

**City of Pataskala, Ohio
Comprehensive Annual
Financial Report**

*For the Year Ended
December 31, 2014*





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For the Year Ended
December 31, 2014

James M. Nicholson
Finance Director



Introductory Section

City of Pataskala | CAFR



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2014 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Finance Department

James M. Nicholson
Finance Director

Janice A. Smith
Finance Manager

May 26, 2015

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, 2014, and has been developed to accurately detail the status of City finances to its more than fifteen thousand residents, elected officials, investment banks, underwriters and all other interested parties. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) set forth by the Governmental Accounting Standards Board (GASB).

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

State statutes require the City to be subjected to an examination by the Auditor of State of Ohio. Upon the approval of the Auditor of State of Ohio, the City may select an independent public accountant to perform this annual examination and the City has accordingly selected the firm of Julian & Grube, Inc. Based on the results of their audit, an unmodified 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", in GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus".

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

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

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

The City is associated with six 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 Public Entity Consortium.

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

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

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

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

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

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

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

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

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

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

Ohio Revised Code (ORC) §5705.38(c) requires each municipality to present their annual operating budget to their legislative authority, at minimum, at the level of fund, department, and within department, identifying personal services and other expenditures. The City adopts its annual budget in the format of fund, function to categories such as personal services, contractual services, materials and supplies and capital outlay. *Fund* is the individual fund number and description established by the authority to separate and control expenditures of specific monies. While all governmental and utility funds are included in the annual appropriation ordinance, agency and fiduciary funds are not included. *Program/Function* represents groupings of functionally similar tasks performed by the jurisdiction and is the local equivalent of the ORC-required department. There are nine major programs/functions identified by the City Finance Director, and include the following:

- General Government
- Executive & Legislative
- Legal & Court
- Public Service
- Police
- Finance
- Land's & Buildings
- Debt Service
- Transfers & Advances

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

- Salary & Related
- Contractual Services
- General Operating
- Capital Outlay
- Debt Service
- Transfers & Advances

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

PROFILE OF THE CITY

The Pataskala area was settled in the 1800's and incorporated as a village in 1891. 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. 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).

From the 1800's 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.

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

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



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

The City has a population of 15,392 residents based on the 2015 annual population estimate by the Mid-Ohio Regional Planning Commission (MORPC), which makes the City the 2nd largest City in the county.

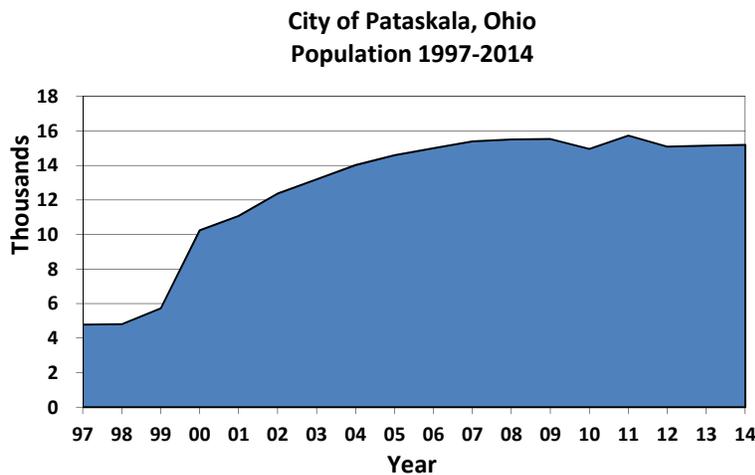
City residents have easy access to downtown Columbus and the entire central Ohio area via Interstate 270 and Interstate 70, U.S. Route 40 and State Routes 16 and 310. Commercial passenger air service is available at Port Columbus International Airport and Rickenbacker International Airport in the City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

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

ECONOMIC CONDITION AND OUTLOOK

Growth and development within the City is expected to increase due to the City's strategic location between the Interstate 70 and State Route 161 corridors in the growing eastern gateway area of the Columbus Region. The United States Census Bureau officially counted population in the City in 2010 as 14,962, an increase of 4,713 (46%) since the 2000 Census count. It is projected that the current 2013 population exceeds 15,100. The main factor contributing to this growth over a sustained period has been the small-town atmosphere and the rural character of Pataskala along with relatively close proximity to the region's core city, Columbus.

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



center, the Hazelwood Shopping Center. In addition to the construction of Kroger in 2000, the first phase of the Hazelwood Shopping Center was also constructed with approximately 19 additional retail units ranging from 1,400 square feet to 4,800 square feet and totaling 28,800 square feet. In the years following, another small retail center was built to the east of the Kroger/Hazelwood Shopping Center on the opposite side of Corylus Drive. Along with the retail center there is a car wash

and a two-story bank, Bremen Bank of Pataskala. There was also enough additional residential growth in the area that Kroger came back in 2006 to ask for approval to expand their existing store by approximately 22,000 square feet. In addition to this expansion, Phase II of the Hazelwood Shopping Center totaling 22,000 square feet was also completed. This development offers an additional 12 retail units ranging from 1,400 to 10,200 square feet.

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

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

In late 2006, the Ohio Department of Development designated an approximately 521 acre site in the City as eligible for \$3.4 million in Job Ready Sites (JRS) funding to construct an access road to open up the site, known as the Pataskala Corporate Park, for development. As such, this JRS site, at the southeast corner of State Route 16 (Broad Street) and Mink Street is recognized as one of the premier sites for manufacturing and industrial development in the State of Ohio. This new road, linking State Route 16 (Broad Street) and U.S. 40 (The National Road), and providing improved access to Interstate 70 offers unparalleled access for commerce. The roadway is one of the initial projects funded under Ohio's Job Ready Sites (JRS) program, and is critical in order for the City to create jobs and investment. Phase I of this development was a two-lane roadway, with a future Phase II to add an additional 3rd and 4th lane, as well as other associated infrastructure improvements. The total cost of Phase I of the project was approximately \$5 million. Phase II of the project is anticipated to cost an additional \$6.3 million. The Phase I roadway was completed in late 2011 and the City has been actively marketing the Pataskala Corporate Park to attract advanced manufacturing, logistics, research & development, and corporate headquarters facility uses.

The Pataskala Corporate Park currently has all utilities and infrastructure in place and is prepared to



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

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

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

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

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

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

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

MAJOR INITIATIVES:

Planning and Zoning Department/Economic Development

The Planning and Zoning Department has developed a mission statement which works to enhance the quality of life offered to those who live or work in the City through long range comprehensive land use planning and management. The department's guiding principles are:

1. Public engagement in planning discussions
2. Achievement of a balance of land uses that sustain the City
3. Enhancement of pedestrian connections to parks, schools, government, commercial, industrial and residential designations
4. Protection of the environment
5. Revitalization of the historic village centers
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 are responsible for operation of the Department. The Department also serves as staff to the Board of Zoning Appeals and the Planning and Zoning Commission, comprised of 5 and 7 citizen members, respectively. The Director of Planning compiles business and industry information and data for the City, and assists the City in preparing information packets for businesses looking for sites for major expansions as well as assisting entrepreneurs navigate the requirements for zoning, signage and land development.

In October 2014, the City Administrator hired a new Director of Planning, Scott Fulton. Since joining the City, the Director's focus has been on reforming the Planning and Zoning Department in some of the following ways:

- Updating Planning and Zoning Department forms and applications to make them easier to understand and more user-friendly.
- Improving customer service.
- Adjusting the Board of Zoning Appeals and Planning and Zoning Commission schedules to one hearing a month, allowing for more thorough review of applications.
- Including community partners, such as the West Licking Joint Fire District, Southwest Licking Community Water and Sewer District and the Licking County Health Department, in review of Board of Zoning Appeals and Planning and Zoning Commission Applications.
- Improving transparency by posting more information related to Planning and Zoning Department activities on the City website.

Many of the changes that were implemented have shown immediate results and garnered support from residents and businesses alike. The Planning and Zoning Department seeks to continue and built on successes in the reformation process well into 2015 and beyond.

Police Department

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

The Pataskala Division of Police is focusing efforts on a new facility for our officers and staff. We are working on plans to construct a new facility which would be located behind City Hall, creating a consolidated municipal complex. We feel that this will make it easier for residents and visitors to visit the station from anywhere in the city. While the proposed location would place the facility into an existing park, we have worked diligently to ensure that ample green space will be maintained for residents to continue to enjoy the park atmosphere.

We continue our efforts and dedication to attempting to control the opiate addiction issues in our community by offering a permanent prescription drug drop box. This allows citizens to bring their unwanted prescription drugs to the police station for safe disposal, keeping the medications from falling into the wrong hands and from contaminating our drinking water.



We are very excited to be working on the replacement of our current K-9 animals. Both of our current dogs have had tremendous careers, but are aging and deserve a comfortable retirement. They will be replaced in the coming months with two new dogs from the Netherlands. We have been able to view videos of the dogs, and they look very promising.

We are also excited to continue to take advantage of opportunities to interact with the city residents at events like the Independence Day Fireworks, the Mini- Triathlon, and the Pataskala Street Fair, as well as the numerous reasons for people to get together and celebrate.

Public Service Department

During 2014, 46.5% of the income tax revenue was dedicated for Public Service Department operations. This funding provided the opportunity for the Public Service Department to be staffed with eight full-time employees and a part-time grounds maintenance employee, and resulted in the department improving service delivery during 2014. These increased efforts in 2014 include the repair of over 70 street lights, repair of more than 1,000 potholes using 325 tons of asphalt, repair or replacement of more than 400 street and traffic signs, 37 repairs to traffic signals, and upgrading/replacing the berms on more than 30 miles of roads. Approximately 18.22 mile of streets were crack sealed using nearly 20 tons of material. Additionally, the department dedicated over 1,000 labor hours to the mowing of public right-of-way, cleaned more than 6,020 linear feet of drainage ditches and installed more than 1,700 feet of drainage pipe. The Public Service Department's standard services include street maintenance, snow removal, storm water system maintenance, facility and grounds maintenance, street light maintenance, street and traffic sign maintenance, and management of infrastructure construction projects. The Public Service Department is responsible for maintaining approximately 328 lane miles of roads, 17 bridges, and all non-utility related public infrastructures.

The City completed a number of infrastructure construction projects during 2014, including completing Phase III of the Roadway Asset Management Plan (RAMP). This phase included the repair, repaving or reconstruction of a combined 34,300 lineal feet of other municipal roads. The streets and roads improved by this program included a portion of Cable Road, Resurfacing Quarter Road, new curbs and mill and pave on Coronado Road, mill and pave of Lincoln Street, repaved Oak Canyon and Hickory Lane, mill and pave on Fairgrounds Street. The final part of Phase 1 of the Mink Street project was also completed. This program was completed on-time and on-budget, resulting in an improved driving experience for residents in the city.



A number of storm water drainage projects were completed during 2014, including installation of a 48 “ culvert on Headley’s Mill Road, a 48” culvert on Summit Road, and a 48 “ culvert on Columbia Road . Additionally, city staff dedicated a significant amount of time and effort in cleaning and restoring more than 6,000 feet of roadside drainage ditches. This effort will improve the ability of the ditches to drain storm water away from the driving surface, enhancing overall road conditions.

Utilities Department

The City continued to implement a number of the recommendations set forth within the 2010 Utility Study, including the items listed on the next page.

Wastewater Department

- **Shawnee Water Reclamation Facility (WRF1)** – This facility has the maximum treatment capacity of 1.1 million gallons per day (MGD). The WRF treats all of the wastewater generated by customers in Pataskala. The Ohio EPA requires that our WRF1 meet the following requirements under treatment standards that CBOD (Carbonaceous Biological Oxygen Demand) and TSS (Total Suspended Solids) meet an 85% removal from influent levels to final treatment levels. The 2014 removal average for CBOD is 98.7% and TSS is 96.9%. The nitrogen and ammonia removal rate was 99.2%. We are currently exceeding the expectations of our treatment level under the OEPA’s current standards. WRF1 treated a total of 267.45 million gallons during the course of 2014 with an average daily flow of .735 million gallons per day.
- **Refugee Water Reclamation Facility (Wastewater Treatment Facility for WTP#2) (WRF2)** – This facility has the daily design flow capacity of .084 MGD. The Refugee WRF treats only the wastewater generated by the WTP#2 operational processes consisting of Iron Filter and Softener back wash discharge. The Refugee WRF2 treated a total of 8.1 MG with an average daily flow of 0.02221 MGD.
- **Sanitary Sewer Main Line Cleaning and Televising.** A total of 26.6 thousand feet of sanitary sewer main line, or approximately 14% of our main line inventory, was preventively cleaned and televised. During 2012-2014, over 77% of the main line inventory has been cleaned and inspected. Efforts were taken to reduce the potential for sewer back up-related issues. The main lines were also televised to gauge the overall health of the sewers and to prioritize for more frequent cleaning efforts or future replacement. We will continue with our preventive maintenance strategy in 2015 along with efforts to address known problem areas.
- **Utility OUPS Locate Requests.** The Water Reclamation Department staff completed 1,441 OUPS request tickets. Ohio State Law requires anyone that excavates must “Call before you dig” to ensure underground utilities are accounted for during excavation operations. This ensures that all requests for excavation in our service area are properly marked to prevent damage to main line infrastructure. The staff receives requests from OUPS and then marks and notifies OUPS of the status of requests. This important job prevents unnecessary and costly damage to Pataskala underground utilities.

Water Department

- **System Maintenance** – During 2014, the Water Department completed the following repairs and improvements to the water system:
 - 4 water main and/or valve repair jobs
 - 18 service line repair jobs
 - 7 hydrants replaced
 - 24 hydrants repaired
 - 37 curb box repaired
 - All 650 hydrants flushed during the annual hydrant flushing program
 - 35 main line valves were exercised
 - 3,725 laboratory tests to ensure OEPA compliance

Utility Billing Department

- **E-Billing Program.** In order to provide better service to our customers, we began the process of providing electronic billing to our customers. We have provided a customer account set up / log in page on our website. This program will allow customers to receive monthly electronic bills and check their account information online, as well as the ability to check their account status. We will continue to encourage customers to sign up for this option in 2015.
- **Information and Outreach Efforts.** The Billing Department worked with the Director to make intentional education and outreach efforts on a monthly basis. The information pertained to Consumer Confidence Reports, Billing Informational Updates, Project Updates, and general tips and information to the customers. Additionally, the Billing Department sent out monthly notices to customers in our preventative sewer main line cleaning areas
- **Information and Outreach Efforts.** The Billing Department worked with the Utility Director to make intentional education and outreach efforts on a monthly basis. The information pertained to consumer confidence reports, billing informational updates, project updates, and general tips and information to the customers. Additionally, the Billing Department sent out monthly notices to customers in our preventative sewer main line cleaning areas.

Parks and Recreation Department

In 2008, City Council decided to suspend the Parks and Recreation Department and related services due to funding challenges faced by the City. However, based on the importance of parks and recreation related services within the City, agreements were entered into between the City and several non-profit organizations to continue youth soccer and girls softball within the City. The City's existing Parks and Recreation Advisory Board took on greater importance and responsibilities, as it became responsible for working with these non-profit organizations addressing operational and administrative needs - essentially serving as the City's Director of Parks and Recreation services. 2013 was the fifth year the City successfully worked with these non-profit groups. Participation in the non-profit recreational programs and community events continue to increase.



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

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

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

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

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

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

Land and Buildings

The Lands and Buildings Department is primarily funded by the General Fund, and expenditures included improvements to the Old Town Hall (which also serves as the Police Department Headquarters), Municipal Building, Street Department, and park facilities. In 2007, the City purchased an existing office building located on Broad Street to serve as its Municipal Headquarters, with the intention of leasing any excess space. Improvements to the building since 2007 have included a new parking lot, new roof, as well as technology upgrades completed in 2012. In 2014, the note on the Municipal Building was paid in full, resulting in the City's complete ownership of the facility.



Specific to the Old Town Hall, in 2008 City Council determined it was in the best interest of the City, businesses, and residents to make necessary improvements and repairs to the Old Town Hall, designated as a historic site by the Ohio Historical Society, rather than sell the 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 the installation of new windows, cleaning, and other miscellaneous improvements. City Council also elected to spend \$250,000 on the Old Town Hall for specific Police Department operations, including facade improvements, windows, electrical improvements, HVAC improvements, and plumbing improvements which was completed in early-2013.

Finance Department

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

The department provides timely financial information to City Council, employees, and residents. This includes monthly financial budgetary reports which are posted to the City's website, a 5 year forecast of the City's general fund, outlining expected revenues, expenditures and cash position, and also updates regarding the City's budget. During the year, the City's Finance Department implemented an entirely new accounting, accounts payable and budgetary system. The prior system was significantly outdated, and utilities archaic technology. This major project involved establishing an entirely new chart of accounts, and implementing positive pay and electronic vendor payments via ACH. Policies and procedures are continuously updated and reviewed ensuring proper internal controls are in place.

During 2014, the City managed two separate debt issuances (a note issuance and a bond issuance) totaling \$14.1 million. Of the total, \$9.43 million was road improvement-related and \$4.69 million was associated with utility system improvements. In conjunction with the transaction, the City's Aa3 rating was affirmed by Moody's Investors Service. Assignment of this rating was based upon the City's modest tax base located near the state capital of Columbus; satisfactory financial operations; healthy reserve levels for the City's small budget; and manageable debt position with moderate near term borrowing plans.

As discussed under Long-Term Financial Planning, the City also received the Moody's Investor Grade (MIG) 1 rating for the Series 2014-A Various Purpose General Obligation Limited Tax Bond Anticipation Notes issued in early-2014, the highest investment grade category available for short-term debt.

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

LONG-TERM FINANCIAL PLANNING

A 1.0% income tax was enacted by the voters in May, 2010, and became effective July 1, 2010. The tax provides funding for Police protection and for investment in maintenance and improvements of the City's roadway infrastructure. Initially, City Council initially earmarked 75% of the revenue for police and 25% for street maintenance and repair through December 2011. Based upon 2011 and 2012 collections being significantly higher than originally estimated, the City was able to allocate additional income tax revenues in 2012 toward the City's infrastructure needs. For 2014, City Council directed that the income tax collections were to be allocated as follows: Police (41.5%), Street (46.5%), Capital Improvement (7.0%), and Debt Service (5.0%).

Pataskala is considered to be a bedroom community, with a significant portion of its approximately 15,000 residents working outside the corporate limits, including the cities of Columbus, Pickerington, Reynoldsburg, Whitehall, and Newark. Licking County's unemployment rate improved from the December 2013 rate of 5.8% to February 2015's rate of 4.8%, and is slightly better than the State of Ohio's 2015 rate of 5.1% for the same time period. This is a welcome improvement over Licking County's 8.0% rate in December 2011. The City also monitors and utilizes unemployment rates in surrounding counties forecasting future income tax collections.

In consultation with City Council, the City Administrator has primary responsibility for developing the short- and long-term goals and objectives for the city. The current City Administrator, Benjamin J. King, became the Administrator in July, 2014 following the non-renewal of the previous Administrator's contract in December, 2013. The Administration has compiled a list of six planning topics, which include: attracting jobs to the City; improving the City's roads; and completing a vision of how residents want the City to look in coming years.

Please find below an outline of Goals & Projects for 2015. The Administration has prepared this plan in order to focus our planning and align our action steps consistent with these goals in order to achieve maximum efficiencies and results for the citizens of Pataskala.

1) Economic Development

- **Corporate Park:** Attracting investment in, and development of, The Pataskala Corporate Park/Job Ready Site (JRS). Creation of marketing materials for the Corporate Park. Collaborate with Grow Licking County to improve marketing process for Corporate Park.
- **Community Reinvestment Areas (CRA's):** Improve marking of the city's four CRA districts. Create informational materials to inform business and residents about the CRA program.
- **Local School Districts:** Work with both local school districts to implement a revenue sharing agreement for the Corporate Park CRA. Will benefit expediency of future development of the Park.
- **SR310 TIF:** File additional parcels within the designated SR310 North and South TIF Districts to capitalize on developments.

