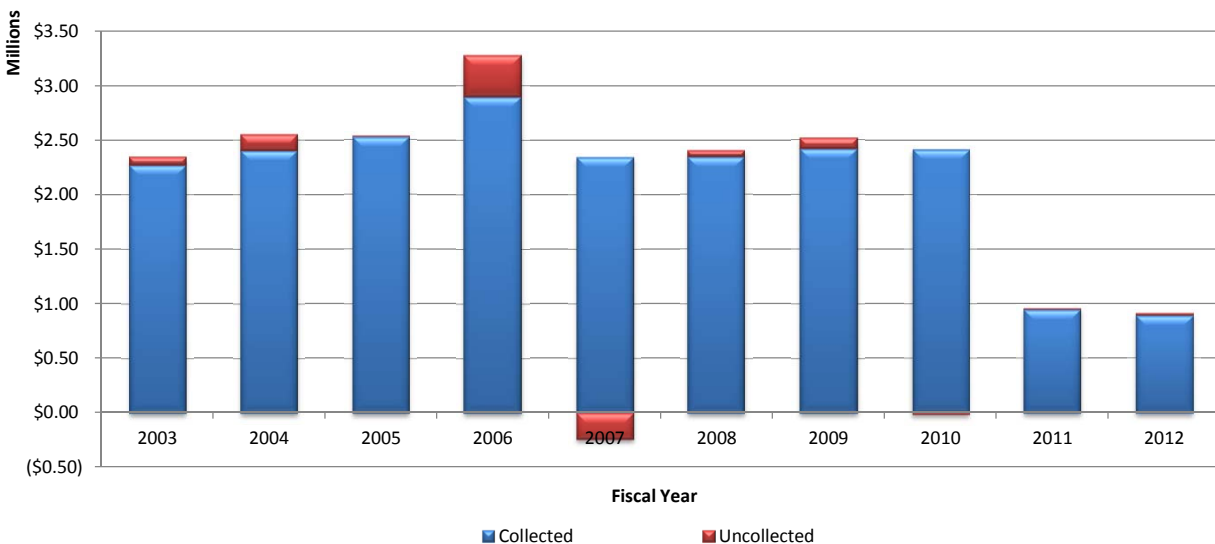
Note: Annual property tax rates can be found on pages 198-199.

Source: Licking County, Ohio; County Auditor

⁽¹⁾ Represents collection of delinquent prior period taxes during the indicated collection year. Information provided from County was not available by tax levy year.

⁽²⁾ Total could exceed 100% due to the current year collection of delinquent prior period taxes during the indicated collection year.

Property Tax Levies - Collected vs Delinquent
Collection Years 2003 - 2012

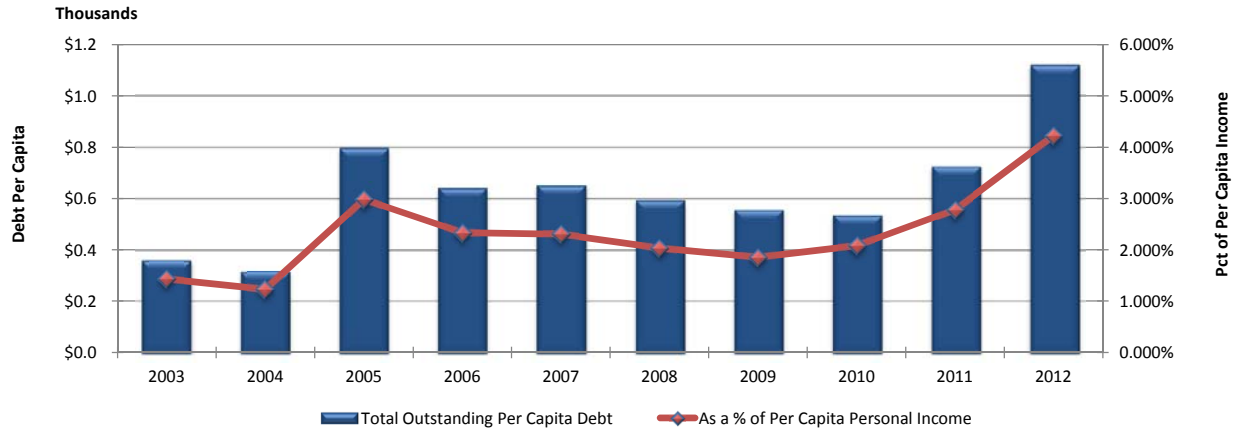


CITY OF PATASKLA, OHIO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS
(\$000's omitted)

