



# Comprehensive Annual Financial Report

City of Pataskala | Licking County | Ohio  
Fiscal Year Ended December 31, 2011



City of Pataskala | 621 West Broad Street | Pataskala, OH 43062  
[www.ci.pataskala.oh.us](http://www.ci.pataskala.oh.us)



**CITY OF PATASKALA, OHIO**  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2011

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**CITY OF PATASKALA, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

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# Introductory Section

City of Pataskala | CAFR







May 25, 2012

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

The Comprehensive Annual Financial Report (CAFR) of the City of Pataskala, Licking County, Ohio (the "City") is hereby presented. This CAFR represents the official report of the City's operations and financial position for the year ended December 31, 2011, and has been developed to accurately detail the status of City finances to its 14,962 residents and elected officials, investment banks, underwriters and all other interested parties. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) set forth by the Governmental Accounting Standards Board (GASB).

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

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

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

#### **REPORTING ENTITY AND SERVICES PROVIDED**

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization.

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

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

The City is associated with five jointly governed organizations and one insurance purchasing pool. These organizations are the Mid-Ohio Regional Planning Commission (MORPC), the Southwest Licking Community Water & Sewer District, the West Licking Joint Fire District, the Pataskala Corporate Park Joint Economic Development District (JEDD), the Regional Income Tax Agency (RITA) 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 2011. This Charter provides for the Mayor-Council-Administrator form of government whereby the legislative powers of the City are vested in a seven member City Council. Three members are elected at large for a four-year term each biennium and the remaining four are elected at large for a four-year term the following biennium. Council concurs on the Mayor's appointment of the City Administrator, Law Director, Finance Director, and City Engineer. Council also makes citizen appointments to several boards and commissions. There are nine standing Council Committees that Council appoints: Agriculture, Finance, Buildings/Grounds, Safety, Street, Utilities, Parks Advisory, Technology and Development. Council sets the compensation guidelines for City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, appropriations, indebtedness, building permits and licenses and other municipal purposes.

The Mayor 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.

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

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, 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 which is governed by a Parks Advisory Committee. This Committee then reports to the City Administrator for direction and guidance.

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

## **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 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 8<sup>th</sup>, 1994, and went into effect on January 1<sup>st</sup>, 1996. Lima Township ceased to exist; the resulting municipality was simply known as Pataskala.

The City has a population of 14,962 residents based on the 2010 Census which makes the City the 2<sup>nd</sup> largest City in Licking County when determined by the 2010 Census counts.

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

The City is served by the Southwest Licking and Licking Heights Local School Districts, which are independent political subdivisions not under the control or supervision of the City in any respect. The geographic boundaries of the School Districts are different than those of the City. The School Districts estimates that over 95 per cent in the case of the Southwest Licking Local School District and 96 per cent in the case of the Licking Heights Local of their respective students reside in the City consistent with prior years.

## **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 2010 as 14,962, an increase of 4,713 since the 2000 Census count. 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.



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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 which has space for 100 individual units with future plans of expansion. A retail center located on the west side of State Route 310 has three separate buildings totaling approximately 37,500 square feet for local retail business uses. A ten (10) year Tax Increment Financing exists with the intent to generate payment in lieu of tax revenues for future improvements in this development area.

In early 2007 the City rezoned property located at the northeast corner of State Route 310 and Refugee Road for another mixed use project with approximately 30 acres of commercial, 30+ acres of condominiums and 30+ acres of apartments/assisted living units. The intent is commercial development will occur and will provide new jobs to the City.



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.

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.

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

The strategy for the partnership and job creation is a multifaceted approach combining four key economic development tools consisting of (i) the creation of the JEDD, (ii) utilization of grant funding from the Department of Development's ("ODOD") Job Ready Sites ("JRS") program, (iii) utilization of Community Reinvestment Area ("CRA") property tax exemptions, and (iv) utilization of an existing Tax Increment Financing ("TIF") area, in order to create hundreds of jobs and millions of dollars in new investment. However, there is a critical need for Economic Stimulus funding to complete the entire project and facilitate an immediate economic impact.

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The Pataskala Corporate Park JEDD is to be initially comprised of approximately 513.75 acres. The JRS area is intended to be developed into a planned industrial park resulting in the construction of new buildings and related site improvements. Strong job creation is anticipated, with an estimated 150 – 300 construction jobs and 1,000 - 1,800 new manufacturing, technology and logistics employment opportunities generating \$28 million - \$49 million in new annual payroll being created. The cost of the private investments to be made is estimated at \$100 million to \$250 million for construction of new buildings containing approximately 5 million to 8 million square feet of commercial & industrial space; approximately \$10 million to \$300 million invested in new machinery & equipment; approximately \$5 million to \$300 million for acquisition of furniture and fixtures; and approximately \$25 million to \$300 million for acquisition of inventory at the park.

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

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

## **MAJOR INITIATIVES:**

### **Planning and Zoning Department/Economic Development**

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

The Department is comprised of a Director of Planning, Zoning Inspector, 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 Planning and Zoning Department was responsible for securing federal grant funding and partnered with the Mid-Ohio Regional Planning Commission (MORPC) Housing Division for administrative services, housing rehabilitation specialist services, and other related services associated with the City's participation in the Community Housing Improvement Program (CHIP) grant funds passed through the Ohio Department of Development. The City expects to receive up to \$550,000 in federal funding to make improvements to low income housing areas within the City. The City has secured several dilapidated properties via forfeiture through the Licking County Auditor in which these funds will be utilized related to low income areas in the City. Additional selection of allowable vendors to make improvements to low income homes are expected to continue through 2012.



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The Ohio Department of Transportation announced the City would be the beneficiary of \$273,000 Safe Routes to Schools grant funding to make improvements to the Licking Heights Local School District school campus on Summit Road. Grant money will be used for improvements such as flashing school zone sign areas, education and encouragement of safe pedestrian travel, and enforcement of the school area. Planning phases began in 2011 with construction expected to begin in 2012. The City was also the beneficiary of \$508,000 Safe Routes to Schools grant funding for Pataskala Elementary which is a school building of the Southwest Licking Local School District. Planning began in 2011 with construction expected to begin in 2012.

**Police Department**

Based on the passage of the income tax the Police Department was able to solidify a staffing level of 16.5 and propose increasing the existing staff in the near future. The Department also re-organized during 2011 which established a Captain position to assist in overseeing the department. The current organizational chart consists of a Police Chief, Captain, Sergeants, patrol officers, detectives, mayor's court security, a clerk, and auxiliaries is dedicated to protecting and serving the City's residents. The Police Department also includes a part-time officer who provides Mayor's Court Security as well as part-time traffic enforcement.

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 and continues to be a valuable asset used by the City as well as shared with the Ohio State Highway Patrol.

The Police Department offered many services to the community during 2011, which included a prescription drug drop-off, unwanted firearm drop-off, and educational meetings with elementary children at the local school districts. A bike patrol was also created using existing resources to patrol neighborhoods and provide more one on one contact.

**Public Service Department**

City Council authorized that, beginning July 1, 2010, 25% of all income tax collections through 2011 would be allocated to the Street Fund. The income tax revenue has provided the opportunity for the Public Service Department to be re-staffed with 7 full-time employees and provided the opportunity to repair street lights, fill pot holes and make various road repairs, continue to expand the existing snow removal policy, and provide funds for future road repairs. The Public Service Department's standard services include street maintenance, snow removal, storm water system maintenance, and management of infrastructure construction projects. The Public Service Department is responsible for maintaining approximately 318 lane miles of roads, 17 bridges, and all non-utility related public infrastructures.

The City completed several infrastructure construction projects during 2011 which included improvements to Summit Road along with various drainage and road repair improvements including the Columbia Road Culvert. Other road infrastructure improvements started in 2011 and expected to be completed in 2012 include Kennedy/Hollow Road repairs (investment of approximately \$70,000) and completion of the Old Maids Lane Bridge (investment of approximately \$500,000). McIntosh Road Bridge will be completed through the ODOT Municipal Bridge Program (investment of approximately \$500,000) in 2012.

**Utilities Department**

A new Utility Director was hired during 2011 and immediately evaluated the existing infrastructure and operations and instituted comprehensive performance audits over water and sewer operations. These performance audits identified deficiencies within existing operations and infrastructure and provided a plan to address and repair based on available resources.

The City implemented the recommendations set forth within the 2010 Utility Study which included the following significant items:

- A new multi-tier rate system for businesses and residents designed to generate higher fees on higher usage. This rate system is in an effort for businesses and residents to become more cognizant of their water usage in an effort to increase conservation.
- A new Utility Capital Improvement and Maintenance Plan identifying the future needs of the City's utility infrastructure. This new plan will provide a guide for the City in proactively addressing its utility infrastructure.
- Detailed revenue and expense analysis were performed to identify operational efficiencies and inefficiencies for utility operations. This analysis provided means to maintain cash flow positive after considering future debt service requirements.

Consistent with the Ordinance adopting the Utility Study, the Administration will analyze the significant changes which were part of the Utility Study as it relates to utility revenues, capacity fees, capital improvements, and debt service.

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). 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. This project is estimated to be completed in 2012.

The City started the Wastewater Treatment Plant Phase II project in November 2010 and completion is expected in late 2011. The City was very aggressive in seeking financing proposals for completion of this \$3,352,000 project. The City was able to secure a loan through the Water Pollution Loan Control Fund at a rate of 2.66% which was significantly less than bond financing options which were as high as 5%. 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. This project is expected to be completed in 2012.

#### 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, essentially serving as the City's Director of parks and Recreation services. 2011 was the third year the City worked with these non-profit groups. The year was again successful. Participation in the non-profit recreational programs and community events continue to increase.

The City's Parks System has six parks within its corporation limits totaling more than 200 acres of passive and active parkland. The City's largest, Foundation Park, provides softball diamonds, soccer fields, picnic shelters, and a walking trail along a stream and in September boasts the annual Antique Power Show, which includes tractor pulls, and antique equipment demonstrations.

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

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

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

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

The City opened a 3,400 linear foot multi-purpose bike path in late October 2011, called the Cross Town Line, which will connect the Bright Waters Subdivision on the eastern edge of the City and move west along the scenic portions of the Licking River crossing through Municipal Park before ending near the City's water treatment plant on the west side of State Route 310. The City will be funding this bike path through federal and state dollars totaling \$239,829 along with a required local match by the City. This effort is in response to a revitalization plan provided by a group of residents in 2009 to improve the community and although opened, will not be completed until spring 2012.

#### **Land and Buildings Department**

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

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

City of Pataskala  
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Specific to the Old Town Hall, in 2008 City Council elected it was in the best interest of the City, businesses, and residents to make necessary improvements to the Old Town Hall, designated as a historic site by the Ohio Historical Society, rather than sell this building and find another location for the City's Police Department. These discussions were a result of the deteriorating condition the building was in and necessary improvements needed. On the second floor of the Old Town Hall is the "Sterling Theatre" which was used as a movie theatre and gathering area for residents when constructed in 1910. This space was also used as Council Chambers for several years until the space became unusable. In an effort to make necessary improvements to the building as a whole, a non-profit group, the Historic Town Hall Inc. collected monetary donations as well as donated labor to improve the Sterling Theatre. Donations by the non-profit group have been used for new windows, cleaning, and other miscellaneous improvements. City Council also elected to budget \$250,000 which comprised 2009 through 2012 operating budgets into Old Town Hall for specific Police Department operations, including façade improvements, windows, electrical improvements, HVAC improvements, and plumbing improvements. This is expected to be completed in 2012.

The City continues to upgrade its website at [www.ci.pataskala.oh.us](http://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. Policies and procedures are continuously updated and reviewed insuring proper internal controls are in place.

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

During 2011 the City elected to refund the outstanding 1995 Sanitary Sewer System Improvement Bonds which were issued for the purposes of sewer improvements throughout the City. Refunding these bonds will reduce the overall interest rate from 6.12% to an average interest rate of 2.66% which will provide an approximate savings of \$60,000 over the remaining life of the bonds. In conjunction with this current refunding, the City was assigned a rating of Aa3 by Moody's Investors Service, the first rating ever assigned to the City. Assignment of this rating was based upon the City's modest tax base located near the state capital of Columbus with satisfactory financial operations with healthy reserve levels for the City's small budget, and manageable debt position with moderate near term borrowing plans.

As discussed under Long-Term Financial Planning, the City also received the Moody's Investor Grade (MIG) 1 rating for the Series 2012 Various Purpose General Obligation Limited Tax Bond Anticipation Notes issued in 2012, the highest investment grade category.

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

### **LONG-TERM FINANCIAL PLANNING**

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. Based on income tax collections in 2011 being significantly higher than originally estimated, this allowed the City to allocate additional income tax revenues in 2012 toward the City's deteriorating infrastructure. City Council authorized that 2012 income tax collections would be allocated to the Police, Street, Capital Improvement, and Debt Service Funds in accordance with Council's directive effective January 1, 2012 noting accrual collections of \$2,267,436, \$787,958, \$252,585, and \$27,554, respectively, at December 31, 2011.

The City of Pataskala is seen as a bedroom community with a significant portion of its 14,962 residents working outside the corporate limits, including the City of Columbus, Pickerington, Reynoldsburg, Whitehall, and Newark. The Licking County unemployment rate stood at 8.0% at December 31, 2011 with Franklin County at a similar percentage. The unemployment rate for Licking County decreased 0.6% when compared to the December 31, 2010 rate. The City monitors and utilizes unemployment rates in surrounding counties forecasting future income tax collections.

The City Administrator compiled a list of eight items which would include attracting jobs to the City, improving the City's roads and completing a vision of how residents want the City to look in coming years. A breakdown of these items are as follows:

#### **1) Economic Development – “Jobs in 2012”**

- Attracting investment in and development of **The Pataskala Corporate Park** – increase the role of the **JEDD** in promoting the Corporate Park – address all procedural matters concerning development of a **rail spur**.
- Work closely with **small /existing business** to retain them and assist them in expanding their investment in the City – **“Business Friendly”** initiatives. Relationship building with local business groups/Chamber.
- Active Board membership and participation in **Grow Licking County Community Improvement Corporation (CIC)**.
- Build on strong relationship with **Columbus 2020!** and **JobsOhio** - increasing the City's profile in the region.
- Strengthen relationship with both **School Districts** to form a strong partnership for economic growth.
- Focus on **Downtown Revitalization / incentive area development** consistent with City's designated target revitalization areas – **Summit Station; Columbia Center; Old Village areas**.
- **CDBG – DT Revitalization Plan** – Phase I.
- **Annual Economic Development event in the City** – continue to hold events with the Pataskala Chamber of Commerce, with MODE, and the JRS Road opening event.

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

- Implementation of the **“RAMP”** – Phase I.

- Complete **Kennedy Road and Stonemast Loop** projects.
  - Water System Maintenance; Water Line Replacement Projects (Cedar, Vine, Jefferson St.); State Route 310 Water Line Extension; Iron Filters painting; hydrant replacement; Booster Station Work; Water Tower work; Groundwater monitoring.
  - Wastewater System Maintenance; I&I Flow Meters; Clarifier rebuild project; lift station upgrades; manhole rehabilitation; sewer line replacement.
  - **Sidewalk & Pedestrian access** enhancements – **Safe Routes to School Phases I & II**; Sidewalk repair and replacement in the Old Village area; planning and identifying funding for enhanced Pedestrian Mobility & Safety along the State Route 16 / Broad Street Corridor.
  - Replacement of existing **McIntosh Bridge** – with completion, all bridges formerly with a rating of “poor” will have been repaired or replaced in the City.
- 3) **Employee Development – “Excellence in service delivery to our Residents”**
- Organizational Review of **current staffing levels** and job duties within the organization.
  - **Benchmarking** against other communities – where do we stand in terms of service delivery, why and what do we do to improve.
  - Department **Performance Measures** – take this initiative to the next level of accountability.
  - **Training, Training and more Training** – structured programs for employee development.
  - **Safety** – utilize **OSHA templates** for monthly safety reviews.
- 4) **Public Service & Engineering – “Road to a 1st Class Transportation System” –**
- Enhanced maintenance – in-house maintenance & repairs, berming, crack sealing, right-of-way mowing and pothole repair – quick response / lasting results – if additional or enhancement equipment is needed it will either be purchased or presented for proper authorization.
  - Street Tree Maintenance; Roadway striping Plan; guardrail repair.
  - Use of Street Light Repair program as a model for other Public Service projects.
  - **Engineering cost containment** – detailed review of each infrastructure project prior to committing resources.
  - **In House v. Engineering firm review** – detailed analysis well in advance of Budget 2013 development.
- 5) **Land Use, Planning & Zoning / Grant Funding, Parks & Recreation – “Future Pataskala!”**
- **Community Visioning** project – what do Citizens see as the “Pataskala of the Future” – prepare the groundwork to update the City’s Comprehensive land Use Plan in 2013.
  - Comprehensive review of **prioritization of enforcement issues** within the Planning Department.

- **Business Friendly** approach while maintaining strength of Council approved codified ordinances.
- Proactive review by staff identifying areas of the code not working as intended – suggestions for code modifications if needed should be anticipated in 2012 – build on recent successes of amendments to the **sign code** and the **Planned Development District** code section. Case in point – improved **Temporary and Community Event signage** section in the Code.
- Effective identification of **grant funding** sources through the established Engineering Retainer Agreement.
- Primary grant projects in 2012 – **MORPC attributable Grant** funding for **Mink Street Reconstruction**; additional opportunities through Safe Routes to School (SRTS) program; Ohio Public Works Commission (OPWC); CDBG – small cities and DT programs; Ohio Water Pollution Control Loan Fund; Ohio Water Development Administration; ODOT Municipal Bridge program.
- Continued close relationship with and support of **P&R Board** – especially in areas of Pool lease, Recreation Utilization Agreements, and Adopt-A-Park Program – Public Service Department has been directed to provide enhanced maintenance assistance in parking areas and fence maintenance.

6) **Utilities – “Safety, Reliability, Excellence!”**

- Completion of **Wastewater Treatment Plant Phase II** improvements – acknowledgement from OEPA that all outstanding treatment issues have been addressed through these “state of the art” improvements – 20 year period of deferred maintenance at this facility will have been addressed. In addition, implementation of **The Oaks connections & assessments** – achieve completion and full-compliance for this OEPA mandated project.
- Continued implementation of City’s **2010 Utility Plan**.
- 2nd Round of **Utility System Performance Audits** – move towards benchmarking with other utility systems which will assist in building a positive working relationship with Ohio Environmental Protection Agency.
- Review of the level of **Utility rates** and the method (single-tier, multi-tier, and other options) of applying said rates – need to maintain financial sustainability of the system achieved in 2011, while establishing necessary structure to pay for needed CIP projects system-wide. Fully review impact of future changes on residential and commercial account customers.

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

- Completion of **Police Department HVAC** improvements.
- Safety & Security improvements at Water Treatment Plants #1 & #2.
- Safety & Security improvements at Mink Street and Creek Road Public Service garages.
- Cost effective replacement of office building signage at City Building along with various safety improvements which would include parking areas.
- Fleet Maintenance reporting and review of **vehicle & equipment replacement recommendations**.

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

- **Public outreach & Media Relations – “State of City” interviews** by City Administrator with media outlets at least quarterly throughout the year and continue positive series of articles about the City as evidenced in 2011.
- Find creative ways of reaching our citizens through the **website, facebook** and other **social media** including continual improvement of the **City Newsletter**.
- Review staffing / resources directed to reach increased levels of **Public Outreach & Media Relations – “communications”** role – how can the Administration most effectively fulfill this vital role in the future given current resources, which in many communities is fulfilled by a specific and focused “Communications Officer” staff position.
- **Community Customer Service Response (CCSR) System** – rapid response and problem resolution – increased reporting on citizen concerns – commitment to excellence in responding to our citizens and addressing their concerns.
- Continued strong relationship with Volunteer groups in 2012 – public / private partnership.

In 2012 the City issued \$2,753,000 Various Purpose General Obligation Notes for the purpose of street construction and water and sewer infrastructure improvements. A breakdown of projects utilizing these funds as follows:

<b>Description</b>	<b>Budget</b>
<b>Capital Improvements (Road Infrastructure)</b>	
Havens Corner Road	\$1,046,000
Broad Street/State Route 16	750,000
McIntosh Road	730,000
Township Road - Phase I	84,000
John Reese Parkway	75,000
Laurel Lane	240,000
High Street - Phase I	99,000
Cedar Street	42,000
Front Street	43,000
Taylor Glen/Kylemore Subdivision	100,000
<b>Total Capital Improvements</b>	<b>3,209,000</b>

--Continued--



City of Pataskala  
 Licking County, Ohio  
 Letter of Transmittal  
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**Water System Capital Improvements**

Aging Waterline, Valve and Hydrant Replacement	75,000
Beechwood Trails Water Line/Service Replacement	75,000
Well #6 Pump Installation and Cleaning	35,000
Water Treatment Plant Preventative Maintenance	45,000
Distribution System Preventative Maintenance	35,000
Water SCADA System Maintenance	15,000
State Route 310 Water Line Extension	70,000
Meter Replacement	20,000
Irons Filters/Softeners	72,000
Hydrant Replacement Project	50,000
Water Treatment Plant #2 Fence & Gate	35,000
Water Treatment Plant #1 Fence and Gate	15,000
Booster Station Pump #1 Replacement	35,000
Booster Station Back Up Power Generator	61,000
Headley Mill Water Tower Paint Project	140,000
Jefferson Street Waterline Replacement	135,000
Groundwater Monitoring Wells	50,000
<b>Total Water System Capital Improvements</b>	<b>963,000</b>

**Sewer System Capital Improvements**

Sewer Cleaning & Televising	25,000
Aging Sewer Relining Repair	75,000
Meter Replacement	30,000
I & I Flow Meters	40,000
Clarifier Rebuild Project	110,000
Fence For Eastside Pump Station	12,000
River Forrest Lift Station Upgrade	55,000
Manhole Rehabilitation Project	100,000
Sewer Line Replacement Project	270,000
Lift Station Security	50,000
<b>Total Sewer System Capital Improvements</b>	<b>767,000</b>

Total 2012-2013 Capital Improvements \$ 4,939,000

**RELEVANT FINANCIAL POLICIES**

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

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

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

1. Capital Improvement Plan – This document establishes a policy framework to guide the expansion of the City and future development and necessary infrastructure and capital equipment needs.

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

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

**Debt Management** - Debt will only be used to fund capital projects or the purchase of capital assets that will continue to benefit the community and will not be used to finance operating expenditures. The City will work to obtain and maintain assigned credit from a rating agency consistent with the City’s financing objectives. Finally, the City will strive to retire short-term borrowings as considered beneficial to the City in relation to overall cost savings and interest rates.

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

#### **AWARDS AND ACKNOWLEDGEMENTS**

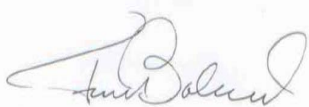
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pataskala for its Comprehensive Annual Financial Report for the year ended December 31, 2010. This was the second year that the City of Pataskala has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The City has been awarded the Auditor of State of Ohio “Making Your Tax Dollars Count” Award for 2009 and 2010 based on the submission of a Comprehensive Annual Financial Report and no material noncompliance or internal control weaknesses identified as a result of these audits.

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

Respectfully submitted,



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Timothy M. Boland  
City Administrator



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Jason A. Carr, CPA  
Finance Director

**CITY OF PATASKALA, OHIO**

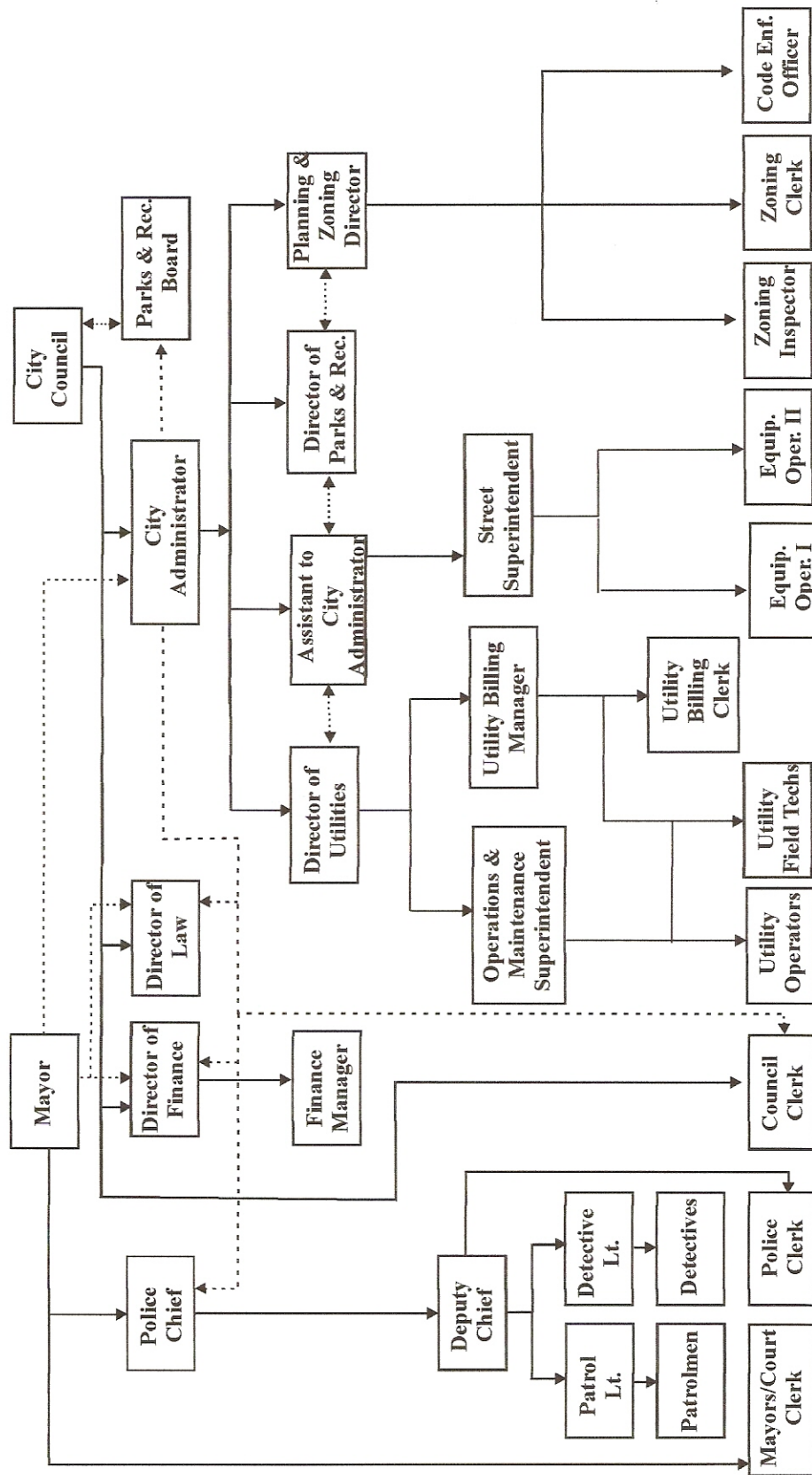
**LIST OF PRINCIPAL CITY OFFICIALS  
AS OF DECEMBER 31, 2011**

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



# City of Pataskala Organizational Structure

Chart A



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Pataskala  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2010

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



*Linda C. Sandison*

President

*Jeffrey R. Emswiler*

Executive Director

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# Financial Section

City of Pataskala | CAFR









## Balestra, Harr & Scherer, CPAs, Inc.

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

[www.bhscpas.com](http://www.bhscpas.com)

### Independent Auditor's Report

Members of Council  
City of Pataskala  
Licking County, Ohio  
621 W. Broad Street  
Pataskala, Ohio 43062

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pataskala, Licking County, Ohio, (the City), as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City'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 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 the 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.

