



COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of Pataskala
Licking County, Ohio



Fiscal Year Ended
December 31, 2009

City of Pataskala, Ohio
www.ci.pataskala.oh.us

621 West Broad Street
Pataskala, OH 43062

CITY OF PATASKALA, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2009

PREPARED BY:

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Introductory Section



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June 9, 2010

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), for the year ended December 31, 2009 is submitted herewith. State law requires that every general-purpose local government publish within six months of the close of each year a complete set of audited financial statements. This report is published to fulfill that requirement for the year ended December 31, 2009. This report is prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards.

CONTENTS OF THE REPORT

This report is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and in conformance with standards of financial reporting in the United States of America as established by the Governmental Accounting Standards Board (GASB) using guidelines as recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

The City's Finance Department assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

In developing and revising the City's accounting and reporting control systems, consideration is given to the adequacy of internal controls to provide reasonable but not absolute assurance regarding:

- The safeguarding of assets from loss, theft or misuse, and
- Reliability of financial records for preparing the City's financial statements in conformity with GAAP and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

- The cost of a control should not exceed the benefits likely to be derived, and
- The evaluation of costs and benefits requires estimates and judgments by management.

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).

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 border 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 Lima 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. Third, 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. Lima Township ceased to exist; the resulting municipality was simply known as Pataskala.

The City currently has an estimated population of approximately 15,575 as of December 31, 2009 as estimated by the Mid Ohio Regional Planning Commission (MORPC).

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. The School Districts estimates that over 95 percent in the case of the Southwest Licking Local School District and 96 percent in the case of the Licking Heights Local of their respective students reside in the City.

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 two jointly governed organizations and one insurance purchasing pool. These organizations are the Southwest Licking Community Water & Sewer District, the West Licking Joint Fire District, and the Ohio Municipal League Workers' Compensation Group Rating Program.

The Municipal Charter, which was enacted in 1996, became effective January 1, 1996, and was recently amended in 2008. 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 seven standing Council Committees that Council appoints: Agriculture, Finance, Buildings/Grounds, Safety, Street, Utilities, 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 is elected by popular vote, performs ceremonial functions, recommends appointment of and acts as supervisor of the City Administrator, is presiding officer of Council and is an ex-officio member of all Council Committees.

The City Administrator is the chief administrator of the City 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 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 and also managing the debt and treasury programs of the City.

In 2007, the law firm of Downes, Hurst & Fischel was hired as Law Director until June 30, 2008. The City then elected to hire a full-time Law Director to replace this firm effective July 1, 2008 as a cost savings measure.

The City has developed an internal database for engineering purposes and will contract with the respective engineering firm which meets the City's stringent needs and guidelines.

The City provides the following services: public safety, operation of water and sewer utilities, and a planning and zoning department. Fire Department services are provided by the West Licking Joint Fire District Township, of which the City is a part. Sanitation is awarded on a contract basis every three years. The City also contracts with the Licking County Board of Health for Health Department services. Based on necessary cost cutting measures, effective January 1, 2008 the City elected to eliminate all parks and recreation programs. However, several members of the community created not-for-profit organizations to continue youth soccer and softball programs.

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 were required to submit requests for appropriation to the Finance Director on a yearly 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. Failure to do so allows the budget, as presented by the Administrator, to become effective.

The appropriated budget is prepared at the object level. The legal level of budgetary control is the level passed by Council which is at the object level for all funds. Any budgetary modifications at this level may only be made by ordinance of the City Council. The Finance Director is given the authority to further allocate fund appropriations within all funds. The City Council may pass supplemental appropriations at any time by ordinance. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted.

ECONOMIC CONDITION AND OUTLOOK

Growth and development within the City is expected to increase due to the City's physical location along Interstate 70 and the expansion of the State Route 161 corridor. The United States Census Bureau officially counted population in the City in 2000 as 10,249 which is projected to be 15,575 as of December 31, 2009 as estimated by MORPC. The main factor contributing to this growth over a sustained period was the lure of a small, rural town atmosphere in relation to the City's close proximity to the City of Columbus.

Within the past 9 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 and 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 was also completed with an additional 12 retail units ranging from 1,400 square feet to 10,200 square feet and totaling 22,000 square feet.

The City also approved development plans for a mixed use project on the east and west sides of 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. The nursing facility was just completed and has enough space for 100 individual units. A retail center was also recently started on the west side of State Route 310 and will have three separate buildings totaling approximately 37,500 square feet for local retail business uses.

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 of commercial, 30+ acres of condominiums and 30+ acres of apartments/assisted living units. It is anticipated that the commercial development will develop within the next few years and will have two big box users along with multiple outparcels along the frontage of SR 310 and Refugee Road.



In late 2006, the Ohio Department of Development designated 520.786 acre site in the City as eligible for Job Ready Sites (JRS) funding. As such, this 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. Currently the City, Licking County, and the JRS property ownership are working closely on a soon to be constructed roadway that will link State Route 16 (Broad Street) and U.S. 40 (The National Road), improving the routing to Interstate 70 and offering unparalleled access for commerce. The site, known as the Pataskala Corporate Park, is located southeast of the intersection of State Route 16 (Broad Street) and Mink Street. In late 2006, the project received funding of approximately \$3.4 million to develop the Etna Parkway extension linking SR-16 and US-40. The roadway is 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.

As a JRS site, it is considered one of the premier development sites in Ohio. Phase I of this development is a two lane roadway, with Phase II adding an additional 3rd and 4th lane, as well as other associated infrastructure improvements. The cost of Phase I of the project is estimated at over \$5 million.

With JRS funding of \$3.4 million an additional \$2 million is needed to complete the project. Phase II of the project is estimated to cost an additional \$6.3 million. Project plans are anticipated to be completed within 3-4 weeks, and the project could proceed within 8-10 weeks, thereby qualifying as "shovel ready".

While the JRS site is 520.786 acres in size, the new road will potentially open up over 1,000 acres of prime development land for manufacturing, distribution, corporate office and technology oriented companies. The Pataskala Corporate Park will be 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 6 miles of I-270 and SR-161.

The City also has industrial space available located on Taylor Road and Jefferson Park Drive which would accommodate small businesses needing 2,000 to 10,000 square feet.

The City also had the following commercial developments during 2009:

- **Pataskala Day Care** – A 9,960 square foot establishment located on 758 Corylus Drive north of Broad Street.
- **Tim Horton Donuts** – A 1,836 square foot commercial development located on Broad Street and is expected to have an estimated investment of \$459,000 and is expected to create 15-20 jobs.
- **One Purpose Church** - A 10,000 square foot establishment with an initial investment of \$3,000,000.

Other new companies in existing space included:

- | | |
|---------------------------------|-------------------------------------|
| • Acton Countertops | • Licking County Alcohol Prevention |
| • Billing Connection | • B&T Automotive |
| • D& L Heating and Cooling | • Bark Park Pet Care |
| • Pataskala Family Dental | • Direct TV & Electronics |
| • All Ways Party | • Impressed Dry Cleaning |
| • Scott Sidner, Attorney at Law | • Hobby Sales |
| • Shirck Orthodontal | • Midwest Pride Meat Distributor |
| • Paranthesis Family Advocates | |

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, and a Zoning Clerk which is responsible for operations of the Department. Based on budget cuts, the Department was forced to eliminate its Code Enforcement Officer which was responsible for enforcing the City's codified ordinances related to property, tracking violations, and conducting inspections of residential, commercial and industrial properties. The elimination of the position has required the Department to significantly reduce enforcement of these areas with responsibilities assigned to the Zoning Inspector as time permits.

A new Director of Planning joined the City in October 2008 and since this time a thorough internal review has been performed over the City's codified ordinances and zoning procedures. Projects which have been undertaken and completed include presenting the NAICS industry classifications as defined within the City's Zoning Ordinances to Council with subsequent adoption, updating and revising fees associated with holding public hearings, engineering reviews, and reviewing of applications to better represent staff costs. Other projects include:

- Continue to work on NPDES permit requirements for eventual implementation of a Stormwater Manager,
- Securing Safe Route to Schools Grants for Pataskala Elementary
- Continue to conduct income surveys in order to qualify for additional Community Development Block Grant (CDBG) Funding throughout the old village area of the City
- Apply for various grants which are available to the City, which include Housing Rehabilitation Grants, Clean Ohio Grants, Nature Works Grants, Renewable Energy Project Grants.

Police Department

Although the City population has continued to increase, the Police Department's staff fluctuated between 13-17 officers during 2009. The police staff which included a chief, deputy chief, three lieutenants, patrol officers, detectives, a clerk, and auxiliaries is dedicated to protecting and serving the City's residents. The K-9 Unit that was created in June 2008 through various donations and is used for security and investigative purposes not only by the City but also the Licking County Sheriff's Office and the Ohio State Highway Patrol.

At the end of 2009, the City elected to offer a retirement incentive to the existing police chief which would become effective in January 2010. The City was expected to see a cost savings based upon the current deputy chief becoming acting police chief and not filling the deputy chief position.

Service Department

The Service Department, in addition to performing its standard services of utility infrastructure maintenance, street maintenance, snow removal and culvert repair, also oversaw several construction projects. The City crew of 5 full-time staff members maintain over 300 lane miles of streets and 17 bridges.

In 2009, the Public Service Department oversaw the replacement of a bridge located on Hollow Road. The project consisted of complete removal and replacement of an entire bridge structure. Prior to its replacement, this bridge had been rated as "poor" on the City's Annual Bridge Inspection Report. The City has been successful over the last three in securing funds to replace all of its poor rated bridges, dating back to 2007.

Other major tasks completed by the Public Service Department in 2009 include storm water drainage upgrades, and removal of snow from city roadways. During 2009, the Public Service Department spent approximately \$66,000 on snow removal. The city has operated with a restricted snow removal policy for the previous three winters. The Public Service Department also installed storm drains and pipes along a portion of Pincott Street and Columbia Road. This project was completed in an effort to alleviate a historical drainage problem that occurred for properties located on Pincott Street. The city plans to extend this drainage system as part of the 2010 CDBG program.

The Public Service Department also played a role in securing federal stimulus money to replace sidewalks in the old village downtown with ADA accessible walks, and to repave a portion of Taylor Road.

Utilities Department

The Water Plant realized an average daily plant production of 1.413 millions of gallons per day (MGD), with the highest production in one day of 2.3 MGD. The City constructed a new Water Treatment Plant in 2007 at a cost of \$6,550,000 to improve service within the City.

During 2009, began the planning phase of the OAKS Subdivision Sanitary Sewer Assessment Project (an Ohio Mandated Environmental Protection Agency project) and also the Wastewater Treatment Plant Phase II project (a highly recommended project the City should consider by the Ohio Environmental Protection Agency). Both projects are expected to begin in 2010.

Finally, the Utilities department purchased a new billing processing system which is anticipated to improve operational efficiencies and replace the need for a part-time employee. In addition, citizens now have the ability to pay their utility bill on-line through Official Payments, a third-party administrator.

Parks and Recreation Department

In 2008, City Council elected to disband the Parks and Recreation Department based on 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 non-profit organizations to continue youth soccer and girls softball within the City. The City's existing Parks and Recreation Board took on greater importance and responsibilities as it related to working with these non-profit organizations addressing operational and administrative needs. 2009 was the first year the City worked with these non-profit groups and it was very successful as participation rates continued to increase.

The City's Parks System has six parks within its corporation limits totaling more than 200 acres of passive and active parkland. The City's largest and most-used park, Foundation Park provides softball diamonds, picnic shelters, and in August every year the City holds its annual Power Show, which includes tractor pulls.

Land and Buildings Department

In 2007, the City purchased a building located on Broad Street to serve as its Municipal Headquarters with the intention leasing existing space. As of December 31, 2009, all available space was leased by tenants which include the Central Ohio Technical College, All-State, Hospice of Licking County, Doctor Schwartz, DDS, and Association of Greater Commission of Churches. Improvements to the building since 2007 included a new parking lot and also a new roof.

The City also upgraded its website at www.ci.pataskala.oh.us in order to provide timely information and make the site more user-friendly. In addition, the City published quarterly newsletters providing residents the recent events, projects, and accomplishments throughout the year.

Finance Department

The Finance Department which consists of 1.5 full time equivalent employees is responsible for the following functions: payroll, budgetary, accounts payable, human resources, capital asset accounting, investing public funds, and ensuring compliance with Bureau of Worker's Compensation guidelines.

The Finance Department provided 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.

A revised and updated Employee Handbook was approved by Council during the year to encompass various operational policies and procedures, changes and new employment laws, and also to improve changes in the City's operational structure.

During 2009, the City elected to refinance its outstanding Municipal Building Note and Police Vehicle Loan through a local financial institution. This refinancing will provide interest savings through the life of these loans.

The City continues to utilize the no service charge checking accounts and has implemented a check scanning deposit program to reduce the amount of time depositing funds. This year will mark the sixteenth year of filing financial statements according to accounting principles generally accepted in the United States of America (GAAP) and the first year that the City has submitted a Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers Association for their Certificate of Achievement Program.

FOR THE FUTURE

The Finance Committee recommended City Council proceed for the ninth time since 2001, a 1% income tax which would be presented to voters in May of 2009 and if passed the income tax would provide continued police protection and also additional revenue for the City's deteriorating infrastructure. The income tax would become effective July 1, 2010 and any income tax proceeds would be earmarked 75% for police and 25% for street maintenance and repair through December 2011. After that time income tax revenue would be receipted into the City's General Fund and allocated as part of the City's annual budget process. On May 4, 2010, voters approved this issue by a margin of 52% to 48%.

The City applied for 22 projects totaling \$28.7 million through the American Recovery Reinvestment Act (ARRA) and were awarded ARRA dollars associated with the Supervisory Control and Data Acquisition (SCADA) system project, Downtown Sidewalk Project totaling \$250,000, and also \$202,461 to make significant improvements to Taylor Road. In addition to ARRA monies received, the City has been very aggressive seeking other grant monies through the Ohio Public Works Commission and Licking County and will receive in excess of \$1.5 million dollars in 2010 and 2011.

The City expects to complete construction of two bridges in the City which were rated poor, the Cable Road Bridge and the McIntosh Road Bridge, both of which received significant grant funding reducing the City's share to less than 10% of the total cost. In addition, the City is implementing a preventative bridge maintenance program to keep 9 of its 17 bridges which are currently rated as being in "Fair" condition from deteriorating to a "Poor" rating. The cost of prevention is substantially less than reconstruction.

A water and sewer rate study is projected to be completed in 2010 in order to determine if the current utility systems will remain self supportive considering the projected increases in operating costs, necessary infrastructure improvements, and debt service.

It has been determined that one of the City's Wastewater Treatment Plants may require future upgrades to comply with Ohio Environmental Protection Agency guidelines and was formally communicated to the City, accordingly. Although the City still has substantial time to comply, the City is currently preparing the required financing for the Wastewater Treatment Plant Phase II project in an amount not to exceed \$4,000,000. Upgrades to the Wastewater Treatment Plant facility also include costs to purchase a new sludge press (occurred in 2009) as well as related engineering and inspection fees.

On March 22, 2010, the Pataskala City Council adopted a Resolution of Necessity for the construction of sanitary sewer improvements for the Oaks Subdivision Sanitary Sewer Improvement project within the City. This project was mandated by the Ohio Environmental Protection Agency and City Council determined that such improvements are necessary for the preservation and promotion of public health and welfare of the residents of these areas and that the assessments will be levied to finance the cost of the improvements. The estimated construction cost is expected to be \$502,820. Although the City is required under the Ohio Revised Code to contribute 2% to this project, City Council increased the percentage to 10% in a good faith effort. This project is estimated to be completed in 2011.

The City recently entered into an agreement with the 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. The City expects to receive up to \$550,000 in federal funding to make improvements to low income housing areas within the City. This will be the first time the City has participated in this program.

Through the Ohio Environmental Protection Agency, the City received \$56,665 in ARRA Stimulus Funds and up to \$57,500 through the Ohio Water Development Authority Water Loan Pollution Control Fund to install a Supervisory Control and Data Acquisition (SCADA) system. This system will be operational in 2010 and is expected to provide operational efficiencies to the utility department.

On March 12, 2010, the City was notified by the Ohio Department of Transportation that the City would receive \$480,000 and \$28,000, respectively, for infrastructure and non-infrastructure improvements in conjunction with the Safe Routes to Schools Program. This money will be used in the Old Village Area and benefit Pataskala Elementary of the Southwest Licking Local School District.

Finally the City expects Valu King, a new format grocer, opened on May 13, 2010 within the Pataskala Village Square shopping center. Valu King will renovate 28,000 square feet of existing space and is expected to generate 40 new jobs.

LONG-TERM FINANCIAL PLANNING

During 2010, City Council approved the a Purchasing and Financial Policy Manual which will provide 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 a credit rating consistent with the City's financing objectives and also secure a long-term credit rating with one or more of the rating agencies. 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.

CASH MANAGEMENT POLICIES AND PRACTICES

Cash management is a vital component of the City's overall financial strategy. Cash temporarily idle during the year was invested in certificates of deposit and repurchase agreements.

Investment earnings have decreased dramatically, \$42,737 was earned on investments, which was a 70 percent decrease over 2008 due to the economic decline overall and bank crisis. This decline was also significant based on the conservative nature of the City's investments throughout the year based on the amount of idle funds to invest.

The City adopted an Investment Policy as per the Ohio Revised Code that sets guidelines and limits the type of investments the City may utilize and reinforces the State ethics code in investing procedures.

RISK MANAGEMENT

The City is adequately insured in all areas including buildings, contents, vehicles, equipment and general liability. The City is also covered under the Ohio Municipal League of Ohio Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (see Note 13). The City makes every effort to monitor insurance costs and related risk of accidents to ensure proper fiscal management in this area.

For the second year, the City contracted with Medical Mutual of Ohio for medical and prescription drug coverage. The City plan included a \$1,100 deductible for single and \$2,200 for family. The City funds the employee accounts at \$900 for a single and \$1,800 for a family, 95 percent of the employees eligible for insurance opted for this plan. The premium savings for the Health Savings Plan combined with the employees opting out of the insurance program because of the \$1,000 for single, \$2,000 for employee/spouse and \$3,000 for family incentive for not subscribing to the City's health care insurance, saved the City nearly \$13,057 in 2009/2010 plan year. In addition to the medical insurance, the City contracts privately with Delta Dental for dental insurance, Vision Service Plan for vision insurance, and Hartford Insurance for life insurance.

PENSION AND OTHER POST-EMPLOYMENT BENEFITS

All non-uniformed full-time and part-time (general) City employees participate in a cost sharing multiple employer Ohio Public Employee Retirement System (OPERS). Police officers participate in the Police and Firemen's Disability and Pension fund (PFDPF). The City provides post retirement health care benefits through the City's pension contributions to OPERS and Police and Firemen's Disability and Pension Fund of Ohio (PFDPF).

Additional information on the City's pension arrangements and post-employment benefits can be found in Notes 14 and 15 in the notes to the basic financial statements.

AWARDS AND ACKNOWLEDGEMENTS

During 2009, Business Week Magazine named the City of Pataskala as one of only fifty "Best Affordable Suburbs" in the United States. This report was more than just affordability but dealt with issues like home values, public safety, and also identified a low Violent Crime Index. The City plans to build on the results of this report and hopes it may help protect and increase local home values throughout the City.

The preparation of this comprehensive annual report was made possible by the dedicated service of the City's department heads and staff. We appreciate the efforts of Beth H. Milligan, APR, Public Relations Strategist, for her efforts in preparing the cover pages and inserts for this report. Finally, we would like to express our appreciation to all staff members who have contributed or assisted in its preparation.