- **Organizational Relationships:** Strengthen our partnerships with regional organizations, entities, and neighbors to enhance marketing and coordination:
 - Columbus 2020
 - Grow Licking County CIC
 - Mid-Ohio Regional Planning Commission (MORPC)
 - Etna, Harrison, St. Albans, Jersey and Jefferson townships
 - Pataskala Area Chamber of Commerce
 - Franklin & Licking counties
 - Jobs Ohio
 - Pataskala Corporate Park JEDD
 - Ohio Development Services Agency
 - Southwest Licking & Licking Heights School Districts
 - Central Ohio Technical College/C-TEC
 - Mid-Ohio Development Exchange (MODE)
 - Mink Street Consortium
 - Southwest Licking Consolidated Water & Sewer District
 - Cities of Columbus & Reynoldsburg

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

- **Mink Street Reconstruction Phase II:** Complete design, engineering and construction of the second phase of roadway improvements to Mink Street.
- **Mink Street and Broad Street Intersection Improvements:** Complete construction of the broad Street and Mink Street Intersection Improvements Project to accommodate turn lanes, new signal heads. This intersection will set the standard for future intersection improvements.
- **Street & Road Infrastructure:** Implementation of the Roadway Asset Management Plan (RAMP), including repaving/reconstruction of the following roadways.
- **Main Street Improvements Project:** Complete construction of the Main Street Improvements project to include new curbs, gutters, storm drains, underground electric, street lights, fire hydrants, and water line improvements.
- **Taylor Road Pedestrian & Bicycle Path:** Provide safety, connectivity and access to residents in Brooksedge and Taylor Glen with path linking these subdivisions with Freedom Park – Path from Freedom Park to Lockmead & Woodington Drives. Grant funding opportunity now available through the Clean Ohio Fund (State of Ohio) & Recreational Trails Program (US DOT/FHA).
- **Municipal Bridge Program (ODOT):** The city was awarded grant funding to replace the Columbia Road Bridge north of Broad Street.

Public Service & Engineering

- **Public Service Department – Core Services:** Continue to provide basic and enhanced services to the residents and businesses, including:
 - Roadway berm replacement
 - Urban forest management plan (city-owned trees only)
 - Roadway striping
 - Pothole repair and repaving
 - Ditch cleaning and culvert repair
 - Main Street corridor and right of-way mowing
 - Stream blockage removal
 - Street light repair and maintenance
 - Snow and ice removal program
 - City gateway maintenance
 - Street signage repair and replacement
 - Weekly park inspection program
 - Guardrail maintenance
 - Roadside vegetation spraying/removal – signage visibility
 - Road sweeping/alley maintenance
 - Mosquito control program
- **Storm Sewer Maintenance:** Targeted use of jet truck to maintain and clean-out lines. Inspect all drains and catch basins in the Old Village area.
- **Salt Bar:** Construction of a salt barn at the Mink Street Public Service Facility to accommodate stockpile of larger salt inventory.
- **NPDES/MS4 Permit:** Improved communication with the EPA and staff efforts to improve compliance with requirements of NPDES/MS4 program.

3) Land Use, Planning & Zoning / Grant Funding, Parks & Recreation:

- **Economic Development:** Continue responding to leads, mapping projects/GIS, etc.
- **Code Review:** Proactive review by staff identifying areas of the code not working as intended – suggestions for code modifications, if needed, should be anticipated in 2015.
- **Property Maintenance Enforcement:** Continued prioritization of enforcement issues within the Department – trash, junk vehicles, tall grass and weeds, along with chronic property maintenance-related properties.
- **Planning & Zoning:** Modify existing permit forms and fee schedule to provide more streamlined submittal process.
- **Park Facilities:** Effective identification of grant funding sources through the engineering retainer agreement. Continued close relationship with, and support of, the P&R Advisory Board – especially in areas of Pool lease, Recreation Utilization Agreements, and Adopt-A-Park Program. The Public Service Department has been directed to continue to provide enhanced maintenance assistance in parks, parking areas and fence maintenance.

- **Adams Lane ball field rehabilitation:** Coordinate efforts with LEADS, The Evans Foundation, and PRA to execute a lease to accommodate the rehabilitation of the ball fields located at the Evans Foundation property on Adams Lane.
- **Broad Street and SR310 Corridors:** Develop development criteria for the Broad Street and SR310 corridors in anticipation of increased development.
- **Park Master Plans:** Work in conjunction with Parks Advisory Board for master planning for all city parks.

4) Utilities – “Safety, Reliability, Excellence!”

- **Source Water Pollution Prevention:** Significant outreach, education, and awareness initiatives to customers on SWPP, FOG, Backflow, Water Conservation Efforts, virtual tours of treatment plants on line, rain barrel initiatives, and rain garden initiatives.
- **Sewer Line Maintenance:** Increased efforts in sewer main preventative maintenance cleaning efforts. Goal to clean 50% of our main line inventory.
- Perform annual sewer main and manhole relining and repair efforts.
- Annual water line, valve, and hydrant replacement and repair efforts.
- Ongoing efforts to implement the Water Department portion of the Radio Read Project
- Study and design work for repair and optimization of the Southeast Water Tower which is currently off line.
- GIS integration work.
- Implementation and efforts in the Source Water Protection Task Force. Practical community events to protect the water supply. Heavy focus on the SWPP.
- Construction of larger sludge storage pad at WRF. Establish program to provide sludge to local farms for field application.

5) Facility & Fleet Management / Community Services

- **Municipal Facilities Inventory:** Investigate potential new uses for all city facilities. What is the most productive use of all city facilities?
- **Pataskala Police Station:** Complete needs assessment and preliminary design for the construction of the new Police Station facility. Determine needs for now and future, how to fund the construction, and where best to locate a new station.

6) Communications / Public Outreach

- **Community Outreach:** Improve regularity of the city’s e-newsletter distribution. Increase the number of registrants for the e-newsletter. Improve use of social media (Facebook, Twitter) and increase the number of registrants to each. Utilize these systems to keep community updated on events and news. Continue distribution of print copy quarterly newsletter.

RELEVANT FINANCIAL POLICIES

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

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

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

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

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

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

Investments and Deposits of Funds – City Council adopted an amended investment policy in 2013 which expands the number of approved investment options and emphasizes safety, preservation of principal, liquidity and yield. All idle funds are to be invested in accordance with the City's investment policy.

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, 2013. This was the fifth consecutive year that the City of Pataskala has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The City has been awarded the Ohio Auditor of State's "Award With Distinction" (formerly known as the "Making Your Tax Dollars Count" award) for the past five consecutive years (2009-2013) based on the submission of a Comprehensive Annual Financial Report, and the finding that no material noncompliance or internal control weaknesses were identified as a result of these audits.

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

Respectfully submitted,



James M. Nicholson
Finance Director



Government Finance Officers Association

**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, 2013

Executive Director/CEO

City of Pataskala, Ohio
Elected & Appointed Officials
As of December 31, 2014

Elected Officials*

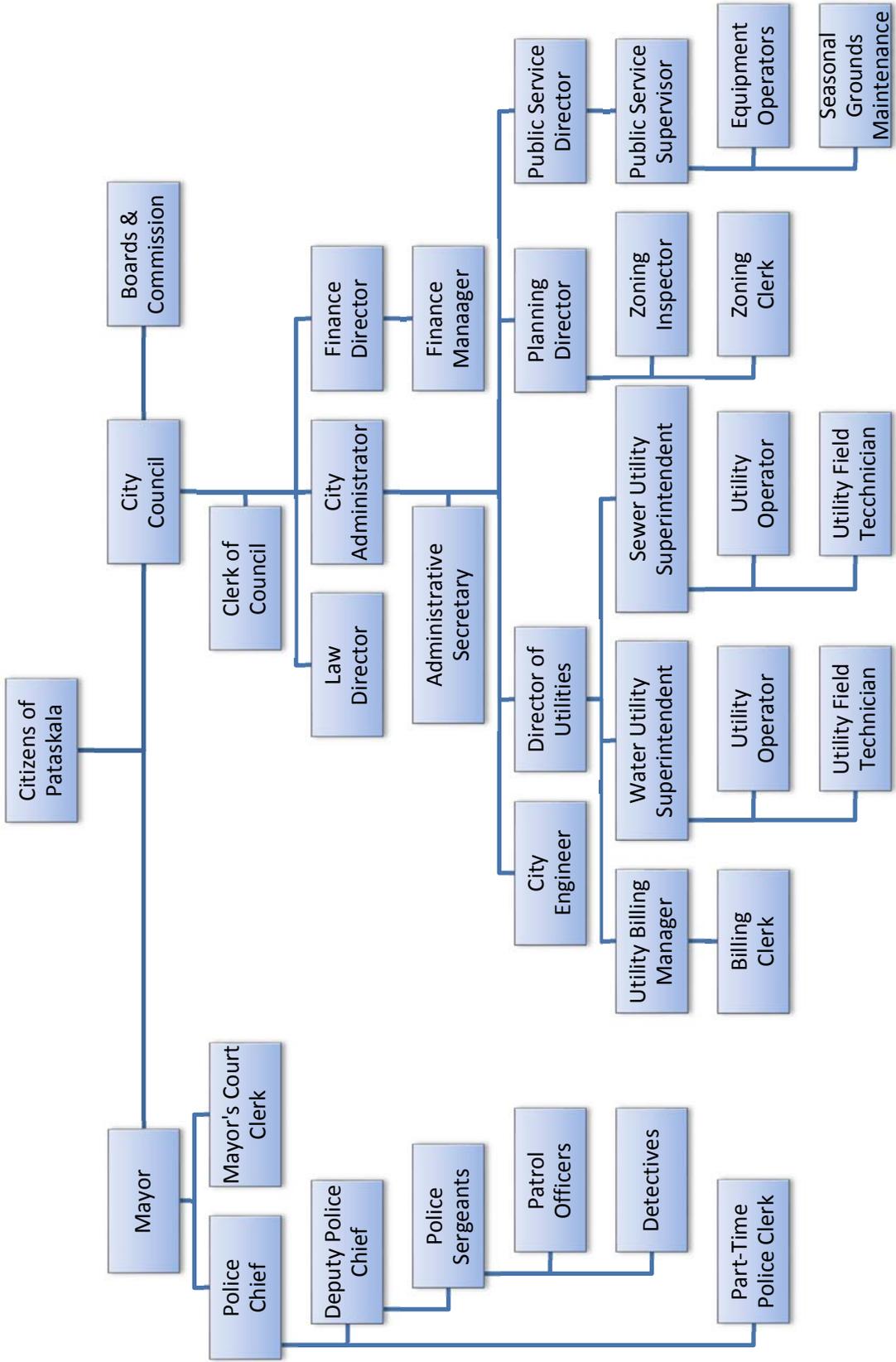
Mayor	Michael W. Compton (2017)
Council President	Ward 2 – Melissa A. Gibson (2015)
Council Members	At-Large – Timothy O. Hickin (2017) At-Large – Bryan Lenzo (2017) At-Large – Todd W. Barstow (2017) Ward 1 – Patty A. Sagar (2015) Ward 3 – Michael Fox (2015) Ward 4 – C. Daniel Hayes (2015)

Appointed Officials:

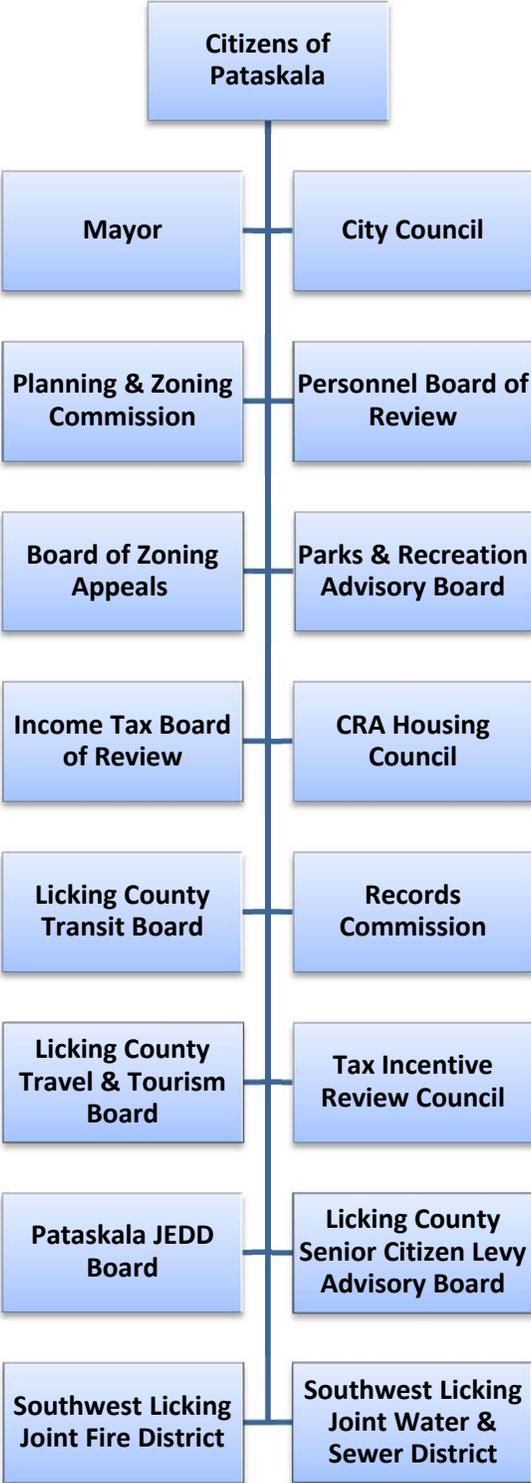
City Administrator	Benjamin J. King
Director of Finance	James M. Nicholson, MBA, CPFM
Law Director	Rufus B. Hurst
Planning Director	Scott C. Fulton
Acting Public Service Director	John R. Grosse, P.E.
Chief of Police	Bruce Brooks
Utilities Director	Nathan W. Coey

* Elected officials terms of office listed in parentheses.

City of Pataskala, Ohio Organizational Chart



**City of Pataskala, Ohio
Boards & Commissions**





Financial Section

City of Pataskala | CAFR





Julian & Grube, Inc.
Serving Ohio Local Governments

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

Independent Auditor's Report

City of Pataskala
Licking County
621 W. Broad Street, Suite 2B
Pataskala, Ohio 43062

To the Members of Council and Mayor:

Report on the Financial Statements

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, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City of Pataskala's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Independent Auditor's Report
City of Pataskala

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pataskala, Licking County, Ohio, as of December 31, 2014, 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, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the City of Pataskala's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the statements and schedules 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, these statements and schedules are 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.

Independent Auditor's Report
City of Pataskala

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2015, on our consideration of the City of Pataskala's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Pataskala's internal control over financial reporting and compliance.

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

Julian & Grube, Inc.
May 26, 2015



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CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014

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, 2014. 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 2014 are as follows:

- The total net position of the City increased \$2,637,732. Net position of governmental activities increased \$2,397,328 or 10.95%. Net position of business-type activities increased \$240,404 or 4.64% from 2013.
- General revenues accounted for \$6,761,035 or 73.16% of total governmental activities revenue. Program-specific revenues accounted for \$2,480,106 or 26.84% of total governmental activities revenue.
- The City had \$6,843,813 in expenses related to governmental activities; \$2,480,106 of these expenses were offset by program specific charges for services, grants or contributions.
- The general fund had revenues of \$1,750,134 in 2014. This represents an increase of \$97,506 from 2013 revenues. The expenditures and other financing uses of the general fund, which totaled \$1,446,500 in 2014 decreased \$628,304 from 2013. The net increase in fund balance for the general fund was \$303,634 or 43.86%.
- The street fund had revenues and other financing sources of \$3,084,404 in 2014, which is an increase of \$1,079,109 from 2013 revenues. The expenditures in the street fund totaled \$2,014,097 in 2014, which increased \$396,480 from 2013. The net increase in fund balance was \$1,070,307 or 80.49%.
- The police fund had revenues and other financing sources of \$2,313,808 in 2014, which is a decrease of \$47,411 from 2013 revenues. The expenditures in the police fund totaled \$2,434,286 in 2014, which increased \$98,013 from 2013. The net decrease in fund balance was \$120,478 or 8.48%.
- The Issue II fund had revenues and other financing sources of \$241,787. The expenditures and other financing uses in the Issue II fund totaled \$2,128,910 in 2014. The net decrease in fund balance was \$1,887,123.
- The bond improvements fund had revenues and other financing sources of \$7,042,883. The bond improvements fund had expenditures of \$581,730 in 2014. The net increase in fund balance was \$6,461,153.
- Net position for the business-type activities, which are made up of the water and sewer enterprise funds, increased in 2014 by \$240,404.
- In the general fund, the actual revenues came in \$39,659 lower than they were in the final budget. Actual expenditures and other financing uses were \$331,306 less than the amount in the final budget. These variances are the result of the City's conservative budgeting process.

Using This Comprehensive Annual Financial Report (CAFR)

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

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014

The statement of net position and statement of activities provide information about the activities of the City as a whole, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2014?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

The City's statement of net position and statement of activities can be found on pages 53-55 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.

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014

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 44.

Governmental Funds

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

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

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund, street fund, Issue II fund, police levy fund, capital improvements fund and bond improvements fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 56-65 of this report.

Proprietary Funds

The City maintains one type of proprietary fund, enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations. Both of the City's enterprise funds are considered major funds. The basic proprietary fund financial statements can be found on pages 66-69 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 70 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 71-109 of this report.

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014

Government-Wide Financial Analysis

The table below provides a summary of the City's assets, deferred inflows of resources, liabilities, deferred outflows of resources and net position at December 31, 2014 and 2013.

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets						
Current and other assets	\$ 13,495,652	\$ 12,219,349	\$ 4,676,168	\$ 4,231,051	\$ 18,171,820	\$ 16,450,400
Capital assets, net	<u>20,238,528</u>	<u>18,077,865</u>	<u>13,911,775</u>	<u>14,521,553</u>	<u>34,150,303</u>	<u>32,599,418</u>
Total assets	<u>33,734,180</u>	<u>30,297,214</u>	<u>18,587,943</u>	<u>18,752,604</u>	<u>52,322,123</u>	<u>49,049,818</u>
Deferred outflows	<u>-</u>	<u>-</u>	<u>1,740</u>	<u>2,094</u>	<u>1,740</u>	<u>2,094</u>
Liabilities						
Other liabilities	639,409	6,510,463	150,821	3,049,104	790,230	9,559,567
Long-term liabilities outstanding	<u>7,818,922</u>	<u>904,550</u>	<u>13,012,918</u>	<u>10,520,054</u>	<u>20,831,840</u>	<u>11,424,604</u>
Total liabilities	<u>8,458,331</u>	<u>7,415,013</u>	<u>13,163,739</u>	<u>13,569,158</u>	<u>21,622,070</u>	<u>20,984,171</u>
Deferred inflows	<u>976,115</u>	<u>979,795</u>	<u>-</u>	<u>-</u>	<u>976,115</u>	<u>979,795</u>
Net Position						
Net investment in capital assets	14,920,098	12,389,873	1,037,561	1,523,496	15,957,659	13,913,369
Restricted	8,378,821	7,030,790	-	-	8,378,821	7,030,790
Unrestricted	<u>1,000,815</u>	<u>2,481,743</u>	<u>4,388,383</u>	<u>3,662,044</u>	<u>5,389,198</u>	<u>6,143,787</u>
Total net position	<u>\$ 24,299,734</u>	<u>\$ 21,902,406</u>	<u>\$ 5,425,944</u>	<u>\$ 5,185,540</u>	<u>\$ 29,725,678</u>	<u>\$ 27,087,946</u>

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2014, the City's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$29,725,678. At year end, net positions were \$24,299,734 and \$5,425,944 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 position. At year-end, capital assets represented 64.47% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, equipment, vehicles and infrastructure. Net investment in capital assets at December 31, 2014, were \$14,920,098 and \$1,037,561 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.

A portion of the City's net position, \$8,378,821, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net position is \$1,000,815.

CITY OF PATASKALA, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

The following table shows the changes in net position for 2014 and 2013. Certain 2013 amounts have been reclassified to conform to 2014's presentation.

	<u>Governmental Activities</u>		<u>Change in Net Position Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues						
<u>Program revenues:</u>						
Charges for services and sales	\$ 638,705	\$ 594,389	\$ 3,198,960	\$ 3,331,738	\$ 3,837,665	\$ 3,926,127
Operating grants and contributions	1,615,510	1,777,659	-	-	1,615,510	1,777,659
Capital grants and contributions	225,891	46,219	-	-	225,891	46,219
<u>General revenues:</u>						
Property taxes	714,826	891,357	-	-	714,826	891,357
Income taxes	5,470,246	3,959,699	-	-	5,470,246	3,959,699
Payments in lieu of taxes	201,140	109,965	-	-	201,140	109,965
Unrestricted grants	185,808	234,624	-	-	185,808	234,624
Interest	16,203	1,813	17,501	35,668	33,704	37,481
Other	172,812	46,520	27,358	36,141	200,170	82,661
Total Revenues	9,241,141	7,662,245	3,243,819	3,403,547	12,484,960	11,065,792
Expenses:						
General government	1,095,246	706,223	-	-	1,095,246	706,223
Security of persons and property	1,992,137	2,086,324	-	-	1,992,137	2,086,324
Public health and welfare	-	112,101	-	-	-	112,101
Transportation	2,761,450	2,642,514	-	-	2,761,450	2,642,514
Community environment	677,184	543,577	-	-	677,184	543,577
Leisure time activity	94,930	157,950	-	-	94,930	157,950
Interest and fiscal charges	222,866	83,157	-	-	222,866	83,157
Water	-	-	1,392,928	1,458,080	1,392,928	1,458,080
Sewer	-	-	1,610,487	1,573,164	1,610,487	1,573,164
Total Expenses	6,843,813	6,331,846	3,003,415	3,031,244	9,847,228	9,363,090
Increase in net position before transfers	2,397,328	1,330,399	240,404	372,303	2,637,732	1,702,702
Transfers	-	(10,957)	-	10,957	-	-
Change in Net Position	2,397,328	1,319,442	240,404	383,260	2,637,732	1,702,702
Net position at beginning of year	21,902,406	20,582,964	5,185,540	4,802,280	27,087,946	25,385,244
Net Position at End of Year	\$ 24,299,734	\$ 21,902,406	\$ 5,425,944	\$ 5,185,540	\$ 29,725,678	\$ 27,087,946

Governmental Activities

Governmental activities net position increased \$2,397,328 in 2014.