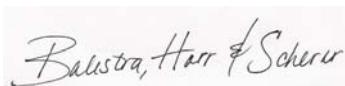
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Pataskala, Licking County, Ohio as of December 31, 2011, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the general fund, street fund, and police 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 May 25, 2012, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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 be read in conjunction with this report in considering the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

As described in Note 3 to the basic financial statements, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and GASB Statement No. 59, *Financial Instruments Omnibus*.



Balestra, Harr & Scherer, CPAs, Inc.  
May 25, 2012

## **CITY OF PATASKALA, OHIO**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)**

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, 2011. 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 2011 are as follows:

- The total net assets of the City increased \$6,071,361. Net assets of governmental activities increased \$6,318,214 or 52.38%. Net assets of business-type decreased \$246,853 or 4.70% over 2010.
- General revenues accounted for \$5,016,966 or 46.26% of total governmental activities revenue. Program specific revenues accounted for \$5,829,170 or 53.74% of total governmental activities revenue.
- The City had \$4,527,922 in expenses related to governmental activities; \$5,829,170 of these expenses was offset by program specific charges for services, grants or contributions.
- The general fund had revenues of \$1,557,162 in 2011. This represents a decrease of \$379,159 from 2010 revenues. The expenditures and other financing uses of the general fund, which totaled \$1,673,935 in 2011 increased \$222,541 from 2010. The net decrease in fund balance for the general fund was \$116,773 or 6.89%.
- The street fund had revenues of \$1,439,263 in 2011, which is an increase of \$369,073 from 2010 revenues. The expenditures in the street fund totaled \$1,253,480 in 2011, which increased \$212,336 from 2010. The net increase in fund balance was \$185,783 or 25.12%.
- The police fund had revenues and other financing sources of \$2,296,703 in 2011, which is a decrease of \$70,662 from 2010 revenues. The expenditures in the police fund totaled \$1,516,728 in 2011, which increased \$138,670 in 2010. The net increase in fund balance was \$779,975 or 58.13%.
- Net assets for the business-type activities, which are made up of the water and sewer enterprise funds, decreased in 2011 by \$246,853. This decrease in net assets was due primarily to an increase in operating expenses during 2011.
- In the general fund, the actual revenues came in \$1,780 higher than they were in the final budget. Actual expenditures were \$1,153,294 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, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)**

#### **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 2011?" 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, income taxes, and intergovernmental revenues including Federal and State grants and other shared revenues.

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

The City's statement of net assets and statement of activities can be found on pages 41 - 43 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 30.

##### ***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, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)**

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 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 44 - 53 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 54 - 57 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 statement can be found on page 58 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 59 - 92 of this report.

# CITY OF PATASKALA, OHIO

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)

### Government-Wide Financial Analysis

The table below provides a summary of the City's assets, liabilities and net assets at December 31, 2011 and 2010:

	Governmental Activities		Net Assets Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
<u>Assets</u>						
Current and other assets	\$ 8,345,760	\$ 6,382,486	\$ 3,284,580	\$ 2,700,301	\$ 11,630,340	\$ 9,082,787
Capital assets, net	<u>12,294,300</u>	<u>7,908,844</u>	<u>12,930,759</u>	<u>9,930,302</u>	<u>25,225,059</u>	<u>17,839,146</u>
Total assets	<u>20,640,060</u>	<u>14,291,330</u>	<u>16,215,339</u>	<u>12,630,603</u>	<u>36,855,399</u>	<u>26,921,933</u>
<u>Liabilities</u>						
Long-term liabilities						
outstanding	1,182,287	1,100,025	10,433,970	7,127,447	11,616,257	8,227,472
Other liabilities	<u>1,077,003</u>	<u>1,128,749</u>	<u>770,482</u>	<u>245,416</u>	<u>1,847,485</u>	<u>1,374,165</u>
Total liabilities	<u>2,259,290</u>	<u>2,228,774</u>	<u>11,204,452</u>	<u>7,372,863</u>	<u>13,463,742</u>	<u>9,601,637</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	11,192,505	6,885,892	2,512,585	2,890,611	13,705,090	9,776,503
Restricted	5,035,179	3,368,744	-	-	5,035,179	3,368,744
Unrestricted	<u>2,153,086</u>	<u>1,807,920</u>	<u>2,498,302</u>	<u>2,367,129</u>	<u>4,651,388</u>	<u>4,175,049</u>
Total net assets	<u>\$ 18,380,770</u>	<u>\$ 12,062,556</u>	<u>\$ 5,010,887</u>	<u>\$ 5,257,740</u>	<u>\$ 23,391,657</u>	<u>\$ 17,320,296</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2011, the City's assets exceeded liabilities by \$23,391,657. At year end, net assets were \$18,380,770 and \$5,010,887 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 68.44% 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, 2011, were \$11,192,505 and \$2,512,585 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, 2011, 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, \$5,035,179, 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 \$2,153,086 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, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)

The table below shows the changes in net assets for fiscal years 2011 and 2010.

	Governmental Activities		Change in Net Assets Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
<b>Revenues</b>						
Program revenues:						
Charges for services and sales	\$ 602,076	\$ 547,162	\$ 2,465,115	\$ 1,645,350	\$ 3,067,191	\$ 2,192,512
Operating grants and contributions	1,056,890	1,103,619	-	-	1,056,890	1,103,619
Capital grants and contributions	4,170,204	1,031,411	-	56,665	4,170,204	1,088,076
General revenues:						
Property taxes	623,868	2,323,521	-	-	623,868	2,323,521
Income taxes	3,714,811	1,091,939	-	-	3,714,811	1,091,939
Payments in lieu of taxes	261,409	424,161	-	-	261,409	424,161
Unrestricted grants	303,395	331,221	-	-	303,395	331,221
Interest	6,594	4,223	6,825	4,714	13,419	8,937
Other	106,889	32,346	164,913	19,348	271,802	51,694
<b>Total revenues</b>	<b>10,846,136</b>	<b>6,889,603</b>	<b>2,636,853</b>	<b>1,726,077</b>	<b>13,482,989</b>	<b>8,615,680</b>
<b>Expenses:</b>						
General government	758,581	871,750	-	-	758,581	871,750
Security of persons and property	1,724,472	1,373,081	-	-	1,724,472	1,373,081
Public health and welfare	60,486	59,300	-	-	60,486	59,300
Transportation	1,561,671	1,228,925	-	-	1,561,671	1,228,925
Community environment	318,312	270,207	-	-	318,312	270,207
Leisure time activity	41,908	46,494	-	-	41,908	46,494
Economic development	24,799	4,462	-	-	24,799	4,462
Interest and fiscal charges	37,693	51,942	-	-	37,693	51,942
Water	-	-	1,467,074	1,338,996	1,467,074	1,338,996
Sewer	-	-	1,416,632	939,701	1,416,632	939,701
<b>Total expenses</b>	<b>4,527,922</b>	<b>3,906,161</b>	<b>2,883,706</b>	<b>2,278,697</b>	<b>7,411,628</b>	<b>6,184,858</b>
<b>Change in net assets</b>	<b>6,318,214</b>	<b>2,983,442</b>	<b>(246,853)</b>	<b>(552,620)</b>	<b>6,071,361</b>	<b>2,430,822</b>
<b>Net assets at beginning of year</b>	<b>12,062,556</b>	<b>9,079,114</b>	<b>5,257,740</b>	<b>5,810,360</b>	<b>17,320,296</b>	<b>14,889,474</b>
<b>Net assets at end of year</b>	<b>\$ 18,380,770</b>	<b>\$ 12,062,556</b>	<b>\$ 5,010,887</b>	<b>\$ 5,257,740</b>	<b>\$ 23,391,657</b>	<b>\$ 17,320,296</b>

### Governmental Activities

Governmental activities net assets increased \$6,318,214 in 2011 primarily as a result of capital contributions for donated infrastructure.

# CITY OF PATASKALA, OHIO

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)

Security of persons and property, which primarily supports the operations of the police department, had expenses of \$1,724,472 which accounted for 38.09% of the governmental expenses of the City. These expenses were partially funded by \$231,099 in direct charges to users of the services and \$53,413 in operating grants and contributions. Transportation, which primarily supports street construction and maintenance projects, had expenses of \$1,561,671 which accounted for 34.49% of the governmental expenses of the City. These expenses were funded by \$678,261 in operating grants and contributions and \$4,098,126 in capital grants and contributions. General government expenses totaled \$758,581 which was partially funded by \$359,222 in direct charges to users of the services.

The State and Federal government contributed to the City a total of \$1,056,890 in operating grants and contributions and \$4,170,204 in capital grants and contributions. These revenues are restricted to a particular program or purpose.

General revenues totaled \$5,016,966, and amounted to 46.26% of total governmental revenues. These revenues primarily consist of property tax revenue, income tax revenue, payments in lieu of taxes and grants and entitlements not restricted to specific programs, including local government revenue, making up \$4,903,483 which is 97.74% of general revenues or 45.21% of all revenues.

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

	<b>Governmental Activities</b>			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2011	2011	2010	2010
Program expenses:				
General government	\$ 758,581	\$ 399,359	\$ 871,750	\$ 499,146
Security of persons and property	1,724,472	1,439,960	1,373,081	1,070,381
Public health and welfare	60,486	60,486	59,300	59,300
Transportation	1,561,671	(3,214,716)	1,228,925	(711,040)
Community environment	318,312	197,389	270,207	222,659
Leisure time activity	41,908	(246,218)	46,494	27,119
Economic development	24,799	24,799	4,462	4,462
Interest and fiscal charges	37,693	37,693	51,942	51,942
Total expenses	<u>\$ 4,527,922</u>	<u>\$ (1,301,248)</u>	<u>\$ 3,906,161</u>	<u>\$ 1,223,969</u>

The dependence upon general revenues for governmental activities is apparent, with 50.33% and 31.33% of expenses in 2011 and 2010, respectively, supported through taxes and other general revenues. The increase in security of persons property is attributed to the City hiring more police officers based on the collection of income tax revenues. Higher expenses related to transportation is also attributed to the collection of income tax revenues and the ability to hire more employees and provide services for street construction and repair.

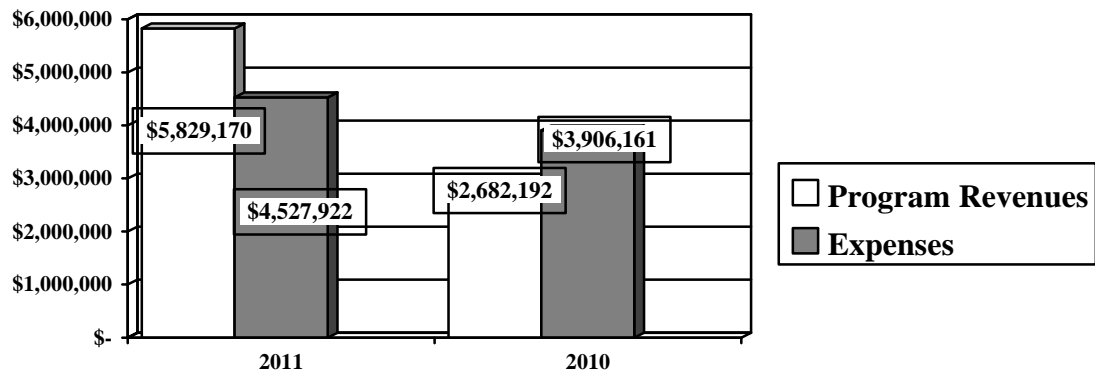


## CITY OF PATASKALA, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)

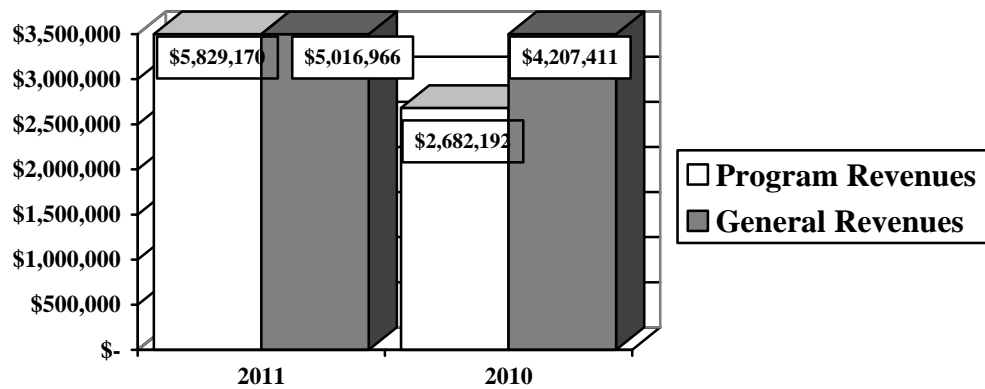
The graph below shows governmental-activities program revenues and total expenses for years 2011 and 2010.

**Governmental Activities - Program Revenues vs. Total Expenses**



The graph below shows governmental-activities general and program revenues for years 2011 and 2010.

**Governmental Activities - General and Program Revenues**



General revenues increased from 2010 based on higher income tax collections. Program revenues increased based on capital contributions for infrastructure and increased grant revenue.

#### **Business-type Activities**

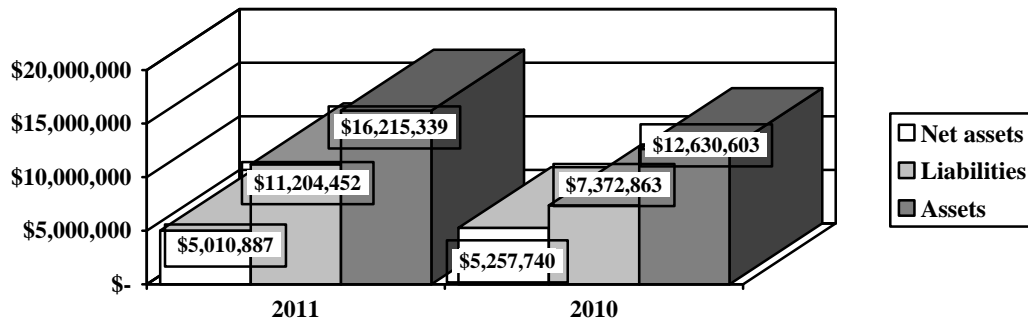
Business-type activities include the water and sewer enterprise funds. These programs had program revenues of \$2,465,115, general revenues of \$171,738, and expenses of \$2,883,706 for 2011.

## CITY OF PATASKALA, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)

The graph below shows the business-type activities assets, liabilities and net assets at December 31, 2011 and 2010.

**Net Assets in Business - Type Activities**



The City's total assets for business-type activities increased based on several construction projects during 2011, including the rehabilitation of the City's Wastewater Treatment Plant and the OAKS Sanitary Sewer Special Assessment Project. Liabilities also increased based on additional debt for these projects.

### Financial Analysis of the Government's Funds

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

#### *Governmental Funds*

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

The City's governmental funds (as presented on the balance sheet on pages 20-21) reported a combined fund balance of \$6,259,519 which is \$1,937,578 higher than last year's total of \$4,321,941. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2011 for all major and nonmajor governmental funds. The City restated fund balance at December 31, 2010 as described in Note 3.B.

	Fund Balances 12/31/11	Restated Fund Balances 12/31/10	Increase/ (Decrease)
Major funds:			
General	\$ 1,577,032	\$ 1,693,805	\$ (116,773)
Street	925,278	739,495	185,783
Police	2,121,855	1,341,880	779,975
Other nonmajor governmental funds	1,635,354	546,761	1,088,593
Total	<u>\$ 6,259,519</u>	<u>\$ 4,321,941</u>	<u>\$ 1,937,578</u>

## CITY OF PATASKALA, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)

Total fund balances for governmental funds increased based on higher income tax revenue collections, collection of payment in lieu of taxes, and grant revenues when compared to 2010.

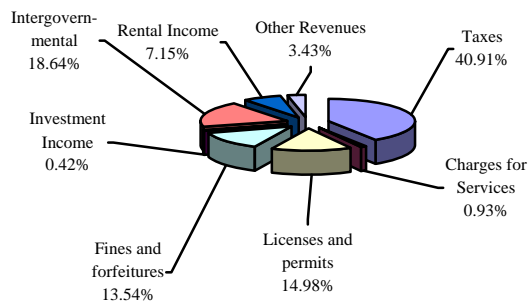
#### **General Fund**

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

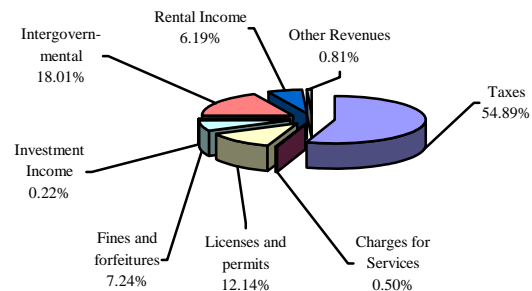
	2011 <u>Amount</u>	Restated 2010 <u>Amount</u>	Percentage <u>Change</u>
<b><u>Revenues</u></b>			
Taxes	\$ 637,042	\$ 1,066,711	(40.28) %
Charges for services	14,538	9,808	48.23 %
Licenses and permits	233,253	235,985	(1.16) %
Fines and forfeitures	210,877	140,733	49.84 %
Intergovernmental	290,109	350,015	(17.12) %
Investment income	6,594	4,223	56.14 %
Rental income	111,344	120,200	(7.37) %
Other	53,405	15,724	239.64 %
Total	<u>\$ 1,557,162</u>	<u>\$ 1,943,399</u>	(19.87) %

Tax revenue represents 40.91% of all general fund revenue. Taxes decreased 40.28% over 2010 revenues due to a decrease in advances available of \$181,293 at December 31, 2011 and the phase out of tangible personal property tax revenue. Advances available from the County can fluctuate based on the timing of the real estate bills. The increase in charges for services was due to an increase in construction accounts. The increase in fines and forfeitures was due to an increase in mayor's court fines and court costs. The decrease in intergovernmental revenue was a result of decrease in intergovernmental receivables. The graphs below show a breakdown of the general fund's revenues for December 31, 2011 and 2010:

**Revenues - 2011**



**Revenues - 2010**



# CITY OF PATASKALA, OHIO

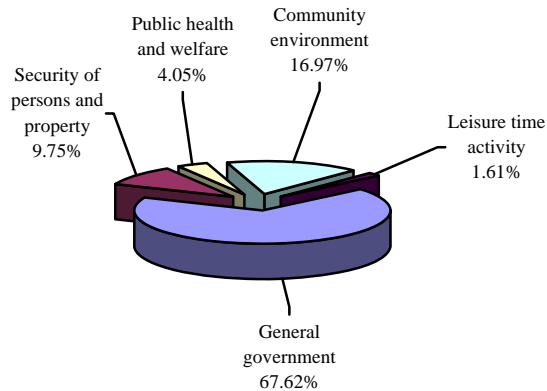
## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)

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

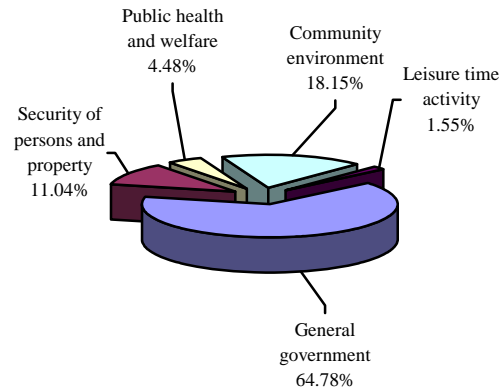
	2011 <u>Amount</u>	Restated 2010 <u>Amount</u>	Percentage <u>Change</u>
<b><u>Expenditures</u></b>			
General government	\$ 1,010,603	\$ 855,648	18.11 %
Security of persons and property	145,760	145,763	(0.00) %
Public health and welfare	60,486	59,300	2.00 %
Community environment	253,565	239,698	5.79 %
Leisure time activitiy	<u>24,044</u>	<u>20,493</u>	<u>17.33</u> %
Total	<u>\$ 1,494,458</u>	<u>\$ 1,320,902</u>	13.14 %

The increase in general government is primarily due to an increase in city lands and buildings expenses, specifically costs associated with operating the City's buildings various maintenance and repairs related expenses. All other expenditures were comparable to 2010. The graphs below show the general fund's expenditures for December 31, 2011 and 2010:

**Expenditures - 2011**



**Expenditures - 2010**



## **CITY OF PATASKALA, OHIO**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)**

#### ***Street Fund***

The street fund had revenues of \$1,439,263 in 2011, which is an increase of \$369,073 from 2010 revenues. The City began collecting income tax revenues into the street fund during 2010 and had a full year of collections in 2011. The expenditures in the street fund totaled \$1,253,480 in 2011, which increased \$212,336 from 2010. The net increase in fund balance was \$185,783 or 25.12%.

#### ***Police Fund***

The police fund had revenues and other financing sources of \$2,296,703 in 2011, which is a decrease of \$70,662 from 2010 revenues. The City began collecting income tax revenues into the police fund during 2010 and had a full year of collections in 2011. The expenditures in the police fund totaled \$1,516,728 in 2011, which increased \$138,670 in 2010. The net increase in fund balance was \$779,975 or 58.13%.

#### ***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 \$1,780 higher than they were in the final budget. Actual expenditures were \$1,153,294 less than the amount in the final budget. These variances are the result of the City's conservative budgeting. The increase in actual revenues from 2010 is primarily attributed to higher collections related to higher fines, licenses and permit revenue off-set by lower real estate tax revenues. The City continues to monitor the budget which further exemplifies the difference between total expenditures available to spend and actual expenditures which is evidenced by the \$1,153,294 positive variance.

#### ***Proprietary Funds***

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

### **Capital Assets and Debt Administration**

#### ***Capital Assets***

At the end of 2011, the City had \$25,225,059, net of accumulated depreciation, invested in land, construction in progress, land improvements, buildings and improvements, equipment, vehicles, and infrastructure. Of this total, \$12,294,300 was reported in governmental activities and \$12,930,759 was reported in business-type activities. The following table shows 2011 balances compared to 2010:

# CITY OF PATASKALA, OHIO

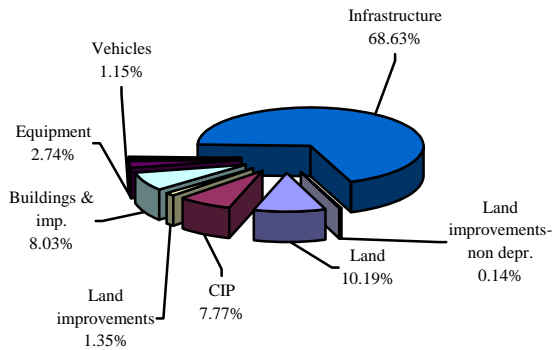
## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)

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

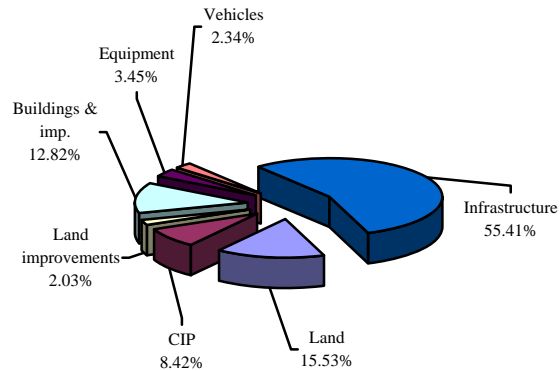
	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 1,253,240	\$ 1,228,340	\$ 654,893	\$ 654,893	\$ 1,908,133	\$ 1,883,233
Land improvements-non depreciable	17,077	-	-	-	17,077	-
Construction-in-progress	955,486	666,152	3,943,352	577,035	4,898,838	1,243,187
Land improvements	166,254	160,885	-	-	166,254	160,885
Buildings and improvements	987,442	1,013,738	4,798,009	4,956,470	5,785,451	5,970,208
Equipment	337,445	272,734	937,073	927,476	1,274,518	1,200,210
Vehicles	140,773	185,267	44,832	29,914	185,605	215,181
Infrastructure	8,436,583	4,381,728	2,552,600	2,784,514	10,989,183	7,166,242
Totals	<u>\$ 12,294,300</u>	<u>\$ 7,908,844</u>	<u>\$ 12,930,759</u>	<u>\$ 9,930,302</u>	<u>\$ 25,225,059</u>	<u>\$ 17,839,146</u>

The following graphs show the breakdown of governmental capital assets by category for 2011 and 2010.