Respectfully submitted,



Timothy M. Boland
City Administrator



Jason A. Carr, CPA
Finance Director

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CITY OF PATASKALA, OHIO

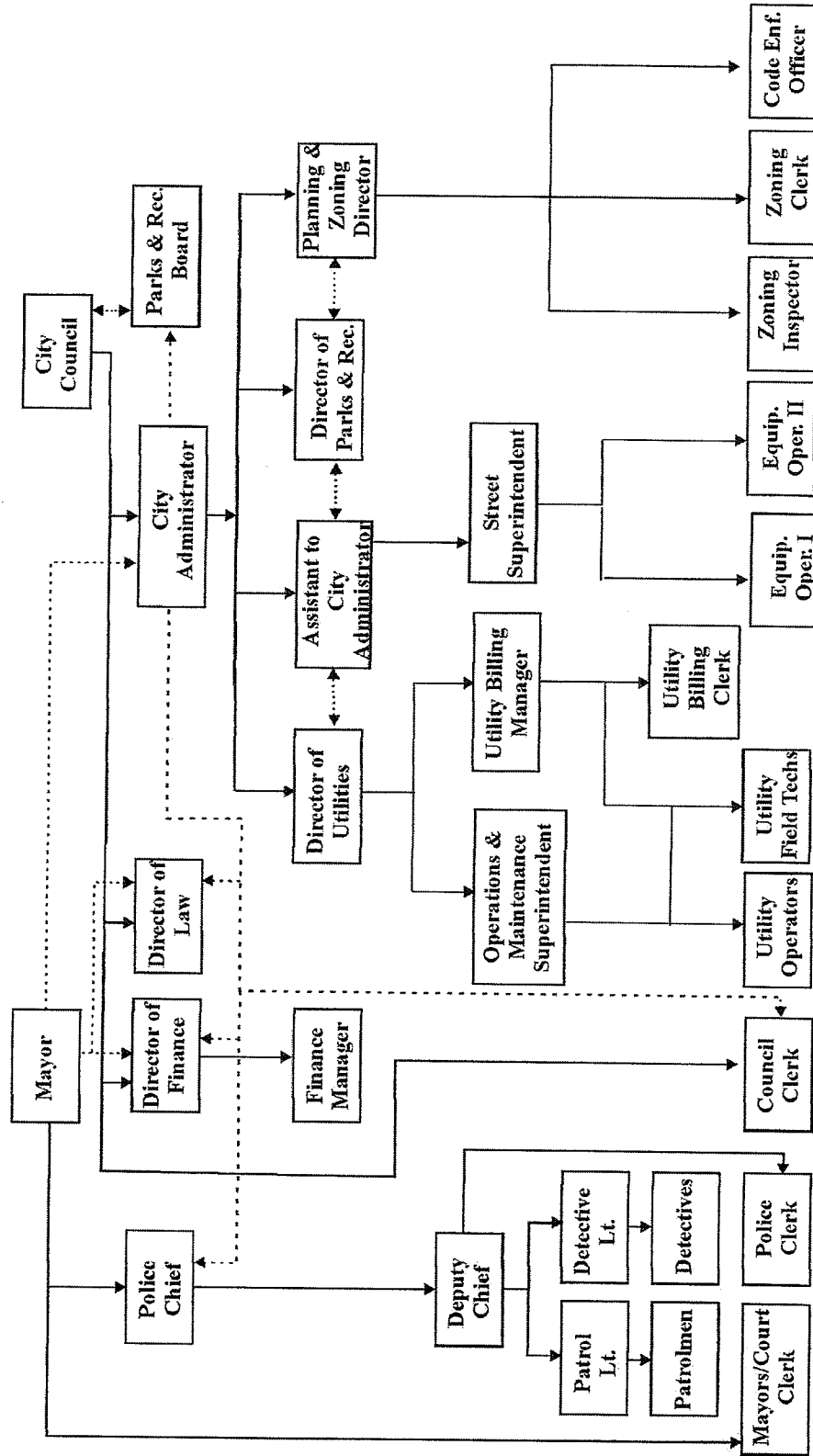
**LIST OF PRINCIPAL CITY OFFICIALS
AS OF DECEMBER 31, 2009**

Mayor	(Elected: four-year term)	Steve Butcher
City Administrator	(Appointed)	Tim Boland.
Law Director	(Appointed)	Rufus Hurst
Finance Director	(Appointed)	Jason Carr, CPA
Finance Manager	Appointed)	Janice Claprood
Chief of Police	(Elected: four-year term)	Bruce Brooks
Director of Public Services	(Appointed)	BJ King
Planning and Zoning Director	(Appointed)	Dianne Harris
Utilities Superintendent	(Appointed)	Dave Johnson
Utilities Superintendent	(Appointed)	Steven Kill
Mayor's Court Clerk	(Appointed)	Tonia McFerlin
Clerk of Council	(Elected: four-year term)	Kathy Hoskinson
Council:	(Elected: four-year term)	
Members:		
At-Large		Bryan Lenzo
At-Large		C. Bernard Brush
At-Large		Merissa McKinstry
Ward 1		Barbara Triplett
Ward 2		Brian Raybourne
Ward 3		Patty Sagar
Ward 4		Ken King



City of Pataskala Organizational Structure

Chart A



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Financial Section



City of Pataskala, Ohio
www.ci.pataskala.oh.us

621 West Broad Street
Pataskala, OH 43062

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Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Members of Council and Mayor
City of Pataskala
621 W. Broad Street
Pataskala, Ohio 43062

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, as of and for the year ended December 31, 2009, which collectively comprise the City of Pataskala's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Pataskala's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Pataskala, Licking County, Ohio, as of December 31, 2009 and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparison(s) for the general fund and major special revenue funds: street fund and police levy fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2010, on our consideration of the City of Pataskala'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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Members of Council and Mayor
City of Pataskala

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pataskala's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor funds financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
June 9, 2010

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009 (UNAUDITED)

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, 2009. 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 2009 are as follows:

- The total net assets of the City increased \$715,476. Net assets of governmental activities increased \$1,403,440 or 18.28%. Net assets of business-type decreased \$687,964 or 10.59% over 2008.
- General revenues accounted for \$2,644,550 or 49.84% of total governmental activities revenue. Program specific revenues accounted for \$2,661,728 or 50.16% of total governmental activities revenue.
- The City had \$3,902,838 in expenses related to governmental activities; \$2,661,728 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$1,241,110 were offset by general revenues (primarily property taxes and unrestricted grants and entitlements) of \$2,644,550.
- The general fund had revenues of \$1,750,045 in 2009. This represents an increase of \$136,700 from 2008 revenues. The expenditures and other financing uses of the general fund, which totaled \$1,292,011 in 2009, decreased \$528,968 from 2008. The net increase in fund balance for the general fund was \$458,034 or 61.60%.
- The street fund had revenues of \$690,662 in 2009, which is a decrease of \$8,556 from 2008 revenues. The expenditures in the street fund totaled \$758,189 in 2009, which decreased \$48,317 from 2008. The net decrease in fund balance was \$67,527 or 8.68%.
- The police levy fund had revenues and other financing sources of \$1,837,993 in 2009, which is an increase of \$170,191 from 2008 revenues. The expenditures in the police levy fund totaled \$1,677,013 in 2009, which increased \$97,856 in 2008. The net increase in fund balance was \$160,980 or 84.73%.
- Net assets for the business-type activities, which are made up of the water and sewer enterprise funds, decreased in 2009 by \$687,964. This decrease in net assets was due primarily to an increase in operating expenses during 2009.
- In the general fund, the actual revenues came in \$71,666 higher than they were in the final budget. Actual expenditures were \$1,032,928 less than the amount in the final budget. These variances are the result of the City's conservative budgeting.

The Basic Financial Statements

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 assets 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.

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009 (UNAUDITED)

Reporting the City as a Whole

Statement of Net Assets 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 2009?" The statement of net assets and the statement of activities answer this question. These statements include all assets, liabilities, 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 assets and changes in those assets. This change in net assets 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 assets 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 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 assets and statement of activities can be found on pages 33 - 35 of this report.

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 24.

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.

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009 (UNAUDITED)

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 and the police levy 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 36 - 42 of this report.

Proprietary Funds

The City maintains one type of proprietary fund. 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 43 - 45 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 funds. The City's fiduciary fund is an agency fund. The basic fiduciary fund financial statements can be found on page 46 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 47 - 76 of this report.

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009 (UNAUDITED)

Government-Wide Financial Analysis

The table below provides a summary of the City's assets, liabilities and net assets at December 31, 2009 and 2008:

	Governmental Activities		Net Assets Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
<u>Assets</u>						
Current and other assets	\$ 5,944,138	\$ 5,255,055	\$ 3,665,104	\$ 5,040,512	\$ 9,609,242	\$ 10,295,567
Capital assets, net	<u>6,896,279</u>	<u>6,347,804</u>	<u>9,796,887</u>	<u>9,513,224</u>	<u>16,693,166</u>	<u>15,861,028</u>
Total assets	<u>12,840,417</u>	<u>11,602,859</u>	<u>13,461,991</u>	<u>14,553,736</u>	<u>26,302,408</u>	<u>26,156,595</u>
<u>Liabilities</u>						
Long-term liabilities						
outstanding	1,211,134	424,400	7,552,850	7,969,961	8,763,984	8,394,361
Other liabilities	<u>2,550,169</u>	<u>3,502,785</u>	<u>98,781</u>	<u>85,451</u>	<u>2,648,950</u>	<u>3,588,236</u>
Total liabilities	<u>3,761,303</u>	<u>3,927,185</u>	<u>7,651,631</u>	<u>8,055,412</u>	<u>11,412,934</u>	<u>11,982,597</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	5,768,494	4,965,912	2,327,739	1,868,441	8,096,233	6,834,353
Restricted	2,142,306	1,819,323	-	-	2,142,306	1,819,323
Unrestricted	<u>1,168,314</u>	<u>890,439</u>	<u>3,482,621</u>	<u>4,629,883</u>	<u>4,650,935</u>	<u>5,520,322</u>
Total net assets	<u>\$ 9,079,114</u>	<u>\$ 7,675,674</u>	<u>\$ 5,810,360</u>	<u>\$ 6,498,324</u>	<u>\$ 14,889,474</u>	<u>\$ 14,173,998</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2009, the City's assets exceeded liabilities by \$14,889,474. At year end, net assets were \$9,079,114 and \$5,810,360 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's net assets. At year-end, capital assets represented 63.47% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, equipment, vehicles and infrastructure. Capital assets, net of related debt to acquire the assets at December 31, 2009, were \$5,768,494 and \$2,327,739 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, 2009, the City is able to report positive balances in all three categories of net assets, 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 assets, \$2,142,306 represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net assets of \$1,168,314 may be used to meet the government's ongoing obligations to citizens and creditors.

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009 (UNAUDITED)

The table below shows the changes in net assets for fiscal years 2009 and 2008.

	Governmental Activities		Change in Net Assets Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues:						
Charges for services and sales	\$ 583,521	\$ 614,020	\$ 1,620,412	\$ 1,623,541	\$ 2,203,933	\$ 2,237,561
Operating grants and contributions	1,249,874	1,219,491	-	-	1,249,874	1,219,491
Capital grants and contributions	828,333	1,009,944	202,460	347,470	1,030,793	1,357,414
General revenues:						
Property taxes	2,237,648	2,188,060	-	-	2,237,648	2,188,060
Unrestricted grants	368,296	466,879	-	-	368,296	466,879
Interest	11,624	38,676	27,583	104,178	39,207	142,854
Gain on sale of capital assets	-	48,972	-	-	-	48,972
Other	26,982	87,241	21,707	20,292	48,689	107,533
Total revenues	5,306,278	5,673,283	1,872,162	2,095,481	7,178,440	7,768,764
Expenses:						
General government	826,900	967,338	-	-	826,900	967,338
Security of persons and property	1,401,767	1,649,394	-	-	1,401,767	1,649,394
Public health and welfare	57,500	57,500	-	-	57,500	57,500
Transportation	1,145,854	1,056,476	-	-	1,145,854	1,056,476
Community environment	335,062	410,129	-	-	335,062	410,129
Leisure time activity	48,003	108,228	-	-	48,003	108,228
Economic development	9,800	-	-	-	9,800	-
Interest and fiscal charges	77,952	92,133	-	-	77,952	92,133
Water	-	-	1,614,297	1,244,786	1,614,297	1,244,786
Sewer	-	-	945,829	835,364	945,829	835,364
Total expenses	3,902,838	4,341,198	2,560,126	2,080,150	6,462,964	6,421,348
Change in net assets	1,403,440	1,332,085	(687,964)	15,331	715,476	1,347,416
Net assets at beginning of year	7,675,674	6,343,589	6,498,324	6,482,993	14,173,998	12,826,582
Net assets at end of year	\$ 9,079,114	\$ 7,675,674	\$ 5,810,360	\$ 6,498,324	\$ 14,889,474	\$ 14,173,998

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009 (UNAUDITED)

Governmental Activities

Governmental activities net assets increased \$1,403,440 in 2009.

Security of persons and property, which primarily supports the operations of the police department, had expenses of \$1,401,767 which accounted for 35.92% of the governmental expenses of the City. These expenses were partially funded by \$170,419 in direct charges to users of the services and \$257,748 in operating grants and contributions. Transportation, which primarily supports street construction and maintenance projects, had expenses of \$1,145,854 which accounted for 29.36% of the governmental expenses of the City. These expenses were partially funded by \$40,568 in direct charges to users of the services, \$951,379 in operating grants and contributions and \$828,333 in capital grants and contributions. General government expenses totaled \$826,900 which was partially funded by \$345,726 in direct charges to users of the services.

The State and Federal government contributed to the City a total of \$1,249,874 in operating grants and contributions and \$828,333 in capital grants and contributions, developers contributed \$688,103 in capital contributions which led to a significant increase in capital grants and contributions during 2008. These revenues are restricted to a particular program or purpose.

General revenues totaled \$2,644,550, and amounted to 49.84% of total governmental revenues. These revenues primarily consist of property tax revenue of \$2,237,648. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government revenue, making up \$368,296.

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	Total Cost of Services	Net Cost of Services
	2009	2009	2008	2008
Program expenses:				
General government	\$ 826,900	\$ 481,174	\$ 967,338	\$ 636,985
Security of persons and property	1,401,767	973,600	1,649,394	1,471,279
Public health and welfare	57,500	57,500	57,500	57,500
Transportation	1,145,854	(674,426)	1,056,476	(1,132,994)
Community environment	335,062	297,418	410,129	370,947
Leisure time activity	48,003	18,092	108,228	1,893
Economic development	9,800	9,800	-	-
Interest and fiscal charges	77,952	77,952	92,133	92,133
Total expenses	<u>\$ 3,902,838</u>	<u>\$ 1,241,110</u>	<u>\$ 4,341,198</u>	<u>\$ 1,497,743</u>

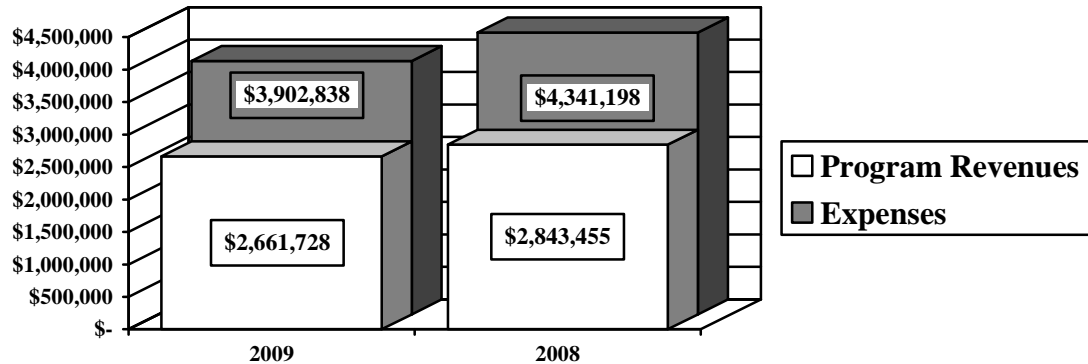
The dependence upon general revenues for governmental activities is apparent, with 31.80% and 34.50% of expenses in 2009 and 2008, respectively, supported through taxes and other general revenues.

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009 (UNAUDITED)

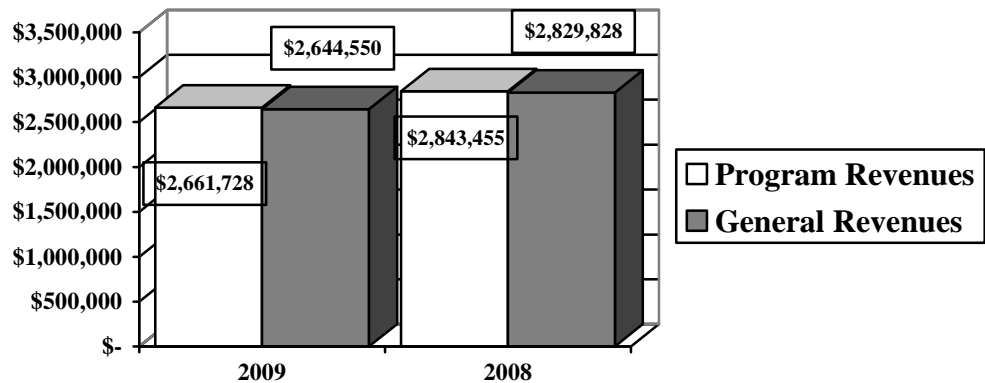
The graph below shows governmental-activities program revenues and total expenses for years 2009 and 2008:

Governmental Activities - Program Revenues vs. Total Expenses



The graph below shows governmental-activities general and program revenues for years 2009 and 2008:

Governmental Activities - General and Program Revenues



Business-type Activities

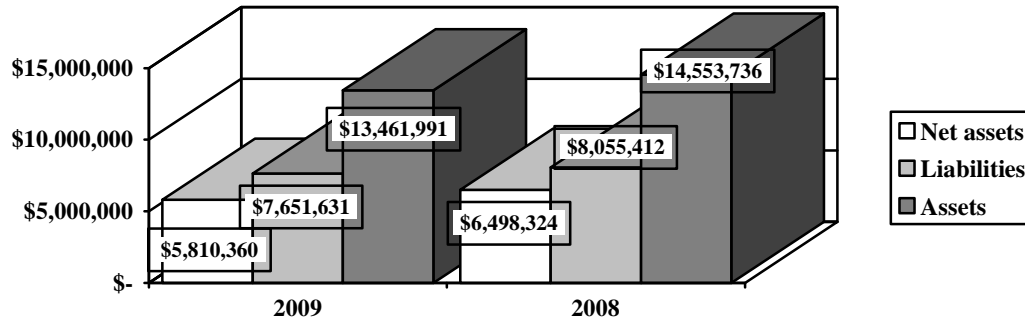
Business-type activities include the water and sewer enterprise funds. These programs had program revenues of \$1,822,872, general revenues of \$49,290, and expenses of \$2,560,126 for 2009.

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009 (UNAUDITED)

The graph below shows the business-type activities assets, liabilities and net assets at December 31, 2009 and 2008.

Net Assets in Business - Type Activities



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 page 20) reported a combined fund balance of \$2,817,951 which is \$1,648,466 higher than last year's total of \$1,169,485. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2009 for all major and nonmajor governmental funds.

	Fund Balances 12/31/09	Fund Balances (Deficit) 12/31/08	Increase (Decrease)
Major funds:			
General	\$ 1,201,600	\$ 743,566	\$ 458,034
Street	710,449	777,976	(67,527)
Police levy	350,970	189,990	160,980
Other nonmajor governmental funds	<u>554,932</u>	<u>(542,047)</u>	<u>1,096,979</u>
Total	<u>\$ 2,817,951</u>	<u>\$ 1,169,485</u>	<u>\$ 1,648,466</u>

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009 (UNAUDITED)

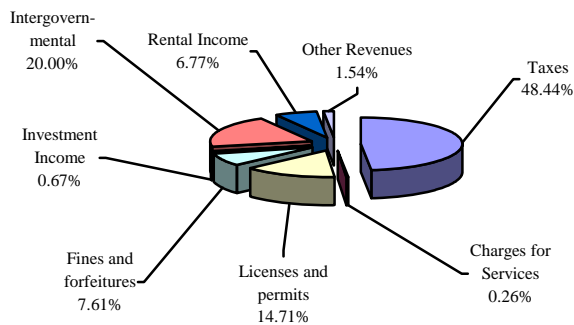
General Fund

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

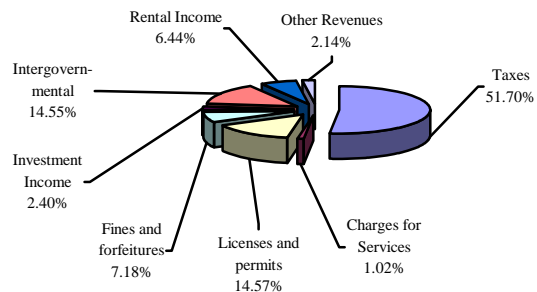
	2009 <u>Amount</u>	2008 <u>Amount</u>	Percentage <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 847,697	\$ 834,141	1.63 %
Charges for services	4,622	16,460	(71.92) %
Licenses and permits	257,348	235,052	9.49 %
Fines and forfeitures	133,241	115,769	15.09 %
Intergovernmental	349,993	234,763	49.08 %
Investment income	11,624	38,676	(69.95) %
Rental income	118,538	103,937	14.05 %
Other	26,982	34,547	(21.90) %
Total	<u>\$ 1,750,045</u>	<u>\$ 1,613,345</u>	8.47 %

Tax revenue represents 48.44% of all general fund revenue. Taxes increased 1.63% over 2008 revenues. Intergovernmental revenues increased 49.08% during 2009. The increase in licenses and permits was due to an increase in franchise fees. The decrease in investment income was a result of declining interest rates. The graphs below show a breakdown of the general fund's revenues for December 31, 2009 and 2008:

Revenues - 2009



Revenues - 2008



CITY OF PATASKALA, OHIO

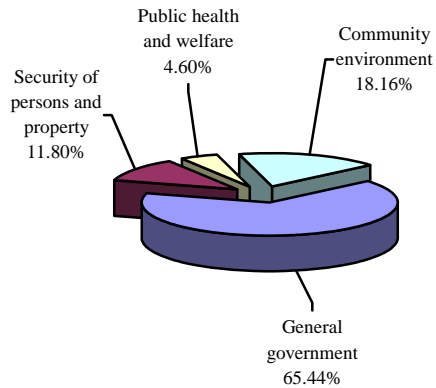
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009 (UNAUDITED)

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

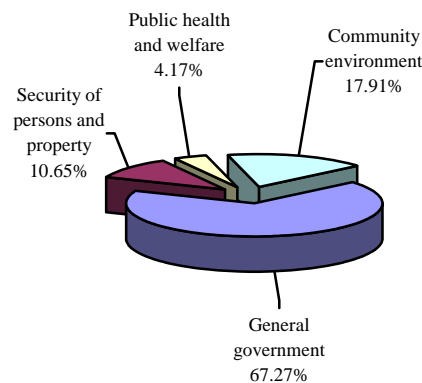
	<u>2009</u> <u>Amount</u>	<u>2008</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>			
General government	\$ 817,413	\$ 927,449	(11.86) %
Security of persons and property	147,436	146,820	0.42 %
Public health and welfare	57,500	57,500	- %
Community environment	<u>226,781</u>	<u>246,933</u>	(8.16) %
 Total	 <u>\$ 1,249,130</u>	 <u>\$ 1,378,702</u>	 (9.40) %

All expenditures were comparable to 2008. The graphs below show the general fund's expenditures for December 31, 2009 and 2008:

Expenditures - 2009



Expenditures - 2008



CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009 (UNAUDITED)

Street Fund

The street fund had revenues of \$690,662 in 2009, which is a decrease of \$8,556 from 2008 revenues. The expenditures in the street fund totaled \$758,189 in 2009, which decreased \$48,317 from 2008. The net decrease in fund balance was \$67,527 or 8.68%.