CITY OF PATASKALA, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Security of persons and property, which primarily supports the operations of the police department, had expenses of \$1,992,137 which accounted for 29.11% of the governmental expenses of the City. These expenses were partially funded by \$205,599 in direct charges to users of the services and \$178,688 in operating grants and contributions. Transportation, which primarily supports street construction and maintenance projects, had expenses of \$2,761,450 which accounted for 40.35% of the governmental expenses of the City. These expenses were funded by \$955,003 in operating grants and contributions. General government expenses totaled \$1,095,246 which was partially funded by \$366,658 in direct charges to users of the services.

The State and Federal government contributed to the City a total of \$1,615,510 in operating grants and contributions. These revenues are restricted to a particular program or purpose.

General revenues totaled \$6,761,035, and amounted to 73.16% of total governmental revenues. These revenues primarily consist of property tax revenue and income tax revenue making up \$6,185,072 which is 91.48% of general revenues or 66.93% of all revenues. Income tax revenue decreased due to a decrease in the acceleration of income tax receivable.

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

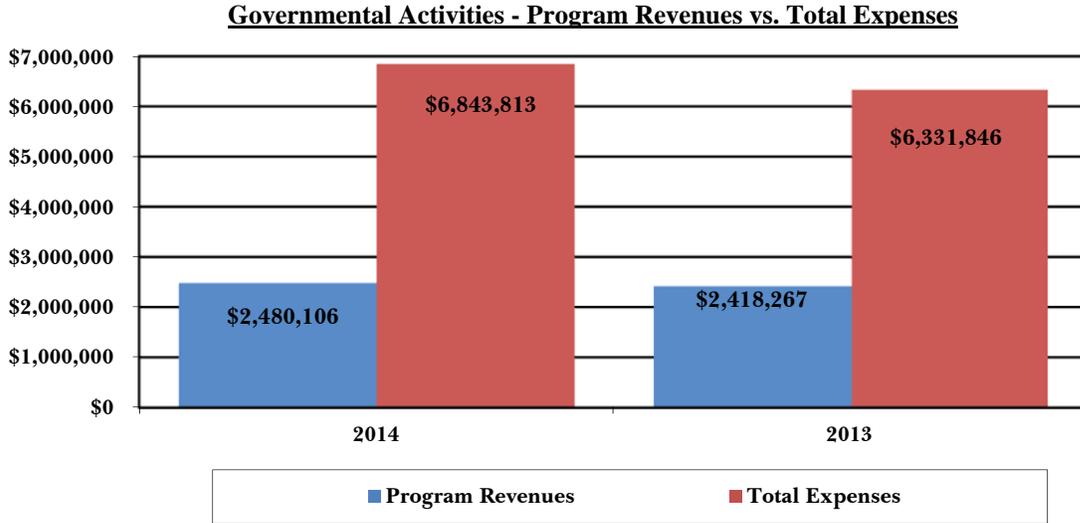
	Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2014	2014	2013	2013
<u>Program expenses:</u>				
General government	\$ 1,095,246	\$ 585,188	\$ 706,223	\$ 326,872
Security of persons and property	1,992,137	1,607,850	2,086,324	1,417,275
Public health and welfare	-	-	112,101	112,101
Transportation	2,761,450	1,580,556	2,642,514	1,466,341
Community environment	677,184	288,518	543,577	372,573
Leisure time activity	94,930	78,729	157,950	135,260
Interest and fiscal charges	222,866	222,866	83,157	83,157
Total Expenses	\$ 6,843,813	\$ 4,363,707	\$ 6,331,846	\$ 3,913,579

The dependence upon general revenues for governmental activities is apparent, with 63.76% in 2014 supported through taxes and other general revenues. Higher expenses for transportation are also the result of hiring additional employees, as well as providing services for street construction and repair.

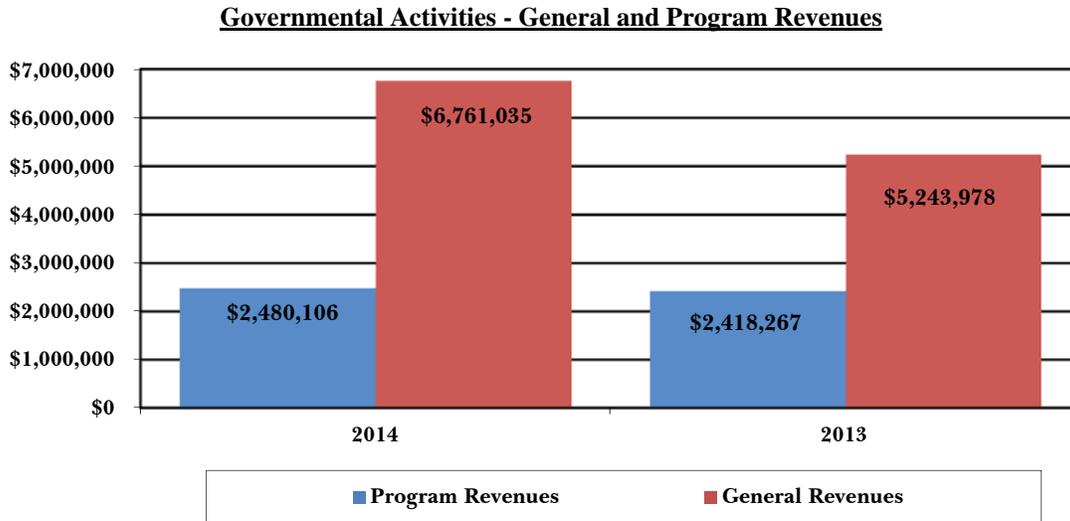
CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014

The following graph illustrates governmental-activities program revenues and total expenses for years 2014 and 2013.



The graph below shows governmental-activities general and program revenues for years 2014 and 2013.



General revenues increased from 2013 based on higher income tax revenues. Program revenues increased based on capital grants and contributions.

Business-type Activities

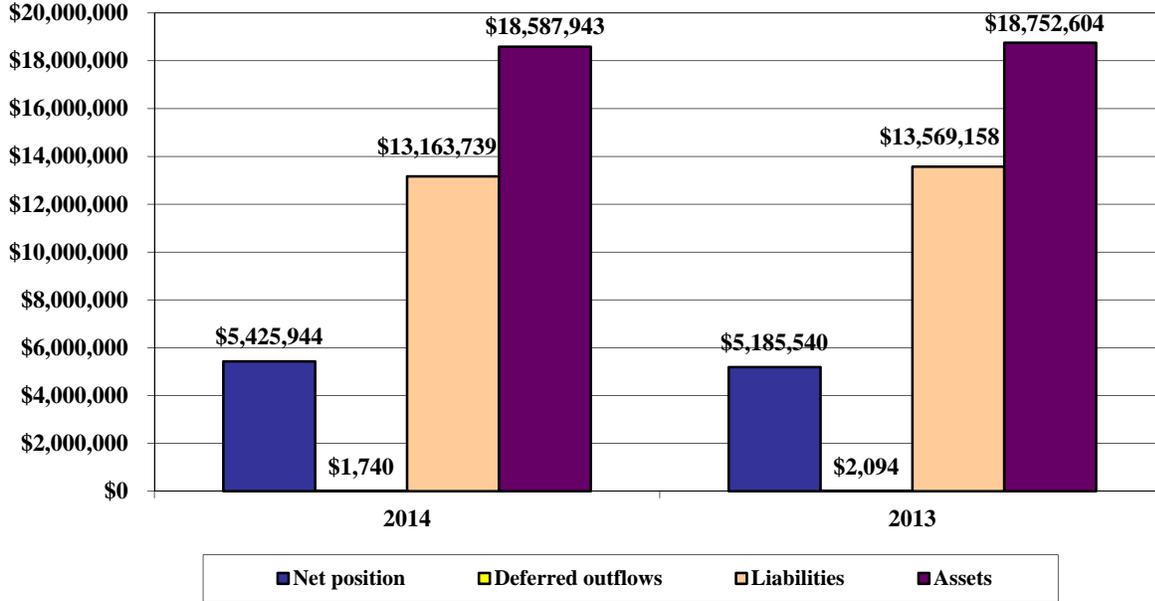
Business-type activities include the water and sewer enterprise funds. These programs had program revenues of \$3,198,960, general revenues of \$44,859, and expenses of \$3,003,415 for 2014.

CITY OF PATASKALA, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

The following graph illustrates the business-type activities assets, deferred outflows, liabilities, deferred inflows and net position at December 31, 2014 and 2013.

Net Position in Business - Type Activities



The City's total assets for business-type activities decreased due primarily to lower capital assets net of accumulated depreciation.

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, unassigned 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 56-57) reported a combined fund balance of \$9,557,810 which is \$6,554,710 higher than last year's total of \$3,003,100.

CITY OF PATASKALA, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

The following schedule indicates the fund balances and the total change in fund balances as of December 31, 2014 for all major and nonmajor governmental funds.

	Fund Balances 12/31/2014	Fund Balances (Deficit) 12/31/2013	Change
Major funds:			
General	\$ 995,942	\$ 692,308	\$ 303,634
Street	2,400,028	1,329,721	1,070,307
Police	1,299,560	1,420,038	(120,478)
Issue II	236,209	2,123,332	(1,887,123)
Bond improvements	2,302,619	(4,158,534)	6,461,153
Other nonmajor governmental funds	<u>2,323,452</u>	<u>1,596,235</u>	<u>727,217</u>
Total	<u>\$ 9,557,810</u>	<u>\$ 3,003,100</u>	<u>\$ 6,554,710</u>

General Fund

The table that follows assists in illustrating the revenues of the general fund. Certain 2013 amounts have been reclassified to conform to 2014's presentation.

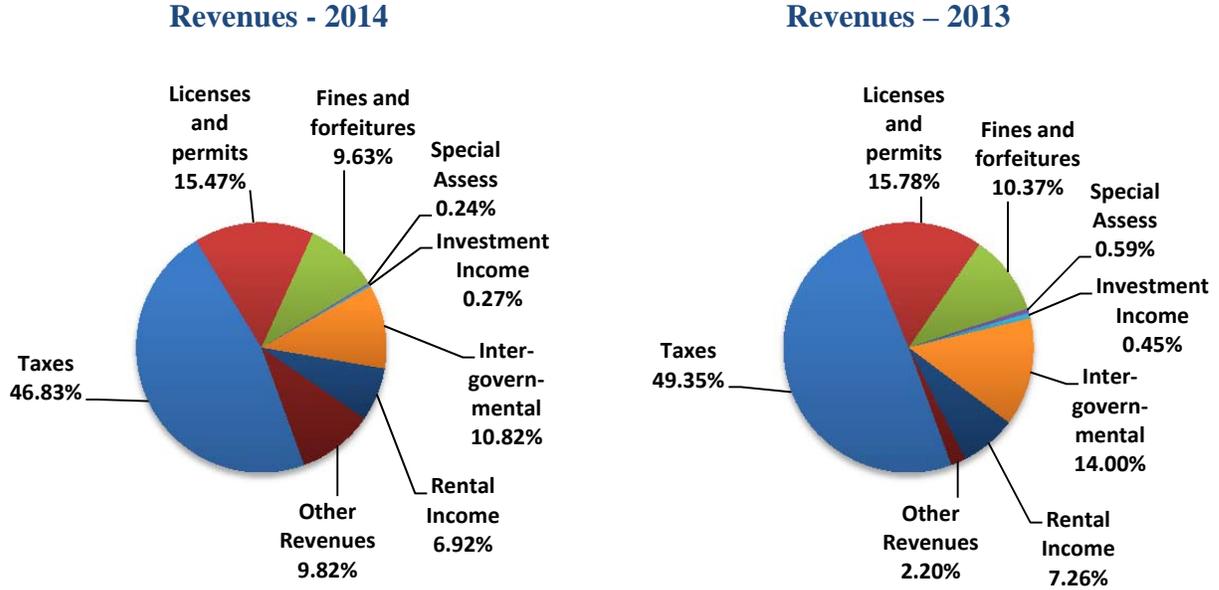
	2014 Amount	2013 Amount	Percentage Change
<u>Revenues</u>			
Taxes	\$ 819,665	\$ 803,422	2.02%
Licenses and permits	270,812	256,957	5.39%
Fines and forfeitures	168,540	168,834	(0.17%)
Intergovernmental	189,359	227,957	(16.93%)
Special assessments	4,169	9,527	(56.24%)
Investment income	4,662	7,325	(36.35%)
Rental income	121,059	118,225	2.40%
Other	<u>171,868</u>	<u>35,873</u>	<u>379.10%</u>
Total Revenues	<u>\$ 1,750,134</u>	<u>\$ 1,628,120</u>	<u>7.49%</u>

Revenues of the general fund increased \$122,014 or 7.49%. Tax revenue represents 46.83% of all general fund revenue. Licenses and permits increased \$13,855 or 5.39% due to an increase in franchise fees. Intergovernmental revenue decreased 16.93% which was a result of a decrease in estate taxes.

CITY OF PATASKALA, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

The following graphs illustrate the breakdown of the general fund's revenues for December 31, 2014 and 2013:



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

<u>Expenditures</u>	<u>2014 Amount</u>	<u>2013 Amount</u>	<u>Percentage Change</u>
General government	\$ 928,889	\$ 856,362	8.47%
Public health and welfare	-	112,101	(100.00%)
Community environment	191,308	351,645	(45.60%)
Leisure time activitiy	77,118	115,403	(33.18%)
Capital outlay	-	24,508	(100.00%)
Debt service	6,772	5,824	16.28%
Total Expenditures	\$ 1,204,087	\$ 1,465,843	(17.86%)

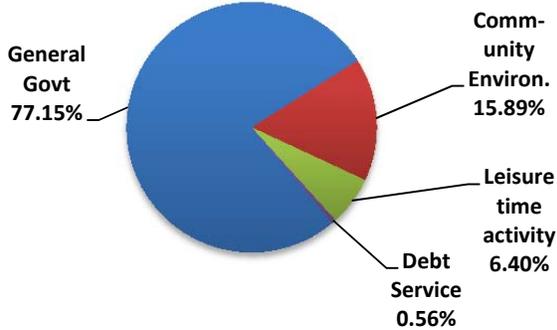
Expenditures of the general fund decreased \$261,756 or 17.86%. The decrease in public health and welfare was due to these costs included in other funds, functions and departments. The decrease in community environment was due to lower wage and related costs in the planning and zoning department. All other expenditures were comparable to 2013.

CITY OF PATASKALA, OHIO

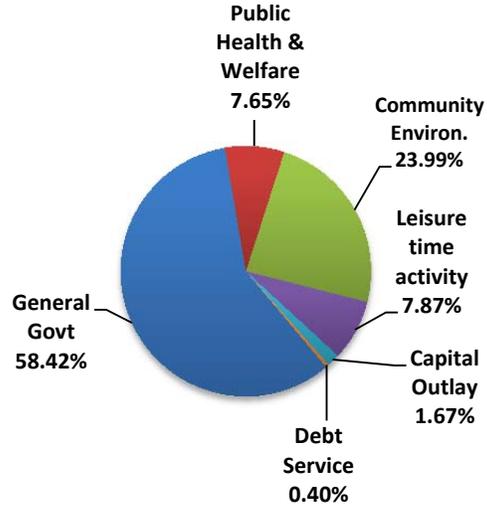
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014

The graphs below show the general fund's expenditures for December 31, 2014 and 2013:

Expenditures - 2014



Expenditures – 2013



Street Fund

The street fund had revenues and other financing sources of \$3,084,404 in 2014, which is an increase of \$1,079,109 from 2013 revenues. This increase was primarily the result of more income taxes due to a change in the allocation of the City's 1.00% income tax rate. The expenditures in the street fund totaled \$2,014,097 in 2014, which increased \$396,480 from 2013. Expenditures increased due to more road improvement projects being undertaken during 2014. The net increase in fund balance was \$1,070,307 or 80.49%.

Police Fund

The police fund had revenues and other financing sources of \$2,313,808 in 2014, which is a decrease of \$47,411 from 2013 revenues. This increase was primarily the result of more income taxes due to a change in the allocation of the City's 1.00% income tax rate. The expenditures in the police fund totaled \$2,434,286 in 2014, which increased \$98,013 from 2013. This increase is due primarily to an increase in spending on personal services and cruiser replacement purchases made during 2014. The net decrease in fund balance was \$120,478 or 8.48%.

Issue II Fund

The Issue II Fund had \$241,787 in revenues and other financing sources in 2014 which included Ohio Public Works Commission (OPWC) grants and loans. Expenditures totaled \$2,128,910 during 2014 which were costs associated with the Mink Street project. The fund balance of the Issue II fund decreased \$1,887,123.

Bond Improvements Fund

The bond improvements fund had revenues and other financing sources of \$7,042,883 and expenditures of \$581,730 in 2014. The primary source of revenues and other financing sources related to bonds issued during the year. The net increase in fund balance was \$6,461,153 due to the repayment of bond anticipation notes during the year.

CITY OF PATASKALA, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Budgeting Highlights

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

Budget information for the general fund is presented on page 63. In the general fund, actual revenues came in \$27,845 lower than projected in the final budget. Actual expenditures and other financing uses were \$335,398 less than the amount in the approved final budget. These variances are the result of the City's conservative budgeting. The City continues to monitor the budget which further exemplifies the difference between total expenditures available to spend and actual expenditures which is evidenced by the \$335,398 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 2014, the City had \$34,150,303, net of accumulated depreciation, invested in land, construction in progress, land improvements, buildings and improvements, equipment, vehicles, and infrastructure. Of this total, \$20,238,528 was reported in governmental activities and \$13,911,775 was reported in business-type activities. The following table shows December 31, 2014 balances compared to December 31, 2013.

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

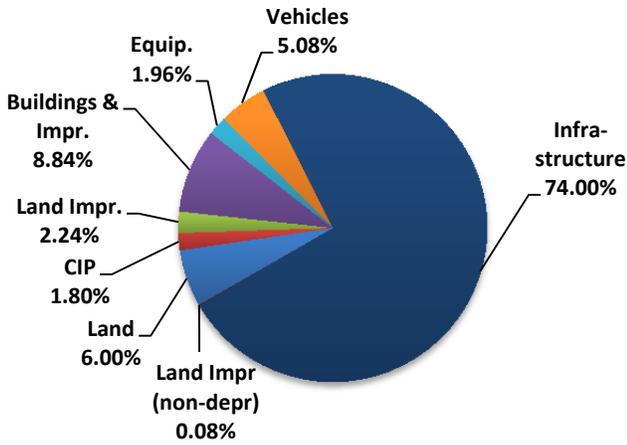
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 1,214,632	\$ 1,214,632	\$ 654,893	\$ 654,893	\$ 1,869,525	\$ 1,869,525
Land improvements (non depr.)	17,077	17,077	-	-	17,077	17,077
Construction-in-progress	363,839	1,067,532	-	232,396	363,839	1,299,928
Land improvements	453,215	276,914	9,010,967	9,109,713	9,464,182	9,386,627
Buildings and improvements	1,788,843	1,598,454	822,709	902,927	2,611,552	2,501,381
Equipment	395,715	300,558	115,989	106,239	511,704	406,797
Vehicles	1,027,466	743,428	66,418	84,005	1,093,884	827,433
Infrastructure	14,977,741	12,859,270	3,240,799	3,431,380	18,218,540	16,290,650
Totals	<u>\$ 20,238,528</u>	<u>\$ 18,077,865</u>	<u>\$ 13,911,775</u>	<u>\$ 14,521,553</u>	<u>\$ 34,150,303</u>	<u>\$ 32,599,418</u>

CITY OF PATASKALA, OHIO

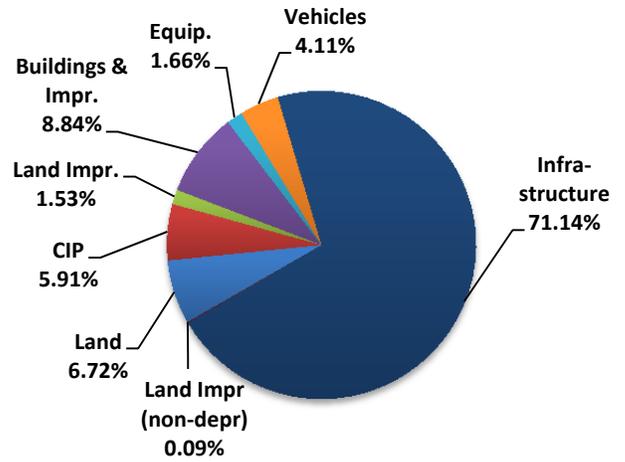
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014

The following graphs show the breakdown of governmental capital assets by category for 2014 and 2013.