Capital Assets - Governmental Activities 2011



Capital Assets - Governmental Activities 2010



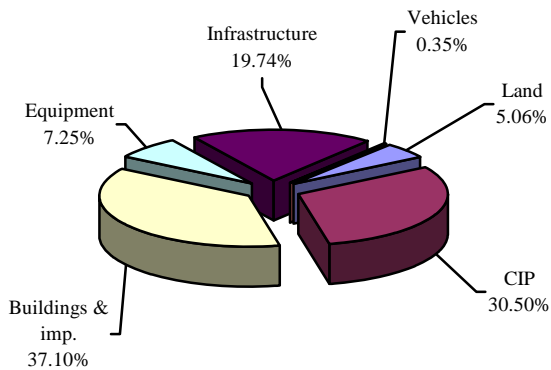
The City's largest capital asset category is infrastructure which includes roads, bridges, culverts, sidewalks and curbs. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant.

# CITY OF PATASKALA, OHIO

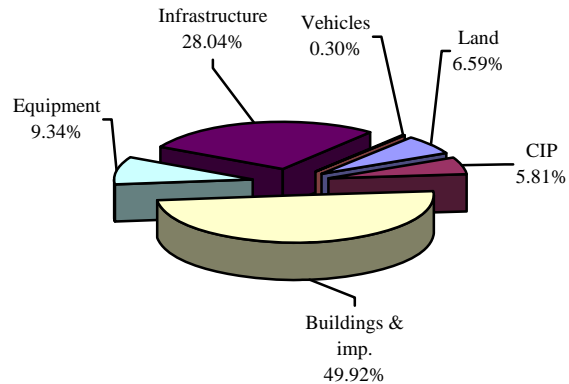
## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)

The following graphs show the breakdown of business-type capital assets by category for 2011 and 2010.

**Capital Assets - Business-Type Activities 2011**



**Capital Assets - Business-Type Activities 2010**



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 37.10% of the City's total business-type capital assets.

### ***Debt Administration***

The City had the following long-term obligations outstanding at December 31, 2011 and 2010:

Governmental Activities		
	2011	2010
Compensated absences	\$ 80,492	\$ 77,073
SIB loan	\$ 245,771	
Note payable	790,035	946,417
OPWC loans	65,989	76,535
Total long-term obligations	<u>\$ 1,182,287</u>	<u>\$ 1,100,025</u>
Business-type Activities		
	2011	2010
General obligation bonds	\$ 6,670,000	\$ 6,840,000
OWDA Loans	3,664,972	183,398
Compensated absences	15,796	14,727
Total long-term obligations	<u>\$ 10,350,768</u>	<u>\$ 7,038,125</u>

## **CITY OF PATASKALA, OHIO**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)**

#### **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 Fund and 0.25% to the Street Fund through December 31, 2011. Original estimates provided by the Regional Income Tax Agency (R.I.T.A.) provided that upon full collection of the income tax the City would collect approximately \$2.4 million by December 31, 2013. Throughout the year management monitored these estimates and maintained conservative budgeting practices although collections exceeded those estimates final cash basis income tax collections of \$3,265,037 at December 31, 2011. Higher income tax collections combined with conservative budgeting practices allowed the City's Police and Street Funds to end 2011 with higher than expected carryover fund balances for 2012.

City Council and management were cognizant that higher than expected income tax collections would provide for greater scrutiny regarding the use of taxpayer dollars and therefore changed the allocation of income taxes to provide greater resources for the implementation of the City's Road Asset Management Plan (RAMP) which evaluated the City's road infrastructure. Effective January 1, 2012, income tax collections are recorded within the City's Capital Improvement Fund (55%), Police Fund (24%), Street Fund (15%), and Debt Service Fund (6%). This income tax allocation provides the framework for the City to begin addressing its infrastructure needs while providing sufficient funds for operations and accounting for debt service obligations.

The aforementioned Roadway Asset Management Plan (RAMP) is a management tool which would be used to identify the current condition of the City's road infrastructure and the estimated improvement costs. This plan estimated \$34 million in needed repairs over a 10 year period. Ordinance 2012-4064 authorized the City to proceed with implementing the necessary road repairs in 2012 and 2013 addressing critical roads within the City at an estimated cost of \$3.2 million, which would be financed by the issuance of \$750,000 in bond anticipation notes, income taxes allocated to the Capital Improvement Fund and permissive license tax funds allocated to the Permissive License Tax Fund. The City expects to issue additional debt in 2013 for the local match associated with the repaving of Broad Street and continue addressing its infrastructure needs.

In addition to the City's poor road infrastructure which the City has begun to address with the passage of the income tax, infrastructure associated with the City's water and sewer utility operations were evaluated and identified several areas in need of improvement and repair. In conjunction with the finalization of the \$4.4 million Wastewater Treatment Plant upgrade and OAKS Sanitary Sewer Special Assessment project, in 2012 the City issued bond anticipation notes totaling \$1,236,000 for water system improvements and \$767,000 for sewer system improvements. The City's utility funds do not receive income tax receipts and are self-supporting through user charges. In 2011 the City implemented a new utility rate structure to address operations, needed capital improvements, and provides necessary funds to pay debt service related charges. These rates will continue to be evaluated in 2012 and beyond to determine sufficient funds are available.

Based on the recent budget proposed by the Ohio Governor, all municipalities in Ohio will expect to see cuts in local government funding, tangible personal property tax reimbursements, and public utility deregulation tax reimbursements which began July 1, 2011. Furthermore, effective January 1, 2013 the City will no longer receive estate tax revenues which will further challenge future budgets. These changes will require the Administration to adjust future operating budgets to avoid significant decreases in services.

Based on the recent cost estimates to repair the City's deteriorating road infrastructure, the income tax will not be sufficient to cover these costs when considering income tax receipts must be used for police operations, street operations and debt service obligations. The Administration will continue to be aggressive in seeking available grant funding for infrastructure needs consistently working with the Mid-Ohio Regional Planning Commission (MORPC), Licking County Engineer, the Ohio Department of Development and the Ohio Department of Transportation. However, another taxing mechanism may be necessary when considering the aggressiveness of implementing the RAMP and maintaining a low level of debt service.



**CITY OF PATASKALA, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

**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.

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# BASIC FINANCIAL STATEMENTS

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**CITY OF PATASKALA  
LICKING COUNTY, OHIO**

STATEMENT OF NET ASSETS  
DECEMBER 31, 2011

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 5,479,688	\$ 2,599,335	\$ 8,079,023
Receivables:			
Income taxes . . . . .	954,189	-	954,189
Real and other taxes . . . . .	865,671	-	865,671
Accounts . . . . .	54,710	341,235	395,945
Payment in lieu of taxes . . . . .	206,640	-	206,640
Due from other governments . . . . .	586,263	-	586,263
Prepayments . . . . .	30,889	19,522	50,411
Materials and supplies inventory . . . . .	45,220	6,165	51,385
Unamortized bond issue costs . . . . .	-	162,134	162,134
Restricted assets:			
Cash with fiscal and escrow agent . . . . .	122,490	156,189	278,679
Capital assets:			
Land, land improvements and construction in progress . . . . .	2,225,803	4,598,245	6,824,048
Depreciable capital assets, net . . . . .	10,068,497	8,332,514	18,401,011
Total capital assets, net . . . . .	12,294,300	12,930,759	25,225,059
Total assets . . . . .	20,640,060	16,215,339	36,855,399
<b>Liabilities:</b>			
Accounts payable . . . . .	35,892	65,033	100,925
Contracts payable . . . . .	82,121	498,766	580,887
Retainage payable . . . . .	-	156,189	156,189
Accrued wages and benefits payable . . . . .	56,410	18,447	74,857
Due to other governments . . . . .	757	-	757
Pension obligation payable . . . . .	54,418	6,351	60,769
Accrued interest payable . . . . .	5,141	25,696	30,837
Unearned revenue . . . . .	842,264	-	842,264
Long-term liabilities:			
Due within one year . . . . .	152,722	200,779	353,501
Due in more than one year . . . . .	1,029,565	10,233,191	11,262,756
Total liabilities . . . . .	2,259,290	11,204,452	13,463,742
<b>Net assets:</b>			
Invested in capital assets, net of related debt . . . . .	11,192,505	2,512,585	13,705,090
Restricted for:			
Debt service . . . . .	67,217	-	67,217
Capital projects . . . . .	894,345	-	894,345
Street construction, maintenance and repairs . . . . .	1,829,907	-	1,829,907
Community development . . . . .	23,352	-	23,352
Police . . . . .	2,169,514	-	2,169,514
Parks and recreation . . . . .	50,844	-	50,844
Unrestricted . . . . .	2,153,086	2,498,302	4,651,388
Total net assets . . . . .	\$ 18,380,770	\$ 5,010,887	\$ 23,391,657

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF PATASKALA  
LICKING COUNTY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2011

			<b>Program Revenues</b>	
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Governmental activities:</b>				
General government. . . . .	\$ 758,581	\$ 359,222	\$ -	\$ -
Security of persons and property . . .	1,724,472	231,099	53,413	-
Public health and welfare . . . . .	60,486	-	-	-
Transportation. . . . .	1,561,671	-	678,261	4,098,126
Community environment . . . . .	318,312	-	85,387	35,536
Leisure time activity. . . . .	41,908	11,755	239,829	36,542
Economic development . . . . .	24,799	-	-	-
Interest and fiscal charges. . . . .	37,693	-	-	-
Total governmental activities . . . . .	<u>4,527,922</u>	<u>602,076</u>	<u>1,056,890</u>	<u>4,170,204</u>
<b>Business-type activities:</b>				
Water . . . . .	1,467,074	1,363,563	-	-
Sewer . . . . .	1,416,632	1,101,552	-	-
Total business-type activities . . . . .	<u>2,883,706</u>	<u>2,465,115</u>	<u>-</u>	<u>-</u>
Totals . . . . .	<u>\$ 7,411,628</u>	<u>\$ 3,067,191</u>	<u>\$ 1,056,890</u>	<u>\$ 4,170,204</u>

**General revenues:**

Property taxes levied for:

General purposes . . . . .

Income taxes levied for:

Street fund . . . . .

Police levy fund . . . . .

Debt service fund . . . . .

Capital projects fund . . . . .

JEDD income tax fund . . . . .

Payments in lieu of taxes . . . . .

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**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (399,359)	\$ -	\$ (399,359)
(1,439,960)	-	(1,439,960)
(60,486)	-	(60,486)
3,214,716	-	3,214,716
(197,389)	-	(197,389)
246,218	-	246,218
(24,799)	-	(24,799)
(37,693)	-	(37,693)
<u>1,301,248</u>	<u>-</u>	<u>1,301,248</u>
-	(103,511)	(103,511)
-	(315,080)	(315,080)
-	(418,591)	(418,591)
<u>1,301,248</u>	<u>(418,591)</u>	<u>882,657</u>
623,868	-	623,868
833,223	-	833,223
2,299,295	-	2,299,295
57,251	-	57,251
524,805	-	524,805
237	-	237
261,409	-	261,409
303,395	-	303,395
6,594	6,825	13,419
106,889	164,913	271,802
<u>5,016,966</u>	<u>171,738</u>	<u>5,188,704</u>
6,318,214	(246,853)	6,071,361
<u>12,062,556</u>	<u>5,257,740</u>	<u>17,320,296</u>
<u>\$ 18,380,770</u>	<u>\$ 5,010,887</u>	<u>\$ 23,391,657</u>

**CITY OF PATASKALA  
LICKING COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2011

	<b>General</b>	<b>Street</b>	<b>Police</b>	<b>Other Governmental Funds</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . .	\$ 1,293,604	\$ 723,432	\$ 2,088,516	\$ 1,374,136
Receivables:				
Income taxes. . . . .	-	143,128	229,005	582,056
Real and other taxes . . . . .	865,671	-	-	-
Accounts. . . . .	52,464	435	860	951
Interfund loans. . . . .	216,636	-	-	-
Payments in lieu of taxes . . . . .	-	-	-	206,640
Due from other governments. . . . .	109,135	317,291	70	159,767
Materials and supplies inventory. . . . .	-	45,220	-	-
Prepayments . . . . .	7,442	8,724	14,723	-
Restricted assets:				
Cash with fiscal and escrow agents. . . . .	-	-	-	122,490
Total assets . . . . .	<u>\$ 2,544,952</u>	<u>\$ 1,238,230</u>	<u>\$ 2,333,174</u>	<u>\$ 2,446,040</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 13,187	\$ 5,756	\$ 16,489	\$ 460
Contracts payable. . . . .	-	3,711	-	78,410
Accrued wages and benefits payable . . . . .	13,308	11,269	31,833	-
Interfund loans payable. . . . .	-	-	-	216,636
Due to other governments . . . . .	300	-	457	-
Pension obligation payable . . . . .	7,084	3,580	43,754	-
Deferred revenue . . . . .	142,271	288,636	118,786	464,686
Unearned revenue . . . . .	791,770	-	-	50,494
Total liabilities . . . . .	<u>967,920</u>	<u>312,952</u>	<u>211,319</u>	<u>810,686</u>
<b>Fund balances:</b>				
Nonspendable . . . . .	7,442	53,944	14,723	-
Restricted. . . . .	-	871,334	2,107,132	1,603,113
Committed . . . . .	200,186	-	-	48,545
Assigned . . . . .	958,541	-	-	-
Unassigned (deficit) . . . . .	<u>410,863</u>	<u>-</u>	<u>-</u>	<u>(16,304)</u>
Total fund balances. . . . .	<u>1,577,032</u>	<u>925,278</u>	<u>2,121,855</u>	<u>1,635,354</u>
Total liabilities and fund balances . . . . .	<u>\$ 2,544,952</u>	<u>\$ 1,238,230</u>	<u>\$ 2,333,174</u>	<u>\$ 2,446,040</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**Total  
Governmental  
Funds**

\$ 5,479,688

954,189

865,671

54,710

216,636

206,640

586,263

45,220

30,889

122,490

\$ 8,562,396

\$ 35,892

82,121

56,410

216,636

757

54,418

1,014,379

842,264

2,302,877

76,109

4,581,579

248,731

958,541

394,559

6,259,519

\$ 8,562,396

**CITY OF PATASKALA  
LICKING COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET ASSETS OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2011

<b>Total governmental fund balances</b>	\$	6,259,519
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*Amounts reported for governmental activities on the  
statement of net assets are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		12,294,300
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Other long-term assets are not available to pay for current-  
period expenditures and therefore are deferred in the funds.

Real and other taxes receivable	\$	46,456	
Intergovernmental receivable		338,008	
Payments in lieu of taxes receivable		134,970	
Income taxes receivable		494,945	
Total		<hr/>	1,014,379

On the statement of net assets interest is accrued on outstanding notes payable, whereas in governmental funds, interest is accrued when due.		(5,141)
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Long-term liabilities, including loans payable, are not due and  
payable in the current period and therefore are not reported  
in the funds.

OPWC loans payable		65,989	
Notes payable		1,035,806	
Compensated absences payable		80,492	
Total		<hr/>	<hr/> (1,182,287)

<b>Net assets of governmental activities</b>	<b>\$</b>	<b>18,380,770</b>
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SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**CITY OF PATASKALA  
LICKING COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<b>General</b>	<b>Street</b>	<b>Police</b>	<b>Other Governmental Funds</b>
<b>Revenues:</b>				
Income taxes . . . . .	\$ -	\$ 787,958	\$ 2,267,436	\$ 280,376
Real and other taxes. . . . .	637,042	-	-	-
Charges for services. . . . .	14,538	-	-	11,755
Licenses and permits . . . . .	233,253	-	-	-
Fines and forfeitures . . . . .	210,877	-	2,972	17,250
Intergovernmental. . . . .	290,109	635,424	3,500	1,009,020
Special assessments . . . . .	2,967	-	-	-
Investment income. . . . .	6,594	1,118	-	114
Rental income . . . . .	111,344	-	-	-
Contributions and donations. . . . .	163	-	-	-
Payments in lieu of taxes . . . . .	-	-	-	550,600
Other . . . . .	50,275	14,763	22,795	18,893
Total revenues . . . . .	<u>1,557,162</u>	<u>1,439,263</u>	<u>2,296,703</u>	<u>1,888,008</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	1,010,603	-	-	1,435
Security of persons and property . . . . .	145,760	-	1,516,728	59,825
Public health and welfare. . . . .	60,486	-	-	-
Transportation . . . . .	-	1,249,769	-	168,395
Community environment . . . . .	253,565	-	-	15,693
Leisure time activity . . . . .	24,044	-	-	233,121
Economic development. . . . .	-	-	-	24,799
Capital outlay . . . . .	-	3,711	-	516,033
Debt service:				
Principal retirement. . . . .	-	-	-	166,928
Interest and fiscal charges . . . . .	-	-	-	38,434
Total expenditures . . . . .	<u>1,494,458</u>	<u>1,253,480</u>	<u>1,516,728</u>	<u>1,224,663</u>
Excess of revenues over expenditures. . . . .	<u>62,704</u>	<u>185,783</u>	<u>779,975</u>	<u>663,345</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	-	-	179,477
Transfers (out). . . . .	(179,477)	-	-	-
Note proceeds . . . . .	-	-	-	245,771
Total other financing sources (uses) . . . . .	<u>(179,477)</u>	<u>-</u>	<u>-</u>	<u>425,248</u>
Net change in fund balances . . . . .	(116,773)	185,783	779,975	1,088,593
<b>Fund balances at beginning of year (restated)</b>	1,693,805	739,495	1,341,880	546,761
<b>Fund balances at end of year . . . . .</b>	<u><u>\$ 1,577,032</u></u>	<u><u>\$ 925,278</u></u>	<u><u>\$ 2,121,855</u></u>	<u><u>\$ 1,635,354</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Total Governmental Funds</b>	
\$	3,335,770
	637,042
	26,293
	233,253
	231,099
	1,938,053
	2,967
	7,826
	111,344
	163
	550,600
	106,726
	<u>7,181,136</u>

	1,012,038
	1,722,313
	60,486
	1,418,164
	269,258
	257,165
	24,799
	519,744
	166,928
	38,434
	<u>5,489,329</u>

	<u>1,691,807</u>
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	179,477
	(179,477)
	245,771
	<u>245,771</u>

	1,937,578
	4,321,941
\$	<u><u>6,259,519</u></u>

**CITY OF PATASKALA  
LICKING COUNTY, 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, 2011

**Net change in fund balances - total governmental funds** \$ 1,937,578

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

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

Capital asset additions	\$ 1,420,744	
Current year depreciation	(623,216)	
Total		797,528

Miscellaneous transactions involving capital assets (i.e. sales, trade-ins  
and donations) are not reflected in the governmental funds, however  
they had the following effect in the statement of activities:

Capital contributions	3,588,299	
Disposals, net	(371)	
Total		3,587,928

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

Property taxes	(13,174)	
Intergovernmental revenues	2,905	
Special assessments	(2,880)	
Income tax revenue	379,041	
Payments lieu of taxes	(289,191)	
Total		76,701

Proceeds of notes are reported as an other financing source in  
the governmental funds, however, in the statement of activities,  
they are not reported as revenues as they increase the liabilities  
on the statement of net assets.

(245,771)

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

166,928

In the statement of activities, interest is accrued on outstanding loans and  
notes, whereas in governmental funds, an interest expenditure is reported  
when due.

741

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.

(3,419)

<b>Change in net assets of governmental activities</b>	<b>\$</b>	<b>6,318,214</b>
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SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF PATASKALA  
LICKING COUNTY, 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, 2011

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Real and other taxes. . . . .	\$ 972,575	\$ 972,575	\$ 818,336	\$ (154,239)
Charges for services. . . . .	10,000	10,000	14,538	4,538
Licenses and permits . . . . .	170,000	215,000	232,285	17,285
Fines and forfeitures . . . . .	150,000	180,000	213,858	33,858
Intergovernmental. . . . .	253,651	253,651	292,485	38,834
Special assessments . . . . .	-	-	2,967	2,967
Investment income. . . . .	3,100	3,100	6,594	3,494
Rental income . . . . .	87,192	87,192	111,344	24,152
Other . . . . .	5,000	5,000	35,891	30,891
Total revenues . . . . .	<u>1,651,518</u>	<u>1,726,518</u>	<u>1,728,298</u>	<u>1,780</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	2,390,800	2,132,706	1,013,375	1,119,331
Security of persons and property . . . . .	159,227	159,227	151,611	7,616
Public health and welfare. . . . .	60,486	60,486	60,486	-
Community environment . . . . .	258,392	275,373	250,081	25,292
Leisure time activity . . . . .	2,649	2,649	1,594	1,055
Total expenditures . . . . .	<u>2,871,554</u>	<u>2,630,441</u>	<u>1,477,147</u>	<u>1,153,294</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>(1,220,036)</u>	<u>(903,923)</u>	<u>251,151</u>	<u>1,155,074</u>
<b>Other financing uses:</b>				
Advances out . . . . .	-	(266,636)	(216,636)	50,000
Transfers out . . . . .	(169,721)	(199,198)	(189,727)	9,471
Total other financing (uses) . . . . .	<u>(169,721)</u>	<u>(465,834)</u>	<u>(406,363)</u>	<u>59,471</u>
Net change in fund balances . . . . .	(1,389,757)	(1,369,757)	(155,212)	1,214,545
<b>Fund balances at beginning of year . . . . .</b>	<u>1,439,124</u>	<u>1,439,124</u>	<u>1,439,124</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u><u>\$ 49,367</u></u>	<u><u>\$ 69,367</u></u>	<u><u>\$ 1,283,912</u></u>	<u><u>\$ 1,214,545</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF PATASKALA  
LICKING COUNTY, 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, 2011

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Income taxes . . . . .	\$ 750,000	\$ 750,000	\$ 816,259	\$ 66,259
Intergovernmental. . . . .	559,200	554,000	626,134	72,134
Investment income. . . . .	700	700	1,118	418
Other . . . . .	500	500	16,814	16,314
Total revenues . . . . .	<u>1,310,400</u>	<u>1,305,200</u>	<u>1,460,325</u>	<u>155,125</u>
<b>Expenditures:</b>				
Current:				
Transportation . . . . .	<u>1,841,520</u>	<u>1,836,320</u>	<u>1,268,013</u>	<u>568,307</u>
Total expenditures . . . . .	<u>1,841,520</u>	<u>1,836,320</u>	<u>1,268,013</u>	<u>568,307</u>
Net change in fund balances . . . . .	(531,120)	(531,120)	192,312	723,432
<b>Fund balances at beginning of year . . . . .</b>	<u>531,120</u>	<u>531,120</u>	<u>531,120</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 723,432</u></u>	<u><u>\$ 723,432</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**CITY OF PATASKALA  
LICKING COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
POLICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Income taxes . . . . .	\$ 1,072,315	\$ 2,229,000	\$ 2,448,778	\$ 219,778
Fines and forfeitures . . . . .	6,000	5,000	3,430	(1,570)
Intergovernmental. . . . .	5,000	6,000	2,972	(3,028)
Other . . . . .	10,000	10,000	21,185	11,185
Total revenues . . . . .	<u>1,093,315</u>	<u>2,250,000</u>	<u>2,476,365</u>	<u>226,365</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property . . . . .	<u>2,198,285</u>	<u>3,354,970</u>	<u>1,494,099</u>	<u>1,860,871</u>
Total expenditures . . . . .	<u>2,198,285</u>	<u>3,354,970</u>	<u>1,494,099</u>	<u>1,860,871</u>
Net change in fund balances . . . . .	(1,104,970)	(1,104,970)	982,266	2,087,236
<b>Fund balances at beginning of year . . . . .</b>	<u>1,104,970</u>	<u>1,104,970</u>	<u>1,104,970</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,087,236</u>	<u>\$ 2,087,236</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF PATASKALA  
LICKING COUNTY, OHIO**

STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
DECEMBER 31, 2011

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>Assets:</b>			
Current assets:			
Equity in pooled cash and cash equivalents . . .	\$ 647,130	\$ 1,952,205	\$ 2,599,335
Restricted equity in pooled cash and cash equivalents .	-	156,189	156,189
Cash with fiscal and escrow agents. . . . .	-	-	-
Investments. . . . .	-	-	-
Amount held by trustee for landfill closure costs	-	-	-
Receivables:			
Accounts. . . . .	189,187	152,048	341,235
Prepayments . . . . .	11,963	7,559	19,522
Materials and supplies inventory. . . . .	4,653	1,512	6,165
Total current assets . . . . .	852,933	2,269,513	3,122,446
Noncurrent assets:			
Unamortized bond issue costs . . . . .	136,994	25,140	162,134
Capital assets:			
Land and construction in progress. . . . .	330,752	4,267,493	4,598,245
Depreciable capital assets, net. . . . .	5,786,926	2,545,588	8,332,514
Total capital assets, net. . . . .	6,117,678	6,813,081	12,930,759
Total noncurrent assets . . . . .	6,254,672	6,838,221	13,092,893
Total assets . . . . .	7,107,605	9,107,734	16,215,339
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable. . . . .	21,656	43,377	65,033
Contracts payable. . . . .	4,963	493,803	498,766
Retainage payable . . . . .	-	156,189	156,189
Accrued wages and benefits payable . . . . .	9,184	9,263	18,447
Accrued interest payable . . . . .	24,833	863	25,696
Compensated absences payable - current. . . . .	5,717	10,062	15,779
General obligation bonds payable . . . . .	125,000	60,000	185,000
Pension obligation payable . . . . .	3,189	3,162	6,351
Total current liabilities . . . . .	194,542	776,719	971,261
Long-term liabilities:			
Compensated absences . . . . .	8	9	17
General obligation bonds . . . . .	6,131,004	437,198	6,568,202
OWDA loans . . . . .	-	3,664,972	3,664,972
Total long-term liabilities . . . . .	6,131,012	4,102,179	10,233,191
Total liabilities . . . . .	6,325,554	4,878,898	11,204,452
<b>Net assets:</b>			
Invested in capital assets, net of related debt (deficit)	(138,326)	2,650,911	2,512,585
Unrestricted . . . . .	920,377	1,577,925	2,498,302
Total net assets . . . . .	\$ 782,051	\$ 4,228,836	\$ 5,010,887

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF PATASKALA  
LICKING COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>Operating revenues:</b>			
Charges for services . . . . .	\$ 1,247,800	\$ 1,011,462	\$ 2,259,262
Capacity fees . . . . .	115,763	90,090	205,853
Other operating revenues . . . . .	15,247	5,433	20,680
Total operating revenues. . . . .	<u>1,378,810</u>	<u>1,106,985</u>	<u>2,485,795</u>
<b>Operating expenses:</b>			
Personal services . . . . .	363,101	343,196	706,297
Contract services. . . . .	44,753	416,466	461,219
Materials and supplies. . . . .	460,311	407,046	867,357
Depreciation. . . . .	277,713	205,540	483,253
Total operating expenses. . . . .	<u>1,145,878</u>	<u>1,372,248</u>	<u>2,518,126</u>
Operating income (loss) . . . . .	<u>232,932</u>	<u>(265,263)</u>	<u>(32,331)</u>
<b>Nonoperating revenues (expenses):</b>			
Interest expense and fiscal charges . . . . .	(304,565)	(25,875)	(330,440)
Loss on sale of capital assets . . . . .	(16,631)	(18,509)	(35,140)
Interest income. . . . .	1,250	5,575	6,825
Other nonoperating revenues . . . . .	-	144,233	144,233
Total nonoperating revenues (expenses). . . . .	<u>(319,946)</u>	<u>105,424</u>	<u>(214,522)</u>
Change in net assets . . . . .	(87,014)	(159,839)	(246,853)
<b>Net assets at beginning of year. . . . .</b>	<u>869,065</u>	<u>4,388,675</u>	<u>5,257,740</u>
<b>Net assets at end of year . . . . .</b>	<u>\$ 782,051</u>	<u>\$ 4,228,836</u>	<u>\$ 5,010,887</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF PATASKALA  
LICKING COUNTY, OHIO**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>Cash flows from operating activities:</b>			
Cash received from charges for services . . . . .	\$ 1,155,816	\$ 978,959	\$ 2,134,775
Cash received from capacity fees . . . . .	115,763	90,090	205,853
Cash received from other operations . . . . .	15,247	5,433	20,680
Cash payments for personal services. . . . .	(361,555)	(344,073)	(705,628)
Cash payments for contractual services . . . . .	(40,050)	(426,397)	(466,447)
Cash payments for materials and supplies . . . . .	(444,355)	(396,039)	(840,394)
Net cash provided by (used in) operating activities	440,866	(92,027)	348,839
<b>Cash flows from capital and related financing activities:</b>			
Acquisition of capital assets . . . . .	(80,917)	(2,782,978)	(2,863,895)
OWDA loan issued . . . . .	-	3,550,207	3,550,207
Payment to refunded bond escrow agent . . . . .	-	(523,008)	(523,008)
Bond proceeds . . . . .	-	550,000	550,000
Principal retirement on bonds and loans . . . . .	(212,802)	(55,831)	(268,633)
Interest paid on bonds and loans . . . . .	(303,138)	(22,954)	(326,092)
Bond issuance costs . . . . .	-	(26,992)	(26,992)
Net cash provided by (used in) capital and related financing activities. . . . .	(596,857)	688,444	91,587
<b>Cash flows from investing activities:</b>			
Interest received . . . . .	1,250	2,870	4,120
Net cash provided by investing activities . . . . .	1,250	2,870	4,120
Net increase (decrease) in cash and cash equivalents . . . . .	(154,741)	599,287	444,546
<b>Cash and cash equivalents at beginning of year . . .</b>	801,871	1,509,107	2,310,978
<b>Cash and cash equivalents at end of year . . . . .</b>	<u>\$ 647,130</u>	<u>\$ 2,108,394</u>	<u>\$ 2,755,524</u>

**CITY OF PATASKALA  
LICKING COUNTY, OHIO**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss) . . . . .	\$ 232,932	\$ (265,263)	\$ (32,331)
Adjustments:			
Depreciation. . . . .	277,713	205,540	483,253
Changes in assets and liabilities:			
Decrease (increase) in materials and supplies inventory	8,802	(792)	8,010
Increase in accounts receivable. . . . .	(91,984)	(32,503)	(124,487)
Increase in prepayments . . . . .	(1,701)	(1,701)	(3,402)
Increase in accounts payable . . . . .	15,101	1,868	16,969
Increase in accrued wages and benefits . . . .	1,478	487	1,965
Decrease in intergovernmental payable. . . . .	(3,244)	-	(3,244)
Increase (decrease) in compensated absences payable.	1,166	(97)	1,069
Increase in pension obligation payable. . . . .	603	434	1,037
Net cash provided by (used in) operating activities . . . .	<u>\$ 440,866</u>	<u>\$ (92,027)</u>	<u>\$ 348,839</u>

**Non-Cash Transactions:**

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

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF PATASKALA  
LICKING COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
DECEMBER 31, 2011

	<u>Agency</u>
<b>Assets:</b>	
Cash in segregated accounts. . . . .	\$ 18,062
Total assets . . . . .	<u>\$ 18,062</u>
<b>Liabilities:</b>	
Undistributed monies . . . . .	\$ 18,062
Total liabilities. . . . .	<u>\$ 18,062</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, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)**

#### **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 it does 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 nor is responsible for its continued operation.

## CITY OF PATASKALA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)

#### 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 2011 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 2011 for the operation of the Sewer District.

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

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



## CITY OF PATASKALA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)

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

In late 2006, the Ohio Department of Development designated a 520.786 acre site in the City of Pataskala as eligible for Job Ready Sites (JRS) funding. As such, this site known as the Pataskala Corporate Park, located at the southeast corner of State Route 16 (Broad Street) and Mink Street is recognized as one of the premier sites for manufacturing and industrial development in the State of Ohio. A roadway was constructed in 2010 linking State Route 16 (Broad Street) and Refugee Road with the intention to ultimately link the access road to U.S. Route 40 (The National Road), improving the routing to Interstate 70 and offering unparalleled access for commerce. In late 2006, the project received funding of approximately \$3.4 million to develop this roadway. It is considered one of the initial projects funded under Ohio's Job Ready Sites program, and is critical in order for the City to create jobs and investment.

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

#### Regional Income Tax Agency (RITA)

In 1971, 38 municipalities joined together to organize a Regional Council of Governments (RCOG) under the authority of Chapter 167 of the Ohio Revised Code to administer tax collection and enforcement concerns facing the cities and villages. The purpose of the RCOG is to foster cooperation between the municipalities through sharing facilities for their common benefit. This includes the establishment of a central collection facility for the purpose of administering the income tax laws of the various municipal corporations who are members of the RCOG and for the purpose of collecting income taxes on behalf of each member municipality, doing all things allowed by law to accomplish such purpose. The first official act of the RCOG was to form RITA. Today RITA serves as the income tax collection agency for 185 municipalities throughout the State of Ohio. The City began using RITA for its income tax collection services in 2010.

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

#### **B. Basis of Presentation - Fund Accounting**

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

## CITY OF PATASKALA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)

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

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.

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

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

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

## CITY OF PATASKALA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)

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

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

***Proprietary Funds*** - Proprietary fund reporting focuses on changes in net 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.

#### 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.

## CITY OF PATASKALA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, payments in lieu of taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income tax is recognized in the period in which the income is earned (See Note 7). Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: income taxes, State-levied locally shared taxes (including gasoline tax, local government funds and permissive tax), fines and forfeitures, fees and special assessments.

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

## CITY OF PATASKALA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)

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

Property taxes and payment in lieu of taxes for which there is an enforceable legal claim as of December 31, 2011, but which were levied to finance year 2012 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, 2011, are recorded as deferred revenue in the governmental funds.

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.

**Tax Budget** - During the first Council meeting in July, the City Administrator presents the following year's annual operating budget to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. The Licking County Budget Commission waived this requirement for 2011.

**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 2011.

## CITY OF PATASKALA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)

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

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

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

#### G. Cash and Cash Equivalents

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

During 2011, 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.

Interest income is distributed to the funds according to statutory requirements. Interest revenue earned and credited to the general fund during 2011 amounted to \$6,594, which included \$5,097 assigned from other funds of the City.

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

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

#### H. Inventories of Materials and Supplies

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

## CITY OF PATASKALA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)

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

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

##### 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.

All reported capital assets are depreciated except for land, certain land improvements and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement.

Depreciation is computed using the straight-line method over the following useful lives:

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

##### J. Compensated Absences

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

## CITY OF PATASKALA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)

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

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) 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 or greater with at least ten years of service or any employee with at least twenty years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16. Sick leave benefits were accrued using the "vesting" method.

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

The entire compensated absence liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

#### **K. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2011, 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.



## CITY OF PATASKALA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)

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

##### **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**

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

*Nonspendable* - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

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

*Committed* - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of City Council (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned* - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of City Council, which includes giving the Finance Director the authority to constrain monies for intended purposes.

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

## **CITY OF PATASKALA, OHIO**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)**

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

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

#### **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.

#### **P. 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 monies restricted for the City's sesquicentennial. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

#### **Q. Operating Revenues and Expenses**

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

#### **R. 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.

#### **S. 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 2011.

# CITY OF PATASKALA, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)

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

#### T. 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 an adjustment to interest expense for the period in the proprietary fund.

### NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES

#### A. Change in Accounting Principles

For fiscal year 2011, the City has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", and GASB Statement No. 59, "Financial Instruments Omnibus".

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. GASB Statement No. 54 also clarifies the definitions of governmental fund types.

GASB Statement No. 59 updates and improves guidance for financial reporting and disclosure requirements of certain financial instruments and external investment pools. The implementation of GASB Statement No. 59 did not have an effect on the financial statements of the City.

#### B. Fund Reclassifications

Fund reclassifications are required in order to report funds in accordance with GASB Statement No 54. These fund reclassifications had the following effect on the City's governmental fund balances as previously reported:

	General	Street Fund	Police Fund	Nonmajor Governmental	Total Governmental
Fund balance as previously reported	\$ 1,686,527	\$ 739,495	\$ 1,340,277	\$ 555,642	\$ 4,321,941
Fund reclassifications:					
Police K-9 Unit	-	-	1,603	(1,603)	-
Recreation	6,920	-	-	(6,920)	-
Sesquecentennial	358	-	-	(358)	-
Total fund reclassifications	7,278	-	1,603	(8,881)	-
Restated fund balance at January 1, 2011	<u>\$ 1,693,805</u>	<u>\$ 739,495</u>	<u>\$ 1,341,880</u>	<u>\$ 546,761</u>	<u>\$ 4,321,941</u>

The fund reclassifications did not have an effect on net assets as previously reported.

## CITY OF PATASKALA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)

#### NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES – (Continued)

##### C. Deficit Fund Balances

Fund balances at December 31, 2011 included the following individual fund deficits:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
CHIP	\$ 5,889
Safe route to school	10,415

The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

#### NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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;

## **CITY OF PATASKALA, OHIO**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)**

#### **NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

5. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

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

#### **A. Cash with Fiscal and Escrow Agent**

At year end, the City had \$122,490 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, 2011. This amount is included in the City's depository balance detailed in Note 4.C.

#### **B. Cash in Segregated Accounts**

At year end, the City had \$18,062 deposited with a financial institution for monies related to the Mayor's Court which are reported as an agency fund. These amounts were covered by the FDIC and are included in the City's depository balance detailed in Note 4.C.

#### **C. Deposits with Financial Institutions**

At December 31, 2011, the carrying amount of all City deposits was \$(138,160), exclusive of the \$8,373,372 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, 2011, the entire bank balance of \$127,491 was covered by the FDIC.

# CITY OF PATASKALA, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)

### NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

#### D. Investments

As of December 31, 2011, 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>8,373,372</u>	\$ <u>8,373,372</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 AA+ 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 \$8,373,372 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, 2011:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
Repurchase agreements	\$ <u>8,373,372</u>	<u>100.00%</u>

#### 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, 2011:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ (138,160)
Investments	8,373,372
Cash with fiscal and escrow agent	122,490
Cash in segregated accounts	<u>18,062</u>
Total	\$ <u>8,375,764</u>

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

<u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 5,602,178
Business type activities	2,755,524
Agency fund	<u>18,062</u>
Total	<u>\$ 8,375,764</u>

**NOTE 5 - INTERFUND TRANSACTIONS**

- A. Interfund loans receivable/payable consisted of the following at December 31, 2011, as reported on the fund statement:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	<u>\$ 216,636</u>

The primary purpose of these interfund balances is to cover costs in specific funds where revenues were not received by December 31, 2011. These interfund balances will be repaid once the anticipated revenues are received.

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at December 31, 2011 are reported on the statement of net assets.

- B. Interfund transfers for the year ended December 31, 2011, consisted of the following:

Transfers to nonmajor governmental funds from:

General fund	<u>\$ 179,477</u>
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Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to provide additional resources for current operations or debt service; reclassification of prior year distributed monies, to segregate money for anticipated capital projects; and to return money to the fund from which it was originally provided once a project is completed.

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

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

## CITY OF PATASKALA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)

#### NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year proceeding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2011 public utility property taxes became a lien December 31, 2010, are levied after October 1, 2011, and are collected in 2012 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

Tangible personal property tax revenues received in calendar year 2011 (other than public utility property) represent the collection of calendar year 2011 taxes levied against local and inter-exchange telephone companies. Tangible personal property taxes received from telephone companies in calendar year 2011 were levied after October 1, 2010, on the value as of December 31, 2010. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Pataskala. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, tangible personal property taxes and outstanding delinquencies which are measurable as of December 31, 2011 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 2011 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.

The full tax rate for all City operations for the year ended December 31, 2011 was \$2.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2011 property tax receipts were based are as follows:

Real Property	\$ 316,683,830
Public Utility	<u>9,158,050</u>
Total Assessed Value	<u>\$ 325,841,880</u>

#### NOTE 7 - INCOME TAXES

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



## CITY OF PATASKALA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)

#### NOTE 7 - INCOME TAXES – (Continued)

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

Income tax revenue is credited to four funds. Of the one percent levied, the police fund receives .24 percent, the street fund receives .15 percent, the capital improvement fund receives .55 percent and the debt service fund received the remaining .06 percent and shall be used for operations specific to those departments. Income tax collections allocated to the police, street, capital improvement and debt service funds totaled \$2,267,436, \$787,958, \$252,585 and \$27,554, respectively, for the year ended December 31, 2011. Income tax received in the JEDD income tax fund totaled \$237 and is collected by the City of Newark specific to wages earned within the Pataskala Corporate Park.

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

#### NOTE 8 - RECEIVABLES

Receivables at December 31, 2011, consisted of taxes, accounts (billings for user charged services), special assessments, payments in lieu of taxes, and intergovernmental receivables arising from grants, entitlements and shared revenue. All intergovernmental receivables have been classified as “due from other governments” on the BFS. Receivables have been recorded to the extent that they are measurable at December 31, 2011.

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

##### **Governmental activities:**

Income taxes	\$ 954,189
Real and other taxes	865,671
Accounts	54,710
Payments in lieu of taxes	206,640
Due from other governments	586,263

##### **Business-type activities:**

Accounts	341,235
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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.

#### NOTE 9 - TAX INCREMENT FINANCING DISTRICT (TIF)

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

**CITY OF PATASKALA, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

**NOTE 9 - TAX INCREMENT FINANCING DISTRICT (TIF) – (Continued)**

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

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

PILOT revenue for 2011 was \$261,409 in the statement of activities. The TIF has longevity of the shorter period of 10 years or until there is no money available to be spent for the TIF areas. Any unspent funds remaining after the 10 year period shall be returned to the City's general fund in accordance with Ohio Revised Code Section 5709.43. The property tax exemption then ceases; PILOT's cease and property taxes then apply to the increased property values.

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**NOTE 10 - CAPITAL ASSETS**

A. Governmental activities capital asset activity for the year ended December 31, 2011, was as follows:

	Balance 12/31/10	Additions	Disposals	Balance 12/31/11
<b><u>Governmental activities:</u></b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,228,340	\$ 24,900	\$ -	\$ 1,253,240
Land improvements	-	17,077	-	17,077
Construction in progress	<u>666,152</u>	<u>852,120</u>	<u>(562,786)</u>	<u>955,486</u>
Total capital assets, not being depreciated	<u>1,894,492</u>	<u>894,097</u>	<u>(562,786)</u>	<u>2,225,803</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	273,628	16,796	-	290,424
Buildings and improvements	1,514,615	21,650	-	1,536,265
Equipment	754,712	93,849	(13,659)	834,902
Vehicles	1,218,486	-	-	1,218,486
Infrastructure	<u>5,384,396</u>	<u>4,545,437</u>	<u>-</u>	<u>9,929,833</u>
Total capital assets, being depreciated	<u>9,145,837</u>	<u>4,677,732</u>	<u>(13,659)</u>	<u>13,809,910</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(112,743)	(11,427)	-	(124,170)
Buildings and improvements	(500,877)	(47,946)	-	(548,823)
Equipment	(481,978)	(28,766)	13,288	(497,456)
Vehicles	(1,033,219)	(44,494)	-	(1,077,713)
Infrastructure	<u>(1,002,668)</u>	<u>(490,583)</u>	<u>-</u>	<u>(1,493,251)</u>
Total accumulated depreciation	<u>(3,131,485)</u>	<u>(623,216)</u>	<u>13,288</u>	<u>(3,741,413)</u>
Total capital assets, being depreciated, net	<u>6,014,352</u>	<u>4,054,516</u>	<u>(371)</u>	<u>10,068,497</u>
Governmental activities capital assets, net	<u>\$ 7,908,844</u>	<u>\$ 4,948,613</u>	<u>\$ (563,157)</u>	<u>\$ 12,294,300</u>

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

<b><u>Governmental activities:</u></b>	
General government	\$ 40,233
Security of persons and property	9,854
Leisure time activity	499,332
Transportation	49,225
Community environment	<u>24,572</u>
Total depreciation expense - governmental activities	<u>\$ 623,216</u>

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**NOTE 10 - CAPITAL ASSETS - (Continued)**

**B.** Business-type activities capital asset activity for the year ended December 31, 2011, was as follows:

	Balance			Balance
<b><u>Business-type activities:</u></b>	<u>12/31/10</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/11</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 654,893	\$ -	\$ -	\$ 654,893
Construction in progress	<u>577,035</u>	<u>3,401,457</u>	<u>(35,140)</u>	<u>3,943,352</u>
Total capital assets, not being depreciated	<u>1,231,928</u>	<u>3,401,457</u>	<u>(35,140)</u>	<u>4,598,245</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	105,881	-	-	105,881
Buildings and improvements	6,665,915	8,402	-	6,674,317
Equipment	1,909,118	88,825	-	1,997,943
Vehicles	39,885	20,166	-	60,051
Infrastructure	<u>6,698,229</u>	<u>-</u>	<u>-</u>	<u>6,698,229</u>
Total capital assets, being depreciated	<u>15,419,028</u>	<u>117,393</u>	<u>-</u>	<u>15,536,421</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(105,881)	-		(105,881)
Buildings and improvements	(1,709,445)	(166,863)	-	(1,876,308)
Equipment	(981,642)	(79,228)	-	(1,060,870)
Vehicles	(9,971)	(5,248)	-	(15,219)
Infrastructure	<u>(3,913,715)</u>	<u>(231,914)</u>	<u>-</u>	<u>(4,145,629)</u>
Total accumulated depreciation	<u>(6,720,654)</u>	<u>(483,253)</u>	<u>-</u>	<u>(7,203,907)</u>
Total capital assets, being depreciated, net	<u>8,698,374</u>	<u>(365,860)</u>	<u>-</u>	<u>8,332,514</u>
Business-type activities capital assets, net	<u>\$ 9,930,302</u>	<u>\$ 3,035,597</u>	<u>\$ (35,140)</u>	<u>\$ 12,930,759</u>

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

<b><u>Business-type activities:</u></b>	
Water	\$ 277,713
Sewer	<u>205,540</u>
Total depreciation expense - business type activities	<u>\$ 483,253</u>

# CITY OF PATASKALA, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)

### NOTE 11 - OTHER EMPLOYEE BENEFITS

#### Compensated Absences

Employees earn vacation at different rates which are also affected by length of service. Vacation is accrued each pay and may be carried over. The maximum number of hours which may be accrued is based on years of service. Vacation and sick leave accumulated by governmental fund type employees has been recorded in the statement of net 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, 2011, the liability for compensated absences in governmental activities was \$80,492 and \$15,796 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 \$96,288 with \$76,531 being due within one year.

### NOTE 12 - LONG-TERM OBLIGATIONS

A. During 2011, the following activity occurred in the City's governmental long-term obligations:

	Balance			Balance	Amounts
	12/31/10	Additions	Reductions	12/31/11	Due in
<b>Governmental activities:</b>					<b>One Year</b>
Notes payable	\$ 946,417	\$ -	\$ (156,382)	\$ 790,035	\$ 81,422
SIB loan	-	245,771	-	245,771	-
OPWC loans	76,535	-	(10,546)	65,989	10,548
Compensated absences	<u>77,073</u>	<u>57,050</u>	<u>(53,631)</u>	<u>80,492</u>	<u>60,752</u>
Total governmental activities					
long-term obligations	<u>\$ 1,100,025</u>	<u>\$ 302,821</u>	<u>\$ (220,559)</u>	<u>\$ 1,182,287</u>	<u>\$ 152,722</u>

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

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

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

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

# CITY OF PATASKALA, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)

### NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

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

State Infrastructure Bank Loan: On September 30, 2010, the City entered into an agreement with the Ohio Department of Transportation for a State Infrastructure Bank ("SIB") direct loan transaction for the Summit Road South Project in the amount of \$317,000. Revenues from the permissive license tax fund will be used to repay the loan. The loan agreement functions similar to a line-of-credit agreement. At December 31, 2011, the City has a \$245,771 balance outstanding on the loan. The Ohio Department of Transportation has not finalized the terms of the loan as of December 31, 2011, no amortization schedule is available.

A summary of the City's future debt service requirements for governmental activities long-term obligations outstanding as of December 31, 2011 are as follows:

Year Ending December 31,	OPWC Loans		
	Principal	Interest	Total
2012	\$ 10,548	\$ -	\$ 10,548
2013	6,892	-	6,892
2014	3,236	-	3,236
2015	3,237	-	3,237
2016	3,237	-	3,237
2017 - 2021	16,183	-	16,183
2022 - 2026	16,183	-	16,183
2027 - 2028	6,473	-	6,473
Total	<u>\$ 65,989</u>	<u>\$ -</u>	<u>\$ 65,989</u>

Year Ending December 31,	Notes Payable		
	Principal	Interest	Total
2012	\$ 81,422	\$ 45,238	\$ 126,660
2013	85,466	41,194	126,660
2014	580,391	37,078	617,469
2015	42,756	2,059	44,815
Total	<u>\$ 790,035</u>	<u>\$ 125,569</u>	<u>\$ 915,604</u>

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)**

**B.** During 2011, the following activity occurred in the City's business-type long-term obligations:

<b>Business-type activities:</b>	<u>Interest Rate</u>	<u>Balance 12/31/10</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/11</u>	<u>Amounts Due in One Year</u>
<u><b>General Obligation Bonds</b></u>						
Sewer bonds	5.50-6.125%	\$ 520,000	\$ 550,000	\$ (570,000)	\$ 500,000	\$ 60,000
Water bonds	4.25-5.00%	6,320,000	-	(150,000)	6,170,000	125,000
Total general obligation revenue bonds	4.25-6.125%	6,840,000	550,000	(720,000)	6,670,000	185,000
<u><b>OWDA Loans</b></u>						
Sewer planning loan	3.25%	48,320	-	(2,081)	46,239	-
Sewer design loan	3.17%	72,276	30,894	(3,750)	99,420	-
Sewer system loan	2.66%	-	3,519,313	-	3,519,313	-
Water system loan	7.00%	62,802	-	(62,802)	-	-
Total OWDA loans		183,398	3,550,207	(68,633)	3,664,972	-
<u><b>Other Obligations</b></u>						
Compensated absences		14,727	15,779	(14,710)	15,796	15,779
Total other obligations		14,727	15,779	(14,710)	15,796	15,779
Total business-type activities long-term obligations		<u>\$ 7,038,125</u>	<u>\$ 4,115,986</u>	<u>\$ (803,343)</u>	10,350,768	<u>\$200,779</u>
Add: Unamortized premium on bond issue					86,004	
Less: Unamortized deferred charges on refundings					(2,802)	
Total reported on the statement of net assets					<u>\$ 10,433,970</u>	

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

On June 2, 2011, the City issued \$550,000 sanitary sewer refunding bonds - Series 2011 for the purpose of refunding the sewer improvement bonds - Series 1995. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets.