Police Levy Fund

The police levy fund had revenues and other financing sources of \$1,837,993 in 2009, which is an increase of \$170,191 from 2008 revenues. The expenditures in the police levy fund totaled \$1,677,013 in 2009, which increased \$97,856 in 2008. The net increase in fund balance was \$160,980 or 84.73%.

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.

In the general fund, the actual revenues came in \$71,666 higher than they were in the final budget. Actual expenditures were \$1,032,928 less than the amount in the final budget. These variances are the result of the City's conservative budgeting.

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.

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009 (UNAUDITED)

Capital Assets and Debt Administration

Capital Assets

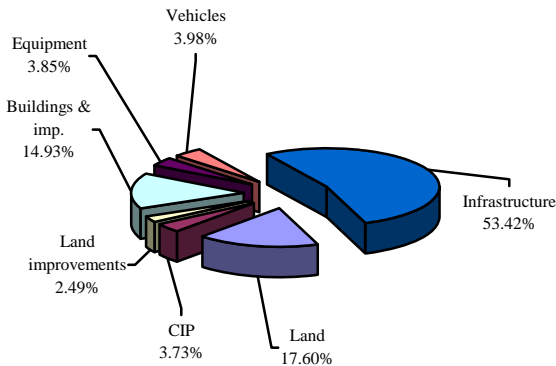
At the end of 2009, the City had \$16,693,166, net of accumulated depreciation, invested in land, construction in progress, land improvements, buildings and improvements, equipment, vehicles, and infrastructure. Of this total, \$6,896,279 was reported in governmental activities and \$9,796,887 was reported in business-type activities. The following table shows 2009 balances compared to 2008:

**Capital Assets at December 31
(Net of Depreciation)**

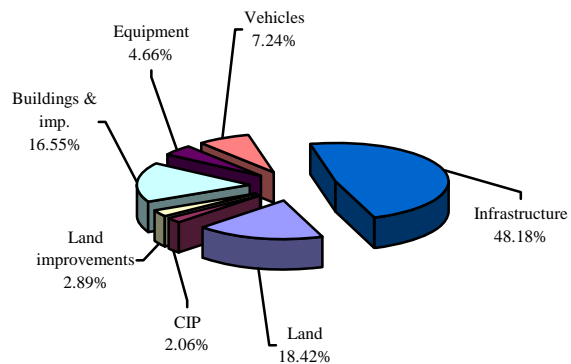
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2009	2008	2009	2008	2009	2008
Land	\$ 1,213,540	\$ 1,169,440	\$ 654,893	\$ 654,893	\$ 1,868,433	\$ 1,824,333
Construction-in-progress	257,143	130,529	200,544	-	457,687	130,529
Land improvements	172,034	183,182	-	1,061	172,034	184,243
Buildings and improvements	1,029,912	1,050,408	5,123,193	5,295,270	6,153,105	6,345,678
Equipment	265,195	295,939	802,643	534,683	1,067,838	830,622
Vehicles	274,474	459,836	33,902	37,891	308,376	497,727
Infrastructure	3,683,981	3,058,470	2,981,712	2,989,426	6,665,693	6,047,896
Totals	<u>\$ 6,896,279</u>	<u>\$ 6,347,804</u>	<u>\$ 9,796,887</u>	<u>\$ 9,513,224</u>	<u>\$ 16,693,166</u>	<u>\$ 15,861,028</u>

The following graphs show the breakdown of governmental capital assets by category for 2009 and 2008.

Capital Assets - Governmental Activities 2009



Capital Assets - Governmental Activities 2008



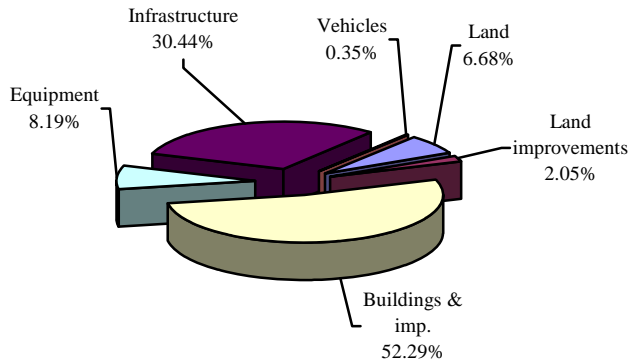
The City's largest capital asset category is infrastructure which includes roads, bridges, culverts, sidewalks and curbs. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant.

CITY OF PATASKALA, OHIO

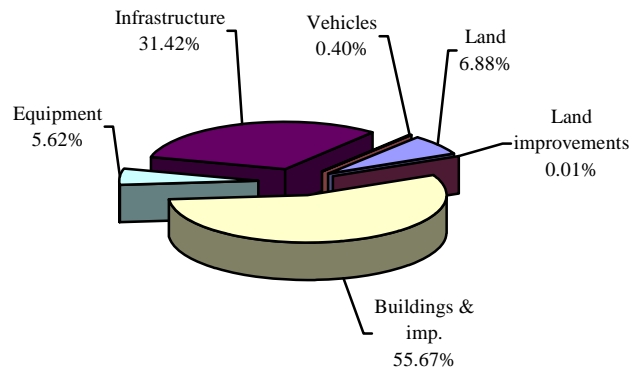
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009 (UNAUDITED)

The following graphs show the breakdown of business-type capital assets by category for 2009 and 2008.

Capital Assets - Business-Type Activities 2009



Capital Assets - Business-Type Activities 2008



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 52.29% of the City's total business-type capital assets.

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2009 and 2008:

Governmental Activities		
	2009	2008
Compensated absences	\$ 83,349	\$ 78,508
Note payable	860,000	-
OPWC loans	87,082	92,355
Capital lease obligation payable	180,703	253,537
Total long-term obligations	<u>\$ 1,211,134</u>	<u>\$ 424,400</u>
Business-type Activities		
	2009	2008
General obligation bonds	\$ 6,990,000	\$ 7,130,000
OWDA Loans	459,537	733,097
Compensated absences	10,673	10,906
Total long-term obligations	<u>\$ 7,460,210</u>	<u>\$ 7,874,003</u>

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009 (UNAUDITED)

Economic Conditions and Outlook

On May 4, 2010 the City of Pataskala passed a 1% income tax, 0% credit with collections allocated 0.75% to the police levy fund and 0.25% to the street fund through December 31, 2011. Effective January 1, 2012, income tax collections will be recorded within the City's general fund. The income tax is considered a permanent tax and will become effective beginning July 1, 2010. Income tax collections will replace the City's expiring real estate levy for police services and help supplement street operations.

Based on the expected delay in realizing full income tax collections which is estimated to take approximately 3 years from the July 1, 2010 implementation date, the Administration must continue to develop conservative budgets for police and street services for 2010 and future years. Furthermore, the general fund may need to supplement operations of these funds to in order to maintain a police force of 15 officers as well as addressing the City's deteriorating infrastructure while still providing sufficient funds for salting and plowing in the winter months.

The Administration has also begun prudently analyzing the City's water and sewer funds for operational efficiencies as well as addressing related infrastructure needs. The City has recently undertook a comprehensive utility rate study to determine the possible need to increase water and sewer rates as well as identifying the City's greatest and current utility infrastructure needs. Finalization of the utility rate study is expected later this year.

The City's general fund, or main operating fund (and the fund utilized by the Auditor of State of Ohio to determine fiscal watch or fiscal emergency status) realized decreased expenditures from 2008 of \$528,968. This decrease combined with a slight increase in revenues resulted in a general fund balance increase of \$458,034. The decrease in expenditures is primarily attributable to the City cost cutting measures for City departments as well as participating in Ohio Bureau of Workers Compensation programs to assist in reducing costs.

The Administration continues to be aggressive in seeking available grant funding for infrastructure needs consistently working with the Mid-Ohio Regional Planning Commission (MORPC), Licking County Engineer, and the Ohio Department of Transportation. The City is expecting to receive or has received grant monies through the American Reinvestment Recovery Act (ARRA), the Ohio Public Works Commission, the Ohio Department of Transportation, and also through the Licking County Engineer's Office.

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. Jason Carr, Finance Director, City of Pataskala, 621 W. Broad Street, Pataskala, Ohio 43062.

**BASIC
FINANCIAL STATEMENTS**

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CITY OF PATASKALA, OHIO

**STATEMENT OF NET ASSETS
DECEMBER 31, 2009**

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents.	\$ 2,781,672	\$ 3,280,632	\$ 6,062,304
Receivables (net of allowances for uncollectibles):			
Real and other taxes	2,328,587	-	2,328,587
Accounts	48,108	208,139	256,247
Special assessments	914	-	914
Due from other governments	590,224	-	590,224
Prepayments	24,176	13,846	38,022
Materials and supplies inventory	49,896	14,921	64,817
Unamortized bond issue costs	-	147,566	147,566
Restricted assets:			
Cash with fiscal and escrow agent	120,561	-	120,561
Capital assets:			
Land and construction in progress	1,470,683	855,437	2,326,120
Depreciable capital assets, net.	5,425,596	8,941,450	14,367,046
Total capital assets, net.	<u>6,896,279</u>	<u>9,796,887</u>	<u>16,693,166</u>
Total assets	<u>12,840,417</u>	<u>13,461,991</u>	<u>26,302,408</u>
Liabilities:			
Accounts payable.	67,599	50,767	118,366
Accrued wages and benefits	34,912	11,681	46,593
Due to other governments	3,177	2,780	5,957
Pension obligation payable.	115,444	4,790	120,234
Accrued interest payable	8,837	28,763	37,600
Notes payable.	162,000	-	162,000
Unearned revenue	2,158,200	-	2,158,200
Long-term liabilities:			
Due within one year	291,716	509,058	800,774
Due in more than one year	919,418	7,043,792	7,963,210
Total liabilities	<u>3,761,303</u>	<u>7,651,631</u>	<u>11,412,934</u>
Net assets:			
Invested in capital assets, net of related debt.	5,768,494	2,327,739	8,096,233
Restricted for:			
Capital projects.	8,830	-	8,830
Debt service	30,067	-	30,067
Street construction, maintenance and repairs	1,419,374	-	1,419,374
Parks and recreation	99,467	-	99,467
Police.	579,510	-	579,510
Other purposes	5,058	-	5,058
Unrestricted	<u>1,168,314</u>	<u>3,482,621</u>	<u>4,650,935</u>
Total net assets.	<u>\$ 9,079,114</u>	<u>\$ 5,810,360</u>	<u>\$ 14,889,474</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government.	\$ 826,900	\$ 345,726	\$ -	\$ -
Security of persons and property	1,401,767	170,419	257,748	-
Public health and welfare	57,500	-	-	-
Transportation.	1,145,854	40,568	951,379	828,333
Community environment	335,062	-	37,644	-
Leisure time activity	48,003	26,808	3,103	-
Economic development.	9,800	-	-	-
Interest and fiscal charges.	77,952	-	-	-
Total governmental activities	<u>3,902,838</u>	<u>583,521</u>	<u>1,249,874</u>	<u>828,333</u>
Business-type Activities:				
Water	1,614,297	766,464	-	101,460
Sewer	<u>945,829</u>	<u>853,948</u>	<u>-</u>	<u>101,000</u>
Total business-type activities	<u>2,560,126</u>	<u>1,620,412</u>	<u>-</u>	<u>202,460</u>
Total primary government.	<u>\$ 6,462,964</u>	<u>\$ 2,203,933</u>	<u>\$ 1,249,874</u>	<u>\$ 1,030,793</u>
General Revenues:				
Property taxes levied for:				
General purposes				
Police fund				
Grants and entitlements not restricted to specific programs.				
Investment earnings.				
Miscellaneous.				
Total general revenues				
Change in net assets.				
Net assets at beginning of year.				
Net assets at end of year				

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (481,174)	\$ -	\$ (481,174)
(973,600)	-	(973,600)
(57,500)	-	(57,500)
674,426	-	674,426
(297,418)	-	(297,418)
(18,092)	-	(18,092)
(9,800)	-	(9,800)
(77,952)	-	(77,952)
(1,241,110)	-	(1,241,110)
-	(746,373)	(746,373)
-	9,119	9,119
-	(737,254)	(737,254)
(1,241,110)	(737,254)	(1,978,364)
862,226	-	862,226
1,375,422	-	1,375,422
368,296	-	368,296
11,624	27,583	39,207
26,982	21,707	48,689
2,644,550	49,290	2,693,840
1,403,440	(687,964)	715,476
7,675,674	6,498,324	14,173,998
<u>\$ 9,079,114</u>	<u>\$ 5,810,360</u>	<u>\$ 14,889,474</u>

CITY OF PATASKALA, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	<u>General</u>	<u>Street</u>	<u>Police Levy</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in pooled cash and cash equivalents	\$ 1,104,594	\$ 616,945	\$ 481,425	\$ 578,708	\$ 2,781,672
Receivables (net of allowance for uncollectibles):					
Real and other taxes	858,411	-	1,470,176	-	2,328,587
Accounts	47,570	500	-	38	48,108
Special assessments	-	-	-	914	914
Due from other governments	166,668	289,304	93,700	40,552	590,224
Prepayments	7,825	6,141	10,210	-	24,176
Materials and supplies inventory	-	49,896	-	-	49,896
Restricted assets:					
Cash with fiscal and escrow agents	-	-	-	120,561	120,561
Total assets	<u>\$ 2,185,068</u>	<u>\$ 962,786</u>	<u>\$ 2,055,511</u>	<u>\$ 740,773</u>	<u>\$ 5,944,138</u>
Liabilities:					
Accounts payable	\$ 11,711	\$ 49,914	\$ 4,507	\$ 1,467	\$ 67,599
Accrued wages and benefits.	3,948	9,492	21,472	-	34,912
Compensated absences payable.	-	-	11,517	-	11,517
Due to other governments.	-	3,010	167	-	3,177
Pension obligation payable	9,077	3,365	103,002	-	115,444
Accrued interest payable	-	-	-	6,334	6,334
Notes payable	-	-	-	162,000	162,000
Unearned revenue	795,600	-	1,362,600	-	2,158,200
Deferred revenue	163,132	186,556	201,276	16,040	567,004
Total liabilities	<u>983,468</u>	<u>252,337</u>	<u>1,704,541</u>	<u>185,841</u>	<u>3,126,187</u>
Fund Balances:					
Reserved for prepayments.	7,825	6,141	10,210	-	24,176
Reserved for materials and supplies inventory	-	49,896	-	-	49,896
Reserved for debt service	-	-	-	30,067	30,067
Unreserved, undesignated (deficit), reported in:					
General fund	1,193,775	-	-	-	1,193,775
Special revenue funds	-	654,412	340,760	681,807	1,676,979
Capital projects funds	-	-	-	(156,942)	(156,942)
Total fund balances	<u>1,201,600</u>	<u>710,449</u>	<u>350,970</u>	<u>554,932</u>	<u>2,817,951</u>
Total liabilities and fund balances.	<u>\$ 2,185,068</u>	<u>\$ 962,786</u>	<u>\$ 2,055,511</u>	<u>\$ 740,773</u>	<u>\$ 5,944,138</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2009

Total governmental fund balances		\$ 2,817,951
<i>Amounts reported for governmental activities on the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		6,896,279
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property taxes receivable	\$ 170,387	
Special assessment receivable	914	
Intergovernmental receivable	395,703	
Total		567,004
In the statement of activities interest is accrued on outstanding notes payable, whereas in governmental funds, interest expenditures are reported when due.		(2,503)
Long-term liabilities, including leases and loans, are not due and payable in the current period and therefore are not reported in the funds.		
Capital lease obligations payable	(180,703)	
Note payable	(860,000)	
OPWC loans payable	(87,082)	
Compensated absences payable	(71,832)	
Total		(1,199,617)
Net assets of governmental activities		<u><u>\$ 9,079,114</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/(DEFICIT)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	General	Street	Police Levy	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property and other taxes	\$ 847,697	\$ -	\$ 1,344,433	\$ -	\$ 2,192,130
Charges for services	4,622	-	-	18,688	23,310
Licenses and permits	257,348	-	-	1,750	259,098
Fines and forfeitures	133,241	-	-	1,282	134,523
Intergovernmental	349,993	646,422	239,182	402,722	1,638,319
Investment income	11,624	3,522	-	529	15,675
Rental income	118,538	-	-	-	118,538
Contributions and donations.	-	-	-	116	116
Other	26,982	40,718	24,175	20,142	112,017
Total revenues	<u>1,750,045</u>	<u>690,662</u>	<u>1,607,790</u>	<u>445,229</u>	<u>4,493,726</u>
Expenditures:					
Current:					
General government	817,413	-	-	-	817,413
Security of persons and property	147,436	-	1,219,790	13,439	1,380,665
Public health and welfare	57,500	-	-	-	57,500
Transportation.	-	758,189	-	63,685	821,874
Community environment	226,781	-	-	2,411	229,192
Leisure time activity.	-	-	-	14,340	14,340
Economic development	-	-	-	9,800	9,800
Capital outlay	-	-	180,703	89,717	270,420
Debt service:					
Principal retirement	-	-	253,537	5,273	258,810
Interest and fiscal charges.	-	-	22,983	54,196	77,179
Total expenditures.	<u>1,249,130</u>	<u>758,189</u>	<u>1,677,013</u>	<u>252,861</u>	<u>3,937,193</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>500,915</u>	<u>(67,527)</u>	<u>(69,223)</u>	<u>192,368</u>	<u>556,533</u>
Other financing sources (uses):					
Note issuance	-	-	-	860,000	860,000
Premium on notes sold.	-	-	-	1,730	1,730
Sale of capital assets.	-	-	49,500	-	49,500
Capital lease obligation.	-	-	180,703	-	180,703
Transfers in	-	-	-	65,657	65,657
Transfers out.	(42,881)	-	-	(22,776)	(65,657)
Total other financing sources (uses)	<u>(42,881)</u>	<u>-</u>	<u>230,203</u>	<u>904,611</u>	<u>1,091,933</u>
Net change in fund balances	458,034	(67,527)	160,980	1,096,979	1,648,466
Fund balances (deficit) at beginning of year. .	<u>743,566</u>	<u>777,976</u>	<u>189,990</u>	<u>(542,047)</u>	<u>1,169,485</u>
Fund balances at end of year	<u>\$ 1,201,600</u>	<u>\$ 710,449</u>	<u>\$ 350,970</u>	<u>\$ 554,932</u>	<u>\$ 2,817,951</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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, 2009

Net change in fund balances - total governmental funds \$ 1,648,466

*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. Capital outlay
exceeds depreciation expense in the current period accordingly.