**Capital Assets - Governmental
December 31, 2014**



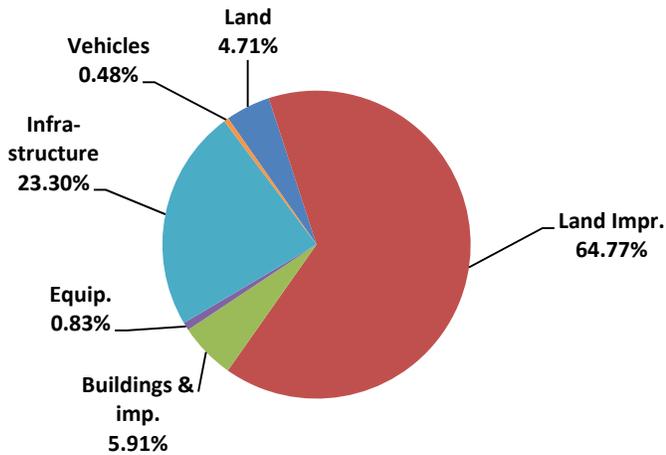
**Capital Assets - Governmental
December 31, 2013**



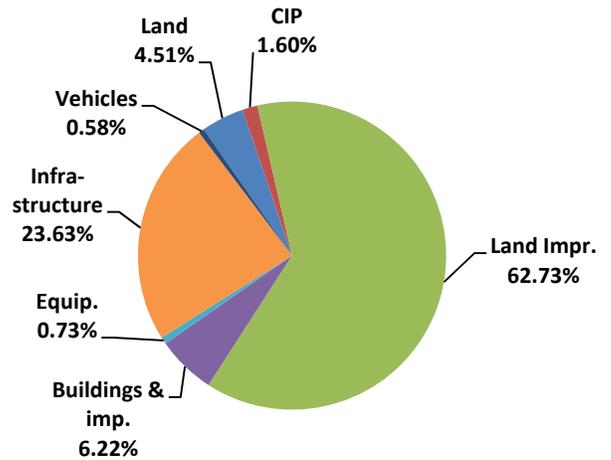
The City's largest capital asset category is infrastructure which includes roads, bridges, culverts, sidewalks and curbs. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant.

The following graphs show the breakdown of business-type capital assets by category for 2014 and 2013.

**Capital Assets - Business-Type Activities
December 31, 2014**



**Capital Assets - Business-Type Activities
December 31, 2013**



CITY OF PATASKALA, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

The City's largest business-type capital asset category was land improvements. The net book value of the City's land improvements (cost less accumulated depreciation) represents approximately 64.77% of the City's total business-type capital assets.

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

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2014 and 2013:

	Governmental Activities	
	2014	2013
Compensated absences	\$ 84,011	\$ 94,676
SIB loan	226,528	255,204
Note payable	42,756	347,549
Bonds	6,630,000	-
Capital lease obligation payable	325,436	143,165
LGI loan	174,285	-
OPWC loans	89,848	63,956
	\$ 7,572,864	\$ 904,550
	Business-type Activities	
	2014	2013
General obligation bonds	\$ 8,860,000	\$ 6,300,000
OWDA Loans	3,954,462	4,116,795
Compensated absences	19,270	23,891
	\$ 12,833,732	\$ 10,440,686

During 2014, the City's governmental activities issued \$6,630,000 in general obligation bonds, \$174,285 in a Local Government Innovation (LGI) loan and entered into a capital lease for dump trucks which mainly accounted for the large increase.

During 2014, the City's business-type activities issued \$2,760,000 in general obligation bonds which primarily accounted for the increase in long-term obligations.

See Note 13 to the basic financial statements for detail on the City's debt administration.

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014

Economic Conditions and Outlook

In May 2010, the City of Pataskala passed a 1.0% tax on earned income, with no credit given for taxes withheld and paid to neighboring communities. Initially, the revenue generated by the tax was allocated to the Police Fund (75%) and to Public Service/Street Fund (25%). City Council and management were cognizant of the fact that higher than expected income tax collections would provide for greater scrutiny regarding the use of taxpayer dollars, and therefore changed the allocation of income taxes to provide greater resources for the implementation of the City's Roadway Asset Management Plan (RAMP) which provided for improvements to the City's road infrastructure. During 2012, Council approved legislation amending that allocation for 2013 to provide additional funding for Police and Public Service. For 2013, the allocation was as follows: 58.5% - Police; 32% - Public Service; 6.75% - Capital Improvements fund; and 2.75% - Debt Service fund; and in 2014 the allocation was: 41.5% - Police; 46.5% - Public Service; 7% - Capital Improvements fund; and 5% - Debt Service fund. This income tax allocation provided the framework for the City to begin addressing its infrastructure needs while providing sufficient funds for operations and accounting for debt service obligations.

Based upon the year-end 2014 fund balances, estimates of 2015 collections and funding/debt service requirements, the allocation was amended by Council once again. For 2015, the allocation is as follows: 54.1% - Police; 33.3% - Public Service; 0% - Capital Improvements fund; and 12.6% - Debt Service fund. It is anticipated that Council will continue to modify the allocation on an annual basis, as funding requirements and the operating environment change. Original estimates provided by the Regional Income Tax Agency (RITA) provided that, upon full collection of the income tax, by year-end 2013, the City would collect approximately \$2.4 million annually. Management continues to closely monitor these estimates and maintain conservative budgeting practices, even though collections have significantly exceeded those estimates. As of December 31, 2014, year to-date income tax collections (cash basis) of approximately \$4.5 million were received. Higher income tax collections, combined with continued conservative budgeting practices, allowed the City's Police and Street funds to end 2014 with higher than anticipated carryover fund balances. The current 2015 budget estimates that income tax collections (cash-basis) will be approximately \$4.53 million.

The aforementioned Roadway Asset Management Plan (RAMP) is a management tool which is used to identify the current condition of the City's road infrastructure and the estimated improvement costs. The City previously lacked sufficient funding to adequately maintain its roads and infrastructure. As a result, many of its streets and related infrastructure fell into disrepair, and required significant investment to return them to a satisfactory level. The plan estimated \$34 million in needed repairs over a 10-year period. Ordinance 2012-4064 authorized the City to proceed with implementing the necessary road repairs in 2012 and 2013 addressing critical roads within the City at an estimated cost of \$3.2 million, which would be financed by the issuance of \$2.25 million in bond anticipation notes, income taxes allocated to the capital improvements fund, and permissive license tax funds. In November 2014, the city refunded all of its existing BANs into long-term bonds. Included in this transaction, was the issuance of \$2.0 million in new debt to fund the local match on two major road infrastructure projects.

In addition to the City's deteriorated road infrastructure, which the City has begun to address with the passage of the income tax, the infrastructure associated with the City's water and sewer utility operations was evaluated. This evaluation identified several areas in need of significant improvement and repair. In conjunction with the finalization of the \$4.2 million Wastewater Treatment Plant upgrade and OAKS Sanitary Sewer Special Assessment project, the City issued bond anticipation notes during 2012 totaling \$1,579,000 for water system improvements and \$1,434,000 for sewer system improvements. The City's utility funds do not receive income tax receipts and are self-supporting through user charges. In 2011 and 2012, the City implemented a new utility rate structure to address operations, needed capital improvements, and provides necessary funds to pay debt service related charges. The utility BANs were also refunded into long-term debt during the November 2014 debt issuance transaction. Management will continue to closely monitor the revenue generated by the revised rate structures to ensure that adequate funding for debt service and operations is ensured.

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014

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

Based on the recent cost estimates to repair the City's deteriorating road infrastructure, it has been made clear that the income tax will not be sufficient to cover these costs, when considering income tax receipts must also be used for Police operations, street operations and debt service obligations. The Administration has been, and will continue to be, aggressive in seeking available grant funding for infrastructure needs consistently working with the Mid-Ohio Regional Planning Commission (MORPC), Licking County Engineer, the Ohio Department of Development and the Ohio Department of Transportation. In late 2012, the City was notified that it was awarded nearly \$4.0 million from the Ohio Public Works Commission (OPWC) for significant improvements to Mink Road, a major roadway in the City. Engineering and design on this project was undertaken in 2013, with construction of the first phase completed in 2014. In addition to those awards, the City has also received approximately \$130,000 in Safe Routes to School (SRTS) grant proceeds that enabled the City to construct sidewalks, crosswalks and signalization around local schools.

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

Contacting the City's Financial Management

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



CITY OF PATASKALA, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2014

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and investments	\$ 8,896,279	\$ 3,625,727	\$ 12,522,006
<u>Receivables:</u>			
Income taxes	2,674,423	-	2,674,423
Real and other taxes	831,686	-	831,686
Accounts	92,921	481,240	574,161
Special assessments	6,116	314,082	320,198
Accrued interest	12,753	6,001	18,754
Payment in lieu of taxes	174,110	-	174,110
Due from other governments	462,631	-	462,631
Materials and supplies inventory	33,516	230,366	263,882
Prepayments	34,358	18,752	53,110
<u>Restricted assets:</u>			
Equity in pooled cash and investments	82,388	-	82,388
Cash with fiscal and escrow agents	194,471	-	194,471
<u>Capital assets:</u>			
Non-depreciable capital assets	1,595,548	654,893	2,250,441
Depreciable capital assets, net	18,642,980	13,256,882	31,899,862
Total capital assets, net	<u>20,238,528</u>	<u>13,911,775</u>	<u>34,150,303</u>
Total Assets	<u>33,734,180</u>	<u>18,587,943</u>	<u>52,322,123</u>
Deferred Outflows of Resources:			
Unamortized deferred charges on debt refunding	-	1,740	1,740
Total Deferred Outflows of Resources	<u>-</u>	<u>1,740</u>	<u>1,740</u>
Liabilities:			
Accounts payable	110,277	61,561	171,838
Contracts payable	250,743	-	250,743
Retainage payable	82,388	-	82,388
Accrued wages and benefits payable	62,705	14,864	77,569
Due to other governments	80,057	32,702	112,759
Accrued interest payable	42,116	30,293	72,409
Pension obligation payable	10,651	2,081	12,732
Unearned revenue	472	9,320	9,792
<u>Long-term liabilities:</u>			
Due within one year	496,563	341,633	838,196
Due in more than one year	7,322,359	12,671,285	19,993,644
Total Liabilities	<u>8,458,331</u>	<u>13,163,739</u>	<u>21,622,070</u>
Deferred Inflows of Resources:			
Property taxes levied for the next fiscal year	802,005	-	802,005
PILOTs levied for the next fiscal year	174,110	-	174,110
Total Deferred Inflows of Resources	<u>976,115</u>	<u>-</u>	<u>976,115</u>
Net Position:			
Net investment in capital assets	14,920,098	1,037,561	15,957,659
Restricted for:			
Debt service	489,676	-	489,676
Capital projects	1,539,576	-	1,539,576
Transportation projects	3,907,772	-	3,907,772
Community development	2,160	-	2,160
Police	2,439,637	-	2,439,637
Unrestricted	1,000,815	4,388,383	5,389,198
Total Net Position	<u>\$ 24,299,734</u>	<u>\$ 5,425,944</u>	<u>\$ 29,725,678</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 1,095,246	\$ 366,658	\$ 143,400	\$ -
Security of persons and property	1,992,137	205,599	178,688	-
Transportation	2,761,450	-	955,003	225,891
Community environment	677,184	52,388	336,278	-
Leisure time activity	94,930	14,060	2,141	-
Interest and fiscal charges	222,866	-	-	-
Total Governmental Activities	6,843,813	638,705	1,615,510	225,891
Business-type activities:				
Water	1,392,928	1,548,621	-	-
Sewer	1,610,487	1,650,339	-	-
Total Business-Type Activities	3,003,415	3,198,960	-	-
Total Primary Government	\$ 9,847,228	\$ 3,837,665	\$ 1,615,510	\$ 225,891

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 - unrestricted
 Miscellaneous

Total General Revenues

Change in Net Position

Net Position at Beginning of Year

Net Position at End of Year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Governmental Activities	Business-type Activities	Total
\$ (585,188)	\$ -	\$ (585,188)
(1,607,850)	-	(1,607,850)
(1,580,556)	-	(1,580,556)
(288,518)	-	(288,518)
(78,729)	-	(78,729)
(222,866)	-	(222,866)
(4,363,707)	-	(4,363,707)
-	155,693	155,693
-	39,852	39,852
-	195,545	195,545
(4,363,707)	195,545	(4,168,162)
714,826	-	714,826
2,190,585	-	2,190,585
2,607,079	-	2,607,079
476,763	-	476,763
195,699	-	195,699
120	-	120
201,140	-	201,140
185,808	-	185,808
16,203	17,501	33,704
172,812	27,358	200,170
6,761,035	44,859	6,805,894
2,397,328	240,404	2,637,732
21,902,406	5,185,540	27,087,946
\$ 24,299,734	\$ 5,425,944	\$ 29,725,678

CITY OF PATASKALA, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	<u>General</u>	<u>Street</u>	<u>Police</u>	<u>Issue II</u>
Assets:				
Equity in pooled cash and investments	\$ 1,000,992	\$ 2,070,907	\$ 1,001,390	\$ 236,209
<u>Receivables:</u>				
Income taxes	-	890,583	1,446,863	-
Real and other taxes	831,686	-	-	-
Accounts	63,593	7,286	14,733	-
Special assessments	6,116	-	-	-
Accrued interest	1,666	3,447	1,665	-
Payment in lieu of taxes	-	-	-	-
Due from other governments	82,525	330,695	4,195	-
Materials and supplies inventory	-	33,516	-	-
Prepayments	6,997	7,515	19,846	-
<u>Restricted assets:</u>				
Equity in pooled cash and investments	-	-	-	-
Cash with fiscal and escrow agents	-	-	-	-
Total Assets	<u>\$ 1,993,575</u>	<u>\$ 3,343,949</u>	<u>\$ 2,488,692</u>	<u>\$ 236,209</u>
Liabilities:				
Accounts payable	\$ 42,998	\$ 31,093	\$ 7,964	\$ -
Contracts payable	-	-	-	-
Retainage payable	-	-	-	-
Accrued wages and benefits payable	18,776	8,620	35,309	-
Due to other governments	20,886	15,616	43,555	-
Unearned revenue	472	-	-	-
Pension obligation payable	2,628	1,207	6,816	-
Total Liabilities	<u>85,760</u>	<u>56,536</u>	<u>93,644</u>	<u>-</u>
Deferred Inflows of Resources:				
Property taxes levied for the next fiscal year	802,005	-	-	-
Delinquent property tax revenue not available	29,681	-	-	-
Investment income not available	168	347	167	-
Special assessments revenue not available	6,116	-	-	-
Income tax revenue not available	-	674,199	1,095,321	-
Intergovernmental revenue not available	73,903	212,839	-	-
PILOTs levied for the next fiscal year	-	-	-	-
Total Deferred Inflows of Resources	<u>911,873</u>	<u>887,385</u>	<u>1,095,488</u>	<u>-</u>
Fund Balances:				
Nonspendable	7,022	41,031	19,846	-
Restricted	-	2,358,997	1,279,714	236,209
Committed	-	-	-	-
Assigned	120,649	-	-	-
Unassigned	868,271	-	-	-
Total Fund Balances	<u>995,942</u>	<u>2,400,028</u>	<u>1,299,560</u>	<u>236,209</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,993,575</u>	<u>\$ 3,343,949</u>	<u>\$ 2,488,692</u>	<u>\$ 236,209</u>

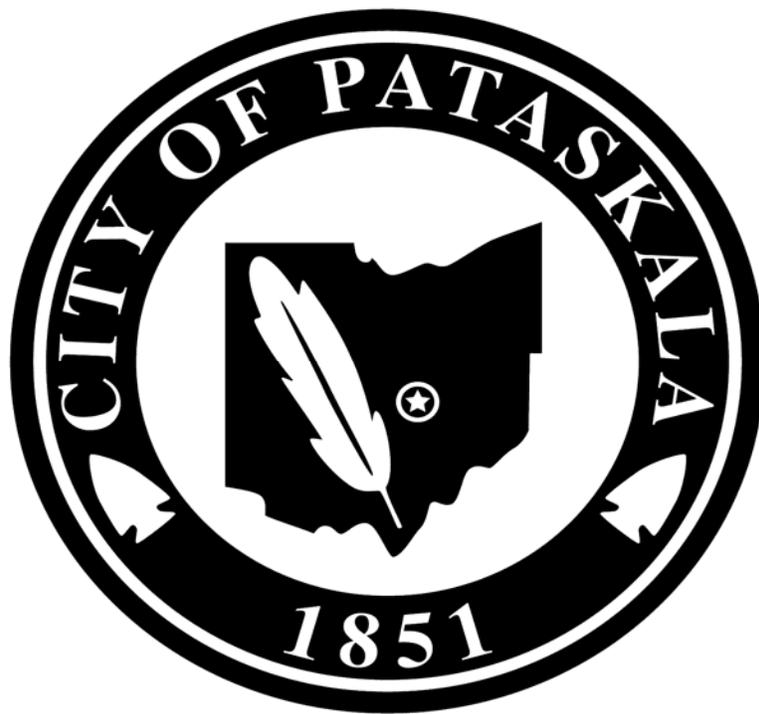
SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Bond Improvements	Other Governmental Funds	Total Governmental Funds
\$ 2,299,086	\$ 2,287,695	\$ 8,896,279
-	336,977	2,674,423
-	-	831,686
-	7,309	92,921
-	-	6,116
3,928	2,047	12,753
-	174,110	174,110
-	45,216	462,631
-	-	33,516
-	-	34,358
60,876	21,512	82,388
-	194,471	194,471
\$ 2,363,890	\$ 3,069,337	\$ 13,495,652

\$ -	\$ 28,222	\$ 110,277
-	250,743	250,743
60,876	21,512	82,388
-	-	62,705
-	-	80,057
-	-	472
-	-	10,651
60,876	300,477	597,293

-	-	802,005
-	-	29,681
395	205	1,282
-	-	6,116
-	255,102	2,024,622
-	15,991	302,733
-	174,110	174,110
395	445,408	3,340,549

-	-	67,899
2,302,619	2,279,040	8,456,579
-	44,412	44,412
-	-	120,649
-	-	868,271
2,302,619	2,323,452	9,557,810
\$ 2,363,890	\$ 3,069,337	\$ 13,495,652



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CITY OF PATASKALA, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2014