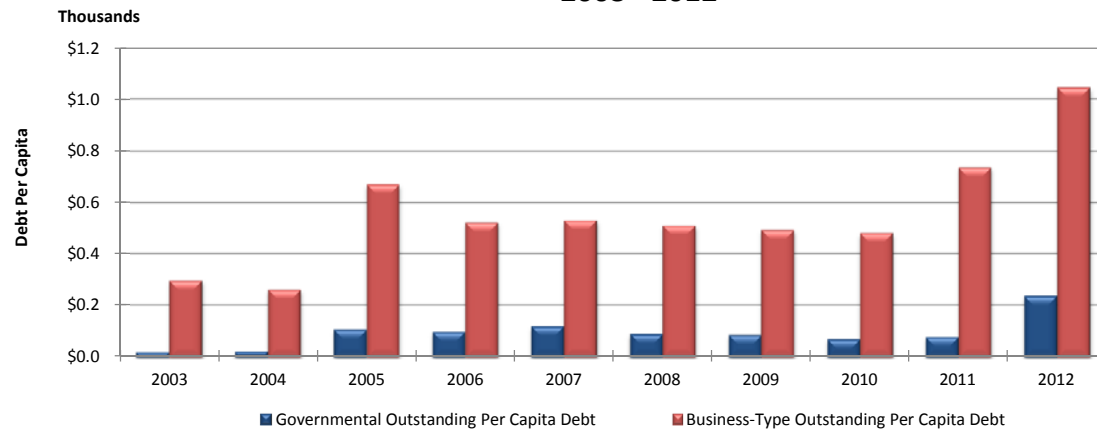
Fiscal Year	Governmental Activities				Business-Type Activities			Total Debt	Percent of Per Capita Income	Total Debt Per Capita	% of Personal Income
	Notes Payable	OPWC Loans	SIB Loan	Capital Leases	General Obligation Bonds	OWDA Loans	Notes Payable				
2012	\$2,833.0	\$55.4	\$245.7	\$0.0	\$6,485.0	\$4,297.0	\$3,013.0	\$16,929.1	4.23%	\$1,121.7	4.23%
2011	790.0	66.0	245.8	0.0	6,670.0	3,665.0	0.0	11,436.8	2.79%	726.8	2.79%
2010	946.4	76.5	0.0	0.0	6,840.0	183.4	0.0	8,046.3	2.08%	537.8	2.08%
2009	1,022.0	81.8	0.0	191.6	6,990.0	411.2	0.0	8,696.6	1.85%	558.4	1.85%
2008	1,036.0	92.4	0.0	253.5	7,130.0	733.1	0.0	9,245.0	2.04%	596.1	2.04%
2007	1,427.0	101.3	0.0	327.9	7,190.0	1,030.6	0.0	10,076.8	2.30%	654.3	2.30%
2006	1,530.0	0.0	0.0	0.0	675.0	1,305.6	6,145.0	9,655.6	2.33%	643.4	2.33%
2005	1,537.0	0.0	0.0	73.7	710.0	1,559.8	7,782.0	11,662.5	2.98%	798.9	2.98%
2004	225.0	0.0	0.0	132.6	740.0	1,794.7	1,595.0	4,487.3	1.23%	319.9	1.23%
2003	240.0	0.0	0.0	52.6	770.0	2,012.0	1,695.0	4,769.6	1.43%	361.3	1.43%

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Total Outstanding Debt Ratio Analysis
2003 - 2012