Capital asset additions	\$ 1,083,821	
Current year depreciation	(442,071)	
Total		641,750

Governmental funds only report the disposal of capital assets to the
extent proceeds are received from the sale. In the statement of activities,
a gain or loss is reported for each disposal. (93,275)

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

Property taxes	45,518	
Intergovernmental revenues	(26,352)	
Other revenue	(34,947)	
Total		(15,781)

In the statement of activities, interest is accrued on outstanding bonds,
whereas in governmental funds, interest is expensed when due. (2,503)

The issuance of notes and capital leases are recorded as revenue
in the funds; however, in the statement of activities, they are not reported as
revenues as they increase liabilities on the statement of net assets. (1,040,703)

Repayment of loan and capital lease principal is an expenditure
in the governmental funds, but the repayment reduces long-term
liabilities on the statement of net assets. 258,810

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. 6,676

Change in net assets of governmental activities \$ 1,403,440

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, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property and other taxes	\$ 895,932	\$ 895,932	\$ 847,697	\$ (48,235)
Charges for services	30,000	30,000	4,622	(25,378)
Licenses and permits.	152,100	152,100	222,173	70,073
Fines and forfeitures.	89,000	89,000	130,807	41,807
Intergovernmental	249,154	249,154	300,844	51,690
Investment income	30,000	30,000	11,624	(18,376)
Rental income	100,000	100,000	112,751	12,751
Other	38,988	38,988	26,322	(12,666)
Total revenues.	<u>1,585,174</u>	<u>1,585,174</u>	<u>1,656,840</u>	<u>71,666</u>
Expenditures:				
Current:				
General government	1,865,301	1,862,230	852,862	1,009,368
Security of persons and property	152,553	155,624	153,095	2,529
Public health and welfare.	57,500	57,500	57,500	-
Community environment	249,402	249,402	235,490	13,912
Total expenditures	<u>2,324,756</u>	<u>2,324,756</u>	<u>1,298,947</u>	<u>1,025,809</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(739,582)</u>	<u>(739,582)</u>	<u>357,893</u>	<u>1,097,475</u>
Other financing uses:				
Transfers out	(50,000)	(50,000)	(42,881)	7,119
Total other financing uses	<u>(50,000)</u>	<u>(50,000)</u>	<u>(42,881)</u>	<u>7,119</u>
Net change in fund balance.	(789,582)	(789,582)	315,012	1,104,594
Fund balance at beginning of year.	<u>789,582</u>	<u>789,582</u>	<u>789,582</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,104,594</u>	<u>\$ 1,104,594</u>

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, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 678,375	\$ 678,375	\$ 648,472	\$ (29,903)
Investment income	8,000	8,000	3,522	(4,478)
Other	10,000	10,000	40,468	30,468
Total revenues.	<u>696,375</u>	<u>696,375</u>	<u>692,462</u>	<u>(3,913)</u>
Expenditures:				
Current:				
Transportation	<u>1,327,234</u>	<u>1,327,234</u>	<u>706,376</u>	<u>620,858</u>
Total expenditures	<u>1,327,234</u>	<u>1,327,234</u>	<u>706,376</u>	<u>620,858</u>
Net change in fund balance.	(630,859)	(630,859)	(13,914)	616,945
Fund balance at beginning of year.	<u>630,859</u>	<u>630,859</u>	<u>630,859</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 616,945</u>	<u>\$ 616,945</u>

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 LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property and other taxes	\$ 1,430,533	\$ 1,430,533	\$ 1,344,433	\$ (86,100)
Intergovernmental	189,748	189,748	239,182	49,434
Other	1,000	1,000	24,175	23,175
Total revenues.	<u>1,621,281</u>	<u>1,621,281</u>	<u>1,607,790</u>	<u>(13,491)</u>
Expenditures:				
Current:				
Security of persons and property	1,795,626	1,795,626	1,350,210	445,416
Debt service:				
Principal retirement	79,211	253,537	253,537	-
Interest and fiscal charges	<u>16,606</u>	<u>22,983</u>	<u>22,983</u>	<u>-</u>
Total expenditures	<u>1,891,443</u>	<u>2,072,146</u>	<u>1,626,730</u>	<u>445,416</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(270,162)</u>	<u>(450,865)</u>	<u>(18,940)</u>	<u>431,925</u>
Other financing sources:				
Sale of capital assets	-	-	49,500	49,500
Capital lease obligation.	<u>-</u>	<u>180,703</u>	<u>180,703</u>	<u>-</u>
Total other financing sources.	<u>-</u>	<u>180,703</u>	<u>230,203</u>	<u>-</u>
Net change in fund balance	(270,162)	(270,162)	211,263	481,425
Fund balance at beginning of year	<u>270,162</u>	<u>270,162</u>	<u>270,162</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 481,425</u>	<u>\$ 481,425</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2009

	Business-type Activities -Enterprise Funds		
	Water	Sewer	Total
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 1,421,368	\$ 1,859,264	\$ 3,280,632
Receivables (net of allowance for uncollectibles):			
Accounts.	96,216	111,923	208,139
Prepayments	9,125	4,721	13,846
Materials and supplies inventory	13,455	1,466	14,921
Total current assets	1,540,164	1,977,374	3,517,538
Noncurrent assets:			
Unamortized bond issue costs	147,566	-	147,566
Capital assets:			
Land and construction in progress	330,752	524,685	855,437
Depreciable capital assets, net.	6,158,772	2,782,678	8,941,450
Total capital assets, net	6,489,524	3,307,363	9,796,887
Total noncurrent assets	6,637,090	3,307,363	9,944,453
Total assets	8,177,254	5,284,737	13,461,991
Liabilities:			
Current liabilities:			
Accounts payable.	14,858	35,909	50,767
Accrued wages and benefits	5,139	6,542	11,681
Due to other governments	2,780	-	2,780
Pension obligation payable.	2,352	2,438	4,790
Compensated absences	3,180	7,493	10,673
Accrued interest payable	25,842	2,921	28,763
General obligation bonds - current	110,000	40,000	150,000
OWDA loans - current	120,127	228,258	348,385
Total current liabilities	284,278	323,561	607,839
Long-term liabilities:			
General obligation bonds.	6,412,640	520,000	6,932,640
OWDA loans	62,802	48,350	111,152
Total long-term liabilities.	6,475,442	568,350	7,043,792
Total liabilities.	6,759,720	891,911	7,651,631
Net assets:			
Invested in capital assets, net of related debt. . . .	(143,016)	2,470,755	2,327,739
Unrestricted.	1,560,550	1,922,071	3,482,621
Total net assets	\$ 1,417,534	\$ 4,392,826	\$ 5,810,360

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Total
Operating revenues:			
Charges for services	\$ 766,464	\$ 853,948	\$ 1,620,412
Other.	13,897	7,810	21,707
Total operating revenues	<u>780,361</u>	<u>861,758</u>	<u>1,642,119</u>
Operating expenses:			
Personal services	316,228	320,405	636,633
Contract services	54,391	66,434	120,825
Materials and supplies	623,096	315,155	938,251
Depreciation	<u>287,024</u>	<u>176,108</u>	<u>463,132</u>
Total operating expenses.	<u>1,280,739</u>	<u>878,102</u>	<u>2,158,841</u>
Operating loss	<u>(500,378)</u>	<u>(16,344)</u>	<u>(516,722)</u>
Nonoperating revenues (expenses):			
Loss on disposal of capital assets.	(3,778)	-	(3,778)
Investment income	13,552	14,031	27,583
Interest expense and fiscal charges	<u>(329,780)</u>	<u>(67,727)</u>	<u>(397,507)</u>
Total nonoperating revenues (expenses)	<u>(320,006)</u>	<u>(53,696)</u>	<u>(373,702)</u>
Loss before capital contributions	(820,384)	(70,040)	(890,424)
Capital contributions	<u>101,460</u>	<u>101,000</u>	<u>202,460</u>
Changes in net assets	(718,924)	30,960	(687,964)
Net assets at beginning of year	<u>2,136,458</u>	<u>4,361,866</u>	<u>6,498,324</u>
Net assets at end of year	<u><u>\$ 1,417,534</u></u>	<u><u>\$ 4,392,826</u></u>	<u><u>\$ 5,810,360</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Total
Cash flows from operating activities:			
Cash received from charges for services.	\$ 759,912	\$ 849,263	\$ 1,609,175
Cash received from other operations.	13,897	7,810	21,707
Cash payments for personal services.	(322,144)	(325,057)	(647,201)
Cash payments for contract services	(47,609)	(47,502)	(95,111)
Cash payments for materials and supplies	(635,309)	(307,320)	(942,629)
Net cash provided by (used in) operating activities. .	(231,253)	177,194	(54,059)
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(23,372)	(524,741)	(548,113)
OWDA loan issued	-	48,350	48,350
Principal retirement on bonds and loans	(209,725)	(252,185)	(461,910)
Interest paid on bonds and loans.	(328,174)	(67,932)	(396,106)
Net cash used in capital and related financing activities	(561,271)	(796,508)	(1,357,779)
Cash flows from investing activities:			
Interest received.	13,552	14,031	27,583
Net cash provided by investing activities	13,552	14,031	27,583
Net decrease in cash and cash equivalents	(778,972)	(605,283)	(1,384,255)
Cash and cash equivalents at beginning of year.	2,200,340	2,464,547	4,664,887
Cash and cash equivalents at end of year.	\$ 1,421,368	\$ 1,859,264	\$ 3,280,632
Reconciliation of operating loss to net cash provided by (used in) operating activities:			
Operating loss	\$ (500,378)	\$ (16,344)	\$ (516,722)
Adjustments:			
Depreciation	287,024	176,108	463,132
Changes in assets and liabilities:			
(Increase) in accounts receivable.	(6,552)	(4,685)	(11,237)
(Increase) decrease in materials and supplies inventory. .	(5,347)	4,465	(882)
(Increase) in prepayments.	(1,007)	(1,007)	(2,014)
Increase (decrease) in accounts payable	(2,864)	22,302	19,438
Decrease in accrued wages and benefits	(4,992)	(3,986)	(8,978)
Decrease in compensated absences payable.	(232)	(1)	(233)
Increase in due to other governments.	2,780	-	2,780
Increase in pension obligation payable	315	342	657
Net cash provided by (used in) operating activities.	\$ (231,253)	\$ 177,194	\$ (54,059)

Noncash Transactions:

During 2009, the Water and Sewer funds received \$101,460 and \$101,000, respectively, in capital contributions from developers.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
DECEMBER 31, 2009**

	<u>Agency</u>
Assets:	
Cash in segregated accounts	<u>\$ 14,201</u>
Total assets.	<u><u>\$ 14,201</u></u>
Liabilities:	
Undistributed monies.	<u>\$ 14,201</u>
Total liabilities	<u><u>\$ 14,201</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

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 City also applies Financial Accounting Standards Board (FASB) guidance issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has the option to also apply FASB guidance issued after November 30, 1989 to its business-type activities and enterprise funds, subject to this same limitation. The City has elected not to apply this FASB guidance. 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 organizations operating budget or is responsible for its continued operation.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

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, Village of New Albany, Harrison Township, Etna Township, City of Reynoldsburg and Jersey Township. The City made no contributions during 2009 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 2009 for the operation of the Sewer District.

B. Basis of Presentation - Fund Accounting

The City's BFS consist of government-wide statements, including a statement of net assets 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 assets 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.

The statement of net assets 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.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

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

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

The following are the City's major governmental funds:

General fund - The general fund accounts for all financial resources except those required to be accounted for in another fund. This includes, but is not limited to, police protection, public health activities, cemetery and the general administration of City functions.

Street fund - The street fund accounts for revenues generated from license and gasoline taxes to be used on local roads within the City.

Police levy fund - This fund accounts for tax and other revenues collected for police operations.

Other governmental funds of the City are used to account for (a) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary funds; (b) the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs; and (c) grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds - Proprietary fund reporting focuses on changes in net assets, 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 assets and changes in net assets. 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 equal liabilities) and do not involve measurement of results of operations. The City's agency fund accounts for the Mayor's Court activity.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

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

D. Measurement Focus and Basis of Accounting

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net assets.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities 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.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. 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 revenue and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, 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.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). 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: State-levied locally shared taxes (including gasoline tax, local government funds and permissive tax), fines and forfeitures, fees and special assessments.

Unearned Revenue and Deferred Revenue - Unearned revenue and deferred revenue arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2009, but which were levied to finance year 2010 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as unearned revenue. Special assessments not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at December 31, 2009, are recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have been reported as deferred revenue.

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. 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 is established at the object level within each department, within each fund. Budgetary modifications may only be made by resolution of the City Council at the legal level of control.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

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

Tax Budget - During the first Council meeting in July, the Mayor 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 2009.

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 2009.

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, department, object appropriations do not exceed current estimated resources, as certified. The appropriations for a fund 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 2009, investments were limited to nonnegotiable certificates of deposit and repurchase agreements. Nonparticipating investment contracts, such as repurchase agreements and 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.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

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

Interest income is distributed to the funds according to statutory requirements. Interest revenue earned and credited to the general fund during 2009 amounted to \$11,624, which included \$9,435 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.

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.

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 assets, 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 assets 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.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

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

All reported capital assets are depreciated except for land 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>	<u>Governmental Activities Estimated Lives</u>	<u>Business-type Activities 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.

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the 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 (50) or greater with at least ten (10) years of service or any employee with at least twenty (20) 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.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

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

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2009, 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.

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, notes and capital lease obligations are recognized as a liability on the governmental fund financial statements when due.

M. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the BFS.

N. Fund Balance Reserves

Reserved fund balances indicate that portion of fund equity which is not available for current appropriation or use. The unreserved portions of fund equity reflected in the governmental funds are available for use within the specific purposes of the funds.

The City reports a reservation of fund balance for amounts representing prepayments, materials and supplies inventory, and debt service in the governmental fund financial statements.

O. 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.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

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

P. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction. Capital contributions are reported as revenue in the proprietary fund financial statements. The proprietary funds received \$202,460 in capital contributions from developers during 2009.

Q. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are 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 assets restricted for other purposes consist primarily of mayor's court computer monies.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are 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.

S. 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.

T. 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 2009.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

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

U. Bond Discounts, Premiums and Issuance Costs

Bond issuance costs are reported as deferred charges and amortized over the life of the bond using the straight-line method. The unamortized portion of the bond issuance costs is reported on the statement of net assets. 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 interest income or expense in the proprietary fund.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Deficit Fund Balances

Fund balances at December 31, 2009, included the following individual fund deficit:

<u>Nonmajor governmental fund</u>	<u>Deficit</u>
Courter Bridge improvement	\$ 168,275

The general fund is liable for any deficits and provides transfers when cash is required, not when accruals occur. The deficit fund balance in the Courter Bridge improvement fund resulted from the reporting of notes payable as a fund liability (See Note 12).

B. Change in Accounting Principles

For 2009, the City has implemented GASB Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments", GASB Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", GASB Statement No. 56 "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards", and GASB Statement No. 57 "Other Postemployment Benefit (OPEB) Measurements by Agent Employers and Agent Multiple-Employers".

GASB Statement No. 52 improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. The implementation of GASB Statement No. 52 did not have an effect on the financial statements of the City.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature. The implementation of GASB Statement No. 55 did not have an effect on the financial statements of the City.

GASB Statement No. 56 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' (AICPA) Statements on Auditing Standards. The implementation of GASB Statement No. 56 did not have an effect on the financial statements of the City.

GASB Statement No. 57 establishes standards for the measurement and financial reporting of actuarially determined information by agent employers with individual-employer OPEB plans that have fewer than 100 total plan members and by the agent multiple-employer OPEB plans in which they participate. The implementation of GASB Statement No. 57 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, 2009

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.

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.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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.

A. Cash with Fiscal and Escrow Agent

At year end, the City had \$120,561 on deposit with the Licking County Treasurer. The data regarding insurance and collateralization can be obtained from the Licking County Comprehensive Annual Financial Report for the year ended December 31, 2009. This amount is not included in the City's depository balance detailed in Note 4.C.

B. Cash in Segregated Accounts

At year end, the City had \$14,201 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 not included in the City's depository balance detailed in Note 4.C.

C. Deposits with Financial Institutions

At December 31, 2009, the carrying amount of all City deposits was \$(55,007), exclusive of the \$6,117,311 in repurchase agreements included in investments below. A liability was not recorded for the negative carrying amount of deposits because there was no actual overdraft, due to the "zero-balance" nature of the City's bank accounts. The negative carrying amount of deposits is due to the sweeping of monies into overnight repurchase agreements which are reported as "investments". Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2009, the entire bank balance of \$5,036 was covered by the 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 institutions' 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.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

D. Investments

As of December 31, 2009, the City had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities 6 months or less</u>
Repurchase agreements	\$ <u>6,117,311</u>	\$ <u>6,117,311</u>

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the City's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: The federal agency securities that underlie the repurchase agreements were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The City's investment policy does not specifically address credit risk beyond requiring the City to only invest in securities authorized by State statute.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. For the City's \$6,117,311 investment in repurchase agreements, the entire balance is collateralized by underlying securities that are held by the investment's counterparty, not in the name of the City. Ohio law requires the market value of the securities subject to repurchase agreements must exceed the principal value of securities subject to a repurchase agreement by 2%. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk: The City places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2009:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
Repurchase agreements	\$ <u>6,117,311</u>	<u>100.00%</u>

CITY OF PATASKALA, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

E. Reconciliation of Cash and Investments to the Statement of Net Assets

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 assets as of December 31, 2009:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ (55,007)
Investments	6,117,311
Cash with fiscal and escrow agent	120,561
Cash in segregated accounts	<u>14,201</u>
Total	<u>\$ 6,197,066</u>
 <u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 2,902,233
Business type activities	3,280,632
Agency fund	<u>14,201</u>
Total	<u>\$ 6,197,066</u>

NOTE 5 - INTERFUND TRANSACTIONS

Interfund transfers for the year ended December 31, 2009, consisted of the following:

Transfers to nonmajor governmental funds from:

General fund	\$ 42,881
Permissive license tax fund (a nonmajor governmental fund)	<u>22,776</u>
	<u>\$ 65,657</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; 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.

A transfer amounting to \$22,776 from the permissive license tax nonmajor special revenue fund to the Courter Bridge improvement nonmajor capital projects fund is required to transfer debt payments to the fund which reports the liability.

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.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

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 preceding 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. 2009 public utility property taxes became a lien December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

Beginning in calendar year 2009 tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property tax collections in calendar year 2009 represent delinquent collections.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City due to the phasing out of the tax. In calendar years 2009-2010, the City will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

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 and outstanding delinquencies which are measurable as of December 31, 2009 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by unearned revenue since the current taxes were not levied to finance 2009 operations and the collection of delinquent taxes has been offset by deferred revenue 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.

CITY OF PATASKALA, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 6 - PROPERTY TAXES - (Continued)

The full tax rate for all City operations for the year ended December 31, 2009 was \$7.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2009 property tax receipts were based are as follows:

Real Property	\$ 324,762,940
Public Utility	<u>9,371,040</u>
Total Assessed Value	<u><u>\$ 334,133,980</u></u>

NOTE 7 - RECEIVABLES

Receivables at December 31, 2009, consisted of taxes, accounts (billings for user charged services), special assessments 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, 2009, as well as intended to finance 2009 operations.

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

Governmental activities:

Real and other taxes	\$ 2,328,587
Accounts	48,108
Special assessments	914
Due from other governments	590,224

Business-type activities:

Accounts	208,139
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Receivables have been disaggregated on the face of the BFS. All receivables are expected to be collected within the subsequent year.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009, was as follows:

	Balance 12/31/08	Additions	Disposals	Balance 12/31/09
<u>Governmental activities:</u>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,169,440	\$ 44,100	\$ -	\$ 1,213,540
Construction in progress	130,529	308,342	(181,728)	257,143
Total capital assets, not being depreciated	1,299,969	352,442	(181,728)	1,470,683
<i>Capital assets, being depreciated:</i>				
Land improvements	273,628	-	-	273,628
Buildings and improvements	1,457,047	26,327	-	1,483,374
Equipment	757,052	18,049	(35,241)	739,860
Vehicles	1,446,086	-	(206,244)	1,239,842
Infrastructure	3,512,295	868,731	-	4,381,026
Total capital assets, being depreciated	7,446,108	913,107	(241,485)	8,117,730
<i>Less: accumulated depreciation:</i>				
Land improvements	(90,446)	(11,148)	-	(101,594)
Buildings and improvements	(406,639)	(46,823)	-	(453,462)
Equipment	(461,113)	(37,928)	24,376	(474,665)
Vehicles	(986,250)	(102,952)	123,834	(965,368)
Infrastructure	(453,825)	(243,220)	-	(697,045)
Total accumulated depreciation	(2,398,273)	(442,071)	148,210	(2,692,134)
Total capital assets, being depreciated, net	5,047,835	471,036	(93,275)	5,425,596
Governmental activities capital assets, net	<u>\$ 6,347,804</u>	<u>\$ 823,478</u>	<u>\$ (275,003)</u>	<u>\$ 6,896,279</u>

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

<u>Governmental activities:</u>	
General government	\$ 43,269
Security of persons and property	9,797
Leisure time activity	27,783
Transportation	255,858
Community environment	105,364
Total depreciation expense - governmental activities	<u>\$ 442,071</u>

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 8 - CAPITAL ASSETS - (Continued)

	Balance			Balance
<u>Business-type activities:</u>	<u>12/31/08</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/09</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 654,893	\$ -	\$ -	\$ 654,893
Construction in progress	<u>-</u>	<u>200,544</u>	<u>-</u>	<u>200,544</u>
Total capital assets, not being depreciated	<u>654,893</u>	<u>200,544</u>	<u>-</u>	<u>855,437</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	105,881	-	-	105,881
Buildings and improvements	6,683,354	-	(17,439)	6,665,915
Equipment	1,380,783	342,569	-	1,723,352
Vehicles	39,885	-	-	39,885
Infrastructure	<u>6,472,673</u>	<u>207,460</u>	<u>-</u>	<u>6,680,133</u>
Total capital assets, being depreciated	<u>14,682,576</u>	<u>550,029</u>	<u>(17,439)</u>	<u>15,215,166</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(104,820)	(1,061)	-	(105,881)
Buildings and improvements	(1,388,084)	(168,299)	13,661	(1,542,722)
Equipment	(846,100)	(74,609)	-	(920,709)
Vehicles	(1,994)	(3,989)	-	(5,983)
Infrastructure	<u>(3,483,247)</u>	<u>(215,174)</u>	<u>-</u>	<u>(3,698,421)</u>
Total accumulated depreciation	<u>(5,824,245)</u>	<u>(463,132)</u>	<u>13,661</u>	<u>(6,273,716)</u>
Total capital assets, being depreciated, net	<u>8,858,331</u>	<u>86,897</u>	<u>(3,778)</u>	<u>8,941,450</u>
Business-type activities capital assets, net	<u>\$ 9,513,224</u>	<u>\$ 287,441</u>	<u>\$ (3,778)</u>	<u>\$ 9,796,887</u>

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

Business-type activities:

Water	\$ 287,024
Sewer	<u>176,108</u>
Total depreciation expense - business type activities	<u>\$ 463,132</u>

CITY OF PATASKALA, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 9 - 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 assets 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, 2009, the liability for compensated absences in governmental activities was \$83,349 and \$10,673 was the liability for compensated absences reported in the business-type activities. The total liability for the City's compensated absences reported on the statement of net assets was \$94,022 with \$70,712 being due within one year.

NOTE 10 - CAPITAL LEASES - LESSEE DISCLOSURE

During 2009 and a previous year, the City entered into capital lease agreements for the acquisition of vehicles. The leases meet the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. At inception, capital lease transactions are accounted for as capital outlay expenditure and other financing source in the appropriate fund. Capital lease payments in the governmental funds have been reclassified on the financial statements to reflect debt principal and interest payments. These payments are reported as program expenditures on the budgetary statement.