Total governmental fund balances	\$	9,557,810
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		20,238,528
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Income taxes receivable	\$ 2,024,622	
Real and other taxes receivable	29,681	
Special assessments receivable	6,116	
Accrued interest receivable	1,282	
Due from other governments	302,733	
Total		2,364,434
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(42,116)
Unamortized premiums on bond issuances are not recognized in the funds.		(246,058)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(84,011)	
General obligation bonds payable	(6,630,000)	
LGI loan payable	(174,285)	
Notes payable	(42,756)	
Capital leases payable	(325,436)	
SIB loan payable	(226,528)	
OPWC loans payable	(89,848)	
Total		(7,572,864)
Net Position of Governmental Activities	\$	<u>24,299,734</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>General</u>	<u>Street</u>	<u>Police</u>	<u>Issue II</u>
Revenues:				
Income taxes	\$ -	\$ 2,111,631	\$ 2,042,998	\$ -
Real and other taxes	819,665	-	-	-
Charges for services	-	-	6,993	-
Licenses and permits	270,812	-	-	-
Fines and forfeitures	168,540	-	32,188	-
Intergovernmental	189,359	667,365	6,339	212,659
Special assessments	4,169	-	-	-
Investment income	4,662	10,227	8,369	-
Rental income	121,059	-	-	-
Contributions and donations	2,141	-	-	-
Payments in lieu of taxes	-	-	-	-
Other	169,727	27,407	42,351	-
Total Revenues	<u>1,750,134</u>	<u>2,816,630</u>	<u>2,139,238</u>	<u>212,659</u>
Expenditures:				
<u>Current:</u>				
General government	928,889	326,548	316,994	-
Security of persons and property	-	-	2,087,675	-
Transportation	-	1,363,575	-	-
Community environment	191,308	-	-	-
Leisure time activity	77,118	-	-	-
Capital outlay	-	267,774	-	1,261,707
<u>Debt service:</u>				
Principal retirement	5,925	56,200	23,378	-
Interest and fiscal charges	847	-	6,239	-
Bond issuance costs	-	-	-	-
Total Expenditures	<u>1,204,087</u>	<u>2,014,097</u>	<u>2,434,286</u>	<u>1,261,707</u>
Excess (deficiency) of revenues over (under) expenditures	<u>546,047</u>	<u>802,533</u>	<u>(295,048)</u>	<u>(1,049,048)</u>
Other Financing Sources (Uses):				
Bond issuance	-	-	-	-
Sale of capital assets	-	-	285	-
Inception of capital lease	-	267,774	-	-
Transfers in	-	-	-	-
Transfers (out)	(242,413)	-	-	(867,203)
Premium on bond issuance	-	-	-	-
Issuance of LGI loan	-	-	174,285	-
Issuance of OPWC loans	-	-	-	29,128
Total Other Financing Sources (Uses)	<u>(242,413)</u>	<u>267,774</u>	<u>174,570</u>	<u>(838,075)</u>
Net Change in Fund Balances	303,634	1,070,307	(120,478)	(1,887,123)
Fund Balances (Deficits) at Beginning of Year	692,308	1,329,721	1,420,038	2,123,332
Fund Balances at End of Year	<u>\$ 995,942</u>	<u>\$ 2,400,028</u>	<u>\$ 1,299,560</u>	<u>\$ 236,209</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Bond Improvements	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 571,092	\$ 4,725,721
-	-	819,665
-	11,900	18,893
-	-	270,812
-	21,097	221,825
-	851,968	1,927,690
-	-	4,169
6,983	19,730	49,971
-	-	121,059
-	-	2,141
-	201,140	201,140
-	4,101	243,586
6,983	1,681,028	8,606,672
-	13,550	1,585,981
-	128,791	2,216,466
-	258,119	1,621,694
-	485,916	677,224
-	-	77,118
541,840	542,756	2,614,077
-	336,705	422,208
39,890	48,689	95,665
-	91,118	91,118
581,730	1,905,644	9,401,551
(574,747)	(224,616)	(794,879)
6,630,000	-	6,630,000
-	-	285
-	-	267,774
405,900	1,209,915	1,615,815
-	(506,199)	(1,615,815)
-	248,117	248,117
-	-	174,285
-	-	29,128
7,035,900	951,833	7,349,589
6,461,153	727,217	6,554,710
(4,158,534)	1,596,235	3,003,100
\$ 2,302,619	\$ 2,323,452	\$ 9,557,810

CITY OF PATASKALA, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

Net Change in Fund Balances - Total Governmental Funds	\$	6,554,710
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
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 asset additions exceed depreciation expense in the current period.		
Capital asset additions	\$ 3,360,434	
Current year depreciation	(1,166,541)	
Total		2,193,893
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets.		
		(33,230)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Income taxes	744,525	
Real and other taxes	(104,839)	
Intergovernmental revenues	(6,350)	
Special assessments	1,947	
Investment income	(814)	
Total		634,469
Proceeds of bonds, leases and loans are reported as other financing sources in the governmental funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net position.		
General obligation bonds	(6,630,000)	
LGI loan	(174,285)	
Capital leases	(267,774)	
OPWC loans	(29,128)	
Total		(7,101,187)
Repayment of note, capital lease and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
Notes	304,793	
Capital leases	85,503	
SIB loan	28,676	
OPWC loans	3,236	
Total		422,208
Premiums on general obligation bonds are recognized as other financing sources in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities.		
		(248,117)
In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due.		
Accrued interest payable	(38,142)	
Amortization of bond premiums and discounts	2,059	
Total		(36,083)
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.		
		10,665
Change in Net Position of Governmental Activities	\$	2,397,328

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Real and other taxes	\$ 848,282	\$ 833,310	\$ 833,413	\$ 103
Licenses and permits	287,355	261,526	232,891	(28,635)
Fines and forfeitures	180,525	179,025	162,997	(16,028)
Intergovernmental	180,625	197,650	197,787	137
Special assessments	3,000	4,165	4,169	4
Investment income	-	3,000	3,259	259
Rental income	108,675	115,000	118,899	3,899
Other	51,475	159,638	160,240	602
Total Revenues	1,659,937	1,753,314	1,713,655	(39,659)
Expenditures:				
Current:				
General government	1,209,753	1,211,866	1,002,651	209,215
Community environment	311,984	311,984	245,869	66,115
Leisure time activity	185,678	113,878	57,902	55,976
Total Expenditures	1,707,415	1,637,728	1,306,422	331,306
Excess (deficiency) of Expenditures Over (under) Revenues	(47,478)	115,586	407,233	291,647
Other Financing Uses:				
Transfers (out)	-	(242,413)	(242,413)	-
Total Other Financing Uses	-	(242,413)	(242,413)	-
Net Change in Fund Balances	(47,478)	(126,827)	164,820	291,647
Fund Balances at Beginning of Year	569,941	569,941	569,941	-
Prior Year Encumbrances Appropriated	135,251	135,251	135,251	-
Fund Balance at End of Year	\$ 657,714	\$ 578,365	\$ 870,012	\$ 291,647

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Income taxes	\$ 1,925,100	\$ 2,097,055	\$ 2,097,909	\$ 854
Intergovernmental	696,121	672,550	658,660	(13,890)
Investment income	1,000	7,500	8,157	657
Other	30,000	23,150	31,063	7,913
Total Revenues	2,652,221	2,800,255	2,795,789	(4,466)
Expenditures:				
<u>Current:</u>				
General government	314,063	395,704	331,457	64,247
Transportation	1,713,859	1,914,010	1,623,370	290,640
Total Expenditures	2,027,922	2,309,714	1,954,827	354,887
Net Change in Fund Balances	624,299	490,541	840,962	350,421
Fund Balances at Beginning of Year	1,001,231	1,001,231	1,001,231	-
Prior Year Encumbrances Appropriated	33,486	33,486	33,486	-
Fund Balance at End of Year	\$ 1,659,016	\$ 1,525,258	\$ 1,875,679	\$ 350,421

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Income taxes	\$ 1,718,100	\$ 1,872,190	\$ 1,872,327	\$ 137
Charges for services	6,000	6,650	6,993	343
Fines and forfeitures	25,750	31,850	32,048	198
Intergovernmental	415	2,300	2,284	(16)
Investment income	-	7,575	7,912	337
Other	-	43,000	43,592	592
Total Revenues	<u>1,750,265</u>	<u>1,963,565</u>	<u>1,965,156</u>	<u>1,591</u>
Expenditures:				
Current:				
General government	426,636	376,336	350,769	25,567
Security of persons and property	2,105,647	2,330,529	2,218,196	112,333
Total Expenditures	<u>2,532,283</u>	<u>2,706,865</u>	<u>2,568,965</u>	<u>137,900</u>
Excess of Expenditures Over Revenues	<u>(782,018)</u>	<u>(743,300)</u>	<u>(603,809)</u>	<u>139,491</u>
Other Financing Sources:				
Sale of capital assets	-	285	285	-
Transfers (out)	(15,000)	(183,133)	(183,133)	-
Issuance of LGI loan	-	174,285	174,285	-
Total Other Financing Sources	<u>(15,000)</u>	<u>(8,563)</u>	<u>(8,563)</u>	<u>-</u>
Net change in fund balances	<u>(797,018)</u>	<u>(751,863)</u>	<u>(612,372)</u>	<u>139,491</u>
Fund Balances at Beginning of Year	1,269,872	1,269,872	1,269,872	-
Prior Year Encumbrances Appropriated	283,511	283,511	283,511	-
Fund Balance at End of Year	<u>\$ 756,365</u>	<u>\$ 801,520</u>	<u>\$ 941,011</u>	<u>\$ 139,491</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
 DECEMBER 31, 2014

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Assets:			
Current assets:			
Equity in pooled cash and investments	\$ 1,308,082	\$ 2,317,645	\$ 3,625,727
<u>Receivables:</u>			
Accounts	228,158	253,082	481,240
Special assessments	-	314,082	314,082
Accrued interest	2,177	3,824	6,001
Materials and supplies inventory	212,302	18,064	230,366
Prepayments	6,095	12,657	18,752
Total Current Assets	1,756,814	2,919,354	4,676,168
Noncurrent assets:			
<u>Capital assets:</u>			
Non-depreciable capital assets	330,752	324,141	654,893
Depreciable capital assets, net	6,020,574	7,236,308	13,256,882
Total Capital Assets, Net	6,351,326	7,560,449	13,911,775
Total Noncurrent Assets	6,351,326	7,560,449	13,911,775
Total Assets	8,108,140	10,479,803	18,587,943
Deferred Outflows of Resources:			
Unamortized deferred charges on debt refunding	-	1,740	1,740
Total Deferred Outflows of Resources	-	1,740	1,740
Liabilities:			
<u>Current liabilities:</u>			
Accounts payable	23,801	37,760	61,561
Accrued wages and benefits payable	10,265	4,599	14,864
Due to other governments	15,665	17,037	32,702
Accrued interest payable	26,331	3,962	30,293
Compensated absences payable - current	11,459	7,811	19,270
General obligation bonds payable	200,000	110,000	310,000
OWDA loans payable	-	12,363	12,363
Pension obligation payable	1,437	644	2,081
Unearned revenue	4,975	4,345	9,320
Total Current Liabilities	293,933	198,521	492,454
<u>Long-term liabilities:</u>			
General obligation bonds payable	7,160,176	1,569,010	8,729,186
OWDA loans payable	-	3,942,099	3,942,099
Total Long-Term Liabilities	7,160,176	5,511,109	12,671,285
Total Liabilities	7,454,109	5,709,630	13,163,739
Net Position:			
Net investment in capital assets	(981,067)	2,018,628	1,037,561
Unrestricted	1,635,098	2,753,285	4,388,383
Total Net Position	\$ 654,031	\$ 4,771,913	\$ 5,425,944

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Total
Operating Revenues:			
Charges for services	\$ 1,548,621	\$ 1,639,184	\$ 3,187,805
Special assessments	-	11,155	11,155
Other operating revenues	13,503	13,855	27,358
Total Operating Revenues	1,562,124	1,664,194	3,226,318
Operating Expenses:			
Salaries & related services	407,519	521,526	929,045
Contractual services	127,558	280,538	408,096
General operating	230,619	321,768	552,387
Depreciation	308,444	343,742	652,186
Total Operating Expenses	1,074,140	1,467,574	2,541,714
Operating Income	487,984	196,620	684,604
Nonoperating Revenues (Expenses):			
Interest and fiscal charges	(290,116)	(119,770)	(409,886)
Interest income	6,667	10,834	17,501
Bond and note issuance costs	(28,672)	(23,143)	(51,815)
Total Nonoperating Revenues (Expenses)	(312,121)	(132,079)	(444,200)
Change in Net Position	175,863	64,541	240,404
Net Position at Beginning of Year	478,168	4,707,372	5,185,540
Net Position at End of Year	\$ 654,031	\$ 4,771,913	\$ 5,425,944

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Total
Cash Flows From Operating Activities:			
Cash received from charges for services	\$ 1,554,272	\$ 1,641,104	\$ 3,195,376
Cash received from special assessments	-	20,679	20,679
Cash received from other operations	9,205	9,526	18,731
Cash payments for salaries & related services	(411,218)	(531,523)	(942,741)
Cash payments for contractual services	(120,631)	(286,345)	(406,976)
Cash payments for general operating costs	(396,176)	(342,261)	(738,437)
	635,452	511,180	1,146,632
Net Cash Provided by Operating Activities			
Cash Flows From Capital and Related Financing Activities:			
Acquisition of capital assets	(43,107)	(43,237)	(86,344)
Principal retirement on bonds, notes & loans	(2,768,000)	(2,249,333)	(5,017,333)
Interest paid on bonds, notes & loans	(316,247)	(133,418)	(449,665)
Notes issued	1,140,000	670,000	1,810,000
Bonds issued	1,450,000	1,310,000	2,760,000
Premiums on bonds & notes issued	65,633	57,178	122,811
Bond & note issuance costs	(28,672)	(23,143)	(51,815)
	(500,393)	(411,953)	(912,346)
Net Cash Used In Capital and Related Financing Activities			
Cash Flows From Investing Activities:			
Interest received	5,853	9,408	15,261
Decrease in fair value of investments	(1,278)	(1,958)	(3,236)
	4,575	7,450	12,025
Net Cash Provided by Investing Activities			
Net Increase in Cash and Investments	139,634	106,677	246,311
Cash and Investments at Beginning of Year	1,168,448	2,210,968	3,379,416
Cash and Investments at End of Year	\$ 1,308,082	\$ 2,317,645	\$ 3,625,727

(Continued)

CITY OF PATASKALA, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ 487,984	\$ 196,620	\$ 684,604
<u>Adjustments:</u>			
Depreciation	308,444	343,742	652,186
<u>Changes in assets and liabilities:</u>			
Accounts receivable	(3,622)	(6,754)	(10,376)
Special assessment receivable	-	9,524	9,524
Materials and supplies inventory	(167,075)	(10,199)	(177,274)
Prepayments	(4,035)	(11,169)	(15,204)
Accounts payable	2,621	(14,700)	(12,079)
Accrued wages and benefits	1,599	456	2,055
Due to other governments	8,049	6,985	15,034
Compensated absences payable	(832)	(3,789)	(4,621)
Pension obligation payable	(2,656)	(3,881)	(6,537)
Unearned revenue	4,975	4,345	9,320
Net Cash Provided by Operating Activities	<u>\$ 635,452</u>	<u>\$ 511,180</u>	<u>\$ 1,146,632</u>

Non-Cash Transactions:

At December 31, 2014, the Water fund purchased \$8,821 in capital assets on account.

At December 31, 2013, the Water and Sewer funds purchased \$31,706 and \$21,051, respectively in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2014

	<u>Agency</u>
Assets:	
Equity in pooled cash and investments	\$ 285,163
Cash in segregated accounts	<u>575</u>
Total Assets	<u>\$ 285,738</u>
Liabilities:	
Undistributed monies	\$ 575
Pension obligation payable	51,522
Deposits held and due to others	<u>233,641</u>
Total Liabilities	<u>\$ 285,738</u>

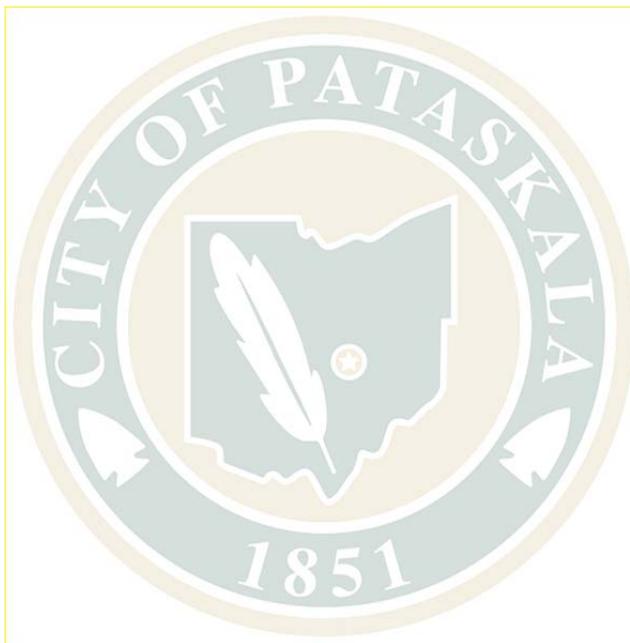
SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 1 - DESCRIPTION OF THE CITY

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

JOINTLY GOVERNED ORGANIZATIONS

West Licking Joint Fire District - The West Licking Joint Fire District, a jointly governed organization, is a political subdivision governed by a Board of Trustees which possesses its own contracting and budgeting authority. The Board of Trustees consists of one representative from each of the participating governments; the City of Pataskala, the Village of Kirkersville, City of New Albany, Harrison Township, Etna Township, City of Reynoldsburg and Jersey Township. The City made no contributions during 2014 for the operation of the West Licking Joint Fire District.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

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

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 2014 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 up 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.

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

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

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

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

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

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

B. Basis of Presentation - Fund Accounting

The City's BFS consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental functions are self-financing or draw from the general revenues of the City.

Fund Financial Statements - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

C. Fund Accounting

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

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

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

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

The following are the City's major governmental funds:

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

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

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

Issue II fund - This fund is used to account for transfers and intergovernmental revenues that are restricted for Issue II projects.

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

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

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

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

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

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

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

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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

D. Measurement Focus

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

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current deferred outflows of resources, current liabilities and current deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation, with brief explanations to better identify the relationship between the government-wide statements and the 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, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

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

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

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and agency funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources 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.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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

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). Payments in lieu of taxes are treated the same way property taxes are in the financial statements. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2014, but which were levied to finance year 2015 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as deferred inflows. Income taxes, payment in lieu of taxes and grants not received within the available period, grants and entitlements received before the eligibility requirements are met, investment income not received in the available period and delinquent property taxes due at December 31, 2014, are recorded as deferred inflows on the governmental fund financial statements.

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

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

F. Budgetary Data

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

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

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

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 2014.

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. On or before 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 2014.

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 investments".

During 2014, investments were limited to State Treasury Asset Reserve of Ohio (STAR Ohio), federal agency securities, negotiable certificates of deposit and a governmental money market account. Except for any nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

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

CITY OF PATASKALA, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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

The City has invested funds in STAR Ohio during 2014. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price, which is the price the investment could be sold for on December 31, 2014.

Interest income is distributed to the funds according to statutory requirements and City policy. Interest revenue earned and credited to the general fund during 2014 amounted to \$4,662, which included \$195 assigned from other funds of the City.

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

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

H. Inventories of Materials and Supplies

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

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

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

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. During 2013, the City implemented a capital asset policy that changed the capital asset threshold from \$5,000 for all asset classes to the amounts noted on the following page. Capital assets within a class can have different thresholds depending on the asset category within the class. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized for business-type activities.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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

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>	<u>Governmental Activities Estimated Lives</u>	<u>Business-type Activities Estimated Lives</u>	<u>Capitalization Thresholds</u>
Land improvements	10 - 45 years	10 - 45 years	\$25,000
Buildings and improvements	5 - 50 years	5 - 50 years	\$10,000 - \$50,000
Equipment	5 - 20 years	5 - 20 years	\$5,000 - \$10,000
Vehicles	5 - 15 years	5 - 15 years	\$25,000
Infrastructure	15 - 90 years	15 - 90 years	\$15,000 - \$25,000

J. Compensated Absences

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

In accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences”, a liability for vacation leave is accrued if: (a) 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.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

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

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2014, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed. At year end, because prepayments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

L. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner in full from current financial resources, are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Loans and notes are recognized as a liability on the governmental fund financial statements when due.

M. Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable" and "interfund loans payable". These amounts are eliminated in the governmental activities column of the statement of net position, with the exception of the net residual amounts due between governmental and business-type activities which are presented as internal balances. At December 31, 2014, there were no interfund loans receivable/payable.

N. Interfund Activity

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

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

O. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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

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 (resolution) of City Council, which includes giving the Finance Director the authority to constrain monies for intended purposes.

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

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

P. Estimates

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

Q. Net Position

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

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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

R. Operating Revenues and Expenses

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

S. Minimum Fund Balance Policy

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

T. Restricted Assets

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

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

U. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2014.

V. Bond Discounts and Premiums/Bond Issuance Costs

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

Bond issuance costs are expensed when they occur.

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES

Change in Accounting Principles

For 2014, the City has implemented GASB Statement No. 69, "Government Combinations and Disposals of Government Operations" and GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees".

GASB Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The Statement improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. The implementation of GASB Statement No. 69 did not have an effect on the financial statements of the City.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES - (Continued)

GASB Statement No. 70 improves the recognition, measurement, and disclosures for state and local governments that have extended or received financial guarantees that are nonexchange transactions. The implementation of GASB Statement No. 70 did not have an effect on the financial statements of the City.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

CITY OF PATASKALA, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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 \$194,471 on deposit with the Licking County Treasurer for permissive tax collections. The data regarding insurance and collateralization can be obtained from the Licking County Comprehensive Annual Financial Report for the year ended December 31, 2014. 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 \$575 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, 2014, the carrying amount of all City deposits was \$6,330,661. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2014, \$394,204 of the City's bank balance of \$6,498,620 was exposed to custodial risk as discussed below, while \$6,104,416 was covered by the Federal Deposit Insurance Corporation (FDIC).

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

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

D. Investments

Investments are reported at fair value. As of December 31, 2014, the City had the following investments:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>			
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>Greater than 18 months</u>
FHLB	\$ 828,027	\$ -	\$ -	\$ -	\$ 828,027
Negotiable CD's	4,209,436	245,056	735,491	546,642	2,682,247
Governmental money market	20,902	20,902	-	-	-
STAR Ohio	1,501,106	1,501,106	-	-	-
Total	\$ 6,559,471	\$ 1,767,064	\$ 735,491	\$ 546,642	\$ 3,510,274

The weighted average maturity of investments is 1.92 years.