Outstanding Debt Per Capita by Type
2003 - 2012



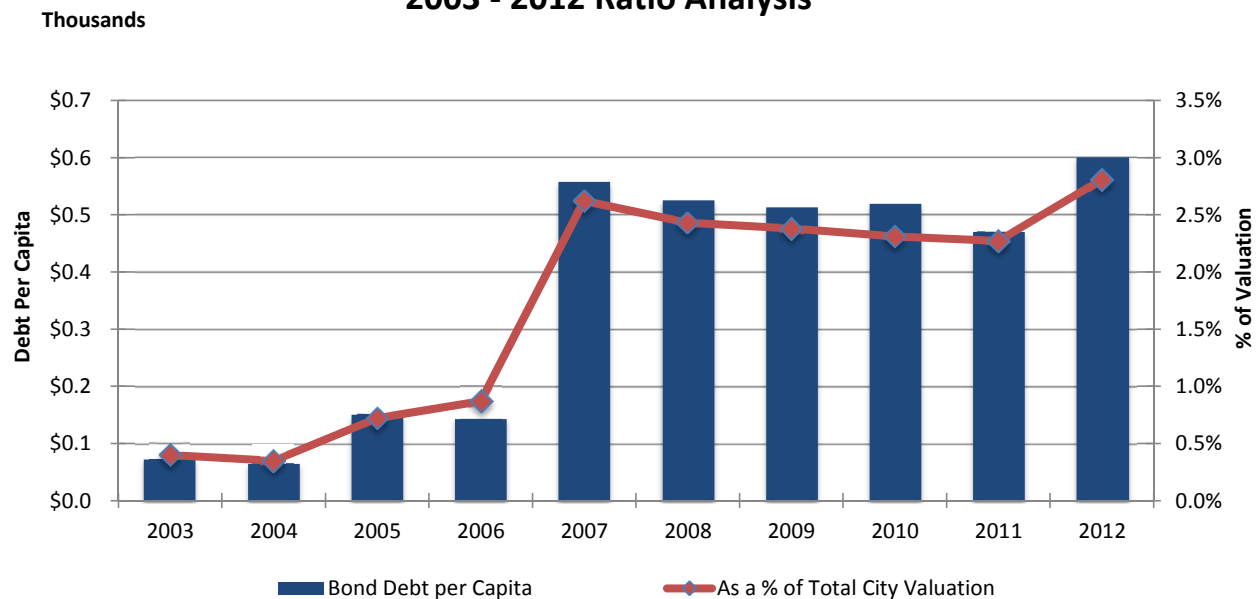
Source: City financial reports

CITY OF PATASKLA, OHIO
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS

Fiscal Year	General Bonded Debt Outstanding (\$000)					Percent of Actual Taxable Property Value	Outstanding Debt Per Capita
	General Obligation Notes	General Obligation Bonds Business-Type	Total	Less: Restricted for Debt Service	Total Net General Bonded Debt Outstanding		
2012	\$2,833.0	\$6,485.0	\$9,318.0	\$245.7	\$9,072.3	2.81%	\$601.13
2011	790.0	6,670.0	7,460.0	67.2	7,392.8	2.27%	469.80
2010	946.4	6,840.0	7,786.4	30.0	7,756.4	2.31%	518.41
2009	1,022.0	6,990.0	8,012.0	30.0	7,982.0	2.38%	512.49
2008	1,036.0	7,130.0	8,166.0	30.0	8,136.0	2.43%	524.63
2007	1,427.0	7,190.0	8,617.0	30.0	8,587.0	2.62%	557.52
2006	1,530.0	675.0	2,205.0	30.0	2,175.0	0.87%	144.93
2005	1,537.0	710.0	2,247.0	30.0	2,217.0	0.72%	151.87
2004	225.0	740.0	965.0	30.0	935.0	0.35%	66.65
2003	240.0	770.0	1,010.0	30.0	980.0	0.40%	74.24

Note: Details regarding the Cit's outstanding debt can be found in the notes to the financial statements.

Total General Bonded Debt Outstanding
2003 - 2012 Ratio Analysis



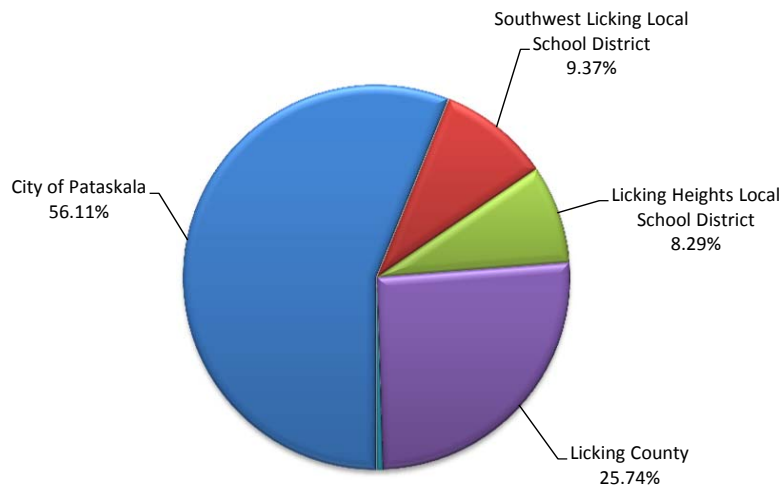
Source: City financial reports

CITY OF PATASKALA, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT
As of December 31, 2012
(\$000's omitted)