Capital assets consisting of vehicles have been capitalized in the amount of \$322,323. This amount represents the present value of minimum lease payments at the time of acquisition. Accumulated depreciation as of December 31, 2009 was \$100,724, leaving a current book value of \$221,599. A corresponding liability was recorded in the government-wide financial statements. Principal and interest payments made in 2009 totaled \$253,537 and \$22,983, respectively, paid by the police levy fund.

The final lease payment was due in 2011. The City has opted to pay the lease in full during 2010 as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2010	<u>\$ 182,803</u>
Total lease payments	182,803
Less: amount representing interest	<u>(2,100)</u>
Net lease payments	<u><u>\$ 180,703</u></u>

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 11 - LONG-TERM OBLIGATIONS

A. During 2009, the following activity occurred in the City's governmental long-term obligations:

	Balance			Balance	Amounts
	12/31/08	Additions	Reductions	12/31/09	Due in
Governmental activities:					One Year
Capital lease obligations	\$ 253,537	\$ 180,703	\$ (253,537)	\$ 180,703	\$ 180,703
Note payable	-	860,000	-	860,000	40,427
OPWC loans	92,355	-	(5,273)	87,082	10,547
Compensated absences	78,508	72,834	(67,993)	83,349	60,039
Total governmental activities					
long-term obligations	<u>\$ 424,400</u>	<u>\$ 1,113,537</u>	<u>\$ (326,803)</u>	<u>\$ 1,211,134</u>	<u>\$ 291,716</u>

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

Capital Lease Obligation: Capital lease payments were made from the police levy fund. See Note 10 for detail on the City's capital lease obligations.

Note Payable: A long-term note was issued on December 9, 2009 to retire the bond anticipation note previously issued to finance the municipal building improvements (see Note 12). 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 of the City.

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.

A summary of the City's future debt service requirements for governmental activities long-term obligations outstanding as of December 31, 2009 are as follows:

Year Ending December 31,	OPWC Loans		
	Principal	Interest	Total
2010	\$ 10,547	\$ -	\$ 10,547
2011	10,547	-	10,547
2012	10,547	-	10,547
2013	5,273	-	5,273
2014	3,237	-	3,237
2015 - 2019	16,183	-	16,183
2020 - 2024	16,183	-	16,183
2025 - 2028	<u>14,565</u>	<u>-</u>	<u>14,565</u>
Total	<u>\$ 87,082</u>	<u>\$ -</u>	<u>\$ 87,082</u>

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	Notes Payable		
	Principal	Interest	Total
2010	\$ 40,427	\$ 41,417	\$ 81,844
2011	42,373	39,471	81,844
2012	44,312	37,532	81,844
2013	46,548	35,296	81,844
2014	686,340	33,054	719,394
Total	<u>\$ 860,000</u>	<u>\$ 186,770</u>	<u>\$ 1,046,770</u>

B. During 2009, the following activity occurred in the City's business-type long-term obligations:

Business-type activities:	Interest Rate	Balance 12/31/08	Additions	Reductions	Balance 12/31/09	Amounts Due in One Year
<u>General Obligation Bonds</u>						
Sewer bonds	5.50-6.125%	\$ 600,000	\$ -	\$ (40,000)	\$ 560,000	\$ 40,000
Water bonds	4.25-5.00%	6,530,000	-	(100,000)	6,430,000	110,000
Total general obligation revenue bonds	4.25-6.125%	7,130,000	-	(140,000)	6,990,000	150,000
<u>OWDA Loans</u>						
Sewer plant loan	7.00%	440,443	-	(212,185)	228,258	228,258
Sewer design loan	4.65%	-	48,350	-	48,350	-
Water system loan	7.00%	292,654	-	(109,725)	182,929	120,127
Total OWDA loans		733,097	48,350	(321,910)	459,537	348,385
<u>Other Obligations</u>						
Compensated absences		10,906	235	(468)	10,673	10,673
Total other obligations		10,906	235	(468)	10,673	10,673
Total business-type activities long-term obligations		<u>\$ 7,874,003</u>	<u>\$ 48,585</u>	<u>\$ (462,378)</u>	7,460,210	<u>\$ 509,058</u>
Add: Unamortized premium on bond issue					92,640	
Total reported on the statement of net assets					<u>\$ 7,552,850</u>	

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, 2009

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

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, 2009, the City had \$73,029 of unspent bond proceeds remaining 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, 2009, the City had outstanding borrowings of \$459,537. During 2009, the sewer and water funds made \$212,185 and \$109,725 principal payments, respectively, on the OWDA loans.

The City has pledged future sewer revenues to repay the sewer plant OWDA loan. The loan is payable solely from sewer fund revenues and are payable through 2010. Annual principal and interest payments on the loans are expected to require 152.08 percent of net revenues and 28.19 percent of total revenues. The total principal and interest remaining to be paid on the loans is \$244,213. Principal and interest paid for the current year were \$242,972, total net revenues were \$159,764 and total revenues were \$861,758.

The City has pledged future water revenues to repay the water system OWDA loan. The loan is payable solely from water fund revenues and are payable through 2011. Annual principal and interest payments on the loans are expected to require all of the water funds net revenues and 16.68 percent of total revenues. The total principal and interest remaining to be paid on the loans is \$200,105. Principal and interest paid for the current year were \$130,199, total net revenues were a loss of \$(213,354) and total revenues were \$780,361.

The following loan schedule does not include the Sewer Design Loan as it has not been completely disbursed as of the end of 2009.

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, 2009

NOTE 11 - 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			OWDA Loans		
	Principal	Interest	Total	Principal	Interest	Total
2010	\$ 150,000	\$ 337,737	\$ 487,737	\$ 348,385	\$ 28,741	\$ 377,126
2011	195,000	330,613	525,613	62,802	4,390	67,192
2012	175,000	321,481	496,481	-	-	-
2013	175,000	313,106	488,106	-	-	-
2014	195,000	304,732	499,732	-	-	-
2015 - 2019	1,100,000	1,375,363	2,475,363	-	-	-
2020 - 2024	990,000	1,106,688	2,096,688	-	-	-
2025 - 2029	1,260,000	834,143	2,094,143	-	-	-
2030 - 2034	1,600,000	497,126	2,097,126	-	-	-
2035 - 2037	1,150,000	107,993	1,257,993	-	-	-
Total	<u>\$ 6,990,000</u>	<u>\$ 5,528,982</u>	<u>\$ 12,518,982</u>	<u>\$ 411,187</u>	<u>\$ 33,131</u>	<u>\$ 444,318</u>

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, 2009, the City's total debt margin was \$35,085,116 and the unvoted debt margin was \$18,392,236.

NOTE 12 - NOTES PAYABLE

During 2009, the City had the following note activity:

	Interest	Issue	Maturity	Balance			Balance
<u>Governmental activities:</u>	<u>Rate</u>	<u>Date</u>	<u>Date</u>	<u>12/31/08</u>	<u>Issued</u>	<u>Retired</u>	<u>12/31/09</u>
Bridge improvement	5.00%	08/27/08	08/26/09	\$ 176,000	\$ -	\$ (176,000)	\$ -
Bridge improvement	6.125%	08/21/09	08/20/10	-	162,000	-	162,000
Municipal building	5.00%	12/10/08	12/9/09	860,000	-	(860,000)	-
Total governmental activities notes payable				<u>\$ 1,036,000</u>	<u>\$ 162,000</u>	<u>\$ (1,036,000)</u>	<u>\$ 162,000</u>

On December 9, 2009 the City paid off the municipal building bond anticipation note through a long-term note issue (see Note 11.A).

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 12 - NOTES PAYABLE - (Continued)

On August 21, 2009, the City issued \$162,000 in bond anticipation notes in order to refinance bond anticipation notes that were previously issued on August 27, 2008 for bridge improvements. The liability is reported in the Courter Bridge improvement nonmajor capital projects fund. The note has a 6.125% interest rate and is scheduled to mature on August 20, 2010.

NOTE 13 - RISK MANAGEMENT

A. Property and Casualty Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City purchases fire and extended coverage insurance on all buildings and contents to \$2,000,000 with a variety of deductibles beginning with \$0 to \$5,000. Coverage is purchased on City vehicles for a combined single limit liability of \$2,000,000. The City purchases general liability insurance coverage with a \$2,000,000 limit per occurrence. The City also has an umbrella policy which provides an additional \$75,000 in coverage over and above listed policies.

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, dental is provided by Delta Dental, vision is provided by Vision Service Plan and life insurance is provided by Hartford. The risk of loss transfers entirely to the insurance carriers. The City pays a portion of the premiums. 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, 2009

NOTE 14 - 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. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the traditional pension 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 that may be obtained by 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 2009, member and contribution rates were consistent across all three plans. While members in the State and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan. The 2009 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 10.10%. The City's contribution rate for 2009 was 14.00%, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.63% of covered payroll.

The City's contribution rate for pension benefits for 2009 was 7.00% from January 1 through March 31, 2009 and 8.50% from April 1 through December 31, 2009, except for those plan members in law enforcement and public safety. For those classifications, pension contributions were 10.63% from January 1 through March 31, 2009 and 12.13% from April 1 through December 31, 2009. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2009, 2008, and 2007 were \$87,782, \$73,097, and \$71,692, respectively; 91.18% has been contributed for 2009 and 100% has been contributed for 2008 and 2007.

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.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 14 - 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 2009, the portion of the City's contributions to fund pension obligations was 12.75% for police officers and 17.25% for firefighters. The City's required contributions for pension obligations to OP&F for police officers were for the years ended December 31, 2009, 2008, and 2007 were \$97,263, \$103,913, and \$108,646, respectively; 73.38% has been contributed for 2009 and 100% has been contributed for 2008 and 2007.

NOTE 15 - 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 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 administrated in accordance with, Internal Revenue Code 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 2009, local government employers contributed 14.00% of covered payroll (17.63% for public safety and law enforcement). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for 2009 was 7.00% from January 1 through March 31, 2009 and 5.50% from April 1 through December 31, 2009.

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.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2009, 2008, and 2007 were \$62,702, \$73,097, and \$47,222, respectively; 91.18% has been contributed for 2009 and 100% has been contributed for 2008 and 2007.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 15 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

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 postemployment 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.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan 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, 2009, 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.

CITY OF PATASKALA, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 15 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers for the years ended December 31, 2009, 2008, and 2007 were \$51,492, \$55,013, and \$57,519, respectively; 73.38% has been contributed for 2009 and 100% has been contributed for 2008 and 2007.

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statements of revenues, expenditures and changes in fund balances - budget and actual (non-GAAP budgetary basis) presented for the general fund, street fund and police levy fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP);
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP);
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP); and,
4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

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</u>	<u>Street</u>	<u>Police Levy</u>
Budget basis	\$ 315,012	\$ (13,914)	\$ 211,263
Net adjustment for revenue accruals	93,205	(1,800)	-
Net adjustment for expenditure accruals	<u>49,817</u>	<u>(51,813)</u>	<u>(50,283)</u>
GAAP basis	<u>\$ 458,034</u>	<u>\$ (67,527)</u>	<u>\$ 160,980</u>

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 17 - 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, 2009.

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.

NOTE 18 - SUBSEQUENT EVENTS

A. Income Tax

On May 4, 2010 the City passed a 1% permanent income tax with 0% credit from other municipalities effective July 1, 2010. From July 1, 2010 through December 31, 2011, collections will be allocated .75% to the police levy fund and .25% to the street fund. Beginning January 1, 2012, all collections will be recorded in the general fund.

B. General Obligation Bonds

City Council has authorized the issuance of up to \$4,000,000 in general obligation bonds for the purpose of funding the City's wastewater treatment plant phase II project.

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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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 SPECIAL REVENUE FUND

Street Fund

The street fund accounts for revenues generated from license and gasoline taxes to be used on local roads within the City.

Police Levy Fund

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

NONMAJOR SPECIAL REVENUE FUNDS

The special revenue funds are used to account for all specific financial resources (other than major capital projects) that are legally restricted for specified expenditure purposes. The following are the special revenue funds which the City operates:

State Highway Fund

This fund accounts for the portion of state gasoline tax designated for maintenance of state highways 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 used for planning, constructing, improving, maintaining, and repairing roads, streets and bridges within the City.

Recreation Fund

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

Park Use Fund

This fund accounts for developers' fees collected to be used 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 used for training and education purposes.

Court Computer Fund

This fund receives fines assessed from the City's Mayor's Court and may be used to improve the court computer systems.

Alcohol Enforcement and Education Fund

Account for fines received by the City's Mayor's Court and are used 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 may be used on any law enforcement activity.

Pataskala Mobile Home Park Fund

This fund accounts for a donation received for maintenance of the storm sewer line underlying the railroad tracks within the City.

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.

Police K-9 Unit Fund

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

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

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Sesquicentennial Fund

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

CDBG Fund

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

NONMAJOR DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources and the payments of general obligation and special assessment principal, interest, and related costs.

Street Bond Fund

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

NONMAJOR CAPITAL PROJECTS FUNDS

The capital project fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds. Following is a description of the capital project fund:

Issue II Fund

This fund accounts for grants and loans received or paid on behalf of the City by the Ohio Public Works Commission for City-wide capital improvements.

Courter Bridge Improvement Fund

This fund receives bond anticipation note proceeds 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.

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, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other taxes	\$ 895,932	\$ 895,932	\$ 847,697	\$ (48,235)
Charges for services	30,000	30,000	4,622	(25,378)
Licenses and permits.	152,100	152,100	222,173	70,073
Fines and forfeitures.	89,000	89,000	130,807	41,807
Intergovernmental	249,154	249,154	300,844	51,690
Investment income	30,000	30,000	11,624	(18,376)
Rental income.	100,000	100,000	112,751	12,751
Other	38,988	38,988	26,322	(12,666)
Total revenues.	<u>1,585,174</u>	<u>1,585,174</u>	<u>1,656,840</u>	<u>71,666</u>
Expenditures:				
Current:				
General government				
Mayor				
Personal services.	15,819	15,819	14,168	1,651
Contractual services	1,000	-	-	-
Materials and supplies.	2,000	2,000	840	1,160
Total mayor	<u>18,819</u>	<u>17,819</u>	<u>15,008</u>	<u>2,811</u>
Finance				
Personal services.	96,097	96,097	90,934	5,163
Contractual services	48,000	48,000	37,269	10,731
Materials and supplies.	12,500	12,500	5,329	7,171
Total finance.	<u>156,597</u>	<u>156,597</u>	<u>133,532</u>	<u>23,065</u>
Law director				
Personal services.	-	69,270	66,746	2,524
Contractual services	235,000	82,730	60,399	22,331
Materials and supplies.	7,500	7,500	2,933	4,567
Total law director	<u>242,500</u>	<u>159,500</u>	<u>130,078</u>	<u>29,422</u>
City administrator				
Personal services.	31,912	31,912	31,510	402
Contractual services	35,000	35,000	14,790	20,210
Materials and supplies.	25,750	25,750	8,467	17,283
Total city administrator	<u>92,662</u>	<u>92,662</u>	<u>54,767</u>	<u>37,895</u>

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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, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Public service director				
Personal services.	37,604	37,604	36,494	1,110
Materials and supplies.	3,000	3,000	1,064	1,936
Total public service director . . .	40,604	40,604	37,558	3,046
Construction accounts				
Contractual services	284,663	284,663	65,247	219,416
Total construction accounts . . .	284,663	284,663	65,247	219,416
Personnel and Charter Review Commissions				
Personal services.	1,850	1,850	761	1,089
Total personnel and charter review commissions	1,850	1,850	761	1,089
City lands and buildings				
Contractual services	127,000	127,000	83,876	43,124
Materials and supplies.	51,075	51,075	41,909	9,166
Capital outlay	209,000	209,000	38,244	170,756
Total city lands and buildings	387,075	387,075	164,029	223,046
Council and clerk				
Personal services.	62,133	62,133	59,174	2,959
Contractual services	5,000	5,000	373	4,627
Materials and supplies.	10,750	10,750	9,205	1,545
Total council and clerk.	77,883	77,883	68,752	9,131
Mayor's court				
Personal services.	50,867	50,867	43,381	7,486
Contractual services	15,000	99,000	74,537	24,463
Materials and supplies.	23,000	23,000	9,949	13,051
Total mayor's court	88,867	172,867	127,867	45,000
General office, liability insurance and contingency				
Personal services.	3,030	31	31	-
Contractual services	100,000	100,000	46,975	53,025
Materials and supplies.	10,072	10,000	8,257	1,743
Contingency.	360,679	360,679	-	360,679
Total general office, liability insurance and contingency	473,781	470,710	55,263	415,447
Total general government.	1,865,301	1,862,230	852,862	1,009,368
Security of persons and property				
Police				
Personal services.	107,553	107,553	105,480	2,073
Total police	107,553	107,553	105,480	2,073
Street Lighting				
Contractual services	45,000	48,071	47,615	456
Total street lighting.	45,000	48,071	47,615	456
Total security of persons and property.	152,553	155,624	153,095	2,529

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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 (CONCLUDED)
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Public health and welfare				
Health services				
Contractual services	57,500	57,500	57,500	-
Total health services	57,500	57,500	57,500	-
 Total public health and welfare.	 57,500	 57,500	 57,500	 -
 Community environment				
Planning				
Personal services.	217,558	217,558	212,869	4,689
Contractual services	3,750	3,750	2,794	956
Materials and supplies.	28,094	28,094	19,827	8,267
Total planning.	249,402	249,402	235,490	13,912
 Total community environment	 249,402	 249,402	 235,490	 13,912
 Total expenditures.	 2,324,756	 2,324,756	 1,298,947	 1,025,809
 Excess (deficiency) of revenues over (under) expenditures	 (739,582)	 (739,582)	 357,893	 1,097,475
 Other financing uses:				
Transfers out.	(50,000)	(50,000)	(42,881)	7,119
Total other financing uses.	(50,000)	(50,000)	(42,881)	7,119
 Net change in fund balance.	 (789,582)	 (789,582)	 315,012	 1,104,594
 Fund balance at beginning of year	 789,582	 789,582	 789,582	 -
 Fund balance at end of year.	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 1,104,594</u>	 <u>\$ 1,104,594</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, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 678,375	\$ 678,375	\$ 648,472	\$ (29,903)
Investment income	8,000	8,000	3,522	(4,478)
Other.	10,000	10,000	40,468	30,468
Total revenues.	<u>696,375</u>	<u>696,375</u>	<u>692,462</u>	<u>(3,913)</u>
Expenditures:				
Current:				
Transportation				
Street department				
Personnel services.	369,500	369,500	344,855	24,645
Contractual services.	404,736	404,736	219,540	185,196
Materials and supplies.	542,998	542,998	141,981	401,017
Capital outlay.	10,000	10,000	-	10,000
Total transportation.	<u>1,327,234</u>	<u>1,327,234</u>	<u>706,376</u>	<u>620,858</u>
Total expenditures.	<u>1,327,234</u>	<u>1,327,234</u>	<u>706,376</u>	<u>620,858</u>
Net change in fund balance.	(630,859)	(630,859)	(13,914)	616,945
Fund balance at beginning of year	<u>630,859</u>	<u>630,859</u>	<u>630,859</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 616,945</u>	<u>\$ 616,945</u>

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property and other taxes	\$ 1,430,533	\$ 1,430,533	\$ 1,344,433	\$ (86,100)
Intergovernmental	189,748	189,748	239,182	49,434
Other.	1,000	1,000	24,175	23,175
Total revenues.	<u>1,621,281</u>	<u>1,621,281</u>	<u>1,607,790</u>	<u>(13,491)</u>
Expenditures:				
Current:				
Security of persons and property				
Police				
Personal services.	1,305,627	1,305,627	1,122,597	183,030
Contractual services	214,960	214,960	118,842	96,118
Materials and supplies.	227,039	227,039	102,103	124,936
Capital outlay.	48,000	48,000	6,668	41,332
Total security of persons and property.	<u>1,795,626</u>	<u>1,795,626</u>	<u>1,350,210</u>	<u>445,416</u>
Debt service:				
Principal retirement.	79,211	253,537	253,537	-
Interest and fiscal charges.	16,606	22,983	22,983	-
Total debt service.	<u>95,817</u>	<u>276,520</u>	<u>276,520</u>	<u>-</u>
Total expenditures.	<u>1,891,443</u>	<u>2,072,146</u>	<u>1,626,730</u>	<u>445,416</u>
Excess (deficiency) of revenues over (under) expenditures.	(270,162)	(450,865)	(18,940)	431,925
Other financing sources:				
Capital lease obligations	-	180,703	180,703	-
Sale of capital assets	-	-	49,500	49,500
Total other financing sources.	<u>-</u>	<u>180,703</u>	<u>230,203</u>	<u>49,500</u>
Net change in fund balance.	(270,162)	(270,162)	211,263	481,425
Fund balance at beginning of year	<u>270,162</u>	<u>270,162</u>	<u>270,162</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 481,425</u>	<u>\$ 481,425</u>

CITY OF PATASKALA, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 537,249	\$ 30,067	\$ 11,392	\$ 578,708
Receivables (net of allowances for uncollectibles):				
Accounts	38	-	-	38
Special assessments	914	-	-	914
Due from other governments	40,552	-	-	40,552
Restricted assets:				
Cash with fiscal and escrow agent	120,561	-	-	120,561
Total assets	<u>\$ 699,314</u>	<u>\$ 30,067</u>	<u>\$ 11,392</u>	<u>\$ 740,773</u>
Liabilities:				
Accounts payable	\$ 1,467	\$ -	\$ -	\$ 1,467
Accrued interest payable	-	-	6,334	6,334
Notes payable	-	-	162,000	162,000
Deferred revenue	16,040	-	-	16,040
Total liabilities	<u>17,507</u>	<u>-</u>	<u>168,334</u>	<u>185,841</u>
Fund balances:				
Reserved for debt service	-	30,067	-	30,067
Unreserved, undesignated (deficit) reported in:				
Special revenue funds	681,807	-	-	681,807
Capital projects fund	-	-	(156,942)	(156,942)
Total fund balances (deficit)	<u>681,807</u>	<u>30,067</u>	<u>(156,942)</u>	<u>554,932</u>
Total liabilities and fund balances	<u>\$ 699,314</u>	<u>\$ 30,067</u>	<u>\$ 11,392</u>	<u>\$ 740,773</u>