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

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

# CITY OF PATASKALA, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)

### NOTE 12 - 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, 2011, the City had spent all bond proceeds on this bond issue.

OWDA Loans: The City has entered into debt financing arrangements through the Ohio Water Development Authority (OWDA) to fund construction projects. The amounts due to OWDA are intended to be paid primarily from water and sewer revenues. The loan agreements function similar to a line-of-credit agreement. At December 31, 2011, the City had outstanding borrowings of \$3,664,972. During 2011, the sewer and water funds made \$5,831 and \$62,802 principal payments, respectively, on the OWDA loans.

The City has pledged future sewer revenues to repay the sewer system, sewer planning and sewer design OWDA loans. The loans are payable solely from sewer fund revenues. Annual principal and interest payments on the loans are expected to require 8.87 percent of the sewer fund net revenues and 0.68 percent of total revenues. Principal and interest paid for the current year were \$7,559, total net revenues were \$85,230 and total revenues were \$1,106,985.

The future debt service requirements for the OWDA loans are not included as these loans have not been completely disbursed and closed out as of December 31, 2011.

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.

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

Year Ending December 31,	General Obligation Bonds		
	Principal	Interest	Total
2012	\$ 185,000	\$ 302,550	\$ 487,550
2013	185,000	296,637	481,637
2014	200,000	290,726	490,726
2015	205,000	283,724	488,724
2016	210,000	276,513	486,513
2017 - 2021	1,055,000	1,251,537	2,306,537
2022 - 2026	1,090,000	1,005,188	2,095,188
2027 - 2031	1,385,000	707,481	2,092,481
2032 - 2036	1,755,000	343,406	2,098,406
2037	400,000	18,500	418,500
Total	<u>\$ 6,670,000</u>	<u>\$ 4,776,262</u>	<u>\$ 11,446,262</u>



## **CITY OF PATASKALA, OHIO**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)**

#### **NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)**

##### **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, 2011, the City's total debt margin was \$34,271,018 and the unvoted debt margin was \$17,921,303.

#### **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 blanket building and personal property coverage up to a limit of \$25,588,066 with a variety of deductibles beginning with \$0 to \$10,000. Coverage is purchased on City vehicles for a combined single limit liability of \$3,000,000. The City purchases general liability insurance coverage with a \$3,000,000 limit per occurrence. The City also has an umbrella policy which provides an additional 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 of Ohio, dental is provided by Delta Dental, vision is provided by the Vision Service Plan and life insurance is provided by the Hartford Company. The risk of loss transfers entirely to the insurance carriers. The City pays a portion of the premiums. 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, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)**

#### **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 which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2011, 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 2011 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 11.00% and 11.60%, respectively. The City's contribution rate for 2011 was 14.00%, except for those plan members in law enforcement or public safety, for whom the City's contribution was 18.10% of covered payroll.

The City's contribution rate for pension benefits for members in the Traditional Plan for 2011 was 10.00%. The City's contribution rate for pension benefits for members in the Combined Plan for 2011 was 7.95%. For those plan members in law enforcement and public safety pension contributions were 14.10%. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2011, 2010, and 2009 were \$102,885, \$104,862, and \$87,782, respectively; 91.34% has been contributed for 2011 and 100% has been contributed for 2010 and 2009.

## **CITY OF PATASKALA, OHIO**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)**

#### **NOTE 14 - PENSION PLANS - (Continued)**

##### **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.

Funding Policy - Plan members are required to contribute 10.00% 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 2011, 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 \$93,036 for the year ended December 31, 2011, \$84,305 for the year ended December 31, 2010 and \$97,263 for the year ended December 31, 2009. The full amount has been contributed for 2010 and 2009. 71.16% has been contributed for police for 2011.

#### **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 visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

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

## **CITY OF PATASKALA, OHIO**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)**

#### **NOTE 15 - POSTRETIREMENT BENEFIT PLANS - (Continued)**

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2011, local government employers contributed 14.00% of covered payroll (18.10% 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 members in the Traditional Plan for 2011 was 4.00%. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for 2011 was 6.05%.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2011, 2010, and 2009 were \$78,297, \$59,781, and \$62,702, respectively; 91.34% has been contributed for 2011 and 100% has been contributed for 2010 and 2009.

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.

## **CITY OF PATASKALA, OHIO**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011 (SEE ACCOUNTANT'S COMPILATION REPORT)**

#### **NOTE 15 - POSTRETIREMENT BENEFIT PLANS - (Continued)**

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

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, 2011, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers were \$49,254 for the year ended December 31, 2011, \$44,632 for the year ended December 31, 2010 and \$51,492 for the year ended December 31, 2009. The full amount has been contributed for 2010 and 2009. 71.16% has been contributed for police for 2011.

#### **NOTE 16 - BUDGETARY BASIS OF ACCOUNTING**

While 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 and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund, street fund and police fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

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

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**NOTE 16 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

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

**Net Change in Fund Balance**

	<u>General fund</u>	<u>Street</u>	<u>Police Levy</u>
Budget basis	\$ (155,212)	\$ 192,312	\$ 982,266
Net adjustment for revenue accruals	(186,107)	(21,062)	(179,662)
Net adjustment for expenditure accruals	(4,818)	14,533	(22,629)
Net adjustment for other sources/uses	226,886	-	-
Funds budgeted elsewhere	<u>2,478</u>	<u>-</u>	<u>-</u>
GAAP basis	<u>\$ (116,773)</u>	<u>\$ 185,783</u>	<u>\$ 779,975</u>

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

**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, 2011.

**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 - FUND BALANCE**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**NOTE 18 - FUND BALANCE – (Continued)**

<u>Fund balance</u>	<u>General</u>	<u>Street Fund</u>	<u>Major Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:					
Materials and supplies inventory	\$ -	\$ 45,220	\$ -	\$ -	\$ 45,220
Prepays	<u>7,442</u>	<u>8,724</u>	<u>14,723</u>	<u>-</u>	<u>30,889</u>
Total nonspendable	<u>7,442</u>	<u>53,944</u>	<u>14,723</u>	<u>-</u>	<u>76,109</u>
Restricted:					
Debt service	-	-	-	57,621	57,621
Capital improvements	-	-	-	808,680	808,680
Transportation projects	-	871,334	-	677,836	1,549,170
Community development	-	-	-	18,943	18,943
Police	-	-	2,107,132	33,325	2,140,457
Parks and recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,708</u>	<u>6,708</u>
Total restricted	<u>-</u>	<u>871,334</u>	<u>2,107,132</u>	<u>1,603,113</u>	<u>4,581,579</u>
Committed:					
Community development programs	200,186	-	-	4,409	204,595
Parks and recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,136</u>	<u>44,136</u>
Total committed	<u>200,186</u>	<u>-</u>	<u>-</u>	<u>48,545</u>	<u>248,731</u>
Assigned:					
Subsequent year appropriation	948,785	-	-	-	948,785
Other purposes	<u>9,756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,756</u>
Total assigned	<u>958,541</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>958,541</u>
Unassigned (deficit)	<u>410,863</u>	<u>-</u>	<u>-</u>	<u>(16,304)</u>	<u>394,559</u>
Total fund balances	<u>\$ 1,577,032</u>	<u>\$ 925,278</u>	<u>\$ 2,121,855</u>	<u>\$ 1,635,354</u>	<u>\$ 6,259,519</u>

**CITY OF PATASKALA, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

**NOTE 19 - CONTRACTUAL COMMITMENTS**

As a result of various projects that were in progress at December 31, 2011, the City had the following outstanding contractual commitments at year end:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Amount Outstanding</u>
WWTP Phase I & II	\$ 4,385,099	\$ (3,063,747)	\$ 1,321,352
McIntosh Road Bridge	95,000	(83,826)	11,174
Oaks Special Assessment Project	643,897	(146,633)	497,264
Old Town Hall Revovation	200,000	(93,309)	106,691
Kennedy Road	290,332	(252,935)	37,397
Safe Routes to Schools	135,000	-	135,000
Cross Town Bike Path	<u>335,768</u>	<u>(298,962)</u>	<u>36,806</u>
Total	<u>\$ 6,085,096</u>	<u>\$ (3,939,412)</u>	<u>\$ 2,145,684</u>

**NOTE 21 – SUBSEQUENT EVENT**

On March 28<sup>th</sup>, 2012, the City issued \$2,753,000 in Bond Anticipation Notes (BAN) for the purpose of road repairs, water system improvements and sewer system improvements. The interest rate on the BAN issue is 1.5% and the BAN will mature on March 28<sup>th</sup>, 2013.

On February 6th, 2012, City authorized the City Administrator to advertise and solicit bids and enter into a contract with the lowest and best bidder for construction of the 2012 RAMP Roadway Maintenance Plan. The amount budgeted for the RAMP repairs was \$3,200,000.



COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES

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

**GENERAL FUND**

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

**MAJOR 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 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.

***Pataskala Corporate Park Joint Economic Development District Fund***

This fund accounts for income taxes received from collections within the Pataskala Corporate Park which may be used for improvements specifically within the Corporate Park.

***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.

***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.

***Community Housing Improvement Program Fund***

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

***Safe Routes to Schools Fund***

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

***Ohio Department of Natural Resources Trail Fund***

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

**CITY OF PATASKALA, OHIO**

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

**NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**

***CDBG Fund***

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

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

***Recreation Fund***

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

***Sesquecentennial Fund***

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

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

***Police K-9 Unit Fund***

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

**NONMAJOR DEBT SERVICE FUNDS**

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 FUND**

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.

***Capital Improvement Fund***

This fund is used to account for resources used to purchase equipment and construct capital assets. This fund was not required to be budgeted in 2011.

***Municipal Building Purchase Fund***

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

***State Route 310 Tax Increment Finance Equivalent Fund***

This fund accounts for tax incentive equivalent funds .

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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  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Real and other taxes . . . . .	\$ 972,575	\$ 972,575	\$ 818,336	\$ (154,239)
Charges for services . . . . .	10,000	10,000	14,538	4,538
Licenses and permits. . . . .	170,000	215,000	232,285	17,285
Fines and forfeitures. . . . .	150,000	180,000	213,858	33,858
Intergovernmental . . . . .	253,651	253,651	292,485	38,834
Special assessments . . . . .	-	-	2,967	2,967
Investment income . . . . .	3,100	3,100	6,594	3,494
Rental income. . . . .	87,192	87,192	111,344	24,152
Other . . . . .	5,000	5,000	35,891	30,891
Total revenues. . . . .	<u>1,651,518</u>	<u>1,726,518</u>	<u>1,728,298</u>	<u>1,780</u>
<b>Expenditures:</b>				
Current:				
General government				
Mayor				
Personal services. . . . .	15,306	15,306	15,306	-
Contractual services . . . . .	1,000	1,000	-	1,000
Materials and supplies. . . . .	2,000	2,000	859	1,141
Total mayor . . . . .	<u>18,306</u>	<u>18,306</u>	<u>16,165</u>	<u>2,141</u>
Finance				
Personal services. . . . .	95,979	95,979	94,474	1,505
Contractual services . . . . .	56,350	56,350	35,303	21,047
Materials and supplies. . . . .	8,000	8,000	7,723	277
Total finance. . . . .	<u>160,329</u>	<u>160,329</u>	<u>137,500</u>	<u>22,829</u>
Law director				
Personal services. . . . .	143,704	143,704	142,956	748
Contractual services . . . . .	37,000	37,000	36,000	1,000
Materials and supplies. . . . .	10,000	10,000	6,304	3,696
Total law director . . . . .	<u>190,704</u>	<u>190,704</u>	<u>185,260</u>	<u>5,444</u>
City administrator				
Personal services. . . . .	34,278	34,278	33,868	410
Contractual services . . . . .	45,000	45,000	26,042	18,958
Materials and supplies. . . . .	23,776	23,776	22,580	1,196
Capital outlay . . . . .	10,000	10,000	-	10,000
Total city administrator . . . . .	<u>113,054</u>	<u>113,054</u>	<u>82,490</u>	<u>30,564</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, 2011

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Public service director				
Personal services. . . . .	44,703	44,703	42,316	2,387
Materials and supplies. . . . .	34,291	17,460	1,922	15,538
Total public service director . . . . .	78,994	62,163	44,238	17,925
Construction accounts				
Contractual services . . . . .	208,048	208,048	12,400	195,648
Total construction accounts . . . . .	208,048	208,048	12,400	195,648
Personnel and Charter Review Commissions				
Personal services. . . . .	2,072	2,102	1,600	502
Total personnel and charter review commissions . . . . .	2,072	2,102	1,600	502
City lands and buildings				
Contractual services . . . . .	134,100	134,100	63,981	70,119
Materials and supplies. . . . .	150,055	150,055	49,323	100,732
Capital outlay . . . . .	571,533	571,533	224,664	346,869
Total city lands and buildings . . . . .	855,688	855,688	337,968	517,720
Council and clerk				
Personal services. . . . .	65,758	65,758	63,976	1,782
Contractual services . . . . .	5,000	5,000	2,974	2,026
Materials and supplies. . . . .	10,800	10,800	5,560	5,240
Total council and clerk. . . . .	81,558	81,558	72,510	9,048
Mayor's court, court security and magistrate				
Personal services. . . . .	54,113	54,363	51,814	2,549
Contractual services . . . . .	17,000	19,000	18,906	94
Materials and supplies. . . . .	18,000	18,000	11,643	6,357
Total mayor's court . . . . .	89,113	91,363	82,363	9,000
General office, liability insurance and contingency				
Contractual services . . . . .	37,100	36,670	32,395	4,275
Materials and supplies. . . . .	10,300	10,300	8,486	1,814
Contingency. . . . .	545,534	302,421	-	302,421
Total general office, liability insurance and continge	592,934	349,391	40,881	308,510
Total general government. . . . .	2,390,800	2,132,706	1,013,375	1,119,331
Security of persons and property				
Police				
Personal services. . . . .	109,227	109,227	104,727	4,500
Total police . . . . .	109,227	109,227	104,727	4,500
Street Lighting				
Contractual services . . . . .	50,000	50,000	46,884	3,116
Total street lighting. . . . .	50,000	50,000	46,884	3,116
Total security of persons and property. . . . .	159,227	159,227	151,611	7,616

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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, 2011

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Public health and welfare				
Health services				
Contractual services . . . . .	60,486	60,486	60,486	-
Total health services . . . . .	60,486	60,486	60,486	-
 Total public health and welfare. . . . .	 60,486	 60,486	 60,486	 -
 Community environment				
Planning				
Personal services. . . . .	221,092	238,073	226,141	11,932
Contractual services . . . . .	4,300	4,300	1,200	3,100
Materials and supplies. . . . .	33,000	33,000	22,740	10,260
Total planning. . . . .	258,392	275,373	250,081	25,292
 Total community environment . . . . .	 258,392	 275,373	 250,081	 25,292
 Leisure time activity				
Recreation-administration				
Personal services. . . . .	2,649	2,649	1,594	1,055
Total recreation-administration . . . . .	2,649	2,649	1,594	1,055
 Total expenditures. . . . .	 2,871,554	 2,630,441	 1,477,147	 1,153,294
 Excess (deficiency) of revenues over (under) expenditures . . . . .	 (1,220,036)	 (903,923)	 251,151	 1,155,074
 <b>Other financing sources:</b>				
Transfers out. . . . .	(169,721)	(199,198)	(189,727)	9,471
Advances out. . . . .	-	(266,636)	(216,636)	50,000
Total other financing sources. . . . .	(169,721)	(465,834)	(406,363)	59,471
 Net change in fund balance. . . . .	 (1,389,757)	 (1,369,757)	 (155,212)	 1,214,545
 <b>Fund balance at beginning of year . . . . .</b>	 <b>1,439,124</b>	 <b>1,439,124</b>	 <b>1,439,124</b>	 <b>-</b>
 <b>Fund balance at end of year . . . . .</b>	 <b>\$ 49,367</b>	 <b>\$ 69,367</b>	 <b>\$ 1,283,912</b>	 <b>\$ 1,214,545</b>

**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, 2011

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Income taxes . . . . .	\$ 750,000	\$ 750,000	\$ 816,259	\$ 66,259
Intergovernmental . . . . .	559,200	554,000	626,134	72,134
Investment income . . . . .	700	700	1,118	418
Other. . . . .	500	500	16,814	16,314
Total revenues. . . . .	<u>1,310,400</u>	<u>1,305,200</u>	<u>1,460,325</u>	<u>155,125</u>
<b>Expenditures:</b>				
Current:				
Transportation				
Street department				
Personnel services. . . . .	536,632	545,674	460,485	85,189
Contractual services. . . . .	163,300	172,300	140,044	32,256
Materials and supplies. . . . .	391,700	386,658	352,381	34,277
Capital outlay. . . . .	480,000	352,500	315,103	37,397
Contingency. . . . .	269,888	379,188	-	379,188
Total transportation. . . . .	<u>1,841,520</u>	<u>1,836,320</u>	<u>1,268,013</u>	<u>568,307</u>
Total expenditures. . . . .	<u>1,841,520</u>	<u>1,836,320</u>	<u>1,268,013</u>	<u>568,307</u>
Net change in fund balance. . . . .	(531,120)	(531,120)	192,312	723,432
<b>Fund balance at beginning of year . . . . .</b>	<u>531,120</u>	<u>531,120</u>	<u>531,120</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 723,432</u>	<u>\$ 723,432</u>



**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
POLICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Income taxes . . . . .	\$ 1,072,315	\$ 2,229,000	\$ 2,448,778	\$ 219,778
Fines and forfeitures. . . . .	6,000	6,000	2,972	(3,028)
Intergovernmental . . . . .	5,000	5,000	3,430	(1,570)
Other. . . . .	10,000	10,000	21,185	11,185
Total revenues. . . . .	<u>1,093,315</u>	<u>2,250,000</u>	<u>2,476,365</u>	<u>226,365</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Police				
Personal services. . . . .	1,057,239	1,192,565	1,092,929	99,636
Contractual services . . . . .	191,800	234,283	186,846	47,437
Materials and supplies. . . . .	202,200	287,800	182,735	105,065
Capital outlay. . . . .	40,000	40,000	31,589	8,411
Contingency. . . . .	707,046	1,600,322	-	1,600,322
Total security of persons and property. . . . .	<u>2,198,285</u>	<u>3,354,970</u>	<u>1,494,099</u>	<u>1,860,871</u>
Total expenditures. . . . .	<u>2,198,285</u>	<u>3,354,970</u>	<u>1,494,099</u>	<u>1,860,871</u>
Net change in fund balance. . . . .	(1,104,970)	(1,104,970)	982,266	2,087,236
<b>Fund balance at beginning of year . . . . .</b>	<u>1,104,970</u>	<u>1,104,970</u>	<u>1,104,970</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,087,236</u>	<u>\$ 2,087,236</u>

**CITY OF PATASKALA, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2011

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . .	\$ 809,150	\$ 30,067	\$ 534,919	\$ 1,374,136
Receivables (net of allowances of uncollectibles):				
Income taxes . . . . .	-	57,251	524,805	582,056
Accounts . . . . .	951	-	-	951
Due from other governments . . . . .	159,767	-	-	159,767
Payment in lieu of taxes . . . . .	-	-	206,640	206,640
Cash with fiscal and escrow agents . . . . .	122,490	-	-	122,490
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets . . . . .	<u>\$ 1,092,358</u>	<u>\$ 87,318</u>	<u>\$ 1,266,364</u>	<u>\$ 2,446,040</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 460	\$ -	\$ -	\$ 460
Contracts payable . . . . .	78,410	-	-	78,410
Interfund loans payable . . . . .	216,636	-	-	216,636
Deferred revenue . . . . .	27,799	29,697	407,190	464,686
Unearned revenue . . . . .	-	-	50,494	50,494
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities . . . . .	<u>323,305</u>	<u>29,697</u>	<u>457,684</u>	<u>810,686</u>
<b>Fund balances:</b>				
Restricted . . . . .	736,812	57,621	808,680	1,603,113
Committed . . . . .	48,545	-	-	48,545
Unassigned (deficit) . . . . .	(16,304)	-	-	(16,304)
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances. . . . .	<u>769,053</u>	<u>57,621</u>	<u>808,680</u>	<u>1,635,354</u>
Total liabilities and fund balances . . . . .	<u>\$ 1,092,358</u>	<u>\$ 87,318</u>	<u>\$ 1,266,364</u>	<u>\$ 2,446,040</u>

**CITY OF PATASKALA, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>				
Income taxes . . . . .	\$ 237	\$ 27,554	\$ 252,585	\$ 280,376
Charges for services . . . . .	11,755	-	-	11,755
Fines and forfeitures . . . . .	17,250	-	-	17,250
Intergovernmental . . . . .	723,204	-	285,816	1,009,020
Investment income . . . . .	114	-	-	114
Payments in lieu of taxes. . . . .	-	-	550,600	550,600
Other . . . . .	18,893	-	-	18,893
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues . . . . .	771,453	27,554	1,089,001	1,888,008
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditures:</b>				
Current:				
General government . . . . .	-	-	1,435	1,435
Security of persons and property . . . . .	59,825	-	-	59,825
Transportation . . . . .	168,395	-	-	168,395
Community environment . . . . .	15,693	-	-	15,693
Leisure time activity. . . . .	233,121	-	-	233,121
Economic development . . . . .	24,799	-	-	24,799
Capital outlay . . . . .	230,217	-	285,816	516,033
Debt service:				
Principal retirement. . . . .	45,970	-	120,958	166,928
Interest and fiscal charges . . . . .	9,392	-	29,042	38,434
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures . . . . .	787,412	-	437,251	1,224,663
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures . . . . .	(15,959)	27,554	651,750	663,345
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Other financing sources:</b>				
Transfers in. . . . .	29,477	-	150,000	179,477
Note proceeds . . . . .	245,771	-	-	245,771
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources . . . . .	275,248	-	150,000	425,248
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances . . . . .	259,289	27,554	801,750	1,088,593
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund balances at beginning of year. . . . .</b>	509,764	30,067	6,930	546,761
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 769,053</u>	<u>\$ 57,621</u>	<u>\$ 808,680</u>	<u>\$ 1,635,354</u>

**CITY OF PATASKALA, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2011

	<b>State Highway Fund</b>	<b>Jedd Income Tax Fund</b>	<b>Permissive License Tax Fund</b>	<b>Park Use Fund</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . .	\$ 48,093	\$ 237	\$ 482,481	\$ 66,248
Receivables (net of allowances of uncollectibles):				
Accounts . . . . .	-	-	-	-
Due from other governments . . . . .	25,727	-	16,889	-
Cash with fiscal and escrow agents . . . . .	-	-	122,490	-
Total assets . . . . .	<u>\$ 73,820</u>	<u>\$ 237</u>	<u>\$ 621,860</u>	<u>\$ 66,248</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 460	\$ -	\$ -	\$ -
Contracts payable . . . . .	-	-	-	22,112
Interfund loans payable . . . . .	-	-	-	-
Deferred revenue . . . . .	17,384	-	-	-
Total liabilities . . . . .	<u>17,844</u>	<u>-</u>	<u>-</u>	<u>22,112</u>
<b>Fund balances:</b>				
Restricted . . . . .	55,976	237	621,860	-
Committed . . . . .	-	-	-	44,136
Unassigned (deficit) . . . . .	-	-	-	-
Total fund balances . . . . .	<u>55,976</u>	<u>237</u>	<u>621,860</u>	<u>44,136</u>
Total liabilities and fund balances . . . . .	<u>\$ 73,820</u>	<u>\$ 237</u>	<u>\$ 621,860</u>	<u>\$ 66,248</u>

<b>Immobilization Fund</b>	<b>Court Computer Fund</b>	<b>Alcohol Enforcement and Education Fund</b>	<b>Law Enforcement Trust Fund</b>	<b>Pataskala Mobile Home Park Fund</b>
\$ 490	\$ 25,262	\$ 5,521	\$ 778	\$ 4,409
-	951	-	-	-
-	-	-	323	-
-	-	-	-	-
<u>\$ 490</u>	<u>\$ 26,213</u>	<u>\$ 5,521</u>	<u>\$ 1,101</u>	<u>\$ 4,409</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
490	26,213	5,521	1,101	-
-	-	-	-	4,409
-	-	-	-	-
<u>490</u>	<u>26,213</u>	<u>5,521</u>	<u>1,101</u>	<u>4,409</u>
<u>\$ 490</u>	<u>\$ 26,213</u>	<u>\$ 5,521</u>	<u>\$ 1,101</u>	<u>\$ 4,409</u>