Governmental Unit	Assessed Valuation	Total Debt Outstanding	Percent Applicable to City ⁽¹⁾	Amount Applicable to City
<u>Direct</u>				
City of Pataskala	\$322,726.0	\$3,134.1	100.00%	\$3,134.1
<u>Overlapping</u>				
Southwest Licking Local School District	\$561,563.9	\$901.3	58.04%	\$523.1
Licking Heights Local School District	494,431.9	702.6	65.92%	463.1
Licking County	3,764,335.3	16,601.3	8.66%	1,437.4
Central Ohio Technical College	3,874,519.5	<u>326.9</u>	<u>8.41%</u>	<u>27.5</u>
Total Overlapping Debt		<u>\$18,532.1</u>		<u>\$2,451.1</u>
Total Direct & Overlapping Debt		<u>\$21,666.2</u>		<u>\$5,585.2</u>

⁽¹⁾ The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the government's boundaries and dividing it by the County's total taxable assessed value.

**Direct & Overlapping
General Obligation Debt**



Source: Licking County, Ohio; County Auditor

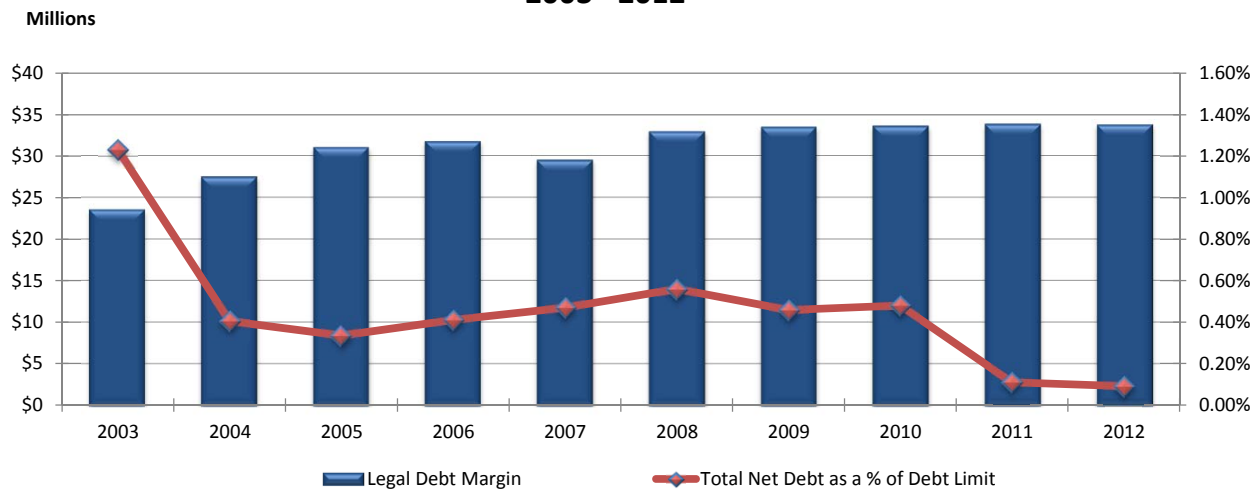
CITY OF PATASKLA, OHIO
LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS

Fiscal Year	Assessed Value	Voted Debt Limit	Total Net Debt Applicable to Limit	Debt Service Available Balance	Legal Debt Margin	Unvoted Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2012	\$322,725,800	\$33,886,209	\$292,600	\$213,636	\$33,807,245	\$18,256,155	0.09%
2011	325,841,880	34,213,397	357,600	30,067	33,885,864	18,308,970	0.11%
2010	335,370,730	35,213,927	1,610,700	30,067	33,633,294	20,086,157	0.48%
2009	333,857,610	35,055,049	1,530,000	30,067	33,555,116	19,922,236	0.46%
2008	331,707,830	34,829,322	1,856,200	30,067	33,003,189	20,130,198	0.56%
2007	294,592,358	30,932,198	1,381,900	30,067	29,580,365	17,614,547	0.47%
2006	314,988,340	33,073,776	1,295,400	30,067	31,808,443	18,649,826	0.41%
2005	305,787,780	32,107,717	1,022,900	30,068	31,114,885	17,871,296	0.33%
2004	272,531,960	28,615,856	1,101,800	30,083	27,544,139	16,121,141	0.40%
2003	254,548,560	26,727,599	3,134,100	30,113	23,623,612	17,164,384	1.23%