CITY OF PATASKALA, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Charges for services	\$ 18,688	\$ -	\$ -	\$ 18,688
Licenses and permits	1,750	-	-	1,750
Fines and forfeitures	1,282	-	-	1,282
Intergovernmental	402,722	-	-	402,722
Investment income	529	-	-	529
Contributions and donations	116	-	-	116
Other	20,142	-	-	20,142
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	445,229	-	-	445,229
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current:				
Security of persons and property	13,439	-	-	13,439
Transportation	63,685	-	-	63,685
Community environment	2,411	-	-	2,411
Leisure time activity.	14,340	-	-	14,340
Economic development.	-	-	9,800	9,800
Capital outlay	89,717	-	-	89,717
Debt service:				
Principal retirement.	5,273	-	-	5,273
Interest and fiscal charges	-	-	54,196	54,196
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	188,865	-	63,996	252,861
	<hr/>	<hr/>	<hr/>	<hr/>
Deficiency of revenues under expenditures	256,364	-	(63,996)	192,368
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses):				
Note issuance	-	-	860,000	860,000
Premium on notes sold.	-	-	1,730	1,730
Transfers in.	-	-	65,657	65,657
Transfers out	(22,776)	-	-	(22,776)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(22,776)	-	927,387	904,611
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	233,588	-	863,391	1,096,979
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficit) at beginning of year. . . .	448,219	30,067	(1,020,333)	(542,047)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficit) at end of year	<u>\$ 681,807</u>	<u>\$ 30,067</u>	<u>\$ (156,942)</u>	<u>\$ 554,932</u>

CITY OF PATASKALA, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2009

	State Highway Fund	Permissive License Tax Fund	Recreation Fund	Park Use Fund
Assets:				
Equity in pooled cash and cash equivalents . . .	\$ 72,688	\$ 327,394	\$ 18,974	\$ 80,634
Receivables (net of allowances for uncollectibles):				
Accounts	-	-	-	-
Special assessments	-	-	-	-
Due from other governments	23,457	17,095	-	-
Restricted assets:				
Cash with fiscal and escrow agent.	-	120,561	-	-
Total assets	<u>\$ 96,145</u>	<u>\$ 465,050</u>	<u>\$ 18,974</u>	<u>\$ 80,634</u>
Liabilities:				
Accounts payable	\$ 955	\$ -	\$ 141	\$ -
Deferred revenue	<u>15,126</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>16,081</u>	<u>-</u>	<u>141</u>	<u>-</u>
Fund balances:				
Unreserved, undesignated reported in:				
Special revenue funds	<u>80,064</u>	<u>465,050</u>	<u>18,833</u>	<u>80,634</u>
Total fund balances	<u>80,064</u>	<u>465,050</u>	<u>18,833</u>	<u>80,634</u>
Total liabilities and fund balances	<u>\$ 96,145</u>	<u>\$ 465,050</u>	<u>\$ 18,974</u>	<u>\$ 80,634</u>

Immobilization Fund	Court Computer Fund	Alcohol Enforcement and Education Fund	Law Enforcement Trust Fund	Pataskala Mobile Home Park Fund
\$ 10,649	\$ 12,497	\$ 5,611	\$ 1,768	\$ 4,324
-	-	-	38	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 10,649</u>	<u>\$ 12,497</u>	<u>\$ 5,611</u>	<u>\$ 1,806</u>	<u>\$ 4,324</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
10,649	12,497	5,611	1,806	4,324
10,649	12,497	5,611	1,806	4,324
<u>\$ 10,649</u>	<u>\$ 12,497</u>	<u>\$ 5,611</u>	<u>\$ 1,806</u>	<u>\$ 4,324</u>

CITY OF PATASKALA, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2009

	Police K-9 Unit Fund	Sesquicentennial Fund	Street Light Assistance Fund	Total Nonmajor Special Revenue Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,976	\$ 734	\$ -	\$ 537,249
Receivables (net of allowances for uncollectibles):				
Accounts	-	-	-	38
Special assessments	-	-	914	914
Due from other governments	-	-	-	40,552
Restricted assets:				
Cash with fiscal and escrow agent.	-	-	-	120,561
Total assets	<u>\$ 1,976</u>	<u>\$ 734</u>	<u>\$ 914</u>	<u>\$ 699,314</u>
Liabilities:				
Accounts payable	\$ 371	\$ -	\$ -	\$ 1,467
Deferred revenue	-	-	914	16,040
Total liabilities	<u>371</u>	<u>-</u>	<u>914</u>	<u>17,507</u>
Fund balances:				
Unreserved, undesignated reported in:				
Special revenue funds	<u>1,605</u>	<u>734</u>	<u>-</u>	<u>681,807</u>
Total fund balances	<u>1,605</u>	<u>734</u>	<u>-</u>	<u>681,807</u>
Total liabilities and fund balances	<u>\$ 1,976</u>	<u>\$ 734</u>	<u>\$ 914</u>	<u>\$ 699,314</u>

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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, 2009

	State Highway Fund	Permissive License Tax Fund	Recreation Fund	Park Use Fund
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ 18,688
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	50,045	289,848	1,067	-
Investment income	424	-	-	-
Contributions and donations	-	-	-	-
Other	-	-	10,156	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	50,469	289,848	11,223	18,688
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current:				
Security of persons and property	-	-	-	-
Transportation	39,346	-	-	-
Community environment	-	-	-	-
Leisure time activity.	-	-	14,340	-
Capital outlay	-	51,199	-	1,095
Debt service:				
Principal retirement.	-	5,273	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	39,346	56,472	14,340	1,095
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	11,123	233,376	(3,117)	17,593
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing uses:				
Transfers out	-	(22,776)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing uses.	-	(22,776)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances.	11,123	210,600	(3,117)	17,593
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	68,941	254,450	21,950	63,041
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$ 80,064	\$ 465,050	\$ 18,833	\$ 80,634
	<hr/>	<hr/>	<hr/>	<hr/>

Immobilization Fund	Court Computer Fund	Alcohol Enforcement and Education Fund	Law Enforcement Trust Fund	Pataskala Mobile Home Park Fund
\$ -	\$ -	\$ -	\$ -	\$ -
1,750	-	-	-	-
-	-	750	532	-
-	-	-	-	-
-	-	-	-	105
-	-	-	-	-
-	9,948	-	38	-
1,750	9,948	750	570	105
-	11,259	722	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	11,259	722	-	-
1,750	(1,311)	28	570	105
-	-	-	-	-
-	-	-	-	-
1,750	(1,311)	28	570	105
8,899	13,808	5,583	1,236	4,219
\$ 10,649	\$ 12,497	\$ 5,611	\$ 1,806	\$ 4,324

- - Continued

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, 2009

	FEMA Fund	Police K-9 Unit Fund	Sesquicentennial Fund	CDBG Fund
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	24,339	-	-	37,423
Investment income	-	-	-	-
Contributions and donations	-	-	116	-
Other	-	-	-	-
Total revenues	24,339	-	116	37,423
Expenditures:				
Current:				
Security of persons and property	-	1,458	-	-
Transportation	24,339	-	-	-
Community environment	-	-	2,411	-
Leisure time activity.	-	-	-	-
Capital outlay	-	-	-	37,423
Debt service:				
Principal retirement.	-	-	-	-
Total expenditures	24,339	1,458	2,411	37,423
Excess (deficiency) of revenues over (under) expenditures	-	(1,458)	(2,295)	-
Other financing uses:				
Transfers out	-	-	-	-
Total other financing uses.	-	-	-	-
Net change in fund balances.	-	(1,458)	(2,295)	-
Fund balances at beginning of year	-	3,063	3,029	-
Fund balances at end of year	\$ -	\$ 1,605	\$ 734	\$ -

Total Nonmajor Special Revenue Funds	
\$	18,688
	1,750
	1,282
	402,722
	529
	116
	20,142
	<u>445,229</u>
	13,439
	63,685
	2,411
	14,340
	89,717
	<u>5,273</u>
	<u>188,865</u>
	<u>256,364</u>
	<u>(22,776)</u>
	<u>(22,776)</u>
	233,588
	<u>448,219</u>
\$	<u><u>681,807</u></u>

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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, 2009

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Intergovernmental.	\$ 52,000	\$ 50,212	\$ (1,788)
Investment income	1,000	424	(576)
Other	4,900	-	(4,900)
Total revenues.	<u>57,900</u>	<u>50,636</u>	<u>(7,264)</u>
Expenditures:			
Current:			
Transportation			
Street department			
Materials and supplies	<u>119,031</u>	<u>39,079</u>	<u>79,952</u>
Total expenditures.	<u>119,031</u>	<u>39,079</u>	<u>79,952</u>
Net change in fund balance	(61,131)	11,557	72,688
Fund balance at beginning of year	<u>61,131</u>	<u>61,131</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 72,688</u>	<u>\$ 72,688</u>

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, 2009

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Intergovernmental.	\$ 333,000	\$ 218,308	\$ (114,692)
Total revenues.	<u>333,000</u>	<u>218,308</u>	<u>(114,692)</u>
Expenditures:			
Current:			
Transportation			
Street department			
Contractual services	220,000	-	220,000
Materials and supplies.	167,287	-	167,287
Capital outlay	<u>100,000</u>	<u>51,199</u>	<u>48,801</u>
Total transportation.	<u>487,287</u>	<u>51,199</u>	<u>436,088</u>
Debt service:			
Principal retirement.	25,271	19,273	5,998
Interest and fiscal charges.	<u>8,776</u>	<u>8,776</u>	<u>-</u>
Total debt service.	<u>34,047</u>	<u>28,049</u>	<u>5,998</u>
Total expenditures.	<u>521,334</u>	<u>79,248</u>	<u>442,086</u>
Net change in fund balance	(188,334)	139,060	327,394
Fund balance at beginning of year.	<u>188,334</u>	<u>188,334</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 327,394</u></u>	<u><u>\$ 327,394</u></u>

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, 2009

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Intergovernmental	\$ -	\$ 1,067	\$ 1,067
Other	-	10,397	10,397
Total revenues	<u>-</u>	<u>11,464</u>	<u>11,464</u>
Expenditures:			
Current:			
Leisure time activities			
Recreation			
Personnel services.	-	309	(309)
Materials and supplies.	<u>22,887</u>	<u>15,068</u>	<u>7,819</u>
Total expenditures.	<u>22,887</u>	<u>15,377</u>	<u>7,510</u>
Net change in fund balance	(22,887)	(3,913)	18,974
Fund balance at beginning of year.	<u>22,887</u>	<u>22,887</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 18,974</u></u>	<u><u>\$ 18,974</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, 2009

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Charges for Services	\$ 15,000	\$ 18,688	\$ 3,688
Total revenues.	<u>15,000</u>	<u>18,688</u>	<u>3,688</u>
Expenditures:			
Current:			
Leisure time activity			
Capital outlay.	<u>78,041</u>	<u>1,095</u>	<u>76,946</u>
Total expenditures	<u>78,041</u>	<u>1,095</u>	<u>76,946</u>
Net change in fund balance.	(63,041)	17,593	80,634
Fund balance at beginning of year	<u>63,041</u>	<u>63,041</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ -</u></u>	<u><u>\$ 80,634</u></u>	<u><u>\$ 80,634</u></u>

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, 2009

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Fees, Licenses and Permits	\$ 600	\$ 1,920	\$ 1,320
Total revenues	<u>600</u>	<u>1,920</u>	<u>1,320</u>
Expenditures:			
Current:			
Security of persons and property			
Materials and supplies.	<u>9,329</u>	<u>-</u>	<u>9,329</u>
Total expenditures	<u>9,329</u>	<u>-</u>	<u>9,329</u>
Net change in fund balance	(8,729)	1,920	10,649
Fund balance at beginning of year.	<u>8,729</u>	<u>8,729</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 10,649</u></u>	<u><u>\$ 10,649</u></u>

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, 2009

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Fines and Forfeitures	\$ 7,000	\$ 10,603	\$ 3,603
Total revenues.	<u>7,000</u>	<u>10,603</u>	<u>3,603</u>
Expenditures:			
Current:			
Security of persons and property			
Capital outlay	<u>20,153</u>	<u>11,259</u>	<u>8,894</u>
Total expenditures	<u>20,153</u>	<u>11,259</u>	<u>8,894</u>
Net change in fund balance.	(13,153)	(656)	12,497
Fund balance at beginning of year	<u>13,153</u>	<u>13,153</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 12,497</u>	<u>\$ 12,497</u>

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, 2009

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Fines and forfeitures.	\$ 500	\$ 750	\$ 250
Total revenues	<u>500</u>	<u>750</u>	<u>250</u>
Expenditures:			
Current:			
Security of persons and property			
Contractual services	<u>6,083</u>	<u>722</u>	<u>5,361</u>
Total expenditures.	<u>6,083</u>	<u>722</u>	<u>5,361</u>
Net change in fund balance.	(5,583)	28	5,611
Fund balance at beginning of year	<u>5,583</u>	<u>5,583</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ -</u></u>	<u><u>\$ 5,611</u></u>	<u><u>\$ 5,611</u></u>

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, 2009

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Fines and forfeitures.	\$ 400	\$ 557	\$ 157
Total revenues	<u>400</u>	<u>557</u>	<u>157</u>
Expenditures:			
Current:			
Security of persons and property			
Contractual services.	<u>1,611</u>	<u>-</u>	<u>1,611</u>
Total expenditures	<u>1,611</u>	<u>-</u>	<u>1,611</u>
Net change in fund balance.	(1,211)	557	1,768
Fund balance at beginning of year	<u>1,211</u>	<u>1,211</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ -</u></u>	<u><u>\$ 1,768</u></u>	<u><u>\$ 1,768</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, 2009

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Investment Income.	\$ 120	\$ 105	\$ (15)
Total revenues.	<u>120</u>	<u>105</u>	<u>(15)</u>
Expenditures:			
Current:			
General government			
Materials and supplies.	4,339	-	4,339
Total expenditures	<u>4,339</u>	<u>-</u>	<u>4,339</u>
Net change in fund balance.	(4,219)	105	4,324
Fund balance at beginning of year	<u>4,219</u>	<u>4,219</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 4,324</u></u>	<u><u>\$ 4,324</u></u>

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEMA FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Intergovernmental	\$ 24,339	\$ 24,339	\$ -
Total revenues.	<u>24,339</u>	<u>24,339</u>	<u>-</u>
Expenditures:			
Current:			
Transportation			
Materials and supplies	24,339	24,339	-
Total expenditures.	<u>24,339</u>	<u>24,339</u>	<u>-</u>
Net change in fund balance.	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</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)
POLICE K-9 UNIT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Contributions and donations.	\$ 1,000	\$ -	\$ (1,000)
Total revenues.	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Expenditures:			
Current:			
Security of persons and property			
Materials and supplies	4,063	1,087	2,976
Total expenditures	<u>4,063</u>	<u>1,087</u>	<u>2,976</u>
Net change in fund balance.	(3,063)	(1,087)	1,976
Fund balance at beginning of year	<u>3,063</u>	<u>3,063</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,976</u></u>	<u><u>\$ 1,976</u></u>

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, 2009

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Contributions and donations.	\$ 1,000	\$ 116	\$ (884)
Total revenues.	<u>1,000</u>	<u>116</u>	<u>(884)</u>
Expenditures:			
Current:			
Community environment			
Materials and supplies.	4,087	2,469	1,618
Total expenditures.	<u>4,087</u>	<u>2,469</u>	<u>1,618</u>
Net change in fund balance.	(3,087)	(2,353)	734
Fund balance at beginning of year	<u>3,087</u>	<u>3,087</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ -</u></u>	<u><u>\$ 734</u></u>	<u><u>\$ 734</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, 2009

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Intergovernmental.	\$ 38,000	\$ 37,423	\$ (577)
Total revenues	<u>38,000</u>	<u>37,423</u>	<u>(577)</u>
Expenditures:			
Capital outlay	<u>38,000</u>	<u>37,423</u>	<u>577</u>
Total expenditures	<u>38,000</u>	<u>37,423</u>	<u>577</u>
Net change in fund balance.	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</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)
STREET BOND FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Fund balance at beginning of year	<u>30,067</u>	<u>30,067</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 30,067</u></u>	<u><u>\$ 30,067</u></u>	<u><u>\$ -</u></u>

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CITY OF PATASKALA, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2009

	<u>Courter Bridge Improvement Fund</u>	<u>Municipal Building Purchase Fund</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 59	\$ 11,333	\$ 11,392
Total assets.	<u>59</u>	<u>11,333</u>	<u>11,392</u>
Liabilities:			
Accrued interest payable	6,334	-	6,334
Notes payable.	<u>162,000</u>	<u>-</u>	<u>162,000</u>
Total liabilities	<u>168,334</u>	<u>-</u>	<u>168,334</u>
Fund Balances:			
Unreserved, undesignated (deficit), reported in:			
Capital projects funds.	<u>(168,275)</u>	<u>11,333</u>	<u>(156,942)</u>
Total fund balances (deficit).	<u>(168,275)</u>	<u>11,333</u>	<u>(156,942)</u>
Total liabilities and fund equity.	<u>\$ 59</u>	<u>\$ 11,333</u>	<u>\$ 11,392</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, 2009

	<u>Courter Bridge Improvement Fund</u>	<u>Municipal Building Purchase Fund</u>	<u>Total</u>
Expenditures:			
Current:			
Economic development	\$ -	\$ 9,800	\$ 9,800
Debt service:			
Interest and fiscal charges	13,907	40,289	54,196
Total expenditures	<u>13,907</u>	<u>50,089</u>	<u>63,996</u>
Deficiency of revenues under expenditures.	<u>(13,907)</u>	<u>(50,089)</u>	<u>(63,996)</u>
Other financing sources:			
Note issuance.	-	860,000	860,000
Transfers in	22,776	42,881	65,657
Premium on notes sold	<u>1,730</u>	<u>-</u>	<u>1,730</u>
Total other financing sources	<u>24,506</u>	<u>902,881</u>	<u>927,387</u>
Net change in fund balances	10,599	852,792	863,391
Fund balances (deficit) at beginning of year .	<u>(178,874)</u>	<u>(841,459)</u>	<u>(1,020,333)</u>
Fund balances (deficit) at end of year	<u><u>\$ (168,275)</u></u>	<u><u>\$ 11,333</u></u>	<u><u>\$ (156,942)</u></u>

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ISSUE II FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Intergovernmental.	\$ 481,745	\$ -	\$ (481,745)
Total revenues.	<u>481,745</u>	<u>-</u>	<u>(481,745)</u>
Expenditures:			
Capital outlay	\$ 481,745	\$ -	\$ 481,745
Total expenditures.	<u>481,745</u>	<u>-</u>	<u>481,745</u>
Net change in fund balance.	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</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)
COURTER BRIDGE IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Expenditures:			
Debt service:			
Principal retirement.	\$ 174,329	\$ 162,000	\$ 12,329
Interest and fiscal charges.	1,730	1,730	-
Total debt service.	<u>176,059</u>	<u>163,730</u>	<u>12,329</u>
Deficiency of revenues under expenditures .	<u>(176,059)</u>	<u>(163,730)</u>	<u>12,329</u>
Other financing sources:			
Note issuance.	176,000	162,000	(14,000)
Premium on notes sold.	-	1,730	1,730
Total other financing sources.	<u>176,000</u>	<u>163,730</u>	<u>(12,270)</u>
Net change in fund balance.	(59)	-	59
Fund balance at beginning of year	<u>59</u>	<u>59</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 59</u>	<u>\$ 59</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, 2009

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Expenditures:			
Current:			
Economic development			
Materials and supplies.	\$ 28,397	\$ 9,800	\$ 18,597
Debt service:			
Principal retirement	859,855	860,000	(145)
Interest and fiscal charges	42,881	42,881	-
Total debt service.	<u>902,736</u>	<u>902,881</u>	<u>(145)</u>
Total expenditures.	<u>931,133</u>	<u>912,681</u>	<u>18,452</u>
Deficiency of revenues under expenditures . .	<u>(931,133)</u>	<u>(912,681)</u>	<u>18,452</u>
Other financing sources:			
Transfers in.	50,000	42,881	(7,119)
Note issuance	<u>860,000</u>	<u>860,000</u>	<u>-</u>
Total other financing sources.	<u>910,000</u>	<u>902,881</u>	<u>(7,119)</u>
Net change in fund balance.	(21,133)	(9,800)	11,333
Fund balance at beginning of year	<u>21,133</u>	<u>21,133</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 11,333</u></u>	<u><u>\$ 11,333</u></u>

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.