Interest Rate Risk - As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the City's investment portfolio be structured so that the securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

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. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the City's name. 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 Finance Director or qualified trustee, delivery versus payment (DVP).

Credit Risk: The City's investments in federal agency securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard's & Poor's has assigned STAR Ohio and the governmental money market an AAAM money market rating. The City's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

Concentration of Credit Risk - The City places no limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2014:

<u>Investment type</u>	<u>Fair Value</u>	<u>% to Total</u>
FHLB	\$ 828,027	12.63
Negotiable CD's	4,209,436	64.17
Governmental money market	20,902	0.32
STAR Ohio	1,501,106	22.88
Total	\$ 6,559,471	100.00

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2014:

Cash and Investments per Note

Carrying amount of deposits	\$ 6,330,086
Investments	6,559,471
Cash with fiscal and escrow agent	194,471
Cash in segregated accounts	575
Total	<u>\$ 13,084,603</u>

Cash and Investments per Statement of Net Position

Governmental activities	\$ 9,173,138
Business type activities	3,625,727
Agency fund	285,738
Total	<u>\$ 13,084,603</u>

NOTE 5 - INTERFUND TRANSACTIONS

Interfund transfers for the year ended December 31, 2014, consisted of the following:

<u>Transfer to</u>	Transfer from					<u>Total</u>
	<u>General</u>	<u>Issue II</u>	Nonmajor Governmental			
			<u>CDBG</u>	<u>Safe Routes to Schools</u>	<u>Debt Service</u>	
Bond improvements fund	\$ -	\$ -	\$ -	\$ -	\$ 405,900	\$ 405,900
Nonmajor governmental funds:						
CHIP fund	-	-	92,621	-	-	92,621
Debt service fund	242,413	136,403	-	-	-	378,816
Capital improvement fund	-	730,800	-	7,678	-	738,478
Total	<u>\$ 242,413</u>	<u>\$ 867,203</u>	<u>\$ 92,621</u>	<u>\$ 7,678</u>	<u>\$ 405,900</u>	<u>\$ 1,615,815</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to provide additional resources for current operations or debt service; reclassification of prior year distributed monies, to segregate money for anticipated capital projects; and to return money to the fund from which it was originally provided once a project is completed. The \$136,403 transfer from the Issue II fund to the debt service fund (a nonmajor governmental fund) was to make debt service payments. The \$730,800 transfer from the Issue II fund to the capital improvement fund (a nonmajor governmental fund) was to transfer excess bond anticipation note proceeds to use for other projects. The transfer of \$405,900 from the bond improvements fund to the debt service fund (a nonmajor governmental fund) was for debt service payments.

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, 2014**

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 thirty-five percent (35%) 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. 2014 public utility property taxes became a lien December 31, 2013, are levied after October 1, 2014, and are collected in 2015 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Pataskala. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2014 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow of resources since the current taxes were not levied to finance 2014 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

The full tax rate for all City operations for the year ended December 31, 2014 was \$2.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2014 property tax receipts were based are as follows:

Real Property	\$ 320,563,650
Public Utility	<u>9,583,510</u>
Total Assessed Value	<u>\$ 330,147,160</u>

NOTE 7 - INCOME TAXES

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

Employers within the City are required to withhold the tax on employee earnings, and to 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.

CITY OF PATASKALA, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 7 - INCOME TAXES - (Continued)

Income tax revenue is credited to five funds. During 2014, of the one percent levied, the street fund received 46.50%, the police fund received 41.50%, the debt service fund received 5.00% and the capital improvement fund (a nonmajor governmental fund) received 7.00%, and shall be used for operations specific to those departments. Income tax collections allocated to the street, police, debt service and capital improvement funds totaled \$2,111,631, \$2,042,998, \$285,666 and \$285,306, respectively, for the year ended December 31, 2014. The Pataskala Corporate Park Joint Economic Development District fund (a nonmajor governmental fund) receives income taxes from collections within the Pataskala Corporate Park which are restricted for improvements within the park. This fund received \$120 from income taxes in 2014.

RITA administers and collects income taxes for the City. Payments are remitted monthly net of collection fees of three percent. The JEDD income taxes are administered and collected by the City of Newark.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2014, consisted of income taxes, property taxes, accounts (billings for user charged services), special assessments, accrued interest, 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, 2014.

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

Governmental activities:

Income taxes	\$ 2,674,423
Real and other taxes	831,686
Accounts	92,921
Special assessments	6,116
Accrued interest	12,753
Payments in lieu of taxes	174,110
Due from other governments	462,631

Business-type activities:

Accounts	481,240
Special assessments	314,082
Accrued interest	6,001

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, 2014**

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 and 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 2014 was \$201,140 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; PILOTs cease and property taxes then apply to the increased property values.

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CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 10 - CAPITAL ASSETS

A. Governmental activities capital asset activity for the year ended December 31, 2014, was as follows.

<u>Governmental activities:</u>	<u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u>
	<u>12/31/13</u>			<u>12/31/14</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,214,632	\$ -	\$ -	\$ 1,214,632
Land improvements	17,077	-	-	17,077
Construction in progress	<u>1,067,532</u>	<u>1,531,754</u>	<u>(2,235,447)</u>	<u>363,839</u>
Total capital assets, not being depreciated	<u>2,299,241</u>	<u>1,531,754</u>	<u>(2,235,447)</u>	<u>1,595,548</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	339,235	193,650	-	532,885
Buildings and improvements	2,151,600	251,976	-	2,403,576
Equipment	547,854	153,089	(20,225)	680,718
Vehicles	2,184,685	472,813	(50,000)	2,607,498
Infrastructure	<u>15,871,338</u>	<u>2,992,599</u>	<u>-</u>	<u>18,863,937</u>
Total capital assets, being depreciated	<u>21,094,712</u>	<u>4,064,127</u>	<u>(70,225)</u>	<u>25,088,614</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(62,321)	(17,349)	-	(79,670)
Buildings and improvements	(553,146)	(61,587)	-	(614,733)
Equipment	(247,296)	(50,952)	13,245	(285,003)
Vehicles	(1,441,257)	(162,525)	23,750	(1,580,032)
Infrastructure	<u>(3,012,068)</u>	<u>(874,128)</u>	<u>-</u>	<u>(3,886,196)</u>
Total accumulated depreciation	<u>(5,316,088)</u>	<u>(1,166,541)</u>	<u>36,995</u>	<u>(6,445,634)</u>
Total capital assets, being depreciated, net	<u>15,778,624</u>	<u>2,897,586</u>	<u>(33,230)</u>	<u>18,642,980</u>
Governmental activities capital assets, net	<u>\$ 18,077,865</u>	<u>\$ 4,429,340</u>	<u>\$ (2,268,677)</u>	<u>\$ 20,238,528</u>

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

<u>Governmental activities:</u>	
General government	\$ 205,111
Security of persons and property	131,331
Transportation	812,287
Leisure time activity	<u>17,812</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,166,541</u>

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 10 - CAPITAL ASSETS - (Continued)

B. Business-type activities capital asset activity for the year ended December 31, 2014, was as follows.

<u>Business-type activities:</u>	<u>Balance</u>			<u>Balance</u>
	<u>12/31/13</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/14</u>
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$ 654,893	\$ -	\$ -	\$ 654,893
Construction in progress	<u>232,396</u>	<u>55,738</u>	<u>(288,134)</u>	<u>-</u>
Total Capital Assets, Not Being Depreciated	<u>887,289</u>	<u>55,738</u>	<u>(288,134)</u>	<u>654,893</u>
<i>Capital Assets, Being Depreciated:</i>				
Land improvements	11,430,679	220,842	-	11,651,521
Buildings and improvements	2,483,755	-	-	2,483,755
Equipment	131,967	21,358	-	153,325
Vehicles	193,681	-	-	193,681
Infrastructure	<u>7,722,921</u>	<u>32,604</u>	<u>-</u>	<u>7,755,525</u>
Total Capital Assets, Being Depreciated	<u>21,963,003</u>	<u>274,804</u>	<u>-</u>	<u>22,237,807</u>
<i>Less: Accumulated Depreciation:</i>				
Land improvements	(2,320,966)	(319,588)	-	(2,640,554)
Buildings and improvements	(1,580,828)	(80,218)	-	(1,661,046)
Equipment	(25,728)	(11,608)	-	(37,336)
Vehicles	(109,676)	(17,587)	-	(127,263)
Infrastructure	<u>(4,291,541)</u>	<u>(223,185)</u>	<u>-</u>	<u>(4,514,726)</u>
Total Accumulated Depreciation	<u>(8,328,739)</u>	<u>(652,186)</u>	<u>-</u>	<u>(8,980,925)</u>
Total Capital Assets, Being Depreciated, Net	<u>13,634,264</u>	<u>(377,382)</u>	<u>-</u>	<u>13,256,882</u>
Business-Type Activities Capital Assets, Net	<u>\$ 14,521,553</u>	<u>\$ (321,644)</u>	<u>\$ (288,134)</u>	<u>\$ 13,911,775</u>

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

<u>Business-type activities:</u>	
Water	\$ 308,444
Sewer	<u>343,742</u>
Total Depreciation Expense - Business Type Activities	<u>\$ 652,186</u>

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 11 - OTHER EMPLOYEE BENEFITS

Compensated Absences

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

Employees are permitted to earn compensatory-time and may accrue a maximum of between 80-120 hours depending upon the applied collective bargaining agreement or City policy and may be carried forward to the next year.

As of December 31, 2014, the liability for compensated absences in governmental activities and business-type activities was \$84,011 and \$19,270, respectively. The total liability for the City's compensated absences reported on the statement of net position was \$103,281 with \$86,643 being due within one year.

NOTE 12 - CAPITAL LEASES - LESSEE DISCLOSURE

In the current year, the City entered into capital lease agreements for the acquisition of two dump trucks. In a prior year, the City entered into capital lease agreements for the acquisition of copiers and police radios. These leases meet the criteria of a capital lease which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

Vehicles in the amount of \$267,774 have been capitalized which is equal to the present value of the future minimum lease payment at the time of acquisition. A corresponding liability was recorded. Accumulated depreciation on the vehicles totaled \$13,388, leaving a current book value of \$254,386.

Copiers and police radios in the amount of \$148,029 have not been capitalized since the assets do not meet the City's capitalization threshold. A liability of \$325,436 at December 31, 2014 has been recorded in the government-wide financial statements. Principal and interest payments in 2014 totaled \$5,925 and \$847, respectively, are reported as debt service payments of the general fund. Principal payments of \$56,200 are reported as debt service payments in the street fund. Principal and interest payments of \$23,378 and \$3,409, respectively, are reported as debt service payments in the police fund.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the future minimum lease payments as of December 31, 2014:

<u>Fiscal Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2015	\$ 89,759
2016	89,758
2017	83,938
2018	<u>82,987</u>
Total minimum lease payment	346,442
Less: amount representing interest	<u>(21,006)</u>
Present value of minimum lease payments	<u>\$ 325,436</u>

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 13 - LONG-TERM OBLIGATIONS

A. During 2014, the following activity occurred in the City's governmental long-term obligations:

	<u>Balance</u>			<u>Balance</u>	<u>Amounts</u>
Governmental activities:	12/31/13	Additions	Reductions	12/31/14	Due in
					One Year
Series 2014 general obligation bonds	\$ -	\$ 6,630,000	\$ -	\$ 6,630,000	\$ 255,000
LGIF loan	-	174,285	-	174,285	17,429
Notes payable	347,549	-	(304,793)	42,756	42,756
Capital leases	143,165	267,774	(85,503)	325,436	81,225
SIB loan	255,204	-	(28,676)	226,528	29,543
OPWC loans	63,956	29,128	(3,236)	89,848	3,237
Compensated absences	94,676	149,988	(160,653)	84,011	67,373
Total Governmental Activities					
Long-Term Obligations	<u>\$ 904,550</u>	<u>\$ 7,251,175</u>	<u>\$ (582,861)</u>	7,572,864	<u>\$ 496,563</u>
Add: unamortized premium on bond issuance				<u>246,058</u>	
Total Reported on Statement of Net Position				<u>\$ 7,818,922</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, street and police funds.

Series 2014 General Obligation Bonds: On October 30, 2014, the City issued \$6,630,000 in Series 2014 general obligation bonds to refund the bond anticipation notes - Series 2013B and bond anticipation notes - Series 2014, as well as to provide \$1,955,000 in proceeds for street projects. This bond issue was part of an overall bond issue of \$9,390,000 with \$2,760,000 being reported in the business-type activities (see Note 13.B). The bonds carry interest rates ranging from 2.00-4.00% and have a final maturity date of December 1, 2034. At December 31, 2014, there were \$2,302,619 in unspent bond proceeds.

LGIF Loan: During 2014, the City entered into a loan agreement with the State of Ohio Development Service Agency for a Local Government Innovation Fund (LGIF) Loan in the amount of \$174,285 for a Multi-Agency Radio Communications System (MARCS) that will be shared with the West Licking Joint Fire District. The loan is a 0% loan and has a final maturity date of December 1, 2024.

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 matured on December 9, 2014. There are no future obligations outstanding on this loan.

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, 2014

NOTE 13 - 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. At December 31, 2013, the City had OPWC loans outstanding for Refugee Road and Mink Street. The OPWC loan for Mink Street (balance of \$44,535) is currently “open” meaning the final distributions have not been made from the OPWC; therefore, future debt service requirements have not been finalized.

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, 2014, the City has a \$226,528 balance outstanding on the loan.

Capital Lease Obligation: Capital lease obligations will be paid from the general fund and police fund. See Note 12 for details.

A summary of the City’s future debt service requirements for governmental activities long-term obligations outstanding as of December 31, 2014 are as follows:

Year Ending December 31,	Series 2014 GO Bonds		
	Principal	Interest	Total
2015	\$ 255,000	\$ 203,671	\$ 458,671
2016	270,000	182,424	452,424
2017	275,000	177,025	452,025
2018	285,000	171,524	456,524
2019	290,000	165,825	455,825
2020 - 2024	1,525,000	740,522	2,265,522
2025 - 2029	1,700,000	556,077	2,256,077
2030 - 2034	2,030,000	244,226	2,274,226
Total	\$ 6,630,000	\$ 2,441,294	\$ 9,071,294

Year Ending December 31,	LGI Loan		
	Principal	Interest	Total
2015	\$ 17,429	\$ -	\$ 17,429
2016	17,428	-	17,428
2017	17,429	-	17,429
2018	17,428	-	17,428
2019	17,429	-	17,429
2020 - 2024	87,142	-	87,142
Total	\$ 174,285	\$ -	\$ 174,285

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	Notes Payable		
	Principal	Interest	Total
2015	\$ 42,756	\$ 2,059	\$ 44,815
Total	\$ 42,756	\$ 2,059	\$ 44,815

Year Ending December 31,	SIB Loan		
	Principal	Interest	Total
2015	\$ 29,543	\$ 6,576	\$ 36,119
2016	30,436	5,683	36,119
2017	31,356	4,763	36,119
2018	32,304	3,815	36,119
2019	33,280	2,839	36,119
2020 - 2021	69,609	9,284	78,893
Total	\$ 226,528	\$ 32,960	\$ 259,488

Year Ending December 31,	OPWC Loans		
	Principal	Interest	Total
2015	\$ 3,237	\$ -	\$ 3,237
2016	3,237	-	3,237
2017	3,236	-	3,236
2018	3,237	-	3,237
2019	3,237	-	3,237
2020 - 2024	16,183	-	16,183
2025 - 2028	12,946	-	12,946
Total	\$ 45,313	\$ -	\$ 45,313

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CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

B. During 2014, the following activity occurred in the City's business-type long-term obligations:

Business-type activities:	Interest Rate	Balance 12/31/13	Additions	Reductions	Balance 12/31/14	Amounts Due in One Year
<u>General Obligation Bonds</u>						
Series 2011 Sewer bonds	5.50-6.125%	\$ 380,000	\$ -	\$ (60,000)	\$ 320,000	\$ 60,000
Series 2014 Sewer bonds	2.00-4.00%	-	1,310,000	-	1,310,000	50,000
Series 2007 Water bonds	4.25-5.00%	5,920,000	-	(140,000)	5,780,000	145,000
Series 2014 Water bonds	2.00-4.00%	-	1,450,000	-	1,450,000	55,000
Total General Obligation Bonds	4.25% - 6.125%	<u>6,300,000</u>	<u>2,760,000</u>	<u>(200,000)</u>	<u>8,860,000</u>	<u>310,000</u>
<u>OWDA Loans</u>						
Sewer planning loan #5374	3.25%	42,684	-	(2,072)	40,612	2,139
Sewer design loan #5917	3.17%	329,131	-	(9,908)	319,223	10,224
Sewer system loan #5735	2.66%	3,744,980	-	(150,353)	3,594,627	-
Total OWDA loans		<u>4,116,795</u>	<u>-</u>	<u>(162,333)</u>	<u>3,954,462</u>	<u>12,363</u>
<u>Other Obligations</u>						
Compensated absences		23,891	57,168	(61,789)	19,270	19,270
Total Other Obligations		<u>23,891</u>	<u>57,168</u>	<u>(61,789)</u>	<u>19,270</u>	<u>19,270</u>
Total Business-Type Activities Long- Term Obligations		<u>\$ 10,440,686</u>	<u>\$ 2,817,168</u>	<u>\$ (424,122)</u>	12,833,732	<u>\$ 341,633</u>
Add: Unamortized premium on bond issue					179,186	
Total Reported on the Statement of Net Position					<u>\$ 13,012,918</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 position.

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

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

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 13 - 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, 2014, the City had spent all bond proceeds on this bond issue.

On October 30, 2014, the City issued \$1,450,000 in Series 2014 general obligation bonds for the sewer fund and \$1,310,000 for the water fund to refund the bond anticipation notes - Series 2013B and bond anticipation notes - Series 2014. This bond issue was part of an overall bond issue of \$9,390,000 with \$6,630,000 being reported in the governmental activities (See Note 13.A). The bonds carry interest rates ranging from 2.00-4.00% and have a final maturity date of December 1, 2034. At December 31, 2014, there were \$27,783 in water unspent bond proceeds and \$89,911 in sewer unspent bond proceeds.

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, 2014, the City had outstanding borrowings of \$3,954,462. During 2014, the sewer fund made \$162,333 principal payments on the OWDA loans. Sewer system loan #5735 is currently “open” meaning the final distributions have not been made from the OWDA; therefore, future debt service requirements have not been finalized.

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 72.87 percent of the sewer fund net revenues and 24.14 percent of total revenues. Principal and interest paid for the current year were \$401,661, total net revenues were \$551,196 and total revenues were \$1,664,194.

The future debt service requirements for the OWDA loan Sewer System Loan #5735 is not included as this loan has not been completely disbursed and closed out as of December 31, 2014.

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	General Obligation Bonds		
	Principal	Interest	Total
December 31,			
2015	\$ 310,000	\$ 368,576	\$ 678,576
2016	320,000	352,539	672,539
2017	330,000	342,612	672,612
2018	355,000	332,364	687,364
2019	360,000	319,762	679,762
2020 - 2024	1,620,000	1,387,913	3,007,913
2025 - 2029	1,970,000	1,066,152	3,036,152
2030 - 2034	2,445,000	598,701	3,043,701
2035 - 2037	1,150,000	107,993	1,257,993
Total	\$ 8,860,000	\$ 4,876,612	\$ 13,736,612

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	OWDA Loans		
	Principal	Interest	Total
2015	\$ 12,363	\$ 11,342	\$ 23,705
2016	12,761	10,945	23,706
2017	13,170	10,535	23,705
2018	13,593	10,112	23,705
2019	14,029	9,676	23,705
2020 - 2024	77,198	41,332	118,530
2025 - 2029	90,405	28,124	118,529
2030 - 2034	87,346	13,970	101,316
2035 - 2036	38,970	1,556	40,526
Total	\$ 359,835	\$ 137,592	\$ 497,427

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, 2014, the City's total debt margin was \$34,938,078 and the unvoted debt margin was \$18,158,094.

NOTE 14 - NOTES PAYABLE

Changes in the City's note activity for the year ended December 31, 2014, were as follows:

	Balance 12/31/2013	Issued	Retired	Balance 12/31/2014
<u>Governmental fund notes</u>				
Bond anticipation notes - Series 2013A	\$ 3,530,000	\$ -	\$ (3,530,000)	\$ -
Bond anticipation notes - Series 2013B	2,430,000	-	(2,430,000)	-
Bond anticipation notes - Series 2014	-	2,530,000	(2,530,000)	-
Total Governmental Fund Notes	\$ 5,960,000	\$ 2,530,000	\$ (8,490,000)	\$ -
<u>Enterprise fund notes</u>				
Bond anticipation notes - Series 2013A	\$ 1,835,000	\$ -	\$ (1,835,000)	\$ -
Bond anticipation notes - Series 2013B	1,010,000	-	(1,010,000)	-
Bond anticipation notes - Series 2014	-	1,810,000	(1,810,000)	-
Total Enterprise Fund Notes	\$ 2,845,000	\$ 1,810,000	\$ (4,655,000)	\$ -

CITY OF PATASKALA, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 14 - NOTES PAYABLE - (Continued)

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

On March 27, 2013, the City issued Series 2013A bond anticipation notes in the amount of \$5,365,000 for the following purposes: (a) \$2,555,000 to partially refund the bond anticipation notes maturing on March 28, 2013, (b) \$115,000 for Summit Road Drainage Improvements and (c) \$2,695,000 for Mink Road Improvements. The notes bore an interest rate of 1.50% and matured on March 26, 2014.