Note: Debt limit is calculated as assessed valuation multiplied by 10.5%. Unvoted debt limit is calculated as assessed valuation multiplied by 5.5%.

Note: HB66 began the phase-out of Tangible Personal Property Tax in the next three years. To reflect this phase-out, the assessed valuation listed above has been reduced for TPP by 50% of the 2006 Assessed Valuation.

Legal Debt Margin Analysis
2003 - 2012



Source: City financial reports

CITY OF PATASKLA, OHIO
PLEDGED REVENUE LOAN COVERAGE - OWDA LOANS
LAST TEN YEARS

SEWER OWDA LOANS:

Year	Operating Revenue	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements (2)			Coverage Ratio
				Principal	Interest	Total	
2012	\$ 1,728,713	\$ 937,029	\$ 791,684	\$ 416,942	\$ 165,787	\$ 582,729	1.36
2011	1,106,985	1,166,708	(59,723)	5,831	1,728	7,559	(7.90)
2010	872,648	705,169	167,479	237,773	17,719	255,492	0.66
2009	861,758	701,994	159,764	212,185	30,787	242,972	0.66
2008	857,372	585,809	271,563	197,290	48,148	245,438	1.11
2007	982,872	534,225	448,647	183,441	61,998	245,439	1.83
2006	932,038	545,373	386,665	170,563	74,876	245,439	1.58
2005	1,132,105	341,732	790,373	158,590	86,850	245,440	3.22
2004	946,938	210,480	736,458	147,457	97,982	245,439	3.00
2003	1,245,196	402,809	842,387	137,106	108,334	245,440	3.43

WATER OWDA LOANS:

Year	Operating Revenue	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements (2)			Coverage Ratio
				Principal	Interest	Total	
2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2011	1,378,810	868,165	510,645	62,802	4,374	67,176	7.60
2010	788,378	724,931	63,447	120,127	12,805	132,932	0.48
2009	780,361	993,715	(213,354)	109,725	20,474	130,199	(1.64)
2008	786,461	629,673	156,788	100,224	37,245	137,469	1.14
2007	1,025,952	658,638	367,314	91,546	45,923	137,469	2.67
2006	962,805	570,721	392,084	83,619	53,850	137,469	2.85
2005	1,165,749	565,509	600,240	76,378	61,091	137,469	4.37
2004	1,010,682	650,715	359,967	69,764	67,705	137,469	2.62
2003	1,278,553	727,400	551,153	63,724	73,746	137,470	4.01

(1) Total Operating expenses are exclusive of depreciation

(2) Includes principal and interest of OWDA loans only.

There are no Water OWDA loans outstanding after December 31, 2011. Therefore, this calculation is not applicable.

Source: City financial reports

CITY OF PATASKLA, OHIO
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Fiscal Year	Population ⁽³⁾	Total Median Household Income ⁽¹⁾	Personal Income ⁽¹⁾⁽⁶⁾	Per Capita Personal Income ⁽¹⁾	Median Age	Combined School Enrollment ⁽⁴⁾	Unemployment Rate ⁽²⁾
2012	15,092	\$ 56,470	\$ 400,556,772	\$ 26,541	35.8	7,408	8.6%
2011	15,736	56,470	410,426,352	26,082	35.8	7,161	8.6%
2010	14,962	59,038	386,797,624	25,852	34.0	7,140	9.3%
2009	15,575	58,041	469,414,925	30,139	34.0	6,960	6.1%
2008	15,508	56,626	453,779,588	29,261	34.0	6,685	5.2%
2007	15,402	55,920	437,555,418	28,409	34.0	6,293	5.0%
2006	15,007	55,214	413,908,067	27,581	34.0	5,978	5.7%
2005	14,598	54,508	390,905,244	26,778	34.0	5,709	5.9%
2004	14,028	53,802	364,699,944	25,998	34.0	5,473	6.0%
2003	13,200	53,096	333,181,200	25,241	34.0	4,985	5.1%