Sewer Fund

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

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, 2009

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Operating revenues:			
Charges for services	\$ 776,000	\$ 759,912	\$ (16,088)
Other.	5,000	13,897	8,897
Total revenues	<u>781,000</u>	<u>773,809</u>	<u>(7,191)</u>
Operating expenses:			
Personal services.	335,064	322,144	12,920
Materials and supplies	425,736	383,663	42,073
Contractual services	195,600	52,609	142,991
Capital outlay	<u>1,358,155</u>	<u>270,018</u>	<u>1,088,137</u>
Total expenses	<u>2,314,555</u>	<u>1,028,434</u>	<u>1,286,121</u>
Operating loss.	<u>(1,533,555)</u>	<u>(254,625)</u>	<u>1,278,930</u>
Nonoperating revenues (expenses):			
Investment income.	50,000	13,552	(36,448)
Debt service:			
Principal retirement	(209,725)	(209,725)	-
Interest and fiscal charges.	<u>(507,060)</u>	<u>(328,174)</u>	<u>178,886</u>
Total nonoperating revenues (expenses). . .	<u>(666,785)</u>	<u>(524,347)</u>	<u>142,438</u>
Net change in fund equity	(2,200,340)	(778,972)	1,421,368
Fund equity at beginning of year.	<u>2,200,340</u>	<u>2,200,340</u>	<u>-</u>
Fund equity at end of year	<u>\$ -</u>	<u>\$ 1,421,368</u>	<u>\$ 1,421,368</u>

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, 2009

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Operating revenues:			
Charges for services	\$ 872,000	\$ 849,263	\$ (22,737)
Other.	4,000	7,810	3,810
Total revenues	<u>876,000</u>	<u>857,073</u>	<u>(18,927)</u>
Operating expenses:			
Personal services.	335,063	325,057	10,006
Materials and supplies	448,933	281,179	167,754
Contractual services	801,000	281,983	519,017
Capital outlay	<u>1,483,410</u>	<u>316,401</u>	<u>1,167,009</u>
Total expenses	<u>3,068,406</u>	<u>1,204,620</u>	<u>1,863,786</u>
Operating loss	<u>(2,192,406)</u>	<u>(347,547)</u>	<u>1,844,859</u>
Nonoperating revenues (expenses):			
Investment income.	50,000	13,199	(36,801)
Loans issued	-	49,182	49,182
Debt service:			
Principal retirement	(252,185)	(252,185)	-
Interest and fiscal charges.	<u>(69,956)</u>	<u>(67,932)</u>	<u>2,024</u>
Total nonoperating revenues (expenses). . .	<u>(272,141)</u>	<u>(257,736)</u>	<u>14,405</u>
Net change in fund equity	(2,464,547)	(605,283)	1,859,264
Fund equity at beginning of year.	<u>2,464,547</u>	<u>2,464,547</u>	<u>-</u>
Fund equity at end of year	<u>\$ -</u>	<u>\$ 1,859,264</u>	<u>\$ 1,859,264</u>

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Statistical Section



City of Pataskala, Ohio
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CITY OF PATASKALA, OHIO
STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
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.	122-131
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, income and property taxes.	132-138
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.	140-146
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.	147-148
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.	150-155

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 PATASKALA, OHIO

*NET ASSETS BY COMPONENT
LAST SIX YEARS
(ACCRUAL BASIS OF ACCOUNTING)*

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental Activities				
Invested in capital assets, net of related debt	\$ 5,768,494	\$ 4,965,912	\$ 3,374,813	\$ 3,123,377
Restricted for:				
Capital projects	8,830	-	-	-
Debt service	30,067	30,067	30,067	30,067
Street construction, maintenance and repairs	1,419,374	1,328,269	1,141,807	1,218,590
Parks and recreation	99,467	84,991	78,690	108,498
Police	579,510	368,748	220,905	277,968
Other purposes	5,058	7,248	393,076	362,393
Unrestricted	1,168,314	890,439	1,104,231	1,060,773
Total governmental activities net assets	<u>\$ 9,079,114</u>	<u>\$ 7,675,674</u>	<u>\$ 6,343,589</u>	<u>\$ 6,181,666</u>
Business-type Activities				
Invested in capital assets, net of related debt	\$ 2,327,739	\$ 1,868,441	\$ 1,566,742	\$ 3,325,935
Unrestricted	3,482,621	4,629,883	4,916,251	2,968,971
Total business-type activities net assets	<u>\$ 5,810,360</u>	<u>\$ 6,498,324</u>	<u>\$ 6,482,993</u>	<u>\$ 6,294,906</u>
Total Primary Government				
Invested in capital assets, net of related debt	\$ 8,096,233	\$ 6,834,353	\$ 4,941,555	\$ 6,449,312
Restricted for:				
Capital projects	8,830	-	-	-
Debt service	30,067	30,067	30,067	30,067
Street construction, maintenance and repairs	1,419,374	1,328,269	1,141,807	1,218,590
Parks and recreation	99,467	84,991	78,690	108,498
Police	579,510	368,748	220,905	277,968
Other purposes	5,058	7,248	393,076	362,393
Unrestricted	4,650,935	5,520,322	6,020,482	4,029,744
Total primary government net assets	<u>\$ 14,889,474</u>	<u>\$ 14,173,998</u>	<u>\$ 12,826,582</u>	<u>\$ 12,476,572</u>

Note: 2004 was the first year the City implemented GASB Statement No. 34, so comparative information before that date is not available.

2005	2004
\$ 2,633,554	\$ 2,697,516
-	-
30,067	30,068
718,716	642,146
-	-
180,561	199,308
467,403	218,125
1,177,550	827,281
<u>\$ 5,207,851</u>	<u>\$ 4,614,444</u>
\$ 2,116,473	\$ 1,311,484
3,486,977	3,357,343
<u>\$ 5,603,450</u>	<u>\$ 4,668,827</u>
\$ 4,750,027	\$ 4,009,000
-	-
30,067	30,068
718,716	642,146
-	-
180,561	199,308
467,403	218,125
4,664,527	4,184,624
<u>\$ 10,811,301</u>	<u>\$ 9,283,271</u>

CITY OF PATASKALA, OHIO

*CHANGES IN NET ASSETS
LAST SIX YEARS
(ACCRUAL BASIS OF ACCOUNTING)*

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Program Revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 345,726	\$ 330,353	\$ 329,569	\$ 377,297
Security of persons and property	170,419	176,275	169,535	63,076
Transportation	40,568	-	-	-
Community environment	-	2,182	739	746
Leisure time activities	26,808	105,210	123,240	138,684
Operating grants and contributions:				
General government	-	-	-	296,711
Security of persons and property	257,748	1,840	7,461	100,724
Transportation	951,379	1,179,526	1,097,946	683,419
Community environment	37,644	37,000	-	-
Leisure time activities	3,103	1,125	-	-
Capital grants and contributions:				
General government	-	-	-	-
Security of persons and property	-	-	60,592	-
Transportation	828,333	1,009,944	207,446	364,566
Total governmental activities program revenues	<u>2,661,728</u>	<u>2,843,455</u>	<u>1,996,528</u>	<u>2,025,223</u>
Business-type activities:				
Charges for services:				
Water	766,464	769,684	1,011,506	953,613
Sewer	853,948	853,857	973,410	923,912
Capital grants and contributions:				
Water	101,460	131,079	79,695	123,070
Sewer	101,000	216,391	112,898	174,344
Total business-type activities program revenues	<u>1,822,872</u>	<u>1,971,011</u>	<u>2,177,509</u>	<u>2,174,939</u>
Total primary government	<u>\$ 4,484,600</u>	<u>\$ 4,814,466</u>	<u>\$ 4,174,037</u>	<u>\$ 4,200,162</u>
Expenses:				
Governmental activities:				
General government	\$ 826,900	\$ 967,338	\$ 1,063,385	\$ 1,131,868
Security of persons and property	1,401,767	1,649,394	1,710,954	1,613,421
Public health and welfare	57,500	57,500	57,500	57,000
Transportation	1,145,854	1,056,476	1,128,655	1,004,060
Community environment	335,062	410,129	335,154	329,149
Leisure time activities	48,003	108,228	257,006	206,123
Economic development	9,800	-	-	-
Other	-	-	-	-
Interest and fiscal charges	77,952	92,133	117,610	68,765
Total governmental activities expenses	<u>3,902,838</u>	<u>4,341,198</u>	<u>4,670,264</u>	<u>4,410,386</u>
Business-type activities:				
Water	1,614,297	1,244,786	1,525,419	964,444
Sewer	945,829	835,364	788,867	807,882
Total business-type activities expenses	<u>2,560,126</u>	<u>2,080,150</u>	<u>2,314,286</u>	<u>1,772,326</u>
Total primary government	<u>\$ 6,462,964</u>	<u>\$ 6,421,348</u>	<u>\$ 6,984,550</u>	<u>\$ 6,182,712</u>
Governmental activities	\$ (1,241,110)	\$ (1,497,743)	\$ (2,673,736)	\$ (2,385,163)
Business-type activities	(737,254)	(109,139)	(136,777)	402,613
Total primary government net expense	<u>\$ (1,978,364)</u>	<u>\$ (1,606,882)</u>	<u>\$ (2,810,513)</u>	<u>\$ (1,982,550)</u>

<u>2005</u>	<u>2004</u>
\$ 348,665	\$ 465,690
10,921	29,134
-	331,435
328	439
162,027	80,022
258,899	283,531
170,903	141,320
678,030	300,938
-	-
-	18,471
223,082	85,930
-	17,848
17,676	178,864
<u>1,870,531</u>	<u>1,933,622</u>
1,120,539	998,463
1,108,618	934,207
-	160,611
-	206,100
<u>2,229,157</u>	<u>2,299,381</u>
<u>\$ 4,099,688</u>	<u>\$ 4,233,003</u>
\$ 1,217,964	\$ 979,742
1,411,576	1,330,112
47,693	44,546
774,839	669,463
386,665	446,947
136,392	159,546
-	-
-	15
14,963	19,718
<u>3,990,092</u>	<u>3,650,089</u>
894,526	893,969
612,421	717,220
<u>1,506,947</u>	<u>1,611,189</u>
<u>\$ 5,497,039</u>	<u>\$ 5,261,278</u>
\$ (2,119,561)	\$ (1,716,467)
722,210	688,192
<u>\$ (1,397,351)</u>	<u>\$ (1,028,275)</u>

-- Continued

CITY OF PATASKALA, OHIO

*CHANGES IN NET ASSETS
LAST SIX YEARS (CONTINUED)
(ACCRUAL BASIS OF ACCOUNTING)*

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Revenues and Other Changes in Net Assets:				
Governmental activities				
Taxes:				
Property taxes levied for:				
General purposes	\$ 862,226	\$ 845,202	\$ 826,407	\$ 853,878
Street fund	-	-	1,726	525,244
Police fund	1,375,422	1,342,858	1,311,759	1,316,392
Grants and entitlements				
not restricted to specific programs	368,296	466,879	455,723	434,943
Investment earnings	11,624	38,676	114,274	110,276
Miscellaneous	26,982	136,213	125,770	118,245
Total governmental activities	<u>2,644,550</u>	<u>2,829,828</u>	<u>2,835,659</u>	<u>3,358,978</u>
Business-type activities				
Investment earnings	27,583	104,178	300,956	271,525
Miscellaneous	21,707	20,292	23,905	17,318
Total business-type activities	<u>49,290</u>	<u>124,470</u>	<u>324,861</u>	<u>288,843</u>
Total primary government	<u><u>\$ 2,693,840</u></u>	<u><u>\$ 2,954,298</u></u>	<u><u>\$ 3,160,520</u></u>	<u><u>\$ 3,647,821</u></u>
Change in Net Assets:				
Governmental activities	\$ 1,403,440	\$ 1,332,085	\$ 161,923	\$ 973,815
Business-type activities	(687,964)	15,331	188,084	691,456
Total primary government	<u><u>\$ 715,476</u></u>	<u><u>\$ 1,347,416</u></u>	<u><u>\$ 350,007</u></u>	<u><u>\$ 1,665,271</u></u>

Note: 2004 was the first year the City implemented GASB Statement No. 34, so comparative information before that date is not available.

<u>2005</u>	<u>2004</u>
\$ 690,564	\$ 693,435
502,568	513,583
996,877	1,007,172
338,895	267,013
61,951	28,329
122,113	43,570
<u>2,712,968</u>	<u>2,553,102</u>
143,716	25,540
68,697	24,950
<u>212,413</u>	<u>50,490</u>
<u>\$ 2,925,381</u>	<u>\$ 2,603,592</u>
\$ 593,407	\$ 836,635
934,623	738,682
<u>\$ 1,528,030</u>	<u>\$ 1,575,317</u>

CITY OF PATASKALA, OHIO

*FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)*

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Fund:					
Reserved	\$ 7,825	\$ 5,696	\$ 12,787	\$ 7,569	\$ 9,797
Unreserved	<u>1,193,775</u>	<u>737,870</u>	<u>938,413</u>	<u>807,844</u>	<u>677,499</u>
Total general fund	<u>\$ 1,201,600</u>	<u>\$ 743,566</u>	<u>\$ 951,200</u>	<u>\$ 815,413</u>	<u>\$ 687,296</u>
All Other Governmental Funds:					
Reserved	\$ 66,247	\$ 144,022	\$ 137,447	\$ 78,445	\$ 66,893
Unreserved (deficit), reported in:					
Special revenue funds	1,676,979	1,272,163	1,387,134	1,559,596	1,003,299
Capital projects funds	(156,942)	(1,020,333)	(1,411,683)	(1,472,570)	(1,335,209)
Debt service funds	<u>30,067</u>	<u>30,067</u>	<u>30,067</u>	<u>30,067</u>	<u>30,067</u>
Total all other governmental funds	<u>\$ 1,616,351</u>	<u>\$ 425,919</u>	<u>\$ 142,965</u>	<u>\$ 195,538</u>	<u>\$ (234,950)</u>

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$ 10,128	\$ 7,768	\$ 17,741	\$ 89,679	\$ 7,809
<u>889,866</u>	<u>951,854</u>	<u>982,046</u>	<u>640,865</u>	<u>230,250</u>
<u>\$ 899,994</u>	<u>\$ 959,622</u>	<u>\$ 999,787</u>	<u>\$ 730,544</u>	<u>\$ 238,059</u>
\$ 58,686	\$ 42,917	\$ 52,666	\$ 34,121	\$ 27,608
675,288	731,222	688,926	403,411	295,099
(226,547)	(240,000)	-	-	-
<u>30,068</u>	<u>30,083</u>	<u>30,113</u>	<u>28,235</u>	<u>30,744</u>
<u>\$ 537,495</u>	<u>\$ 564,222</u>	<u>\$ 771,705</u>	<u>\$ 465,767</u>	<u>\$ 353,451</u>

CITY OF PATASKALA, OHIO

*CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)*

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenues					
Taxes	\$ 2,192,130	\$ 2,159,252	\$ 2,169,911	\$ 2,688,325	\$ 2,271,826
Charges for services	23,310	179,345	225,982	245,173	235,377
Licenses and permits	259,098	237,392	170,188	176,807	270,443
Fines and forfeitures	134,523	115,769	113,232	63,076	10,921
Intergovernmental	1,638,319	1,822,969	1,660,086	1,660,587	1,503,542
Investment income	15,675	53,533	141,600	110,276	61,951
Rental income	118,538	106,162	102,879	94,747	-
Other	112,133	87,091	129,901	115,796	122,113
Total revenues	<u>4,493,726</u>	<u>4,761,513</u>	<u>4,713,779</u>	<u>5,154,787</u>	<u>4,476,173</u>
Expenditures					
Current:					
General government	817,413	927,449	991,432	1,185,194	1,177,317
Security of persons and property	1,380,665	1,650,201	1,682,856	1,604,152	1,406,116
Public health and welfare	57,500	57,500	57,500	57,000	47,693
Transportation	821,874	871,259	866,760	693,215	1,061,145
Community environment	229,192	287,595	242,974	261,046	226,208
Leisure time activity	14,340	80,296	135,840	116,516	118,725
Economic development	9,800	-	-	-	-
Other	-	-	-	-	-
Capital outlay	270,420	685,462	964,755	536,597	1,276,525
Debt service:					
Principal retirement	258,810	83,270	95,818	73,697	132,624
Interest and fiscal charges	77,179	92,133	117,610	68,765	14,963
Total expenditures	<u>3,937,193</u>	<u>4,735,165</u>	<u>5,155,545</u>	<u>4,596,182</u>	<u>5,461,316</u>
Excess of revenues over (under) expenditures	<u>556,533</u>	<u>26,348</u>	<u>(441,766)</u>	<u>558,605</u>	<u>(985,143)</u>
Other Financing Sources (Uses)					
Loan issued	-	-	101,283	-	-
Note issued	860,000	-	-	-	-
Premium on notes sold	1,730	-	-	-	-
Capital lease obligation	180,703	-	423,697	-	-
Sale of capital assets	49,500	48,972	-	-	-
Transfers in	65,657	461,948	178,093	15,480	-
Transfers (out)	(65,657)	(461,948)	(178,093)	(15,480)	-
Total other financing sources (uses)	<u>1,091,933</u>	<u>48,972</u>	<u>524,980</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 1,648,466</u>	<u>\$ 75,320</u>	<u>\$ 83,214</u>	<u>\$ 558,605</u>	<u>\$ (985,143)</u>
Capital expenditures	1,265,549	1,522,106	933,118	360,656	1,635,411
Debt service as a percentage of noncapital expenditures.	12.58%	5.46%	5.05%	3.36%	3.86%

2004	2003	2002	2001	2000
\$ 2,151,815	\$ 2,026,792	\$ 1,859,022	\$ 1,555,016	\$ 1,257,746
299,487	276,426	678,583	497,793	235,357
574,103	278,460	371,566	143,423	94,484
28,964	53,743	78,229	104,471	107,190
1,061,429	1,492,426	1,218,304	939,857	1,096,209
28,329	26,549	33,287	54,836	107,754
-	-	2,200	-	-
112,807	132,991	99,813	104,556	105,079
4,256,934	4,287,387	4,341,004	3,399,952	3,003,819
993,506	795,453	636,104	410,260	599,708
1,321,780	1,288,667	1,199,491	1,125,944	1,057,594
44,546	29,488	28,646	26,960	25,243
1,003,030	973,469	558,042	649,145	636,550
197,978	389,949	492,936	305,116	74,912
137,107	113,614	93,954	243,780	239,765
-	-	-	-	-
15	-	190	-	-
507,705	792,230	1,195,952	268,330	429,328
127,595	122,767	122,129	4,000	4,907
19,718	18,631	23,769	2,102	3,441
4,352,980	4,524,268	4,351,213	3,035,637	3,071,448
(96,046)	(236,881)	(10,209)	364,315	(67,629)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	574,812	-	-
-	-	-	2,338	-
-	-	-	-	-
-	-	-	-	(41,822)
-	-	574,812	2,338	(41,822)
\$ (96,046)	\$ (236,881)	\$ 564,603	\$ 366,653	\$ (109,451)
1,095,366	136,055	642,489	181,135	78,856
4.52%	3.22%	3.93%	0.21%	0.28%

CITY OF PATASKALA, OHIO

*ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS*

Year	Real Property		Public Utility Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value (a)	Assessed Value	Estimated Actual Value (b)	Assessed Value	Estimated Actual Value (c)
2009	324,762,940	927,894,114	9,371,040	10,648,909	-	-
2008	323,775,020	925,071,486	8,022,560	9,116,545	625,035	2,500,140
2007	314,715,530	899,187,229	6,427,500	7,303,977	3,246,170	12,984,680
2006	302,222,010	863,491,457	7,530,440	8,557,318	5,235,890	20,943,560
2005	288,289,460	823,684,171	7,793,230	8,855,943	9,705,090	38,820,360
2004	255,079,170	728,797,629	8,441,720	9,592,864	9,011,070	36,044,280
2003	236,474,970	675,642,771	8,682,240	9,866,182	9,391,350	37,565,400
2002	219,979,650	628,513,286	8,659,440	9,840,273	8,457,930	33,831,720
2001	181,943,850	519,839,571	8,376,200	9,518,409	8,495,440	33,981,760
2000	151,899,520	433,998,629	9,978,970	11,339,739	6,094,130	24,376,520

Source: Licking County, Ohio; Fiscal Officer

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

(b) Public utility is assessed at 88% percent 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, tangible personal is assessed at 0% of property value, including inventory.