On November 20, 2013, the City issued Series 2013B bond anticipation notes in the amount of \$3,440,000 for the following purposes: (a) \$180,000 for police improvements, (b) \$750,000 for street projects and (c) \$2,510,000 to refund the Series 2012B bond anticipation notes. The notes bore an interest rate of 1.50% and matured on November 19, 2014.

On March 25, 2014, the City issued \$4,340,000 in Series 2014 bond anticipation notes to partially refund the Series 2013A bond anticipation notes. These notes bore an interest rate of 1.65% and matured on November 19, 2014.

NOTE 15 - RISK MANAGEMENT

A. Risk Pool Membership

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

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

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

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

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

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 15 - RISK MANAGEMENT - (Continued)

The Pool's audited financial statements conform to generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2013 and 2012 (the latest information available):

	<u>2013</u>	<u>2012</u>
Assets	\$13,774,304	\$13,100,381
Liabilities	<u>(7,698,395)</u>	<u>(6,687,193)</u>
Members' Equity	<u>\$ 5,805,909</u>	<u>\$ 6,413,188</u>

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

B. Workers' Compensation

During 2014, the City participated in the Ohio Bureau of Workers' Compensation (BWC) Individual Retrospective Rating Program (Retrospective Program). The Retrospective Program is an alternative rating plan that allows the employer to initially pay BWC less in premiums than it would without the plan. An employer participating in the Retrospective Program may earn a possible premium reduction by assuming a portion of the risk of workers' compensation claims. If the employer's total cost is below what they would have paid had they not enrolled in the Retrospective Program, they realize the difference in savings. The Retrospective Program is intended to achieve lower workers' compensation premiums and claims costs by promoting safe working conditions and environments for the employees.

C. Employee Medical, Dental, Vision and Life

On September 1, 2014, the City joined the Ohio Public Entity Consortium Healthcare Cooperative (OPEC-HC), a risk-sharing pool, which provides employee health care benefits for all full-time employees who wish to participate in the plan. The OPEC-HC consists of one hundred sixty (160) political subdivisions that pool risk for basic hospital, surgical and prescription drug coverage for approximately 3,300 employees. The OPEC-HC is governed by a seven member Board of Directors consisting of: three (3) duly elected representatives of the member organizations; the Plan Administrator; a representative of the plan's marketing firm; the Executive Director of the Ohio Public Entity Consortium (OPEC); the OPEC Board Chairman. The Board elects a chairman, vice-chairman, and recording secretary. The Board is responsible for its own financial matters and the Plan Administrator maintains the plan's books of account. Budgeting and financing of the OPEC-HC are subject to the approval of the Board. The City pays monthly contributions to the OPEC-HC, which are used to purchase excess loss insurance for the OPEC-HC, to pay current claims and related claim settlement expenses, and to establish and maintain sufficient reserves. The monthly contribution is determined for each member in accordance with the number of covered officers and employees, and the prior loss experience of the respective member group. The Board shall determine annually, on or before the annual meeting, the percentage increase or decrease in the excess reserves for future operations. The funds are maintained in a bank trust account established for the sole purpose and benefit of the OPEC-HC's operations. Financial information for the OPEC-HC can be obtained from Erin Patton, President, Ohio Public Entity Consortium, 8120 Corporate Blvd, Suite 102, Plain City, Ohio 43064.

The OPEC-HC has entered into an agreement for individual and aggregate excess loss coverage with a commercial insurance carrier. The individual excess loss coverage has been structured to indemnify the OPEC-HC for medical claims in excess of \$500,000 per participant. In the event that the losses of the consortium in any year exceeds amounts paid to the OPEC-HC, together with all stop-loss, reinsurance and other coverage then in effect, then the payment of all uncovered losses shall revert to and be the sole obligation of the political subdivision against which the claim was made.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 15 - RISK MANAGEMENT - (Continued)

The City currently has no specified percentage share of the OPEC-HC. The only time at which a percentage share would be calculated occurs if the OPEC-HC voted to terminate ongoing operations. After a vote to terminate the OPEC-HC, the Board would wind-up the OPEC-HC's business as quickly as practicable, but in any event would complete this process no later than six months after the termination date. During such period, the OPEC-HC would continue to pay all claims and expenses until the OPEC-HC's funds are exhausted. After payment of all claims and expenses, or upon the termination of the aforesaid six month period, any remaining surplus funds held by the OPEC-HC would be paid to the members of the OPEC-HC who are members as of the termination date. The Board would determine the manner in which such surplus funds would be distributed, and would consider the percentage relationship which each member's contributions to the OPEC-HC for the prior three calendar years of the OPEC-HC bore to all members' contributions to the OPEC-HC for that same period, and the loss experience of each plan in which the member participated for the prior three years of the OPEC-HC. The City's payment for health insurance coverage to OPEC-HC in 2014 was \$242,269.

Dental, vision and life insurance benefits are also provided. The family and single rates are not gender and age sensitive, and are the same for each class of employees.

NOTE 16 - PENSION PLANS

A. Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, 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 2014, member and employer contribution rates were consistent across all three plans. The 2014 member contribution rates were 10.00% for members. The City's contribution rate for 2014 was 14.00% of covered payroll.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 16 - PENSION PLANS - (Continued)

The City's contribution rate for pension benefits for members in the Traditional Plan and Combined Plan for 2014 was 12.00%. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2014, 2013, and 2012 were \$162,508, \$204,781, and \$114,441, respectively; 90.48% has been contributed for 2014 and 100% has been contributed for 2013 and 2012. The remaining 2014 pension liability has been reported as pension obligation payable on the basic financial statements. Contributions to the Member-Directed Plan for 2014 were \$843 made by the City and \$602 made by the plan members.

B. Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164 or by visiting the website at www.op-f.org.

Funding Policy - From January 1, 2014 through July 1, 2014, plan members were required to contribute 10.75% of their annual covered salary. From July 2, 2014 through December 31, 2014, plan members were required to contribute 11.50% of their annual covered salary. Throughout 2014, the City was required to contribute 19.50% for police officers. Contribution rates are established by State statute.

For 2014, the portion of the City's contributions to fund pension obligations was 19.00% for police officers. The City's required contributions for pension obligations to OP&F for police officers was \$187,005 for the year ended December 31, 2014, \$142,360 for the year ended December 31, 2013 and \$110,378 for the year ended December 31, 2012. 100% has been contributed for 2013 and 2012. 92.03% has been contributed for police for 2014. The remaining 2014 pension liability has been reported as pension obligation payable on the basic financial statements.

NOTE 17 - 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, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 17 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2014, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan and Combined Plan for 2014 was 2.00%.

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, 2014, 2013, and 2012 were \$27,094, \$15,746, and \$87,090, respectively; 90.48% has been contributed for 2014 and 100% has been contributed for 2013 and 2012. The remaining 2014 post-employment health care benefits liability has been reported as pension obligation payable on the basic financial statements.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.00% of the employer contributions toward the health care fund after the end of the transition period.

B. Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the OP&F Pension Fund sponsored health care program, a cost-sharing multiple-employer defined 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 or by visiting the website at www.op-f.org.

CITY OF PATASKALA, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 17 - POSTRETIREMENT BENEFIT PLANS - (Continued)

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

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 2014, the portion of employer contributions allocated to health care was 0.50% 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 was \$4,921 for the year ended December 31, 2014, \$34,237 for the year ended December 31, 2013, and \$58,435 for the year ended December 31, 2012. 100% has been contributed for 2013 and 2012. 92.03% has been contributed for 2014. The remaining 2014 post-employment health care benefits liability has been reported as pension obligation payable on the basic financial statements.

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING

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

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

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

- (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).

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	\$ 164,820	\$ 840,962	\$ (612,372)
Net adjustment for revenue accruals	31,883	20,841	174,082
Net adjustment for expenditure accruals	4,163	(256,652)	73,955
Net adjustment for other sources/uses	-	267,774	183,133
Funds budgeted elsewhere	2,418	-	-
Adjustment for encumbrances	100,350	197,382	60,724
GAAP basis	<u>\$ 303,634</u>	<u>\$ 1,070,307</u>	<u>\$ (120,478)</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 unclaimed monies fund, recreation fund and sesquicentennial fund.

NOTE 19 - 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, 2014.

B. Litigation

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

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 20 - 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:

<u>Fund balance</u>	<u>General</u>	<u>Street Fund</u>	<u>Police Fund</u>	<u>Issue II Fund</u>	<u>Bond Improvements Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:							
Materials and supplies inventory	\$ -	\$ 33,516	\$ -	\$ -	\$ -	\$ -	\$ 33,516
Prepays	6,997	7,515	19,846	-	-	-	34,358
Unclaimed monies	25	-	-	-	-	-	25
Total Nonspendable	7,022	41,031	19,846	-	-	-	67,899
Restricted:							
Debt service	-	-	-	-	-	272,626	272,626
Capital improvements	-	-	-	236,209	2,302,619	1,302,871	3,841,699
Transportation projects	-	2,358,997	-	-	-	629,934	2,988,931
Community development	-	-	-	-	-	9	9
Police	-	-	1,279,714	-	-	73,600	1,353,314
Total Restricted	-	2,358,997	1,279,714	236,209	2,302,619	2,279,040	8,456,579
Committed:							
Community development programs	-	-	-	-	-	4,452	4,452
Parks and recreation	-	-	-	-	-	39,960	39,960
Total Committed	-	-	-	-	-	44,412	44,412
Assigned:							
Subsequent year appropriation	39,280	-	-	-	-	-	39,280
General government	9,879	-	-	-	-	-	9,879
Community environment	10,672	-	-	-	-	-	10,672
Leisure time activities	29,160	-	-	-	-	-	29,160
Other purposes	31,658	-	-	-	-	-	31,658
Total Assigned	120,649	-	-	-	-	-	120,649
Unassigned	868,271	-	-	-	-	-	868,271
Total Fund Balances	\$ 995,942	\$ 2,400,028	\$ 1,299,560	\$ 236,209	\$ 2,302,619	\$ 2,323,452	\$ 9,557,810

NOTE 21 - CONTRACTUAL COMMITMENTS

As a result of various projects that were in progress at December 31, 2014, the City had the following outstanding contractual commitments at year end:

<u>Vendor</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Amount Outstanding</u>
Stantec Consulting Services	\$ 448,290	\$ (190,431)	\$ 257,859
Poggemeyer Design	77,465	(1,900)	75,565
Shelly Company	1,267,061	(659,938)	607,123
Englefield Oil Company	125,450	(91,578)	33,872
Detroit Cornice and Slate Co.	93,012	(62,952)	30,060
Jobes Henderson & Associates	147,923	(84,076)	63,847
Morton Salt Inc.	100,000	(83,304)	16,696
Ohio Power Company	294,652	(264,001)	30,651
Total	\$ 2,553,853	\$ (1,438,180)	\$ 1,115,673

CITY OF PATASKALA, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 22 - OTHER COMMITMENTS

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

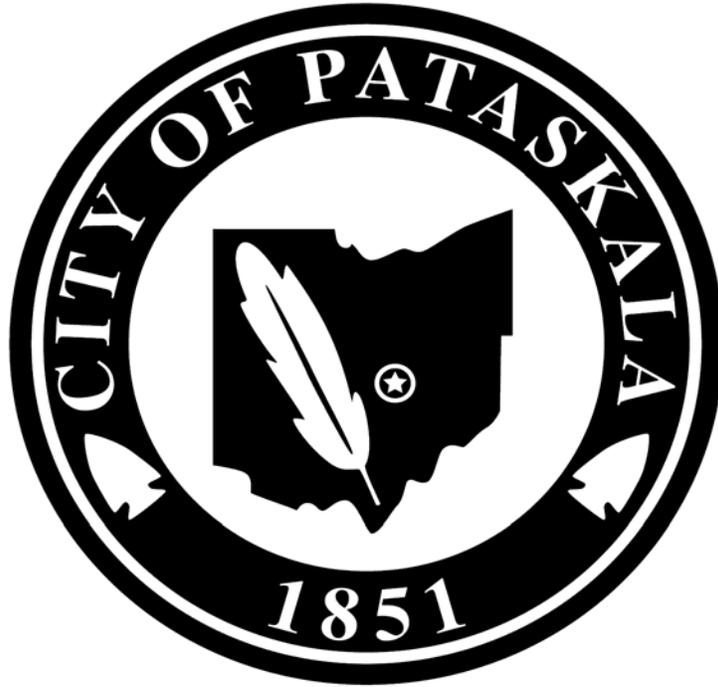
<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 49,711
Street fund	165,864
Police fund	52,530
Issue II fund	204,623
Bond improvements fund	320,928
Nonmajor governmental funds	<u>80,545</u>
Total	<u>\$ 874,201</u>

NOTE 23 - SUBSEQUENT EVENT

During 2015, the City entered into a capital lease in the amount of \$500,000 for dump trucks, a backhoe, skid steer and road patching machine. The rate on the lease is 2.59% and the City will make five yearly payments of \$105,178.



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COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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

GENERAL FUND

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

MAJOR FUNDS

Street Fund

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

Police Fund

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

Bond Improvements Fund

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

Issue II Fund

This fund is used to account for transfers and intergovernmental revenues that are restricted for Issue II projects.

NONMAJOR SPECIAL REVENUE FUNDS

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

State Highway Fund

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

Ecological Preservation Fund

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

Pataskala Corporate Park Joint Economic Development District Fund

This fund accounts for income taxes received from collections within the Pataskala Corporate Park which are restricted 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 restricted for planning, constructing, improving, maintaining, and repairing roads, streets and bridges within the City.

Park Use Fund

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

Immobilization Fund

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

Court Computer Fund

This fund receives fines assessed from the City's Mayor's Court and are restricted to improve the court computer systems.

CITY OF PATASKALA, OHIO

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

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Alcohol Enforcement and Education Fund

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

Law Enforcement Trust Fund

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

Pataskala Mobile Home Park Fund

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

Federal Emergency Management Agency Fund (FEMA)

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

Community Housing Improvement Program (CHIP) Fund

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

CDBG Fund

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

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.

Indigent Driver Interlock Fund

This fund accounts for fine and forfeitures that are restricted for expenditures related to indigent drivers.

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

Unclaimed Monies Fund

This fund is used to account for resources that are unclaimed monies that have not been distributed. The fund balance of this fund is nonspendable.

Recreation Fund

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

Sesquicentennial Fund

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

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

Police K-9 Unit Fund

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

NONMAJOR DEBT SERVICE FUNDS

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

Debt Service Fund

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

Street Bond Fund

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

CITY OF PATASKALA, OHIO

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

NONMAJOR CAPITAL PROJECTS FUNDS

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

Nonmajor Capital Projects Funds

Capital Improvements Fund

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

Municipal Building Purchase Fund

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

Courter Bridge Improvement Fund

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

State Route 310 Tax Increment Finance Equivalent Fund

This fund accounts for tax incentive equivalent funds .

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Real and Other Taxes	\$ 848,282	\$ 833,310	\$ 833,413	\$ 103
Licenses and Permits	287,355	261,526	232,891	(28,635)
Fines and Forfeitures	180,525	179,025	162,997	(16,028)
Intergovernmental	180,625	197,650	197,787	137
Special Assessments	3,000	4,165	4,169	4
Investment Income	-	3,000	3,259	259
Rental Income	108,675	115,000	118,899	3,899
Other	51,475	159,638	160,240	602
Total Revenues	1,659,937	1,753,314	1,713,655	(39,659)
Expenditures:				
<i>Current:</i>				
<u>General Government</u>				
General Government				
Salaries & related	28,854	41,864	29,439	12,425
Contractual services	155,977	176,977	144,159	32,818
General operating	142,439	108,542	74,243	34,299
Total General Government	327,270	327,383	247,841	79,542
Court & Legal				
Salaries & related	113,304	113,304	100,898	12,406
Contractual services	140,403	140,403	125,952	14,451
General operating	21,000	21,000	11,609	9,391
Total Court & Legal	274,707	274,707	238,459	36,248
Executive & Legislative				
Salaries & related	150,930	150,930	130,645	20,285
Contractual services	6,000	6,000	3,320	2,680
General operating	13,752	18,752	12,523	6,229
Capital outlay	8,000	8,000	500	7,500
Total Executive & Legislative	178,682	183,682	146,988	36,694
Finance				
Salaries & related	48,151	48,151	46,046	2,105
Contractual services	48,020	48,020	35,803	12,217
General operating	18,985	18,985	8,766	10,219
Capital outlay	9,375	9,375	9,375	-
Total Finance	124,531	124,531	99,990	24,541
Parks, Lands & Municipal Facilities				
Contractual services	37,168	37,168	34,134	3,034
General operating	148,262	140,262	118,309	21,953
Capital outlay	119,133	124,133	116,930	7,203
Total Parks, Lands & Municipal Facilities	304,563	301,563	269,373	32,190
Total General Government	1,209,753	1,211,866	1,002,651	209,215

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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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Community Environment</u>				
General Government				
Salaries & related	230,297	230,297	181,908	48,389
Contractual services	37,206	37,206	32,218	4,988
General operating	44,481	44,481	31,743	12,738
Total General Government	311,984	311,984	245,869	66,115
Total Community Environment	311,984	311,984	245,869	66,115
<u>Leisure Time Activities</u>				
Parks, Lands & Municipal Facilities				
Salaries & related	20,607	5,607	4,429	1,178
Contractual services	-	5,200	5,096	104
General operating	99,321	97,321	48,377	48,944
Capital outlay	65,750	5,750	-	5,750
Total Parks, Lands & Municipal Facilities	185,678	113,878	57,902	55,976
Total Leisure Time Activities	185,678	113,878	57,902	55,976
Total Expenditures	1,707,415	1,637,728	1,306,422	331,306
Excess (Deficiency) of Revenues Over (Under) Expenditures	(47,478)	115,586	407,233	291,647
Other Financing Uses:				
Transfers out	-	(242,413)	(242,413)	-
Total Other Financing Uses	-	(242,413)	(242,413)	-
Net Change in Fund Balance	(47,478)	(126,827)	164,820	291,647
Fund Balance at Beginning of Year	569,941	569,941	569,941	-
Prior Year Encumbrances Appropriated	135,251	135,251	135,251	-
Fund Balance at End of Year	\$ 657,714	\$ 578,365	\$ 870,012	\$ 291,647

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, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income taxes	\$ 1,925,100	\$ 2,097,055	\$ 2,097,909	\$ 854
Intergovernmental	696,121	672,550	658,660	(13,890)
Investment income	1,000	7,500	8,157	657
Other	30,000	23,150	31,063	7,913
Total Revenues	2,652,221	2,800,255	2,795,789	(4,466)
Expenditures:				
<i>Current:</i>				
<u>General Government</u>				
General Government				
Salaries & related	47,846	26,346	17,294	9,052
Contractual services	122,362	139,862	108,134	31,728
Total General Government	170,208	166,208	125,428	40,780
Court & Legal				
Salaries & related	31,672	31,672	30,695	977
Total Court & Legal	31,672	31,672	30,695	977
Finance				
Salaries & related	37,510	41,851	36,207	5,644
Contractual services	11,120	12,120	10,836	1,284
General operating	62,753	111,553	111,553	-
Total Finance	111,383	165,524	158,596	6,928
Parks, Lands & Municipal Facilities				
Contractual services	800	800	540	260
General operating	-	31,500	16,198	15,302
Total Parks, Lands & Municipal Facilities	800	32,300	16,738	15,562
Total General Government	314,063	395,704	331,457	64,247
<u>Transportation</u>				
Public Service				
Salaries & related	764,291	640,750	544,587	96,163
Contractual services	181,544	191,944	145,837	46,107
General operating	483,274	543,566	428,439	115,127
Capital outlay	284,750	537,750	504,507	33,243
Total Transportation	1,713,859	1,914,010	1,623,370	290,640
Total Expenditures	2,027,922	2,309,714	1,954,827	354,887
Net Change in Fund Balance	624,299	490,541	840,962	350,421
Fund Balance at Beginning of Year	1,001,231	1,001,231	1,001,231	-
Prior Year Encumbrances Appropriated	33,486	33,486	33,486	-
Fund Balance at End of Year	\$ 1,659,016	\$ 1,525,258	\$ 1,875,679	\$ 350,421