OTHER MISCELLANEOUS INFORMATION ⁽⁵⁾

Date of Incorporation 1891
Form of Government Charter City
Population ⁽¹⁾ 15,031

Area in square miles 28.72

<u>City Acreage by class:</u>	<u>Total</u>	<u>Percent</u>
Agricultural	10,416	58.3%
Residential	5,705	31.9%
Office/Commercial/Industrial	782	4.4%
Recreation	229	1.3%
Institutional	57	0.3%
Roadways, utilities, other	<u>677</u>	<u>3.8%</u>
Total City Acreage	17,866	100.0%

Facilities & Services

Miles of streets 165
Number of signalized intersections 11

Sources:

- (1) U.S. Census Bureau
- (2) Ohio Job & Family Services, Office of Workforce Development
- (3) 2010 U.S. Census Bureau and Mid Ohio Regional Planning Commission
- (4) Southwest Licking and Licking Heights Local School Districts
- (5) City departments
- (6) Sperling's Best Places (www.bestplaces.net)

CITY OF PATASKLA, OHIO
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TWO YEARS AGO

Employer	2012		2010	
	Percent of Total Withholding Taxes Paid	Rank	Percent of Total Withholding Taxes Paid	Rank
Licking Heights Local School District	8.78%	1	8.89%	1
West Licking Joint Fire District	3.30%	2	4.10%	3
Southwest Licking Local School District	2.49%	3	4.94%	2
Kroger	2.31%	4	3.71%	4
Tuscany Gardens Nursing Home	1.50%	5	0.00%	N/A
Pataskala Oaks Care Center	1.42%	6	2.55%	5
City of Pataskala	1.27%	7	1.52%	8
Buckeye Ready Mix	1.19%	8	1.41%	9
Mulch Manufacturing	1.12%	9	1.77%	6
Craft Wholesalers	0.99%	10	1.70%	7
Ohio Steel Industries	0.87%		0.89%	10
Total of Top Ten	<u>24.38%</u>		<u>31.47%</u>	
Total Withholdings - All Employers	<u>\$1,740,511</u>		<u>\$360,868</u>	

Source: Regional Income Tax Agency (RITA) records.
'NA' indicates no data available for time period.



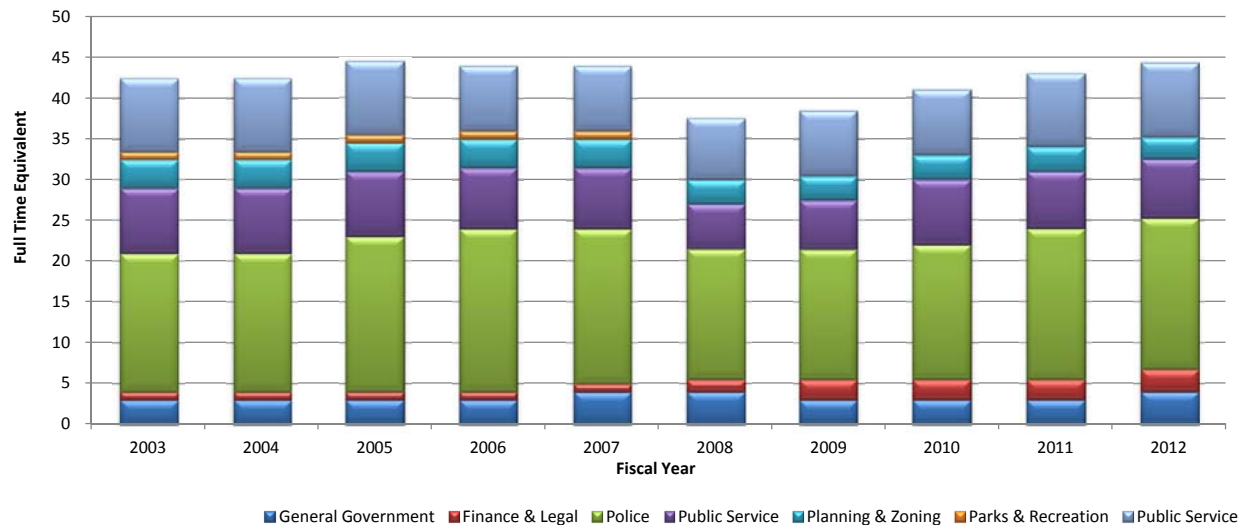
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CITY OF PATASKLA, OHIO
FULL TIME EQUIVALENT CITY GOVERNMENT
EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2012	2011	2010	2009
General Government	4.00	3.00	3.00	3.00
Clerk of Council	1.00	1.00	1.00	1.00
Mayor's Court	1.00	1.00	1.00	1.00
City Administrator	1.00	1.00	1.00	1.00
Assistant City Administrator	-	-	-	-
Project Manager	1.00	-	-	-
Finance & Legal	2.75	2.50	2.50	2.50
Finance	1.75	1.50	1.50	1.50
Law	1.00	1.00	1.00	1.00
Public Safety	18.54	18.50	16.50	16.00
Police/Clerk	18.54	18.50	16.50	16.00
Transportation	7.25	7.00	8.00	6.00
Public Service	7.25	7.00	8.00	6.00
Community Environment	2.63	3.00	3.00	3.00
Planning & Zoning	2.63	3.00	3.00	3.00
Leisure Time Activity	-	-	-	-
Parks Administration	-	-	-	-
Parks Maintenance	-	-	-	-
Utility Services	9.15	9.00	8.00	8.00
Water	3.45	4.50	4.00	4.00
Sewer	5.70	4.50	4.00	4.00
Total Full-Time Equivalent (FTE)	44.32	43.00	41.00	38.50