- - Continued

**CITY OF PATASKALA, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
DECEMBER 31, 2011

	<b>CHIP Fund</b>	<b>Safe Route To School Fund</b>	<b>ODNR Recreation Trail Fund</b>	<b>CDBG</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . .	\$ 172	\$ -	\$ 175,459	\$ -
Receivables (net of allowances of uncollectibles):				
Accounts . . . . .	-	-	-	-
Due from other governments . . . . .	3,647	49,590	44,885	18,706
Materials and supplies inventory . . . . .	-	-	-	-
Total assets . . . . .	<u>\$ 3,819</u>	<u>\$ 49,590</u>	<u>\$ 220,344</u>	<u>\$ 18,706</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ -	\$ -	\$ -	\$ -
Contracts payable . . . . .	6,708	49,590	-	-
Interfund loans payable . . . . .	3,000	-	213,636	-
Deferred revenue . . . . .	-	10,415	-	-
Total liabilities . . . . .	<u>9,708</u>	<u>60,005</u>	<u>213,636</u>	<u>-</u>
<b>Fund balances:</b>				
Restricted . . . . .	-	-	6,708	18,706
Committed . . . . .	-	-	-	-
Unassigned (deficit) . . . . .	(5,889)	(10,415)	-	-
Total fund balances . . . . .	<u>(5,889)</u>	<u>(10,415)</u>	<u>6,708</u>	<u>18,706</u>
Total liabilities and fund balances . . . . .	<u>\$ 3,819</u>	<u>\$ 49,590</u>	<u>\$ 220,344</u>	<u>\$ 18,706</u>

**Total  
Nonmajor  
Special Revenue  
Funds**

\$	809,150
	951
	159,767
	<u>122,490</u>
\$	<u><u>1,092,358</u></u>

\$	460
	78,410
	216,636
	<u>27,799</u>
	<u>323,305</u>

	736,812
	48,545
	(16,304)
	<u>769,053</u>
\$	<u><u>1,092,358</u></u>

**CITY OF PATASKALA, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<b>State Highway Fund</b>	<b>Jedd Income Tax Fund</b>	<b>Permissive License Tax Fund</b>	<b>Park Use Fund</b>
<b>Revenues:</b>				
Income taxes . . . . .	\$ -	\$ 237	\$ -	\$ -
Charges for services . . . . .	-	-	-	11,755
Fines and forfeitures . . . . .	-	-	-	-
Intergovernmental . . . . .	51,358	-	296,089	-
Investment income . . . . .	92	-	-	-
Other . . . . .	-	-	18,893	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues . . . . .	51,450	237	314,982	11,755
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditures:</b>				
Current:				
Security of persons and property . . . . .	-	-	-	-
Transportation . . . . .	91,863	-	76,532	-
Community environment . . . . .	-	-	-	-
Leisure time activity. . . . .	-	-	-	-
Economic development . . . . .	-	-	-	-
Capital outlay . . . . .	-	-	96,187	90,909
Debt service:				
Principal retirement. . . . .	-	-	45,970	-
Interest and fiscal charges . . . . .	-	-	9,392	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures . . . . .	91,863	-	228,081	90,909
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures . . . . .	(40,413)	237	86,901	(79,154)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Other financing sources:</b>				
Transfers in. . . . .	-	-	-	29,477
Note proceeds . . . . .	-	-	245,771	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources . . . . .	-	-	245,771	29,477
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances. . . . .	(40,413)	237	332,672	(49,677)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund balances at beginning of year . . . . .</b>	96,389	-	289,188	93,813
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 55,976</u>	<u>\$ 237</u>	<u>\$ 621,860</u>	<u>\$ 44,136</u>



<b>Immobilization Fund</b>	<b>Court Computer Fund</b>	<b>Alcohol Enforcement and Education Fund</b>	<b>Law Enforcement Trust Fund</b>	<b>Pataskala Mobile Home Park Fund</b>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
300	15,457	150	1,343	-
-	-	-	323	-
-	-	-	-	22
-	-	-	-	-
<u>300</u>	<u>15,457</u>	<u>150</u>	<u>1,666</u>	<u>22</u>
5,832	3,575	-	828	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>5,832</u>	<u>3,575</u>	<u>-</u>	<u>828</u>	<u>-</u>
<u>(5,532)</u>	<u>11,882</u>	<u>150</u>	<u>838</u>	<u>22</u>
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(5,532)	11,882	150	838	22
6,022	14,331	5,371	263	4,387
<u>\$ 490</u>	<u>\$ 26,213</u>	<u>\$ 5,521</u>	<u>\$ 1,101</u>	<u>\$ 4,409</u>

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**CITY OF PATASKALA, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<b>CHIP Fund</b>	<b>ODNR Recreation Trail Fund</b>	<b>Safe Route To School Fund</b>	<b>CDBG</b>
<b>Revenues:</b>				
Municipal income taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Charges for services . . . . .	-	-	-	-
Fines and forfeitures . . . . .	-	-	-	-
Intergovernmental . . . . .	16,512	239,829	39,175	79,918
Investment income . . . . .	-	-	-	-
Other . . . . .	-	-	-	-
Total revenues . . . . .	<u>16,512</u>	<u>239,829</u>	<u>39,175</u>	<u>79,918</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property . . . . .	-	-	49,590	-
Transportation . . . . .	-	-	-	-
Community environment . . . . .	15,693	-	-	-
Leisure time activity . . . . .	-	233,121	-	-
Economic development . . . . .	-	-	-	24,799
Capital outlay . . . . .	6,708	-	-	36,413
Debt service:				
Principal retirement . . . . .	-	-	-	-
Interest and fiscal charges . . . . .	-	-	-	-
Total expenditures . . . . .	<u>22,401</u>	<u>233,121</u>	<u>49,590</u>	<u>61,212</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(5,889)</u>	<u>6,708</u>	<u>(10,415)</u>	<u>18,706</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	-	-	-
Bonds issued . . . . .	-	-	-	-
Total other financing sources (uses) . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances . . . . .	<u>(5,889)</u>	<u>6,708</u>	<u>(10,415)</u>	<u>18,706</u>
<b>Fund balances at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances at end of year . . . . .</b>	<u><u>\$ (5,889)</u></u>	<u><u>\$ 6,708</u></u>	<u><u>\$ (10,415)</u></u>	<u><u>\$ 18,706</u></u>

**Total  
Nonmajor  
Special Revenue  
Funds**

\$	237
	11,755
	17,250
	723,204
	114
	18,893
	<hr/>
	771,453
	<hr/>

	59,825
	168,395
	15,693
	233,121
	24,799
	230,217
	45,970
	9,392
	<hr/>
	787,412
	<hr/>

	(15,959)
	<hr/>

	29,477
	245,771
	<hr/>

	275,248
	<hr/>

	259,289
--	---------

	509,764
	<hr/>

\$	769,053
	<hr/>
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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, 2011

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Intergovernmental. . . . .	\$ 48,000	\$ 50,605	\$ 2,605
Investment income . . . . .	150	92	(58)
Other . . . . .	100	-	(100)
Total revenues. . . . .	<u>48,250</u>	<u>50,697</u>	<u>2,447</u>
<b>Expenditures:</b>			
Current:			
Transportation			
Street department			
Contractual. . . . .	10,000	10,000	-
Materials and supplies . . . . .	<u>127,278</u>	<u>81,632</u>	<u>45,646</u>
Total expenditures. . . . .	<u>137,278</u>	<u>91,632</u>	<u>45,646</u>
Net change in fund balance . . . . .	(89,028)	(40,935)	48,093
<b>Fund balance at beginning of year . . . . .</b>	<u>89,028</u>	<u>89,028</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ 48,093</u>	<u>\$ 48,093</u>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
PATASKALA CORPORATE PARK JOINT ECONOMIC DEVELOPMENT DISTRICT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Income taxes . . . . .	\$ 1,000	\$ 237	\$ (763)
Total revenues . . . . .	<u>1,000</u>	<u>237</u>	<u>(763)</u>
<b>Expenditures:</b>			
Current:			
General Government			
Economic Development			
Materials and supplies. . . . .	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total general government. . . . .	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total expenditures. . . . .	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net change in fund balance . . . . .	<u>-</u>	<u>237</u>	<u>237</u>
<b>Fund balance at beginning of year. . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u><u>\$ -</u></u>	<u><u>\$ 237</u></u>	<u><u>\$ 237</u></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, 2011

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 291,000	\$ 221,795	\$ (69,205)
Other . . . . .	-	18,893	18,893
Total revenues. . . . .	<u>291,000</u>	<u>240,688</u>	<u>(50,312)</u>
<b>Expenditures:</b>			
Current:			
Transportation			
Street department			
Contractual services . . . . .	83,295	24,902	58,393
Materials and supplies. . . . .	99,837	4,105	95,732
Capital outlay . . . . .	<u>702,490</u>	<u>367,204</u>	<u>335,286</u>
Total transportation. . . . .	<u>885,622</u>	<u>396,211</u>	<u>489,411</u>
Debt service:			
Principal retirement . . . . .	74,593	45,970	28,623
Interest and fiscal charges . . . . .	<u>24,151</u>	<u>9,392</u>	<u>14,759</u>
Total debt service . . . . .	<u>98,744</u>	<u>55,362</u>	<u>43,382</u>
Total expenditures . . . . .	<u>984,366</u>	<u>451,573</u>	<u>532,793</u>
Deficiency of revenues under expenditures . . . . .	<u>(693,366)</u>	<u>(210,885)</u>	<u>482,481</u>
<b>Other financing sources:</b>			
Note proceeds . . . . .	<u>245,771</u>	<u>245,771</u>	<u>-</u>
Total other financing sources . . . . .	<u>245,771</u>	<u>245,771</u>	<u>-</u>
Net change in fund balance . . . . .	(447,595)	34,886	482,481
<b>Fund balance at beginning of year . . . . .</b>	<u>447,595</u>	<u>447,595</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ 482,481</u>	<u>\$ 482,481</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, 2011

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Charges for Services . . . . .	\$ 15,000	\$ 11,755	\$ (3,245)
Total revenues. . . . .	<u>15,000</u>	<u>11,755</u>	<u>(3,245)</u>
<b>Expenditures:</b>			
Current:			
Leisure time activity			
Recreation improvement			
Capital outlay. . . . .	<u>138,290</u>	<u>68,797</u>	<u>69,493</u>
Total expenditures . . . . .	<u>138,290</u>	<u>68,797</u>	<u>69,493</u>
Deficiency of revenues under expenditures . . . . .	<u>(123,290)</u>	<u>(57,042)</u>	<u>66,248</u>
<b>Other financing sources:</b>			
Transfers in. . . . .	<u>29,477</u>	<u>29,477</u>	<u>-</u>
Total other financing sources. . . . .	<u>29,477</u>	<u>29,477</u>	<u>-</u>
Net change in fund balance. . . . .	(93,813)	(27,565)	66,248
<b>Fund balance at beginning of year . . . . .</b>	<u>93,813</u>	<u>93,813</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u><u>\$ -</u></u>	<u><u>\$ 66,248</u></u>	<u><u>\$ 66,248</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, 2011

	<u>Budgeted Amount</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Fines and forfeitures . . . . .	\$ 600	\$ 300	\$ (300)
Total revenues . . . . .	<u>600</u>	<u>300</u>	<u>(300)</u>
<b>Expenditures:</b>			
Security of persons and property:			
Materials and supplies . . . . .	<u>6,622</u>	<u>5,832</u>	<u>790</u>
Total expenditures . . . . .	<u>6,622</u>	<u>5,832</u>	<u>790</u>
Net change in fund balance . . . . .	(6,022)	(5,532)	490
<b>Fund balance at beginning of year. . . . .</b>	<u>\$ 6,022</u>	<u>\$ 6,022</u>	<u>\$ -</u>
<b>Fund balance at end of year . . . . .</b>	<u><u>\$ -</u></u>	<u><u>\$ 490</u></u>	<u><u>\$ 490</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, 2011

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Fines and forfeitures . . . . .	\$ 7,000	\$ 16,001	\$ 9,001
Total revenues . . . . .	<u>7,000</u>	<u>16,001</u>	<u>9,001</u>
<b>Expenditures:</b>			
Security of persons and property:			
Capital outlay . . . . .	<u>19,836</u>	<u>3,575</u>	<u>16,261</u>
Total expenditures . . . . .	<u>19,836</u>	<u>3,575</u>	<u>16,261</u>
Net change in fund balance. . . . .	(12,836)	12,426	25,262
<b>Fund balance at beginning of year . . . . .</b>	<u>12,836</u>	<u>12,836</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u><u>\$ -</u></u>	<u><u>\$ 25,262</u></u>	<u><u>\$ 25,262</u></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, 2011

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Fines and forfeitures. . . . .	\$ 500	\$ 150	\$ (350)
Total revenues . . . . .	<u>500</u>	<u>150</u>	<u>(350)</u>
<b>Expenditures:</b>			
Security of persons and property:			
Personal services . . . . .	2,000	-	2,000
Contractual services . . . . .	3,871	-	3,871
Total expenditures. . . . .	<u>5,871</u>	<u>-</u>	<u>5,871</u>
Net change in fund balance. . . . .	(5,371)	150	5,521
<b>Fund balance at beginning of year . . . . .</b>	<u>5,371</u>	<u>5,371</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u><u>\$ -</u></u>	<u><u>\$ 5,521</u></u>	<u><u>\$ 5,521</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, 2011

	<u>Budgeted Amount</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Fines and forfeitures. . . . .	\$ 565	\$ 1,343	\$ 778
Total revenues . . . . .	<u>565</u>	<u>1,343</u>	<u>778</u>
<b>Expenditures:</b>			
Security of persons and property:			
Contractual services. . . . .	<u>828</u>	<u>828</u>	<u>-</u>
Total expenditures . . . . .	<u>828</u>	<u>828</u>	<u>-</u>
Net change in fund balance. . . . .	(263)	515	778
<b>Fund balance at beginning of year . . . . .</b>	<u>263</u>	<u>263</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u><u>\$ -</u></u>	<u><u>\$ 778</u></u>	<u><u>\$ 778</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, 2011

	<u>Budgeted Amount</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Investment Income. . . . .	\$ 40	\$ 22	\$ (18)
Total revenues. . . . .	<u>40</u>	<u>22</u>	<u>(18)</u>
<b>Expenditures:</b>			
Current:			
General government			
Materials and supplies. . . . .	4,427	-	4,427
Total expenditures . . . . .	<u>4,427</u>	<u>-</u>	<u>4,427</u>
Net change in fund balance. . . . .	(4,387)	22	4,409
<b>Fund balance at beginning of year . . . . .</b>	<u>4,387</u>	<u>4,387</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u><u>\$ -</u></u>	<u><u>\$ 4,409</u></u>	<u><u>\$ 4,409</u></u>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
COMMUNITY HOUSING IMPROVEMENT PROGRAM FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Other . . . . .	\$ 75,000	\$ 12,865	\$ (62,135)
Total revenues . . . . .	<u>75,000</u>	<u>12,865</u>	<u>(62,135)</u>
<b>Expenditures:</b>			
Current:			
Community environment . . . . .			
Contractual services . . . . .	75,000	15,693	59,307
Total expenditures . . . . .	<u>75,000</u>	<u>15,693</u>	<u>59,307</u>
Deficiency of revenues under expenditures . . . . .	<u>-</u>	<u>(2,828)</u>	<u>(2,828)</u>
<b>Other financing sources:</b>			
Advances In . . . . .		3,000	3,000
Total other financing sources. . . . .	<u>-</u>	<u>3,000</u>	<u>3,000</u>
Net change in fund balance. . . . .	-	172	172
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ 172</u>	<u>\$ 172</u>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SAFE ROUTES TO SCHOOLS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u><b>Budgeted Amount</b></u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u><b>Final</b></u>	<u><b>Actual</b></u>	
<b>Revenues:</b>			
Other. . . . .	\$ 135,000	\$ -	\$ (135,000)
Total revenues . . . . .	<u>135,000</u>	<u>-</u>	<u>(135,000)</u>
<b>Expenditures:</b>			
Current:			
Community environment . . . . .			
Contractual services . . . . .	35,000	-	35,000
Capital outlay. . . . .	100,000	-	100,000
Total expenditures . . . . .	<u>135,000</u>	<u>-</u>	<u>135,000</u>
Net change in fund balance. . . . .	-	-	-
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<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)  
OHIO DEPARTMENT NATURAL RESOURCES TRAIL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 239,829	\$ 194,944	\$ (44,885)
Total revenues . . . . .	<u>239,829</u>	<u>194,944</u>	<u>(44,885)</u>
<b>Expenditures:</b>			
Current:			
Leisure time activities			
Recreation			
Capital outlay. . . . .	239,829	233,121	6,708
Total expenditures . . . . .	<u>239,829</u>	<u>233,121</u>	<u>6,708</u>
Deficiency of revenues under expenditures . . . . .	<u>-</u>	<u>(38,177)</u>	<u>(38,177)</u>
<b>Other financing sources:</b>			
Advances in. . . . .	213,636	213,636	-
Total other financing sources. . . . .	<u>213,636</u>	<u>213,636</u>	<u>-</u>
Net change in fund balance. . . . .	213,636	175,459	(38,177)
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u><u>\$ 213,636</u></u>	<u><u>\$ 175,459</u></u>	<u><u>\$ (38,177)</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, 2011

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Other. . . . .	\$ 200	\$ 750	\$ 550
Total revenues. . . . .	<u>200</u>	<u>750</u>	<u>550</u>
<b>Expenditures:</b>			
Security of persons and property			
Materials and supplies . . . . .	1,603	1,073	530
Total expenditures . . . . .	<u>1,603</u>	<u>1,073</u>	<u>530</u>
Net change in fund balance. . . . .	(1,403)	(323)	1,080
<b>Fund balance at beginning of year . . . . .</b>	<u>1,603</u>	<u>1,603</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u><u>\$ 200</u></u>	<u><u>\$ 1,280</u></u>	<u><u>\$ 1,080</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, 2011

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Intergovernmental. . . . .	\$ 160,000	\$ 61,212	\$ (98,788)
Total revenues . . . . .	<u>160,000</u>	<u>61,212</u>	<u>(98,788)</u>
<b>Expenditures:</b>			
Current:			
Economic Development			
Contractual services . . . . .	120,000	24,798	95,202
Capital outlay. . . . .	<u>40,000</u>	<u>36,414</u>	<u>3,586</u>
Total expenditures . . . . .	<u>160,000</u>	<u>61,212</u>	<u>98,788</u>
Net change in fund balance. . . . .	-	-	-
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<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)  
RECREATION FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 406	\$ 424	\$ 18
Other . . . . .	12,413	14,384	1,971
Total revenues . . . . .	<u>12,819</u>	<u>14,808</u>	<u>1,989</u>
<b>Expenditures:</b>			
Current:			
Leisure time activities			
Recreation			
Materials and supplies. . . . .	<u>29,739</u>	<u>22,351</u>	<u>7,388</u>
Total expenditures. . . . .	<u>29,739</u>	<u>22,351</u>	<u>7,388</u>
Deficiency of revenues under expenditures . . . . .	<u>(16,920)</u>	<u>(7,543)</u>	<u>9,377</u>
<b>Other financing sources:</b>			
Transfers in. . . . .	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total other financing sources. . . . .	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net change in fund balance . . . . .	(6,920)	2,457	9,377
<b>Fund balance at beginning of year. . . . .</b>	<u>6,920</u>	<u>6,920</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u><u>\$ -</u></u>	<u><u>\$ 9,377</u></u>	<u><u>\$ 9,377</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, 2011

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Expenditures:</b>			
Community environment:			
Materials and supplies . . . . .	\$ 608	\$ 293	\$ 315
Total expenditures . . . . .	<u>608</u>	<u>293</u>	<u>315</u>
 Excess (deficiency) of revenues over (under) expenditures. . . . .	 <u>(608)</u>	 <u>(293)</u>	 <u>315</u>
 <b>Other financing uses:</b>			
Transfers in. . . . .	<u>250</u>	<u>250</u>	<u>-</u>
Total other financing uses . . . . .	<u>250</u>	<u>250</u>	<u>-</u>
 Net change in fund balance. . . . .	 (358)	 (43)	 315
 <b>Fund balance at beginning of year . . . . .</b>	 <u>358</u>	 <u>358</u>	 <u>-</u>
 <b>Fund balance at end of year. . . . .</b>	 <u>\$ -</u>	 <u>\$ 315</u>	 <u>\$ 315</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, 2011**

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

**CITY OF PATASKALA, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**DECEMBER 31, 2011**

	<b><u>Courter Bridge Improvement Fund</u></b>	<b><u>Municipal Building Purchase Fund</u></b>	<b><u>Capital Improvement Fund</u></b>	<b><u>State Route 310 TIF Fund</u></b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 59	\$ 6,871	\$ -	\$ 527,989
Receivables (net of allowances of uncollectibles):				
Income taxes . . . . .	-	-	524,805	-
Payment in lieu of taxes. . . . .	-	-	-	206,640
Total assets. . . . .	<u>\$ 59</u>	<u>\$ 6,871</u>	<u>\$ 524,805</u>	<u>\$ 734,629</u>
<b>Liabilities:</b>				
Deferred revenue. . . . .	\$ -	\$ -	\$ 272,220	\$ 134,970
Unearned revenue. . . . .	-	-	-	50,494
Total liabilities . . . . .	<u>-</u>	<u>-</u>	<u>272,220</u>	<u>185,464</u>
<b>Fund Balances:</b>				
Restricted . . . . .	59	6,871	252,585	549,165
Total fund balances . . . . .	<u>59</u>	<u>6,871</u>	<u>252,585</u>	<u>549,165</u>
Total liabilities and fund equity. . . . .	<u>\$ 59</u>	<u>\$ 6,871</u>	<u>\$ 524,805</u>	<u>\$ 734,629</u>

**Total  
Nonmajor  
Capital Projects  
Funds**

---

\$ 534,919

524,805

206,640

---

\$ 1,266,364

\$ 407,190

50,494

457,684

---

808,680

808,680

---

\$ 1,266,364

**CITY OF PATASKALA, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Issue II</u>	<u>Courter Bridge Improvement Fund</u>	<u>Municipal Building Purchase Fund</u>	<u>Capital Improvement Fund</u>
<b>Revenues:</b>				
Income taxes. . . . .	\$ -	\$ -	\$ -	\$ 252,585
Intergovernmental . . . . .	285,816	-	-	-
Payment in lieu of taxes. . . . .	-	-	-	-
Total revenues . . . . .	<u>285,816</u>	<u>-</u>	<u>-</u>	<u>252,585</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	-	-	-	-
Capital outlay . . . . .	285,816	-	-	-
Debt service:				
Principal retirement. . . . .	-	-	120,958	
Interest and fiscal charges . . . . .	-	-	29,042	
Total expenditures . . . . .	<u>285,816</u>	<u>-</u>	<u>150,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>252,585</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	-	-	150,000	-
Total other financing sources . . . . .	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>-</u>
Net change in fund balances . . . . .	-	-	-	252,585
<b>Fund balances at beginning of year. . . . .</b>	<u>-</u>	<u>59</u>	<u>6,871</u>	<u>-</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ 59</u>	<u>\$ 6,871</u>	<u>\$ 252,585</u>



<b>State Route 310 TIF Fund</b>	<b>Total Nonmajor Capital Projects Funds</b>
\$ -	\$ 252,585
-	285,816
550,600	550,600
550,600	1,089,001
1,435	1,435
-	285,816
	120,958
	29,042
1,435	437,251
549,165	651,750
-	150,000
-	150,000
549,165	801,750
-	6,930
\$ 549,165	\$ 808,680

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ISSUE II  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Intergovernmental. . . . .	\$ 299,999	\$ 285,816	\$ (14,183)
Total revenues. . . . .	<u>299,999</u>	<u>285,816</u>	<u>(14,183)</u>
<b>Expenditures:</b>			
Community development			
Capital outlay . . . . .	349,999	285,816	64,183
Total expenditures. . . . .	<u>349,999</u>	<u>285,816</u>	<u>64,183</u>
Deficiency of revenues under expenditures .	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
<b>Other financing sources:</b>			
Loan proceeds . . . . .	50,000	-	(50,000)
Total other financing sources. . . . .	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Net change in fund balance. . . . .	-	-	-
<b>Fund balance at beginning of year . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<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, 2011

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Expenditures:</b>			
Debt service:			
Principal retirement. . . . .	\$ 120,958	\$ 120,958	\$ -
Interest and fiscal charges. . . . .	38,513	38,513	-
Total debt service. . . . .	<u>159,471</u>	<u>159,471</u>	<u>-</u>
Deficiency of revenues under expenditures .	<u>(159,471)</u>	<u>(159,471)</u>	<u>-</u>
<b>Other financing sources:</b>			
Transfers in. . . . .	<u>159,471</u>	<u>159,471</u>	<u>-</u>
Total other financing sources. . . . .	<u>159,471</u>	<u>159,471</u>	<u>-</u>
Net change in fund balance. . . . .	-	-	-
<b>Fund balance at beginning of year . . . .</b>	<u>59</u>	<u>59</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u><u>\$ 59</u></u>	<u><u>\$ 59</u></u>	<u><u>\$ -</u></u>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
MUNICIPAL BUILDING PURCHASE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Expenditures:</b>			
General government			
Materials and supplies . . . . .	\$ 6,871	\$ -	\$ 6,871
Total expenditures. . . . .	<u>6,871</u>	<u>-</u>	<u>6,871</u>
 Deficiency of revenues under expenditures .	<u>(6,871)</u>	<u>-</u>	<u>6,871</u>
 Net change in fund balance. . . . .	(6,871)	-	6,871
 <b>Fund balance at beginning of year . . . .</b>	<u>6,871</u>	<u>6,871</u>	<u>-</u>
 <b>Fund balance at end of year . . . . .</b>	<u><u>\$ -</u></u>	<u><u>\$ 6,871</u></u>	<u><u>\$ 6,871</u></u>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
STATE ROUTE 310 TAX INCREMENT FINANCE EQUIVALENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Payment in lieu of taxes. . . . .	\$ 536,330	\$ 529,424	\$ (6,906)
Total revenues . . . . .	<u>536,330</u>	<u>529,424</u>	<u>(6,906)</u>
<b>Expenditures:</b>			
Current:			
General Government			
Economic Development			
Contractual services . . . . .	536,330	1,435	534,895
Total general government. . . . .	<u>536,330</u>	<u>1,435</u>	<u>534,895</u>
Total expenditures. . . . .	<u>536,330</u>	<u>1,435</u>	<u>534,895</u>
Net change in fund balance . . . . .	-	527,989	527,989
<b>Fund balance at beginning of year. . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u><u>\$ -</u></u>	<u><u>\$ 527,989</u></u>	<u><u>\$ 527,989</u></u>