Total			
Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Ratio
334,133,980	938,543,023	7.90	35.60%
332,422,615	936,688,171	7.90	35.49%
324,389,200	919,475,886	10.40	35.28%
314,988,340	892,992,335	10.40	35.27%
305,787,780	871,360,475	10.40	35.09%
272,531,960	774,434,772	12.40	35.19%
254,548,560	723,074,353	12.40	35.20%
237,097,020	672,185,278	12.40	35.27%
198,815,490	563,339,741	12.40	35.29%
167,972,620	469,714,887	12.40	35.76%

CITY OF PATASKALA, OHIO

*DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$1,000 OF ASSESSED VALUE)
LAST TEN YEARS*

City Direct Rates				
Collection Year	Operating	Street Levy	Police Levy	Total Direct Rate
2009	2.90	-	5.00	7.90
2008	2.90	-	5.00	7.90
2007	2.90	-	5.00	7.90
2006	2.90	-	5.00	7.90
2005	2.90	2.50	5.00	10.40
2004	2.90	2.50	5.00	10.40
2003	2.90	2.50	5.00	10.40
2002	2.90	2.50	5.00	10.40
2001	2.90	2.50	5.00	10.40
2000	2.90	2.50	5.00	10.40

Source: Licking County Auditor's Office

Overlapping Rates						Total Direct and Overlapping Rates
Licking County	Southwest Licking Local School District	Licking Heights Local School District	West Licking Joint Fire District	Pataskala Public Library	Total Rates	
7.40	36.41	46.24	11.50	0.50	102.05	109.95
7.10	36.39	47.00	11.50	0.50	102.49	110.39
7.40	37.22	47.07	11.50	0.50	103.69	111.59
7.40	37.30	48.52	11.50	-	104.72	112.62
7.40	38.83	48.50	11.50	-	106.23	116.63
7.20	32.62	47.52	10.50	-	97.84	108.24
7.20	31.70	47.52	10.50	-	96.92	107.32
7.20	31.90	47.53	10.50	-	97.13	107.53
7.20	42.88	48.10	10.50	-	108.68	119.08
7.20	43.15	48.50	10.50	-	109.35	119.75

CITY OF PATASKALA, OHIO

*PRINCIPAL TAXPAYERS
REAL PROPERTY TAX
CURRENT YEAR AND NINE YEARS AGO*

December 31, 2009			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Columbus Southern Power Company	\$ 18,598,310	1	5.73%
Hazelton Management Group	7,531,700	2	2.32%
Catalina Club LLC	7,055,100	3	2.17%
Licking Memorial Health Systems	6,537,400	4	2.01%
Village Gate Apartments Ltd.	5,776,000	5	1.78%
Kroger Company	4,465,600	6	1.38%
Ohio Power Company	2,441,570	7	0.75%
Dominion Homes	2,283,800	8	0.70%
Fernco Development Ltd.	2,288,400	9	0.70%
Hazelton Retail Ltd.	2,186,100	10	0.67%
Total, Top Ten Principal Real Property Taxpayers	<u>\$ 59,163,980</u>		<u>18.21%</u>
Total City Real Property Tax Assessed Valuation	<u>\$ 324,762,940</u>		

December 31, 2000			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Columbus Southern Power Company	\$ 3,932,820	1	2.59%
United Telephone Company	2,608,220	2	1.72%
Village Gate Apartments Limited	2,048,800	3	1.35%
Maronda Homes	1,639,740	4	1.08%
Licking Memorial Health Systems	1,157,770	5	0.76%
Reyno Holding Company	1,058,160	6	0.70%
Kroger Company	969,150	7	0.64%
Oakhaven Partnership	843,390	8	0.56%
Pataskala Green IV Limited	816,730	9	0.54%
Fernco Development Limited	757,440	10	0.50%
Total, Top Ten Principal Real Property Taxpayers	<u>\$ 15,832,220</u>		<u>10.44%</u>
Total City Real Property Tax Assessed Valuation	<u>\$ 151,899,520</u>		

Source: Licking County Auditor's Office

CITY OF PATASKALA, OHIO

*PRINCIPAL TAXPAYERS
PUBLIC UTILITY PROPERTY TAX
CURRENT YEAR AND NINE YEARS AGO*

December 31, 2009			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Columbus Southern Power	\$ 6,509,410	1	69.46%
Ohio Power	869,890	2	9.28%
National Oil & Gas	584,450	3	6.24%
Columbia Gas of Ohio	508,790	4	5.43%
General Electric Capital Commercial Inc.	353,540	5	3.77%
Total, Top Five Principal Public Utility Property Taxpayers	<u>\$ 8,826,080</u>		<u>94.18%</u>
Total City Public Utility Property Tax Assessed Valuation	<u>\$ 9,371,040</u>		

December 31, 2000			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Columbus Southern Power	\$ 3,515,010	1	35.22%
United Telephone Company	2,815,390	2	28.21%
Columbia Gas of Ohio	177,930	3	1.78%
National Gas & Oil	488,560	4	4.90%
MCI Telecommunications	433,690	5	4.35%
Total, Top Five Principal Public Utility Property Taxpayers	<u>\$ 7,430,580</u>		<u>74.46%</u>
Total City Public Utility Property Tax Assessed Valuation	<u>\$ 9,978,970</u>		

Source: Licking County Auditor's Office

CITY OF PATASKALA, OHIO

*REAL AND PUBLIC UTILITY PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS*

Year	Total Levy	Current Collection (1)	Percent of Current Collections to Tax Levy	Delinquent Collections	Total Collections	Percent of Total Collections to Tax Levy	Outstanding Delinquent Taxes (2)	Percentage of Delinquent Taxes to Tax Levy
2009	\$ 2,510,313	\$ 2,416,286	96.25%	\$ 61,676	\$ 2,477,962	98.71%	\$ 164,135	6.54%
2008	2,419,380	2,341,780	96.79%	60,071	2,401,851	99.28%	124,869	5.16%
2007	2,422,756	2,342,779	96.70%	60,072	2,402,851	99.18%	126,039	5.20%
2006	3,020,403	2,896,778	95.91%	83,307	2,980,085	98.67%	427,856	14.17%
2005	2,639,130	2,523,104	95.60%	81,367	2,604,471	98.69%	130,359	4.94%
2004	2,259,654	2,401,520	106.28%	77,045	2,478,565	109.69%	200,780	8.89%
2003	2,400,120	2,269,217	94.55%	74,621	2,343,838	97.66%	126,868	5.29%
2002	2,155,670	2,071,756	96.11%	65,963	2,137,719	99.17%	126,373	5.86%
2001	1,814,975	1,711,184	94.28%	41,152	1,752,336	96.55%	119,255	6.57%
2000	1,368,992	1,302,479	95.14%	39,860	1,342,339	98.05%	116,874	8.54%

Source: Licking County Auditor's Office

(1) Includes homestead/rollback taxes assessed locally but distributed through the State and reported as intergovernmental revenue.

(2) Includes penalties and interest, since by Ohio Law, they become part of tax obligation as assessment occurs.

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CITY OF PATASKALA, OHIO

*RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS*

Year	Governmental Activities				Business-Type Activities		
	Special Assessment Bonds	Notes Payable	OPWC Loans	Capital Leases	General Obligation Bonds	OWDA Loans	Notes Payable
2009	\$ -	\$ 1,022,000	\$ 81,808	\$ 191,634	\$ 6,990,000	\$ 411,187	\$ -
2008	-	1,036,000	92,355	253,537	7,130,000	733,097	-
2007	-	1,427,000	101,283	327,879	7,190,000	1,030,611	-
2006	-	1,530,000	-	-	675,000	1,305,598	6,145,000
2005	-	1,537,000	-	73,697	710,000	1,559,780	7,782,000
2004	-	225,000	-	132,624	740,000	1,794,748	1,595,000
2003	-	240,000	-	52,613	770,000	2,011,969	1,695,000
2002	-	-	-	456,683	800,000	2,212,799	1,828,000
2001	4,000	-	-	-	825,000	2,398,484	1,233,000
2000	8,000	20,000	-	-	850,000	2,570,182	1,426,000

Sources:

- (a) See notes to the financial statements regarding the City's outstanding debt information.
- (b) See Schedule " Demographic and Economic Statistics - Last Ten Years" for personal income and population.

(a) Total Primary Government	(b) Personal Income	Percentage of Personal Income	(b) Population	Outstanding Debt Per Capita
\$ 8,696,629	\$ 914,984,525	0.95%	15,575	\$ 558
9,244,989	900,099,828	1.03%	15,508	596
10,076,773	872,153,652	1.16%	15,402	654
9,655,598	706,996,560	1.37%	12,643	764
11,662,477	694,978,618	1.68%	12,587	927
4,487,372	672,574,212	0.67%	12,339	364
4,769,582	637,392,294	0.75%	11,847	403
5,297,482	603,913,904	0.88%	11,374	466
4,460,484	571,260,560	0.78%	10,904	409
4,874,182	529,709,316	0.92%	10,249	476

CITY OF PATASKALA, OHIO

*RATIO OF GENERAL BONDED DEBT TO ASSESSED
VALUE AND BONDED DEBT PER CAPITA
LAST TEN YEARS*

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	Bonded Debt (3)	Ratio of Bonded Debt to Estimated Actual Value of Property	Bonded Debt Per Capita
2009	15,575	\$ 938,543,023	\$ 8,203,634	0.87%	\$ 527
2008	15,508	936,688,171	8,419,537	0.90%	543
2007	15,402	919,475,886	8,944,879	0.97%	581
2006	12,643	892,992,335	2,205,000	0.25%	174
2005	12,587	871,360,475	2,320,697	0.27%	184
2004	12,339	774,434,772	1,097,624	0.14%	89
2003	11,847	723,074,353	1,062,613	0.15%	90
2002	11,374	672,185,278	1,256,683	0.19%	110
2001	10,904	563,339,741	825,000	0.15%	76
2000	10,249	469,714,887	870,000	0.19%	85

Sources:

- (1) See Schedule " Demographic and Economic Statistics - Last Ten Years" for population.
- (2) Licking County Auditor's Office
- (3) Includes all general obligation bonded debt with the exception of special assessment debt.

CITY OF PATASKALA, OHIO

*DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2009*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
City of Pataskala	\$ 8,203,634	100.00%	\$ 8,203,634
Overlapping debt:			
Southwest Licking Local School District	19,344,975	9.46%	1,830,035
Licking Heights Local School District	54,769,017	64.11%	35,112,417
Licking County	12,855,219	9.46%	1,216,104
Central Ohio Technical College	27,165,000	8.90%	2,417,685
Total direct and overlapping debt	<u>\$ 122,337,845</u>		<u>\$ 48,779,874</u>

Source: Licking County Auditor's Office

CITY OF PATASKALA, OHIO

*COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN YEARS*

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Assesed Value (a)	\$ 333,857,610	\$ 331,707,830	\$ 294,592,358	\$ 314,988,340
Legal debt margin:				
Debt limitation - 10.5% of Assesed Value	35,055,049	34,829,322	30,932,198	33,073,776
Debt Applicable to Limitation:				
Special Assessment Bond	-	-	-	-
Notes	1,022,000	1,036,000	1,427,000	7,675,000
Enterprise Bonds	6,990,000	7,130,000	7,190,000	675,000
Gross Indebtedness				
(Total Voted and Unvoted Debt)	<u>8,012,000</u>	<u>8,166,000</u>	<u>8,617,000</u>	<u>8,350,000</u>
Less: Debt Outside Limitations				
Special Assessment Bond	-	-	-	-
Notes	(1,022,000)	(1,036,000)	(1,427,000)	(7,675,000)
Enterprise Bonds	(6,990,000)	(7,130,000)	(7,190,000)	(675,000)
Total Debt Outside Limitations	<u>(8,012,000)</u>	<u>(8,166,000)</u>	<u>(8,617,000)</u>	<u>(8,350,000)</u>
Total Debt Applicable to Limitation - Within 10.5% Limitations	-	-	-	-
Add: Amount Available in Debt Service Fund to pay debt applicable to limitation	<u>30,067</u>	<u>30,067</u>	<u>30,067</u>	<u>30,067</u>
Net Debt Within 10.5% Limitation	<u>30,067</u>	<u>30,067</u>	<u>30,067</u>	<u>30,067</u>
Overall Debt Margin Within 10.5% Limitation	<u>\$ 35,085,116</u>	<u>\$ 34,859,389</u>	<u>\$ 30,962,265</u>	<u>\$ 33,103,843</u>
Unvoted Debt Limitation - 5.5% of Assesed Valuation	\$ 18,362,169	\$ 18,243,931	\$ 16,202,580	\$ 17,324,359
Gross Indebtedness Authorized by Council	8,012,000	8,166,000	8,617,000	8,350,000
Less: Debt Outside Limitations:				
Total Debt Outside Limitations	<u>(8,012,000)</u>	<u>(8,166,000)</u>	<u>(8,617,000)</u>	<u>(8,350,000)</u>
Debt Within 5.5% Limitations	18,362,169	18,243,931	16,202,580	17,324,359
Add: Amount Available in Debt Service Fund	30,067	30,067	30,067	30,067
Net Debt Within 5.5% Limitation	<u>18,392,236</u>	<u>18,273,998</u>	<u>16,232,647</u>	<u>17,354,426</u>
Unvoted Debt Margin Within 5.5% Limitation	<u>\$ 18,392,236</u>	<u>\$ 18,273,998</u>	<u>\$ 16,232,647</u>	<u>\$ 17,354,426</u>

Source: City of Pataskala financial records

(a) Beginning in 2007, the debt limit excludes the assessed valuations of tangible personal property and railroad and telephone public utility personal property as required by Ohio House Bill 530.

2005	2004	2003	2002	2001	2000
\$ 305,787,780	\$ 272,531,960	\$ 254,548,560	\$ 237,097,020	\$ 198,815,490	\$ 167,972,620
32,107,717	28,615,856	26,727,599	24,895,187	20,875,626	17,637,125
-	-	-	-	4,000	20,000
9,319,000	1,820,000	1,935,000	1,828,000	1,233,000	1,446,000
710,000	740,000	770,000	800,000	825,000	850,000
10,029,000	2,560,000	2,705,000	2,628,000	2,062,000	2,316,000
-	-	-	-	(4,000)	(20,000)
(9,319,000)	(1,820,000)	(1,935,000)	(1,828,000)	(1,233,000)	(1,446,000)
(710,000)	(740,000)	(770,000)	(800,000)	(825,000)	(850,000)
(10,029,000)	(2,560,000)	(2,705,000)	(2,628,000)	(2,062,000)	(2,316,000)
-	-	-	-	-	-
30,067	30,068	30,083	30,113	28,235	30,744
30,067	30,068	30,083	30,113	28,235	30,744
\$ 32,137,784	\$ 28,645,924	\$ 26,757,682	\$ 24,925,300	\$ 20,903,861	\$ 17,667,869
\$ 16,818,328	\$ 14,989,258	\$ 14,000,171	\$ 13,040,336	\$ 10,934,852	\$ 9,238,494
10,029,000	2,560,000	2,705,000	2,628,000	2,062,000	2,316,000
(10,029,000)	(2,560,000)	(2,705,000)	(2,628,000)	(2,062,000)	(2,316,000)
16,818,328	14,989,258	14,000,171	13,040,336	10,934,852	9,238,494
30,067	30,068	30,083	30,113	28,235	30,744
16,848,395	15,019,326	14,030,254	13,070,449	10,963,087	9,269,238
\$ 16,848,395	\$ 15,019,326	\$ 14,030,254	\$ 13,070,449	\$ 10,963,087	\$ 9,269,238

CITY OF PATASKALA, 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
				Principal	Interest	Total	
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
2002	1,039,747	314,656	725,091	127,480	117,958	245,438	2.95
2001	798,543	206,030	592,513	118,532	126,908	245,440	2.41
2000	765,671	189,141	576,530	110,210	135,229	245,439	2.35

WATER OWDA LOANS:

Year	Operating Revenue	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements (2)			Coverage
				Principal	Interest	Total	
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
2002	996,440	577,549	418,891	58,205	79,264	137,469	3.05
2001	918,096	610,392	307,704	53,166	84,304	137,470	2.24
2000	874,162	426,102	448,060	48,562	88,908	137,470	3.26

(1) Total operating expenses are exclusive of depreciation.

(2) Includes principal and interest of OWDA loans only.

CITY OF PATASKALA, OHIO

*DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS*

Year	Population (3)	Total Median Household Income	Personal Income	Per Capita Personal Income (1)	Annual Average Unemployment Rates (2)			
					City of Pataskala	Licking County	Ohio	United States
2009	15,575	\$ 58,747	\$914,984,525	\$ 30,139	9.3%	9.3%	10.9%	10.0%
2008	15,508	58,041	900,099,828	29,261	6.1%	6.1%	6.5%	5.8%
2007	15,402	56,626	872,153,652	28,409	5.2%	5.2%	5.6%	4.6%
2006	12,643	55,920	706,996,560	27,581	5.0%	5.0%	5.5%	4.6%
2005	12,587	55,214	694,978,618	26,778	5.7%	5.7%	5.9%	5.1%
2004	12,339	54,508	672,574,212	25,998	5.9%	5.9%	6.2%	5.5%
2003	11,847	53,802	637,392,294	25,241	6.0%	6.0%	6.2%	6.0%
2002	11,374	53,096	603,913,904	24,506	5.1%	5.1%	5.7%	5.8%
2001	10,904	52,390	571,260,560	23,792	3.9%	3.9%	4.4%	4.7%
2000	10,249	51,684	529,709,316	23,099	3.7%	3.7%	4.0%	4.0%

Sources:

(1) U.S. Census Bureau

(2) Ohio Job & Family Services, Office of Workforce Development

(3) U.S. Census Bureau and Mid Ohio Regional Planning Commission starting 2000 and increased 3% (est.) each year.

CITY OF PATASKALA, OHIO
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TWO YEARS AGO

	<u>2009</u>		<u>2007</u>	
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Licking Heights Local School District	314	1	380	1
Kroger	180	2	114	2
Tuscany Gardens Nursing Home	150	3	0	N/A
Pataskala Oaks Care Center	100	4	90	3
Karst and Sons Masonry	90	5	0	N/A
Mulch Manufacturing	80	6	40	7
Dynamic Construction	60	7	0	N/A
Southwest Licking Local School District	54	8	65	5
City of Pataskala	38	9	44	6
Ohio Steel Industries	30	10	68	4
Total	<u>1,096</u>		<u>801</u>	*

Source: City of Pataskala Planning and Zoning Department

Note: Information on principal employers prior to 2007 was not available. Total City employment was not available for 2009 and 2007.

* The total employment count for 2007 principal employers is estimated to be greater than 50% of the total City employment count for 2007.

N/A - These employers were not established in 2007

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CITY OF PATASKALA, OHIO

*FULL-TIME-EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS*

Function/Program	2009	2008	2007	2006	2005
General Government					
Clerk of Council	1.00	1.00	1.00	1.00	1.00
Mayor Court Clerk	1.00	1.00	1.00	1.00	1.00
City Administrator	1.00	1.00	1.00	1.00	1.00
Assistant City Administrator	-	1.00	1.00	-	-
Service Director	1.00	0.50	0.50	0.50	1.00
Finance	1.50	1.50	1.00	1.00	1.00
Law	1.00	-	-	-	-
Public Safety					
Police/Clerk	16.00	16.00	19.00	20.00	19.00
Transportation					
Streets	5.00	5.00	7.00	7.00	7.00
Community Environment					
Planning	3.00	3.00	3.50	3.50	3.50
Leisure Time Activity					
Parks Administration	-	-	0.50	0.50	0.50
Parks Maintenance	-	-	0.50	0.50	0.50
Utility Services					
Water	4.00	3.50	4.00	4.00	4.50
Sewer	4.00	4.00	4.00	4.00	4.50
Total	38.50	37.50	44.00	44.00	44.50

Source: City of Pataskala records

2004	2003	2002	2001	2000
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
1.00	1.00	1.00	1.00	1.00
-	-	-	-	-
17.00	17.00	14.00	10.00	9.00
7.00	7.00	5.00	5.00	5.00
3.50	3.50	3.00	2.00	2.00
0.50	0.50	0.50	0.50	0.50
0.50	0.50	0.50	0.50	0.50
4.50	4.50	4.50	3.50	3.50
4.50	4.50	4.50	3.50	3.50
42.50	42.50	37.00	30.00	29.00

CITY OF PATASKALA, OHIO

OPERATING INDICATORS BY FUNCTION LAST TEN YEARS

Function	2009	2008	2007	2006	2005
General Government					
Positions Filled	-	2	4.5	3	9
Zoning Permits Issued	503	605	484	891	1,006
Zoning Inspections Performed	385	449	669	842	781
Ordinances & Resolutions	77	69	80	95	66
Public Safety					
Police:					
Physical Arrests	534	610	726	794	351
Police Reports Taken	1,345	1,534	1,851	1,928	1,596
Traffic Violations	1,342	N/A	N/A	N/A	N/A
Leisure Time Activities					
Youth Soccer Participation*	788	820	865	725	637
Select Soccer*	112	90	82	107	116
Youth Softball Participation*	426	183	186	180	150
Adult Softball Participation*	-	205	226	201	210
Art Classes*	-	-	100	85	70
Kids in Karate*	-	42	128	144	102
Transportation					
Street Resurfacing (miles)	-	-	20	N/A	N/A
Tons of salt used	279	163	399	N/A	N/A
Bridges Replaced/Repaired	1	1	1	-	-
Water					
New Connections	16	20	32	44	110

Source: City of Pataskala Departments.

Note: Information for 10 years prior was not available for all functions.
Leisure Time statistics not available at publication date.

N/A - Information was not available or retained by the City.

* - Beginning January 1, 2009 the City contracted with the Pataskala Parks Recreation Association (PRA) and Licking Heights Youth Association (LHYA) to administer soccer and girls softball programs.

2004	2003	2002	2001	2000
9	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
63	61	48	48	57
332	319	N/A	N/A	N/A
1,764	1,760	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
1	-	-	-	-
89	99	121	113	44

CITY OF PATASKALA, OHIO

*CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN YEARS*

Function	2009	2008	2007	2006	2005
Public Safety					
Police:					
Stations	1	1	1	1	1
Leisure Time Activities					
Parks	6	6	6	6	6
Park Acreage	200	200	200	200	200
Swimming Pools	1	1	1	1	1
Wading Pools	1	1	1	1	1
Baseball Diamonds	4	4	4	4	4
Softball Fields	4	4	4	4	4
Transportation					
Lane Miles	320	320	320	320	320
Water					
Water Mains (linear feet)	291,215	290,400	289,200	283,200	280,100
Sewer					
Sewer Lines (linear feet)	161,500	160,252	154,892	148,452	140,952

Source: City of Pataskala Departments.

N/A - Information was not available or retained by the City.

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
1	1	1	1	1
6	6	6	6	6
200	200	200	200	200
1	1	1	1	1
1	1	1	1	1
4	4	4	4	4
4	4	4	4	4
320	320	320	320	320
270,600	N/A	N/A	N/A	N/A
134,152	N/A	N/A	N/A	N/A



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