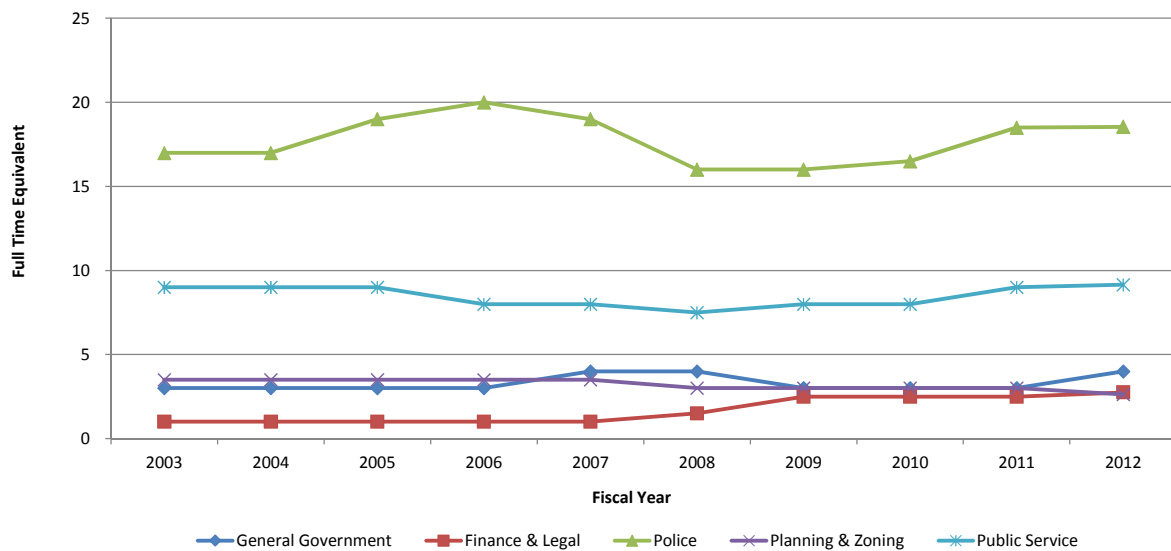
Source: City payroll systems

Full-Time Equivalent Employees
By Function 2003 - 2012



2008	2007	2006	2005	2004	2003
4.00	4.00	3.00	3.00	3.00	3.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	-	-	-	-
-	-	-	-	-	-
1.50	1.00	1.00	1.00	1.00	1.00
1.50	1.00	1.00	1.00	1.00	1.00
-	-	-	-	-	-
16.00	19.00	20.00	19.00	17.00	17.00
16.00	19.00	20.00	19.00	17.00	17.00
5.50	7.50	7.50	8.00	8.00	8.00
5.50	7.50	7.50	8.00	8.00	8.00
3.00	3.50	3.50	3.50	3.50	3.50
3.00	3.50	3.50	3.50	3.50	3.50
-	1.00	1.00	1.00	1.00	1.00
-	0.50	0.50	0.50	0.50	0.50
-	0.50	0.50	0.50	0.50	0.50
7.50	8.00	8.00	9.00	9.00	9.00
3.50	4.00	4.00	4.50	4.50	4.50
4.00	4.00	4.00	4.50	4.50	4.50
37.50	44.00	44.00	44.50	42.50	42.50