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

**ENTERPRISE FUNDS**

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

**Major Enterprise Funds**

***Water Fund***

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

***Water Capital Improvement Fund***

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

***Water Debt Service Fund***

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

***Sewer Fund***

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

***Sewer Capital Improvement Fund***

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

***Sewer Debt Service Fund***

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

***Wastewater Treatment Plant Phase II Fund***

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

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
WATER FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Operating revenues:</b>			
Charges for services . . . . .	\$ 1,095,172	\$ 1,155,816	\$ 60,644
Other operating revenues . . . . .	5,000	11,834	6,834
Total revenues . . . . .	<u>1,100,172</u>	<u>1,167,650</u>	<u>67,478</u>
<b>Operating expenses:</b>			
Personal services. . . . .	366,976	361,555	5,421
Materials and supplies . . . . .	479,147	418,725	60,422
Contractual services . . . . .	50,750	40,050	10,700
Total expenses . . . . .	<u>896,873</u>	<u>820,330</u>	<u>76,543</u>
Operating income (loss). . . . .	<u>203,299</u>	<u>347,320</u>	<u>144,021</u>
<b>Nonoperating revenues (expenses):</b>			
Transfers out . . . . .	(628,042)	(628,042)	-
Total nonoperating revenues (expenses) . . . . .	<u>(628,042)</u>	<u>(628,042)</u>	<u>-</u>
Net change in fund equity . . . . .	(424,743)	(280,722)	144,021
<b>Fund equity at beginning of year . . . . .</b>	<u>630,243</u>	<u>630,243</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u><u>\$ 205,500</u></u>	<u><u>\$ 349,521</u></u>	<u><u>\$ 144,021</u></u>



**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
WATER CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Capacity fees. . . . .	\$ 25,000	\$ 115,763	\$ 90,763
Other. . . . .	2,000	3,413	1,413
Total revenues. . . . .	<u>\$ 27,000</u>	<u>\$ 119,176</u>	<u>\$ 92,176</u>
<b>Expenditures:</b>			
Current:			
Capital outlay			
Capital outlay. . . . .	383,042	106,547	276,495
Total capital outlay. . . . .	<u>383,042</u>	<u>106,547</u>	<u>276,495</u>
Total expenditures. . . . .	<u>383,042</u>	<u>106,547</u>	<u>276,495</u>
Excess of revenues over expenditures. . . . .	<u>(356,042)</u>	<u>12,629</u>	<u>368,671</u>
<b>Other financing sources:</b>			
Transfers in . . . . .	356,042	110,542	(245,500)
Total other financing sources . . . . .	<u>356,042</u>	<u>110,542</u>	<u>(245,500)</u>
Net change in fund balance. . . . .	-	123,171	123,171
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u><u>\$ -</u></u>	<u><u>\$ 123,171</u></u>	<u><u>\$ 123,171</u></u>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
WATER DEBT SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Investment income . . . . .	\$ -	\$ 1,250	\$ 1,250
Total revenues. . . . .	<u>\$ -</u>	<u>\$ 1,250</u>	<u>\$ 1,250</u>
<b>Expenditures:</b>			
Current:			
Debt service:			
Principal . . . . .	212,805	212,804	1
Interest and fiscal charges. . . . .	<u>476,322</u>	<u>303,135</u>	<u>173,187</u>
Total debt service . . . . .	<u>689,127</u>	<u>515,939</u>	<u>173,188</u>
Total expenditures. . . . .	<u>689,127</u>	<u>515,939</u>	<u>173,188</u>
Excess of revenues over expenditures. . . . .	<u>(689,127)</u>	<u>(514,689)</u>	<u>174,438</u>
<b>Other financing sources:</b>			
Transfers in . . . . .	<u>517,500</u>	<u>517,500</u>	<u>-</u>
Total other financing sources . . . . .	<u>517,500</u>	<u>517,500</u>	<u>-</u>
Net change in fund balance. . . . .	(171,627)	2,811	174,438
<b>Fund balance at beginning of year . . . . .</b>	<u>171,627</u>	<u>171,627</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u><u>\$ -</u></u>	<u><u>\$ 174,438</u></u>	<u><u>\$ 174,438</u></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, 2011

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Operating revenues:</b>			
Charges for services . . . . .	\$ 793,766	\$ 976,084	\$ 182,318
Other operating revenues . . . . .	5,000	5,433	433
Total revenues . . . . .	<u>798,766</u>	<u>981,517</u>	<u>182,751</u>
<b>Operating expenses:</b>			
Personal services. . . . .	366,976	344,073	22,903
Materials and supplies . . . . .	1,221,197	396,039	825,158
Contractual services . . . . .	547,069	333,643	213,426
Contingency . . . . .	579,239	-	579,239
Total expenses . . . . .	<u>2,714,481</u>	<u>1,073,755</u>	<u>1,640,726</u>
Operating loss . . . . .	<u>(1,915,715)</u>	<u>(92,238)</u>	<u>1,823,477</u>
<b>Nonoperating revenues (expenses):</b>			
Loans issued . . . . .	790,000	738,459	(51,541)
Transfers out . . . . .	(383,392)	(227,992)	155,400
Total nonoperating revenues (expenses). . .	<u>406,608</u>	<u>510,467</u>	<u>103,859</u>
Net change in fund equity . . . . .	(1,509,107)	418,229	1,927,336
<b>Fund equity at beginning of year. . . . .</b>	<u>1,509,107</u>	<u>1,509,107</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u><u>\$ -</u></u>	<u><u>\$ 1,927,336</u></u>	<u><u>\$ 1,927,336</u></u>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SEWER CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Capacity fees. . . . .	\$ 50,000	\$ 90,090	\$ 40,090
Other. . . . .	2,000	2,875	875
Total revenues. . . . .	<u>\$ 52,000</u>	<u>\$ 92,965</u>	<u>\$ 40,965</u>
<b>Expenditures:</b>			
Current:			
Capital outlay			
Capital outlay. . . . .	825,542	94,878	730,664
Total capital outlay. . . . .	<u>825,542</u>	<u>94,878</u>	<u>730,664</u>
Total expenditures. . . . .	<u>825,542</u>	<u>94,878</u>	<u>730,664</u>
Excess of revenues over expenditures. . . . .	<u>(773,542)</u>	<u>(1,913)</u>	<u>771,629</u>
<b>Other financing sources:</b>			
Loan proceeds . . . . .	505,000	30,894	(474,106)
Transfers in . . . . .	268,542	110,542	(158,000)
Total other financing sources . . . . .	<u>773,542</u>	<u>141,436</u>	<u>(632,106)</u>
Net change in fund balance. . . . .	-	139,523	139,523
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u><u>\$ -</u></u>	<u><u>\$ 139,523</u></u>	<u><u>\$ 139,523</u></u>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SEWER DEBT SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Investment income . . . . .	\$ 2,600	\$ 2,870	\$ 270
Total revenues. . . . .	<u>\$ 2,600</u>	<u>\$ 2,870</u>	<u>\$ 270</u>
<b>Expenditures:</b>			
Current:			
Debt service:			
Principal . . . . .	590,000	575,831	14,169
Interest and fiscal charges. . . . .	50,458	25,963	24,495
Issuance costs . . . . .	26,992	26,991	1
Total debt service . . . . .	<u>667,450</u>	<u>628,785</u>	<u>38,665</u>
Total expenditures. . . . .	<u>667,450</u>	<u>628,785</u>	<u>38,665</u>
Excess of revenues over expenditures. . . . .	<u>(664,850)</u>	<u>(625,915)</u>	<u>38,935</u>
<b>Other financing sources:</b>			
Sale of refunding bonds . . . . .	550,000	550,000	-
Transfers in . . . . .	114,850	117,450	2,600
Total other financing sources . . . . .	<u>664,850</u>	<u>667,450</u>	<u>2,600</u>
Net change in fund balance. . . . .	-	41,535	41,535
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u><u>\$ -</u></u>	<u><u>\$ 41,535</u></u>	<u><u>\$ 41,535</u></u>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
WASTEWATER TREATMENT PLANT PHASE II FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amount</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Total revenues. . . . .	\$ -	\$ -	\$ -
<b>Expenditures:</b>			
Current:			
Capital outlay			
Capital outlay. . . . .	3,352,000	2,780,854	
Total expenditures. . . . .	3,352,000	2,780,854	-
Excess of revenues over (under) expenditures. . . .	(3,352,000)	(2,780,854)	-
<b>Other financing sources:</b>			
Loans issued . . . . .	3,352,000	2,780,854	(571,146)
Total other financing sources . . . . .	3,352,000	2,780,854	(571,146)
Net change in fund balance. . . . .	-	-	(571,146)
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (571,146)</u></u>

**CITY OF PATASKALA, OHIO**

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

*Agency Fund*

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

Mayors Court

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

**CITY OF PATASKALA, OHIO**

*COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011*

	<b>Beginning Balance 12/31/2010</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance 12/31/2011</b>
<b>Mayor's Court</b>				
<b>Assets:</b>				
Cash in segregated accounts . . . . .	\$ 23,734	\$ 18,062	\$ 23,734	\$ 18,062
Total assets. . . . .	<u>\$ 23,734</u>	<u>\$ 18,062</u>	<u>\$ 23,734</u>	<u>\$ 18,062</u>
<b>Liabilities:</b>				
Undistributed monies . . . . .	\$ 23,734	\$ 18,062	\$ 23,734	\$ 18,062
Total liabilities . . . . .	<u>\$ 23,734</u>	<u>\$ 18,062</u>	<u>\$ 23,734</u>	<u>\$ 18,062</u>





# Statistical Section

City of Pataskala | CAFR





**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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>150-159</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue sources, income and property taxes.	<b>160-168</b>
<b>Debt Capacity</b> 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.	<b>170-176</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	<b>177-181</b>
<b>Operating Information</b> 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.	<b>182-185</b>

**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 EIGHT YEARS  
(ACCRUAL BASIS OF ACCOUNTING)*

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Governmental Activities</b>				
Invested in capital assets, net of related debt	\$ 11,192,505	\$ 6,885,892	\$ 5,768,494	\$ 4,965,912
Restricted for:				
Capital projects	894,345	428,679	8,830	-
Debt service	67,217	30,067	30,067	30,067
Street construction, maintenance and repairs	1,829,907	1,368,440	1,419,374	1,328,269
Community development	23,352	8,813	-	-
Parks and recreation	50,844	100,733	99,467	84,991
Police	2,169,514	1,431,654	579,510	368,748
Other purposes	-	358	5,058	7,248
Unrestricted	2,153,086	1,807,920	1,168,314	890,439
Total governmental activities net assets	<u>\$ 18,380,770</u>	<u>\$ 12,062,556</u>	<u>\$ 9,079,114</u>	<u>\$ 7,675,674</u>
<b>Business-type Activities</b>				
Invested in capital assets, net of related debt	\$ 2,512,585	\$ 2,890,611	\$ 2,327,739	\$ 1,868,441
Unrestricted	2,498,302	2,367,129	3,482,621	4,629,883
Total business-type activities net assets	<u>\$ 5,010,887</u>	<u>\$ 5,257,740</u>	<u>\$ 5,810,360</u>	<u>\$ 6,498,324</u>
<b>Total Primary Government</b>				
Invested in capital assets, net of related debt	\$ 13,705,090	\$ 9,776,503	\$ 8,096,233	\$ 6,834,353
Restricted for:				
Capital projects	894,345	428,679	8,830	-
Debt service	67,217	30,067	30,067	30,067
Street construction, maintenance and repairs	1,829,907	1,368,440	1,419,374	1,328,269
Community development	23,352	8,813	-	-
Parks and recreation	50,844	100,733	99,467	84,991
Police	2,169,514	1,431,654	579,510	368,748
Other purposes	-	358	5,058	7,248
Unrestricted	4,651,388	4,175,049	4,650,935	5,520,322
Total primary government net assets	<u>\$ 23,391,657</u>	<u>\$ 17,320,296</u>	<u>\$ 14,889,474</u>	<u>\$ 14,173,998</u>

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

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

**CITY OF PATASKALA, OHIO**

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

	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>Program Revenues:</b>				
Governmental activities:				
Charges for services:				
General government	\$ 359,222	\$ 372,604	\$ 345,726	\$ 330,353
Security of persons and property	231,099	155,183	170,419	176,275
Transportation	-	-	40,568	-
Community environment	-	-	-	2,182
Leisure time activities	11,755	19,375	26,808	105,210
Operating grants and contributions:				
General government	-	-	-	-
Security of persons and property	53,413	147,517	257,748	1,840
Transportation	678,261	908,554	951,379	1,179,526
Community environment	85,387	47,548	37,644	37,000
Leisure time activities	239,829	-	3,103	1,125
Capital grants and contributions:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	4,098,126	1,031,411	828,333	1,009,944
Community environment	35,536	-	-	-
Leisure time activities	36,542	-	-	-
Total governmental activities program revenues	<u>5,829,170</u>	<u>2,682,192</u>	<u>2,661,728</u>	<u>2,843,455</u>
Business-type activities:				
Charges for services:				
Water	1,363,563	779,089	766,464	769,684
Sewer	1,101,552	866,261	853,948	853,857
Capital grants and contributions:				
Water	-	-	101,460	131,079
Sewer	-	56,665	101,000	216,391
Total business-type activities program revenues	<u>2,465,115</u>	<u>1,702,015</u>	<u>1,822,872</u>	<u>1,971,011</u>
Total primary government	<u>\$ 8,294,285</u>	<u>\$ 4,384,207</u>	<u>\$ 4,484,600</u>	<u>\$ 4,814,466</u>
<b>Expenses:</b>				
Governmental activities:				
General government	\$ 758,581	\$ 871,750	\$ 826,900	\$ 967,338
Security of persons and property	1,724,472	1,373,081	1,401,767	1,649,394
Public health and welfare	60,486	59,300	57,500	57,500
Transportation	1,561,671	1,228,925	1,145,854	1,056,476
Community environment	318,312	270,207	335,062	410,129
Leisure time activities	41,908	46,494	48,003	108,228
Economic development	24,799	4,462	9,800	-
Other	-	-	-	-
Interest and fiscal charges	37,693	51,942	77,952	92,133
Total governmental activities expenses	<u>4,527,922</u>	<u>3,906,161</u>	<u>3,902,838</u>	<u>4,341,198</u>
Business-type activities:				
Water	1,467,074	1,338,996	1,614,297	1,244,786
Sewer	1,416,632	939,701	945,829	835,364
Total business-type activities expenses	<u>2,883,706</u>	<u>2,278,697</u>	<u>2,560,126</u>	<u>2,080,150</u>
Total primary government	<u>\$ 7,411,628</u>	<u>\$ 6,184,858</u>	<u>\$ 6,462,964</u>	<u>\$ 6,421,348</u>
Governmental activities	\$ 1,301,248	\$ (1,223,969)	\$ (1,241,110)	\$ (1,497,743)
Business-type activities	(418,591)	(576,682)	(737,254)	(109,139)
Total primary government net expense	<u>\$ 882,657</u>	<u>\$ (1,800,651)</u>	<u>\$ (1,978,364)</u>	<u>\$ (1,606,882)</u>

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 329,569	\$ 377,297	\$ 348,665	\$ 465,690
169,535	63,076	10,921	29,134
-	-	-	331,435
739	746	328	439
123,240	138,684	162,027	80,022
-	296,711	258,899	283,531
7,461	100,724	170,903	141,320
1,097,946	683,419	678,030	300,938
-	-	-	-
-	-	-	18,471
-	-	223,082	85,930
60,592	-	-	17,848
207,446	364,566	17,676	178,864
-	-	-	-
-	-	-	-
<u>1,996,528</u>	<u>2,025,223</u>	<u>1,870,531</u>	<u>1,933,622</u>
1,011,506	953,613	1,120,539	998,463
973,410	923,912	1,108,618	934,207
79,695	123,070	-	160,611
112,898	174,344	-	206,100
<u>2,177,509</u>	<u>2,174,939</u>	<u>2,229,157</u>	<u>2,299,381</u>
<u>\$ 4,174,037</u>	<u>\$ 4,200,162</u>	<u>\$ 4,099,688</u>	<u>\$ 4,233,003</u>
\$ 1,063,385	\$ 1,131,868	\$ 1,217,964	\$ 979,742
1,710,954	1,613,421	1,411,576	1,330,112
57,500	57,000	47,693	44,546
1,128,655	1,004,060	774,839	669,463
335,154	329,149	386,665	446,947
257,006	206,123	136,392	159,546
-	-	-	-
-	-	-	15
117,610	68,765	14,963	19,718
<u>4,670,264</u>	<u>4,410,386</u>	<u>3,990,092</u>	<u>3,650,089</u>
1,525,419	964,444	894,526	893,969
788,867	807,882	612,421	717,220
<u>2,314,286</u>	<u>1,772,326</u>	<u>1,506,947</u>	<u>1,611,189</u>
<u>\$ 6,984,550</u>	<u>\$ 6,182,712</u>	<u>\$ 5,497,039</u>	<u>\$ 5,261,278</u>
\$ (2,673,736)	\$ (2,385,163)	\$ (2,119,561)	\$ (1,716,467)
(136,777)	402,613	722,210	688,192
<u>\$ (2,810,513)</u>	<u>\$ (1,982,550)</u>	<u>\$ (1,397,351)</u>	<u>\$ (1,028,275)</u>

-- Continued

**CITY OF PATASKALA, OHIO**

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>General Revenues and Other Changes in Net Assets:</b>				
Governmental activities				
Taxes:				
Property taxes levied for:				
General purposes	\$ 623,868	\$ 1,063,530	\$ 862,226	\$ 845,202
Street fund	-	-	-	-
Police fund	-	1,259,991	1,375,422	1,342,858
Income taxes levied for:				
Street fund	833,223	272,986	-	-
Police fund	2,299,295	818,953	-	-
Debt service fund	57,251	-	-	-
Capital projects fund	524,805	-	-	-
JEDD income tax fund	237	-	-	-
Payments in lieu of taxes	261,409	424,161	-	-
Grants and entitlements				
not restricted to specific programs	303,395	331,221	368,296	466,879
Investment earnings	6,594	4,223	11,624	38,676
Miscellaneous	106,889	32,346	26,982	136,213
Total governmental activities	<u>5,016,966</u>	<u>4,207,411</u>	<u>2,644,550</u>	<u>2,829,828</u>
Business-type activities				
Investment earnings	6,825	4,714	27,583	104,178
Miscellaneous	164,913	19,348	21,707	20,292
Total business-type activities	<u>171,738</u>	<u>24,062</u>	<u>49,290</u>	<u>124,470</u>
Total primary government	<u>\$ 5,188,704</u>	<u>\$ 4,231,473</u>	<u>\$ 2,693,840</u>	<u>\$ 2,954,298</u>
<b>Change in Net Assets:</b>				
Governmental activities	\$ 6,318,214	\$ 2,983,442	\$ 1,403,440	\$ 1,332,085
Business-type activities	(246,853)	(552,620)	(687,964)	15,331
Total primary government	<u>\$ 6,071,361</u>	<u>\$ 2,430,822</u>	<u>\$ 715,476</u>	<u>\$ 1,347,416</u>

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



<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 826,407	\$ 853,878	\$ 690,564	\$ 693,435
1,726	525,244	502,568	513,583
1,311,759	1,316,392	996,877	1,007,172
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
455,723	434,943	338,895	267,013
114,274	110,276	61,951	28,329
125,770	118,245	122,113	43,570
<u>2,835,659</u>	<u>3,358,978</u>	<u>2,712,968</u>	<u>2,553,102</u>
300,956	271,525	143,716	25,540
23,905	17,318	68,697	24,950
<u>324,861</u>	<u>288,843</u>	<u>212,413</u>	<u>50,490</u>
<u>\$ 3,160,520</u>	<u>\$ 3,647,821</u>	<u>\$ 2,925,381</u>	<u>\$ 2,603,592</u>
\$ 161,923	\$ 973,815	\$ 593,407	\$ 836,635
188,084	691,456	934,623	738,682
<u>\$ 350,007</u>	<u>\$ 1,665,271</u>	<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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>General Fund:</b>					
Nonspendable	\$ 7,442	\$ -	\$ -	\$ -	\$ -
Committed	200,186	-	-	-	-
Assigned	958,541	-	-	-	-
Unassigned	410,863	-	-	-	-
Reserved	-	7,173	7,825	5,696	12,787
Unreserved	<u>-</u>	<u>1,679,354</u>	<u>1,193,775</u>	<u>737,870</u>	<u>938,413</u>
Total general fund	<u>\$ 1,577,032</u>	<u>\$ 1,686,527</u>	<u>\$ 1,201,600</u>	<u>\$ 743,566</u>	<u>\$ 951,200</u>
<b>All Other Governmental Funds:</b>					
Nonspendable	\$ 68,667	\$ -	\$ -	\$ -	\$ -
Restricted	4,581,579	-	-	-	-
Committed	48,545	-	-	-	-
Unassigned (deficit)	(16,304)	-	-	-	-
Reserved	-	94,938	96,314	174,089	167,514
Unreserved (deficit), reported in:					
Special revenue funds	-	2,533,546	1,676,979	1,272,163	1,387,134
Capital projects funds	<u>-</u>	<u>6,930</u>	<u>(156,942)</u>	<u>(1,020,333)</u>	<u>(1,411,683)</u>
Total all other governmental funds	<u>\$ 4,682,487</u>	<u>\$ 2,635,414</u>	<u>\$ 1,616,351</u>	<u>\$ 425,919</u>	<u>\$ 142,965</u>

Note: The City implemented GASB Statement No. 54 in 2011.

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
7,569	9,797	10,128	7,768	17,741
<u>807,844</u>	<u>677,499</u>	<u>889,866</u>	<u>951,854</u>	<u>982,046</u>
<u>\$ 815,413</u>	<u>\$ 687,296</u>	<u>\$ 899,994</u>	<u>\$ 959,622</u>	<u>\$ 999,787</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
108,512	96,960	88,754	73,000	82,779
1,559,596	1,003,299	675,288	731,222	688,926
<u>(1,472,570)</u>	<u>(1,335,209)</u>	<u>(226,547)</u>	<u>(240,000)</u>	<u>-</u>
<u>\$ 195,538</u>	<u>\$ (234,950)</u>	<u>\$ 537,495</u>	<u>\$ 564,222</u>	<u>\$ 771,705</u>

**CITY OF PATASKALA, OHIO**

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Revenues</b>					
Income taxes	\$ 3,335,770	\$ 976,035	\$ -	\$ -	\$ -
Real and other taxes	637,042	2,434,278	2,192,130	2,159,252	2,169,911
Charges for services	26,293	28,181	23,310	179,345	225,982
Licenses and permits	233,253	235,985	259,098	237,392	170,188
Fines and forfeitures	231,099	155,183	134,523	115,769	113,232
Intergovernmental	1,938,053	2,480,970	1,638,319	1,822,969	1,660,086
Special assessments	2,967	-	-	-	-
Investment income	7,826	5,118	15,675	53,533	141,600
Rental income	111,344	120,200	118,538	106,162	102,879
Contributions and donations	163	-	-	-	-
Payments in lieu of taxes	550,600	-	-	-	-
Other	106,726	79,661	112,133	87,091	129,901
Total revenues	<u>7,181,136</u>	<u>6,515,611</u>	<u>4,493,726</u>	<u>4,761,513</u>	<u>4,713,779</u>
<b>Expenditures</b>					
Current:					
General government	1,012,038	855,648	817,413	927,449	991,432
Security of persons and property	1,722,313	1,360,206	1,380,665	1,650,201	1,682,856
Public health and welfare	60,486	59,300	57,500	57,500	57,500
Transportation	1,418,164	1,166,311	821,874	871,259	866,760
Community environment	269,258	239,698	229,192	287,595	242,974
Leisure time activity	257,165	20,352	14,340	80,296	135,840
Economic development	24,799	4,462	9,800	-	-
Other	-	-	-	-	-
Capital outlay	519,744	1,170,248	270,420	685,462	964,755
Debt service:					
Principal retirement	166,928	299,833	258,810	83,270	95,818
Interest and fiscal charges	38,434	48,563	77,179	92,133	117,610
Total expenditures	<u>5,489,329</u>	<u>5,224,621</u>	<u>3,937,193</u>	<u>4,735,165</u>	<u>5,155,545</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,691,807</u>	<u>1,290,990</u>	<u>556,533</u>	<u>26,348</u>	<u>(441,766)</u>
<b>Other Financing Sources (Uses)</b>					
Loan issued	-	-	-	-	101,283
Note proceeds	245,771	195,000	860,000	-	-
Premium on notes sold	-	-	1,730	-	-
Capital lease obligation	-	-	180,703	-	423,697
Sale of capital assets	-	18,000	49,500	48,972	-
Transfers in	179,477	172,445	65,657	461,948	178,093
Transfers (out)	(179,477)	(172,445)	(65,657)	(461,948)	(178,093)
Total other financing sources (uses)	<u>245,771</u>	<u>213,000</u>	<u>1,091,933</u>	<u>48,972</u>	<u>524,980</u>
Net change in fund balances	<u>\$ 1,937,578</u>	<u>\$ 1,503,990</u>	<u>\$ 1,648,466</u>	<u>\$ 75,320</u>	<u>\$ 83,214</u>
Capital expenditures	1,420,744	1,499,257	1,083,821	1,522,106	933,118
Debt service as a percentage of noncapital expenditures.	5.05%	9.35%	11.78%	5.46%	5.05%

2006	2005	2004	2003	2002
\$ -	\$ -	\$ -	\$ -	\$ -
2,688,325	2,271,826	2,151,815	2,026,792	1,859,022
245,173	235,377	299,487	276,426	678,583
176,807	270,443	574,103	278,460	371,566
63,076	10,921	28,964	53,743	78,229
1,660,587	1,503,542	1,061,429	1,492,426	1,218,304
-	-	-	-	-
110,276	61,951	28,329	26,549	33,287
94,747	-	-	-	2,200
-	-	-	-	-
-	-	-	-	-
115,796	122,113	112,807	132,991	99,813
5,154,787	4,476,173	4,256,934	4,287,387	4,341,004
1,185,194	1,177,317	993,506	795,453	636,104
1,604,152	1,406,116	1,321,780	1,288,667	1,199,491
57,000	47,693	44,546	29,488	28,646
693,215	1,061,145	1,003,030	973,469	558,042
261,046	226,208	197,978	389,949	492,936
116,516	118,725	137,107	113,614	93,954
-	-	-	-	-
-	-	15	-	190
536,597	1,276,525	507,705	792,230	1,195,952
73,697	132,624	127,595	122,767	122,129
68,765	14,963	19,718	18,631	23,769
4,596,182	5,461,316	4,352,980	4,524,268	4,351,213
558,605	(985,143)	(96,046)	(236,881)	(10,209)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	574,812
-	-	-	-	-
15,480	-	-	-	-
(15,480)	-	-	-	-
-	-	-	-	574,812
\$ 558,605	\$ (985,143)	\$ (96,046)	\$ (236,881)	\$ 564,603
360,656	1,635,411	1,095,366	136,055	642,489
3.36%	3.86%	4.52%	3.22%	3.93%

**CITY OF PATASKALA, OHIO**

*INCOME TAX REVENUE BASE AND COLLECTIONS  
LAST TWO YEARS*

<b>Year</b>	<b>Tax Rate</b>	<b>Total Tax Collected</b>	<b>Taxes from Withholding (1)</b>	<b>Percentage of Taxes from Withholding</b>	<b>Taxes from Net Profits (2)</b>
2011	1.0%	3,265,274	1,657,655	50.77%	82,552
2010	1.0%	587,287	431,397	73.46%	5,520

Source: Regional Income Tax Agency (R.I.T.A.), Income tax reports

Note: 2010 was the first year of income tax collections for the City.