Full-Time Equivalent Employees By Function 2003 - 2012



CITY OF PATASKLA, OHIO
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2012	2011	2010	2009
General Government				
Positions Filled	10.5	4.0	2.0	-
Zoning Permits Issued	447	401	457	503
Zoning Inspections Performed	279	236	362	385
Ordinances & Resolutions	101	115	86	77
Public Safety				
Number of Arrests	715	436	405	534
Incidents/Police Reports Taken	1,853	1,521	1,390	1,345
Traffic Violations/Citations	1,850	1,167	1,254	1,342
Mayor's Court				
Misdemeanor Cases	123	142	151	NA
O.V.I. Cases	1	14	15	NA
Other Traffic Cases	1,557	1,583	1,402	NA
Leisure Time Activities *				
Youth Soccer Participation	452	833	802	788
Select Soccer	216	108	190	112
Middle School Participation	43	84	20	NA
High School Participation	44	54	20	NA
Youth Softball Participation	135	115	145	426
Adult Softball Participation	120	NA	NA	NA
Youth Baseball Participation	175	NA	NA	NA
Porpose Swim Team Members	190	NA	NA	NA
Transportation				
Street Resurfacing (miles)	7.00	0.75	2.06	-
Tons of salt used	2,500	1,571	1,829	279
Bridges Replaced/Repaired	1	1	1	1
Water				
New Connections	48	19	19	16
Service Calls	689	578	578	610

Source: City of Pataskala Departments.

'NA' indicates that the data was not available for that specific time period.

Note: Information for 10 years prior was not available for all functions.

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
2.0	4.5	3.0	9.0	9.0	NA
605	484	891	1,006	NA	NA
449	669	842	781	NA	NA
69	80	95	66	63	61
610	726	794	351	332	319
1,534	1,851	1,928	1,596	1,764	1,760
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
820	865	725	637	NA	NA
90	82	107	116	NA	NA
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
183	186	180	150	NA	NA
205	226	201	210	NA	NA
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
-	20	NA	NA	NA	NA
163	399	NA	NA	NA	NA
1	1	-	-	1	-
20	32	44	110	89	99
NA	NA	NA	NA	NA	NA

CITY OF PATASKLA, OHIO
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2012	2011	2010	2009
<u>Public Safety</u>				
Police:				
Stations	1	1	1	1
Cruisers/Patrol Vehicles	20	19	18	24
<u>Leisure Time Activities</u>				
Parks	6	6	6	6
Park Acreage	200	200	200	200
Swimming Pools	1	1	1	1
Wading Pools	1	1	1	1
Baseball Diamonds	3	3	4	4
Softball Fields	1	NA	NA	NA
<u>Transportation</u>				
Lane Miles	328	321	320	320
<u>Water</u>				
Water Mains (linear feet)	291,100	291,100	291,215	291,215
<u>Sewer</u>				
Sewer Lines (linear feet)	181,908	161,500	161,500	161,500
Lift Stations	7	7	7	7
Manholes	760	737	737	737
Force Main Sewer Lines (linear feet)	15,365	15,365	15,365	15,365

Source: City of Pataskala Departments

'NA' indicates that the data was not available for that specific time period.

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
1 32	1 35	1 NA	1 NA	1 NA	1 NA
6 200 1 1 4 NA	6 200 1 1 4 NA	6 200 1 1 4 NA	6 200 1 1 4 NA	6 200 1 1 4 NA	6 200 1 1 4 NA
320	320	320	320	320	320
290,400	289,200	283,200	280,100	270,600	NA
160,252 7 737 15,365	154,892 7 737 15,365	148,452 7 737 15,365	140,952 7 737 15,365	134,152 7 737 15,365	NA NA NA NA



END OF REPORT



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