(1) Cash basis of accounting, reported at Gross

<b>Percentage of Taxes from Net Profits</b>	<b>Taxes from Individual Payments (2)</b>	<b>Percentage of Taxes from Individual Payments</b>
2.53%	1,528,992	46.83%
0.94%	240,463	40.94%

**CITY OF PATASKALA, OHIO**

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

<b>Year</b>	<b>Real Property</b>		<b>Public Utility Property</b>		<b>Tangible Personal Property</b>	
	<b>Assessed Value</b>	<b>Estimated Actual Value (a)</b>	<b>Assessed Value</b>	<b>Estimated Actual Value (b)</b>	<b>Assessed Value</b>	<b>Estimated Actual Value (c)</b>
2011	316,683,830	904,810,943	9,158,050	10,406,875	-	-
2010	325,908,370	931,166,771	9,462,360	10,752,682	-	-
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

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, 2010 and 2011, tangible personal is assessed at 0% of property value, including inventory.



<b>Total</b>			
<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Total Direct Tax Rate</b>	<b>Ratio</b>
325,841,880	915,217,818	2.90	35.60%
335,370,730	941,919,453	2.90	35.61%
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	7.90	35.28%
314,988,340	892,992,335	7.90	35.27%
305,787,780	871,360,474	10.40	35.09%
272,531,960	774,434,773	10.40	35.19%
254,548,560	723,074,353	10.40	35.20%
237,097,020	672,185,279	10.40	35.27%

**CITY OF PATASKALA, OHIO**

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

<b>City Direct Rates</b>				
<b>Tax Year</b>	<b>Operating</b>	<b>Street Levy</b>	<b>Police</b>	<b>Total Direct Rate</b>
2011	2.90	-	-	2.90
2010	2.90	-	-	2.90
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

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	Licking County Library	Total Overlapping Rates	
7.70	38.58	50.89	11.50	0.50	1.00	110.17	113.07
7.70	38.62	46.22	11.50	0.50	1.00	105.54	108.44
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

**CITY OF PATASKALA, OHIO**

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

<b>December 31, 2011</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Assessed Value</b>
Catalina Club LLC	\$ 2,486,020	1	0.79%
Licking Memorial Health Systems	2,318,720	2	0.73%
Village Gate Apartments Ltd.	1,750,000	3	0.55%
Kroger Company	1,576,470	4	0.50%
Reyno Holding Co	900,900	5	0.28%
Pataskala Green IV Ltd	817,880	6	0.26%
Pataskala Green	721,500	7	0.23%
Newcon Inc	704,060	8	0.22%
Tolson, Harvey A.	706,830	9	0.22%
Fernco Dev LTD, Norco Dev LTD, Lenco Dev Ltd	689,790	10	0.22%
Total, Top Ten Principal Real Property Taxpayers	<u>\$ 12,672,170</u>		<u>4.00%</u>
Total City Real Property Tax Assessed Valuation	<u>\$ 316,683,830</u>		

<b>December 31, 2002</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Assessed Value</b>
Columbus Southern Power Company	\$ 3,932,820	1	1.79%
United Telephone Company	2,608,220	2	1.19%
Village Gate Apartments Limited	2,048,800	3	0.93%
Maronda Homes	1,639,740	4	0.75%
Licking Memorial Health Systems	1,157,770	5	0.53%
Reyno Holding Company	1,058,160	6	0.48%
Kroger Company	969,150	7	0.44%
Oakhaven Partnership	843,390	8	0.38%
Pataskala Green IV Limited	816,730	9	0.37%
Fernco Development Limited	757,440	10	0.34%
Total, Top Ten Principal Real Property Taxpayers	<u>\$ 15,832,220</u>		<u>7.20%</u>
Total City Real Property Tax Assessed Valuation	<u>\$ 219,979,650</u>		

Source: Licking County Auditor's Office

Note: The City used 2002 taxpayer information due to 2003 taxpayer information not being available.

**CITY OF PATASKALA, OHIO**

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

<b>December 31, 2011</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Assessed Value</b>
Columbus Southern Power	\$ 6,655,120	1	72.67%
Ohio Power	904,980	2	9.88%
Columbia Gas of Ohio	627,720	3	6.85%
National Gas & Oil Corp	580,100	4	6.33%
Licking Rural Elec Inc	272,360	5	2.97%
BLX 13 Inc	47,560	6	0.52%
MHCB (USA) Leasing & Finance Corp	33,130	7	0.36%
Columbia Gas Trans Corp	27,750	8	0.30%
General Electric Capital Commercial Inc	8,140	9	0.09%
Buckeye Power	1,190	10	0.01%
Total, Top Ten Principal Public Utility Property Taxpayers	<u>\$ 9,158,050</u>		<u>99.98%</u>
Total City Public Utility Property Tax Assessed Valuation	<u>\$ 9,158,050</u>		

<b>December 31, 2001</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Assessed Value</b>
Columbus Southern Power	\$ 3,515,010	1	40.59%
United Telephone Company	2,815,390	2	32.51%
National Gas & Oil	488,560	3	5.64%
MCI Telecommunications	433,690	4	5.01%
Columbia Gas of Ohio	177,930	5	2.05%
Total, Top Five Principal Public Utility Property Taxpayers	<u>\$ 7,430,580</u>		<u>85.80%</u>
Total City Public Utility Property Tax Assessed Valuation	<u>\$ 8,659,440</u>		

Source: Licking County Auditor's Office

**CITY OF PATASKALA, OHIO**

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

<b>Year</b>	<b>Total Levy</b>	<b>Current Collection (1)</b>	<b>Percent of Current Collections to Tax Levy</b>	<b>Delinquent Collections</b>	<b>Total Collections</b>	<b>Percent of Total Collections to Tax Levy</b>	<b>Outstanding Delinquent Taxes (2)</b>	<b>Percentage of Delinquent Taxes to Tax Levy</b>
2011	\$ 1,056,076	\$ 939,100	88.92%	\$ 19,155	958,255	90.74%	\$ 48,264	4.57%
2010	2,507,307	2,413,468	96.26%	88,874	2,502,342	99.80%	56,037	2.23%
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	2,537,479	2,401,520	94.64%	77,045	2,478,565	97.68%	200,780	7.91%
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%

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*

	Governmental Activities					Business-Type Activities		
Year	Special Assessment Bonds	Notes Payable	OPWC Loans	SIB Loan	Capital Leases	General Obligation Bonds	OWDA Loans	Notes Payable
2011	\$ -	\$ 790,035	\$ 65,989	\$ 245,771	\$ -	\$ 6,670,000	\$ 3,664,972	\$ -
2010	-	946,417	76,535		-	6,840,000	183,398	-
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

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.



<b>(a)</b> <b>Total</b> <b>Primary</b> <b>Government</b>	<b>(b)</b> <b>Personal</b> <b>Income</b>	<b>Percentage</b> <b>of Personal</b> <b>Income</b>	<b>(b)</b> <b>Population</b>	<b>Outstanding</b> <b>Debt</b> <b>Per Capita</b>
\$ 11,436,767	\$ 225,518,486	5.07%	14,962	\$ 764
8,046,350	201,624,172	3.99%	14,962	538
8,696,629	228,746,131	3.80%	15,575	558
9,244,989	225,024,957	4.11%	15,508	596
10,076,773	218,038,413	4.62%	15,402	654
9,655,598	176,749,140	5.46%	12,643	764
11,662,477	173,744,655	6.71%	12,587	927
4,487,372	168,143,553	2.67%	12,339	364
4,769,582	159,348,074	2.99%	11,847	403
5,297,482	150,978,476	3.51%	11,374	466

**CITY OF PATASKALA, OHIO**

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

<b>Year</b>	<b>Population (1)</b>	<b>Estimated Actual Value of Taxable Property (2)</b>	<b>Bonded Debt (3)</b>	<b>Ratio of Bonded Debt to Estimated Actual Value of Property</b>	<b>Bonded Debt Per Capita</b>
2011	14,962	\$ 915,217,818	7,460,035	0.82%	\$ 499
2010	14,962	941,919,453	7,786,417	0.83%	520
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	871,360,474	2,320,697	0.27%	184
2004	12,339	774,434,773	1,097,624	0.14%	89
2003	11,847	723,074,353	1,062,613	0.15%	90
2002	11,374	672,185,279	1,256,683	0.19%	110

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, 2011*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct:</b>			
City of Pataskala	\$ 790,035	100.00%	\$ 790,035
Total direct debt	<u>\$ 790,035</u>		<u>\$ 790,035</u>
<b>Overlapping debt:</b>			
Southwest Licking Local School District	3,350,000	26.47%	886,745
Licking Heights Local School District	46,805,000	34.89%	16,330,265
Licking County	10,432,515	9.02%	941,013
Central Ohio Technical College	<u>4,570,000</u>	8.74%	<u>399,418</u>
Total overlapping debt	<u>\$ 65,157,515</u>		<u>\$ 18,557,441</u>
Total direct and overlapping debt	<u><u>\$ 65,947,550</u></u>		<u><u>\$ 19,347,475</u></u>

Source: Licking County Auditor's Office

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total valuation.

**CITY OF PATASKALA, OHIO**

*COMPUTATION OF LEGAL DEBT MARGIN  
LAST TEN YEARS*

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Assesed Value (a)	\$ 325,841,880	\$ 335,370,730	\$ 333,857,610	\$ 331,707,830
Legal debt margin:				
Debt limitation - 10.5% of Assesed Value	34,213,397	35,213,927	35,055,049	34,829,322
Debt Applicable to Limitation:				
Notes	1,035,806	946,417	1,022,000	1,036,000
Enterprise Bonds	<u>6,670,000</u>	<u>6,840,000</u>	<u>6,990,000</u>	<u>7,130,000</u>
Gross Indebtedness				
(Total Voted and Unvoted Debt)	<u>7,705,806</u>	<u>7,786,417</u>	<u>8,012,000</u>	<u>8,166,000</u>
Less: Debt Outside Limitations				
Notes	(1,035,806)	(946,417)	(1,022,000)	(1,036,000)
Enterprise Bonds	<u>(6,670,000)</u>	<u>(6,840,000)</u>	<u>(6,990,000)</u>	<u>(7,130,000)</u>
Total Debt Outside Limitations	<u>(7,705,806)</u>	<u>(7,786,417)</u>	<u>(8,012,000)</u>	<u>(8,166,000)</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>57,621</u>	<u>30,067</u>	<u>30,067</u>	<u>30,067</u>
Overall Debt Margin Within 10.5% Limitation	<u>\$ 34,271,018</u>	<u>\$ 35,243,994</u>	<u>\$ 35,085,116</u>	<u>\$ 34,859,389</u>
Unvoted Debt Limitation - 5.5% of Assessed Valuation	\$ 17,921,303	\$ 18,445,390	\$ 18,362,169	\$ 18,243,931
Gross Indebtedness Authorized by Council	7,705,806	7,786,417	8,012,000	8,166,000
Less: Debt Outside Limitations:				
Total Debt Outside Limitations	<u>(7,705,806)</u>	<u>(7,786,417)</u>	<u>(8,012,000)</u>	<u>(8,166,000)</u>
Debt Within 5.5% Limitations	17,921,303	18,445,390	18,362,169	18,243,931
Add: Amount Available in Debt Service Fund	57,621	30,067	30,067	30,067
Net Debt Within 5.5% Limitation	<u>17,978,924</u>	<u>18,475,457</u>	<u>18,392,236</u>	<u>18,273,998</u>
Unvoted Debt Margin Within 5.5% Limitation	<u>\$ 17,978,924</u>	<u>\$ 18,475,457</u>	<u>\$ 18,392,236</u>	<u>\$ 18,273,998</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.

<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
\$ 294,592,358	\$ 314,988,340	\$ 305,787,780	\$ 272,531,960	\$ 254,548,560	\$ 237,097,020
30,932,198	33,073,776	32,107,717	28,615,856	26,727,599	24,895,187
1,427,000	7,675,000	9,319,000	1,820,000	1,935,000	1,828,000
7,190,000	675,000	710,000	740,000	770,000	800,000
<u>8,617,000</u>	<u>8,350,000</u>	<u>10,029,000</u>	<u>2,560,000</u>	<u>2,705,000</u>	<u>2,628,000</u>
(1,427,000)	(7,675,000)	(9,319,000)	(1,820,000)	(1,935,000)	(1,828,000)
(7,190,000)	(675,000)	(710,000)	(740,000)	(770,000)	(800,000)
<u>(8,617,000)</u>	<u>(8,350,000)</u>	<u>(10,029,000)</u>	<u>(2,560,000)</u>	<u>(2,705,000)</u>	<u>(2,628,000)</u>
-	-	-	-	-	-
<u>30,067</u>	<u>30,067</u>	<u>30,067</u>	<u>30,068</u>	<u>30,083</u>	<u>30,113</u>
<u>30,067</u>	<u>30,067</u>	<u>30,067</u>	<u>30,068</u>	<u>30,083</u>	<u>30,113</u>
<u>\$ 30,962,265</u>	<u>\$ 33,103,843</u>	<u>\$ 32,137,784</u>	<u>\$ 28,645,924</u>	<u>\$ 26,757,682</u>	<u>\$ 24,925,300</u>
\$ 16,202,580	\$ 17,324,359	\$ 16,818,328	\$ 14,989,258	\$ 14,000,171	\$ 13,040,336
8,617,000	8,350,000	10,029,000	2,560,000	2,705,000	2,628,000
<u>(8,617,000)</u>	<u>(8,350,000)</u>	<u>(10,029,000)</u>	<u>(2,560,000)</u>	<u>(2,705,000)</u>	<u>(2,628,000)</u>
16,202,580	17,324,359	16,818,328	14,989,258	14,000,171	13,040,336
30,067	30,067	30,067	30,068	30,083	30,113
<u>16,232,647</u>	<u>17,354,426</u>	<u>16,848,395</u>	<u>15,019,326</u>	<u>14,030,254</u>	<u>13,070,449</u>
<u>\$ 16,232,647</u>	<u>\$ 17,354,426</u>	<u>\$ 16,848,395</u>	<u>\$ 15,019,326</u>	<u>\$ 14,030,254</u>	<u>\$ 13,070,449</u>

**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	
2011	\$ 1,106,985	\$ 1,166,708	\$ (59,723)	\$ 5,831	\$ 1,728	\$ 7,559	(7.90)
2010	872,648	705,169	167,479	237,773	17,719	255,492	0.66
2009	861,758	701,994	159,764	212,185	30,787	242,972	0.66
2008	857,372	585,809	271,563	197,290	48,148	245,438	1.11
2007	982,872	534,225	448,647	183,441	61,998	245,439	1.83
2006	932,038	545,373	386,665	170,563	74,876	245,439	1.58
2005	1,132,105	341,732	790,373	158,590	86,850	245,440	3.22
2004	946,938	210,480	736,458	147,457	97,982	245,439	3.00
2003	1,245,196	402,809	842,387	137,106	108,334	245,440	3.43
2002	1,039,747	314,656	725,091	127,480	117,958	245,438	2.95

**WATER OWDA LOANS:**

Year	Operating Revenue	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements (2)			Coverage
				Principal	Interest	Total	
2011	\$ 1,378,810	\$ 868,165	\$ 510,645	\$ 62,802	\$ 4,374	\$ 67,176	7.60
2010	788,378	724,931	63,447	120,127	12,805	132,932	0.48
2009	780,361	993,715	(213,354)	109,725	20,474	130,199	(1.64)
2008	786,461	629,673	156,788	100,224	37,245	137,469	1.14
2007	1,025,952	658,638	367,314	91,546	45,923	137,469	2.67
2006	962,805	570,721	392,084	83,619	53,850	137,469	2.85
2005	1,165,749	565,509	600,240	76,378	61,091	137,469	4.37
2004	1,010,682	650,715	359,967	69,764	67,705	137,469	2.62
2003	1,278,553	727,400	551,153	63,724	73,746	137,470	4.01
2002	996,440	577,549	418,891	58,205	79,264	137,469	3.05

(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 (1)	Personal Income	Per Capita Personal Income (1)	Annual Average Unemployment Rates (2)			
					City of Pataskala	Licking County	Ohio	United States
2011	14,962	\$ 60,291	\$ 225,518,486	\$ 26,082	8.6%	8.6%	10.9%	9.0%
2010	14,962	53,903	201,624,172	30,139	8.6%	8.6%	10.9%	9.0%
2009	15,575	58,747	228,746,131	30,139	9.3%	9.3%	10.9%	10.0%
2008	15,508	58,041	225,024,957	29,261	6.1%	6.1%	6.5%	5.8%
2007	15,402	56,626	218,038,413	28,409	5.2%	5.2%	5.6%	4.6%
2006	12,643	55,920	176,749,140	27,581	5.0%	5.0%	5.5%	4.6%
2005	12,587	55,214	173,744,655	26,778	5.7%	5.7%	5.9%	5.1%
2004	12,339	54,508	168,143,553	25,998	5.9%	5.9%	6.2%	5.5%
2003	11,847	53,802	159,348,074	25,241	6.0%	6.0%	6.2%	6.0%
2002	11,374	53,096	150,978,476	24,506	5.1%	5.1%	5.7%	5.8%

Sources:

(1) U.S. Census Bureau

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

(3) 2010 U.S. Census Bureau and Mid Ohio Regional Planning Commission

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

	<u>2011 (1)</u>		<u>2007</u>	
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Licking Heights Local School District	551	1	380	1
Kroger	202	2	114	2
Tuscany Gardens Nursing Home	162	3	N/A	N/A
Southwest Licking Local School District	129	4	65	5
Pataskala Oaks Care Center	110	5	90	3
West Licking Joint Fire District	99	6	N/A	N/A
Pataskala Land Corporation	97	7	N/A	N/A
City of Pataskala **	76	8	44	6
Mulch Manufacturing	50	9	40	7
Ohio Steel Industries	<u>38</u>	10	<u>68</u>	4
Total	<u><u>1,514</u></u>		<u><u>801</u></u>	*

Source: Regional Income Tax Agency and the 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 2011 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.

\*\* The 2011 figures include employees, elected and appointed officials to Council and Boards. The 2007 figure comprises employees only.

(1) 2011 information derived from the Regional Income Tax Agency and estimates provided by the City of Pataskala Planning Department

N/A - Information was not available.



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**CITY OF PATASKALA, OHIO**

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

<b>Function/Program</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
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	1.00	1.00	0.50	0.50
Finance	1.50	1.50	1.50	1.50	1.00
Law	1.00	1.00	1.00	-	-
Public Safety					
Police/Clerk	18.50	16.50	16.00	16.00	19.00
Transportation					
Streets	6.00	7.00	5.00	5.00	7.00
Community Environment					
Planning	3.00	3.00	3.00	3.00	3.50
Leisure Time Activity					
Parks Administration	-	-	-	-	0.50
Parks Maintenance	-	-	-	-	0.50
Utility Services					
Water	4.50	4.00	4.00	3.50	4.00
Sewer	4.50	4.00	4.00	4.00	4.00
<b>Total</b>	<b>43.00</b>	<b>41.00</b>	<b>38.50</b>	<b>37.50</b>	<b>44.00</b>

Source: City of Pataskala records

2006	2005	2004	2003	2002
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
-	-	-	-	-
0.50	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00
-	-	-	-	-
20.00	19.00	17.00	17.00	14.00
7.00	7.00	7.00	7.00	5.00
3.50	3.50	3.50	3.50	3.00
0.50	0.50	0.50	0.50	0.50
0.50	0.50	0.50	0.50	0.50
4.00	4.50	4.50	4.50	4.50
4.00	4.50	4.50	4.50	4.50
44.00	44.50	42.50	42.50	37.00

**CITY OF PATASKALA, OHIO**

*OPERATING INDICATORS BY FUNCTION  
LAST TEN YEARS*

<b>Function</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>General Government</b>					
Positions Filled	4	2	-	2	4.5
Zoning Permits Issued	401	457	503	605	484
Zoning Inspections Performed	236	362	385	449	669
Ordinances & Resolutions	115	86	77	69	80
<b>Public Safety</b>					
Police:					
Physical Arrests	436	405	534	610	726
Police Reports Taken	1,521	1,390	1,345	1,534	1,851
Traffic Violations	1,167	1,254	1,342	N/A	N/A
<b>Mayor's Court</b>					
Misdemeanor Cases	142	151	N/A	N/A	N/A
O.V.I. Cases	14	15	N/A	N/A	N/A
Other Traffic Cases	1,583	1,402	N/A	N/A	N/A
<b>Leisure Time Activities</b>					
Youth Soccer Participation*	833	802	788	820	865
Select Soccer*	108	190	112	90	82
Middle School Participation*	84	20	N/A	N/A	N/A
High School Participation*	54	20	N/A	N/A	N/A
Youth Softball Participation*	115	145	426	183	186
Adult Softball Participation*	-	-	-	205	226
Art Classes*	-	-	-	-	100
Kids in Karate*	-	-	-	42	128
<b>Transportation</b>					
Street Resurfacing (miles)	0.75	2.06	-	-	20
Tons of salt used	1,571	1,829	279	163	399
Bridges Replaced/Repaired	1	1	1	1	1
<b>Water</b>					
New Connections	19	19	16	20	32
Service Calls	578	578	610	N/A	N/A

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.

2006	2005	2004	2003	2002
3	9	9	N/A	N/A
891	1,006	N/A	N/A	N/A
842	781	N/A	N/A	N/A
95	66	63	61	48
794	351	332	319	N/A
1,928	1,596	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
725	637	N/A	N/A	N/A
107	116	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
180	150	N/A	N/A	N/A
201	210	N/A	N/A	N/A
85	70	N/A	N/A	N/A
144	102	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	-	-
44	110	89	99	121
N/A	N/A	N/A	N/A	N/A

**CITY OF PATASKALA, OHIO**

*CAPITAL ASSETS STATISTICS BY FUNCTION  
LAST TEN YEARS*

<b>Function</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>Public Safety</b>						
Police:						
Stations	1	1	1	1	1	1
<b>Leisure Time Activities</b>						
Parks	6	6	6	6	6	6
Park Acreage	200	200	200	200	200	200
Swimming Pools	1	1	1	1	1	1
Wading Pools	1	1	1	1	1	1
Baseball Diamonds	4	4	4	4	4	4
Softball Fields	4	4	4	4	4	4
<b>Transportation</b>						
Lane Miles	321	320	320	320	320	320
<b>Water</b>						
Water Mains (linear feet)	291,100	291,215	291,215	290,400	289,200	283,200
<b>Sewer</b>						
Sewer Lines (linear feet)	161,500	161,500	161,500	160,252	154,892	148,452
Lift Stations	7	7	7	7	7	7
Manholes	737	737	737	737	737	737
Force Main Sewer Lines (linear feet)	15,365	15,365	15,365	15,365	15,365	15,365

Source: City of Pataskala Departments.

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

2005	2004	2003	2002
1	1	1	1
6	6	6	6
200	200	200	200
1	1	1	1
1	1	1	1
4	4	4	4
4	4	4	4
320	320	320	320
280,100	270,600	N/A	N/A
140,952	134,152	N/A	N/A
7	7	N/A	N/A
737	737	N/A	N/A
15,365	15,365	N/A	N/A

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