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, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income taxes	\$ 1,718,100	\$ 1,872,190	\$ 1,872,327	\$ 137
Charge for services	6,000	6,650	6,993	343
Fines and forfeitures	25,750	31,850	32,048	198
Intergovernmental	415	2,300	2,284	(16)
Investment income	-	7,575	7,912	337
Other	-	43,000	43,592	592
Total Revenues	1,750,265	1,963,565	1,965,156	1,591
Expenditures:				
<i>Current:</i>				
<u>General Government</u>				
General Government				
Contractual services	41,743	47,243	43,904	3,339
Total General Government	41,743	47,243	43,904	3,339
Court & Legal				
Salaries & related	31,672	31,672	31,283	389
Total Court & Legal	31,672	31,672	31,283	389
Finance				
Salaries & related	41,851	40,351	36,084	4,267
Contractual services	14,665	15,865	14,779	1,086
General operating	61,543	99,543	99,543	-
Total Finance	118,059	155,759	150,406	5,353
Parks, Lands & Municipal Facilities				
Contractual services	4,120	4,120	4,042	78
General operating	17,270	23,770	20,363	3,407
Capital outlay	213,772	113,772	100,771	13,001
Total Finance	235,162	141,662	125,176	16,486
Total General Government	426,636	376,336	350,769	25,567
<u>Security of Persons & Property</u>				
Police				
Salaries & related	1,481,445	1,667,945	1,633,492	34,453
Contractual services	11,392	11,392	9,220	2,172
General operating	282,670	290,452	219,548	70,904
Capital outlay	330,140	360,740	355,936	4,804
Total Police	2,105,647	2,330,529	2,218,196	112,333
Total Security of Persons & Property	2,105,647	2,330,529	2,218,196	112,333
Total Expenditures	2,532,283	2,706,865	2,568,965	137,900
Excess of Expenditures Over Revenues	(782,018)	(743,300)	(603,809)	139,491

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CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Other Financing Sources (Uses):				
Sale of capital assets	\$ -	\$ 285	\$ 285	\$ -
Transfers out	(15,000)	(183,133)	(183,133)	-
Loan proceeds	-	174,285	174,285	-
Total Other Financing Sources (Uses)	(15,000)	(8,563)	(8,563)	-
Net Change in Fund Balance	(797,018)	(751,863)	(612,372)	139,491
Fund Balance at Beginning of Year	1,269,872	1,269,872	1,269,872	-
Prior Year Encumbrances Appropriated	283,511	283,511	283,511	-
Fund Balance at End of Year	\$ 756,365	\$ 801,520	\$ 941,011	\$ 139,491

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BOND IMPROVEMENTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ 5,000	\$ 5,905	\$ 905
Total Revenues	-	5,000	5,905	905
Expenditures:				
<u>Capital outlay</u>				
Public Service				
Capital outlay	\$ 817,539	\$ 803,133	\$ 803,132	1
Total Public Service	817,539	803,133	803,132	1
Total Capital Outlay	817,539	803,133	803,132	1
Total Expenditures	817,539	803,133	803,132	1
Excess of Expenditure Over Revenues	(817,539)	(798,133)	(797,227)	906
Other Financing Sources (Uses):				
Bond issuance	-	6,630,000	6,630,000	-
Note issuance	9,440,000	2,530,000	2,530,000	-
Premiums on bonds and note issuances	-	270,583	270,583	-
Transfers out	(8,440,000)	(7,530,584)	(7,530,584)	-
Total Other Financing Sources (Uses)	1,000,000	1,899,999	1,899,999	-
Net Change in Fund Balance	182,461	1,101,866	1,102,772	906
Fund Balance at Beginning of Year	871,178	871,178	871,178	-
Prior year encumbrances appropriated	67,539	67,539	67,539	-
Fund Balance at End of Year	\$ 1,121,178	\$ 2,040,583	\$ 2,041,489	\$ 906

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ISSUE II FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 367,946	\$ 365,330	\$ 274,285	\$ (91,045)
Total Revenues	367,946	365,330	274,285	(91,045)
Expenditures:				
<u>Capital outlay</u>				
Public Service				
Capital outlay	\$ 2,931,639	\$ 1,541,405	\$ 1,386,609	154,796
Total Public Service	2,931,639	1,541,405	1,386,609	154,796
Total Capital Outlay	2,931,639	1,541,405	1,386,609	154,796
Total Expenditures	2,931,639	1,541,405	1,386,609	154,796
Excess of Expenditure Over Revenues	(2,563,693)	(1,176,075)	(1,112,324)	(245,841)
Other Financing Sources (Uses):				
OPWC loans	122,649	-	29,128	29,128
Transfers in	911,105	-	-	-
Transfers out	(1,050,000)	(867,203)	(867,203)	-
Total Other Financing Sources (Uses)	(16,246)	(867,203)	(838,075)	29,128
Net Change in Fund Balance	(2,579,939)	(2,043,278)	(1,950,399)	(216,713)
Fund Balance at Beginning of Year	656,669	656,669	656,669	-
Prior year encumbrances appropriated	1,529,939	1,529,939	1,529,939	-
Fund Balance (Deficit) at End of Year	\$ (393,331)	\$ 143,330	\$ 236,209	\$ (216,713)

CITY OF PATASKALA, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>				
Equity in pooled cash and investments	\$ 517,197	\$ 189,568	\$ 1,580,930	\$ 2,287,695
Receivables (net of allowances of uncollectibles):				
Income taxes	-	336,977	-	336,977
Accounts	7,309	-	-	7,309
Accrued interest	775	265	1,007	2,047
Payment in lieu of taxes	-	-	174,110	174,110
Due from other governments	44,272	944	-	45,216
<u>Restricted assets:</u>				
Equity in pooled cash and investments	21,222	-	290	21,512
Cash with fiscal and escrow agents	194,471	-	-	194,471
Total Assets	\$ 785,246	\$ 527,754	\$ 1,756,337	\$ 3,069,337
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ -	\$ 28,222	\$ 28,222
Contracts payable	-	-	250,743	250,743
Retainage payable	21,222	-	290	21,512
Total Liabilities	21,222	-	279,255	300,477
<u>Deferred Inflows of Resources:</u>				
Investment income not available	78	26	101	205
Income tax revenue not available	-	255,102	-	255,102
Intergovernmental revenue not available	15,991	-	-	15,991
PILOTs levied for the next fiscal year	-	-	174,110	174,110
Total Deferred Inflows of Resources	16,069	255,128	174,211	445,408
<u>Fund balances:</u>				
Restricted	703,543	272,626	1,302,871	2,279,040
Committed	44,412	-	-	44,412
Total Fund Balances	747,955	272,626	1,302,871	2,323,452
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 785,246	\$ 527,754	\$ 1,756,337	\$ 3,069,337

CITY OF PATASKALA, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Income taxes	\$ 120	\$ 285,666	\$ 285,306	\$ 571,092
Charges for services	11,900	-	-	11,900
Fines and forfeitures	21,097	-	-	21,097
Intergovernmental	850,364	1,219	385	851,968
Investment income	3,199	12,179	4,352	19,730
Payments in lieu of taxes	-	-	201,140	201,140
Other	-	3,085	1,016	4,101
Total Revenues	886,680	302,149	492,199	1,681,028
Expenditures:				
<u>Current:</u>				
General Government	540	13,010	-	13,550
Security of Persons and Property	128,791	-	-	128,791
Transportation	258,119	-	-	258,119
Community Environment	485,916	-	-	485,916
Capital outlay	-	-	542,756	542,756
<u>Debt service:</u>				
Principal retirement	-	336,705	-	336,705
Interest and fiscal charges	-	46,144	2,545	48,689
Bond issuance costs	-	91,118	-	91,118
Total Expenditures	873,366	486,977	545,301	1,905,644
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,314	(184,828)	(53,102)	(224,616)
Other Financing Sources (Uses):				
Transfers in	92,621	378,816	738,478	1,209,915
Premium on bond issuance	-	248,117	-	248,117
Transfers out	(100,299)	(405,900)	-	(506,199)
Total Other Financing Sources (Uses)	(7,678)	221,033	738,478	951,833
Net Change in Fund Balance	5,636	36,205	685,376	727,217
Fund Balance at Beginning of Year	742,319	236,421	617,495	1,596,235
Fund Balance at End of Year	\$ 747,955	\$ 272,626	\$ 1,302,871	\$ 2,323,452

CITY OF PATASKALA, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2014

	<u>State Highway Fund</u>	<u>Ecological Preservation Fund</u>	<u>JEDD Income Tax Fund</u>	<u>Permissive License Tax Fund</u>
<u>Assets:</u>				
Equity in pooled cash and investments	\$ 46,062	\$ 1,000	\$ 1,160	\$ 358,323
Receivables (net of allowances of uncollectibles):				
Accounts	-	-	-	-
Accrued interest	77	-	-	632
Due from other governments	25,344	-	-	18,928
<u>Restricted assets:</u>				
Equity in pooled cash and investments	-	-	-	21,222
Cash with fiscal and escrow agents	-	-	-	194,471
Total Assets	<u>\$ 71,483</u>	<u>\$ 1,000</u>	<u>\$ 1,160</u>	<u>\$ 593,576</u>
<u>Liabilities:</u>				
Retainage payable	\$ -	\$ -	\$ -	\$ 21,222
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,222</u>
<u>Deferred Inflows of Resources:</u>				
Investment income not available	8	-	-	64
Intergovernmental revenue not available	15,991	-	-	-
Total Deferred Inflows of Resources	<u>15,999</u>	<u>-</u>	<u>-</u>	<u>64</u>
<u>Fund balances:</u>				
Restricted	55,484	1,000	1,160	572,290
Committed	-	-	-	-
Total Fund Balances	<u>55,484</u>	<u>1,000</u>	<u>1,160</u>	<u>572,290</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 71,483</u>	<u>\$ 1,000</u>	<u>\$ 1,160</u>	<u>\$ 593,512</u>

<u>Park Use Fund</u>	<u>Immobilization Fund</u>	<u>Court Computer Fund</u>	<u>Alcohol Enforcement and Education Fund</u>	<u>Law Enforcement Trust Fund</u>	<u>Pataskala Mobile Home Park Fund</u>
\$ 39,900	\$ 490	\$ 51,855	\$ 5,921	\$ 7,073	\$ 4,452
-	-	6,775	-	534	-
66	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 39,966</u>	<u>\$ 490</u>	<u>\$ 58,630</u>	<u>\$ 5,921</u>	<u>\$ 7,607</u>	<u>\$ 4,452</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
6	-	-	-	-	-
-	-	-	-	-	-
<u>6</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	490	58,630	5,921	7,607	-
39,960	-	-	-	-	4,452
<u>39,960</u>	<u>490</u>	<u>58,630</u>	<u>5,921</u>	<u>7,607</u>	<u>4,452</u>
<u>\$ 39,966</u>	<u>\$ 490</u>	<u>\$ 58,630</u>	<u>\$ 5,921</u>	<u>\$ 7,607</u>	<u>\$ 4,452</u>

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CITY OF PATASKALA, OHIO

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 DECEMBER 31, 2014

	FEMA Fund	Safe Route To School Fund	Indigent Drivers Interlock	Total Nonmajor Special Revenue Funds
Assets:				
Equity in pooled cash and investments	\$ 9	\$ -	\$ 952	\$ 517,197
Receivables (net of allowances of uncollectibles):				
Accounts	-	-	-	7,309
Accrued interest	-	-	-	775
Due from other governments	-	-	-	44,272
Restricted assets:				
Equity in pooled cash and investments	-	-	-	21,222
Cash with fiscal and escrow agents	-	-	-	194,471
Total Assets	\$ 9	\$ -	\$ 952	\$ 785,246
Liabilities:				
Accrued wages and benefits	\$ -	\$ -	\$ -	\$ 21,222
Total Liabilities	-	-	-	21,222
Deferred Inflows of Resources:				
Accrued interest not available	-	-	-	78
Nonexchange transactions not available	-	-	-	15,991
Total Deferred Inflows of Resources	-	-	-	16,069
Fund balances:				
Restricted	9	-	952	703,543
Committed	-	-	-	44,412
Total Fund Balances	9	-	952	747,955
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 9	\$ -	\$ 952	\$ 785,246



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CITY OF PATASKALA, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>State Highway Fund</u>	<u>Ecological Preservation Fund</u>	<u>Jedd Income Tax Fund</u>	<u>Permissive License Tax Fund</u>
Revenues:				
Income taxes	\$ -	\$ -	\$ 120	\$ -
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	52,424	-	-	332,871
Investment income	252	-	-	2,729
Total Revenues	<u>52,676</u>	<u>-</u>	<u>120</u>	<u>335,600</u>
Expenditures:				
<u>Current:</u>				
General government	-	-	-	-
Transportation	38,474	-	-	219,645
Community Environment	-	-	-	-
Total Expenditures	<u>38,474</u>	<u>-</u>	<u>-</u>	<u>219,645</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>14,202</u>	<u>-</u>	<u>120</u>	<u>115,955</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>14,202</u>	<u>-</u>	<u>120</u>	<u>115,955</u>
Fund Balance at Beginning of Year	<u>41,282</u>	<u>1,000</u>	<u>1,040</u>	<u>456,335</u>
Fund Balance at End of Year	<u>\$ 55,484</u>	<u>\$ 1,000</u>	<u>\$ 1,160</u>	<u>\$ 572,290</u>

Park Use Fund	Immobilization Fund	Court Computer Fund	Alcohol Enforcement and Education Fund	Law Enforcement Trust Fund	Pataskala Mobile Home Park Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11,900	-	-	-	-	-
-	-	18,054	-	2,091	-
-	-	-	-	-	-
210	-	-	-	-	8
12,110	-	18,054	-	2,091	8
-	-	540	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	540	-	-	-
12,110	-	17,514	-	2,091	8
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
12,110	-	17,514	-	2,091	8
27,850	490	41,116	5,921	5,516	4,444
\$ 39,960	\$ 490	\$ 58,630	\$ 5,921	\$ 7,607	\$ 4,452

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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, 2014

	<u>FEMA Fund</u>	<u>CHIP Fund</u>	<u>Safe Route To School Fund</u>	<u>CDBG</u>
Revenues:				
Income taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	336,278	-	128,791
Investment income	-	-	-	-
Total Revenues	<u>-</u>	<u>336,278</u>	<u>-</u>	<u>128,791</u>
Expenditures:				
<u>Current:</u>				
General government	-	-	-	-
Transportation	-	-	-	-
Community environment	-	485,916	-	128,791
Total Expenditures	<u>-</u>	<u>485,916</u>	<u>-</u>	<u>128,791</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(149,638)</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers in	-	92,621	-	-
Transfers out	-	-	(7,678)	(92,621)
Total Other Financing Sources (Uses)	<u>-</u>	<u>92,621</u>	<u>(7,678)</u>	<u>(92,621)</u>
Net Change in Fund Balance	<u>-</u>	<u>(57,017)</u>	<u>(7,678)</u>	<u>(92,621)</u>
Fund Balance at Beginning of Year	<u>9</u>	<u>57,017</u>	<u>7,678</u>	<u>92,621</u>
Fund Balance at End of Year	<u><u>\$ 9</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Indigent Drivers Interlock	Total Nonmajor Special Revenue Funds
\$ -	\$ 120
-	11,900
952	21,097
-	850,364
-	3,199
952	886,680
<hr/>	
-	540
-	258,119
-	614,707
873,366	873,366
<hr/>	
952	13,314
<hr/>	
-	92,621
-	(100,299)
(7,678)	(7,678)
<hr/>	
952	5,636
<hr/>	
-	742,319
\$ 952	\$ 747,955
<hr/>	

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, 2014

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Intergovernmental	\$ 54,000	\$ 51,921	\$ (2,079)
Investment Income	187	195	8
Total Revenues	54,187	52,116	(2,071)
Expenditures:			
<i>Current:</i>			
<u>Transportation</u>			
Public Service			
Contractual services	10,000	3,095	6,905
General operating	39,699	36,695	3,004
Total Public Service	49,699	39,790	9,909
Total Transportation	49,699	39,790	9,909
Total Expenditures	49,699	39,790	9,909
Net Change in Fund Balance	4,488	12,326	7,838
Fund Balance at Beginning of Year	28,513	28,513	-
Prior Year Encumbrances Appropriated	4,839	4,839	-
Fund Balance at End of Year	\$ 37,840	\$ 45,678	\$ 7,838

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ECOLOGICAL PRESERVATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u></u>
Fund Balance at Beginning of Year	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>
Fund Balance at End of Year	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</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, 2014

	<u>Budgeted Amount</u>		Variance with
	<u>Final</u>	<u>Actual</u>	Final Budget
			Positive
			(Negative)
Revenues:			
Income taxes	\$ 185	\$ 187	\$ 2
Total Revenues	<u>185</u>	<u>187</u>	<u>2</u>
Net Change in Fund Balance	185	187	2
Fund Balance at Beginning of Year	<u>973</u>	<u>973</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,158</u>	<u>\$ 1,160</u>	<u>\$ 2</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, 2014

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Intergovernmental	\$ 225,000	\$ 235,570	\$ 10,570
Investment income	2,400	2,556	156
Total Revenues	<u>227,400</u>	<u>238,126</u>	<u>10,726</u>
Expenditures:			
<i>Current:</i>			
<u>Transportation</u>			
Public Service			
General operating	3,672	3,672	-
Capital outlay	298,902	285,819	13,083
Total Public Service	<u>302,574</u>	<u>289,491</u>	<u>13,083</u>
Total Transportation	<u>302,574</u>	<u>289,491</u>	<u>13,083</u>
Total Expenditures	<u>302,574</u>	<u>289,491</u>	<u>13,083</u>
Net Change in Fund Balance	(75,174)	(51,365)	23,809
Fund Balance at Beginning of Year	268,386	268,386	-
Prior Year Encumbrances Appropriated	<u>76,425</u>	<u>76,425</u>	-
Fund Balance at End of Year	<u>\$ 269,637</u>	<u>\$ 293,446</u>	<u>\$ 23,809</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, 2014

	<u>Budgeted Amount</u>		Variance with
	<u>Final</u>	<u>Actual</u>	Final Budget
			Positive
			(Negative)
Revenues:			
Charges for Services	\$ 11,900	\$ 11,900	\$ -
Investment Income	180	192	12
Total Revenues	12,080	12,092	12
Net Change in Fund Balance	12,080	12,092	12
Fund Balance at Beginning of Year	27,850	27,850	-
Fund Balance at End of Year	\$ 39,930	\$ 39,942	\$ 12

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, 2014

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Fund Balance at Beginning of Year	\$ 490	\$ 490	\$ -
Fund Balance at End of Year	<u>\$ 490</u>	<u>\$ 490</u>	<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, 2014

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Fines and forfeitures	\$ 13,000	\$ 12,137	\$ (863)
Total Revenues	13,000	12,137	(863)
Expenditures:			
<i>Current:</i>			
<u>General Government</u>			
Court & Legal			
Contractual services	7,800	-	7,800
Capital outlay	900	900	-
Total Court & Legal	8,700	900	7,800
Total General Government	8,700	900	7,800
Total Expenditures	8,700	900	7,800
Net Change in Fund Balance	4,300	11,237	6,937
Fund Balance at Beginning of Year	40,258	40,258	-
Fund Balance at End of Year	\$ 44,558	\$ 51,495	\$ 6,937

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, 2014

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Expenditures:			
<i>Current:</i>			
<u>Security of Persons & Property</u>			
Police			
Salaries & related	\$ 500	\$ -	\$ 500
Total Police	<u>500</u>	<u>-</u>	<u>500</u>
Total Security of Persons & Property	<u>500</u>	<u>-</u>	<u>500</u>
Total Expenditures	<u>500</u>	<u>-</u>	<u>500</u>
Net Change in Fund Balance	(500)	-	500
Fund Balance at Beginning of Year	\$ 5,921	\$ 5,921	\$ -
Fund Balance at End of Year	<u><u>\$ 5,421</u></u>	<u><u>\$ 5,921</u></u>	<u><u>\$ 500</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, 2014

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Fines and forfeitures	\$ 2,200	\$ 2,459	\$ 259
Total Revenues	<u>2,200</u>	<u>2,459</u>	<u>259</u>
Expenditures:			
<i>Current:</i>			
<u>Security of Persons & Property</u>			
Police			-
General operating	1,000	-	1,000
Total Police	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total Security of Persons & Property	<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	1,200	2,459	1,259
Fund Balance at Beginning of Year	4,614	4,614	-
Fund Balance at End of Year	<u><u>\$ 5,814</u></u>	<u><u>\$ 7,073</u></u>	<u><u>\$ 1,259</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, 2014

	<u>Budgeted Amount</u>		Variance with
	<u>Final</u>	<u>Actual</u>	Final Budget
			Positive
			(Negative)
Revenues:			
Investment Income	\$ -	\$ 8	\$ 8
Total Revenues	<u>-</u>	<u>8</u>	<u>8</u>
Net Change in Fund Balance	<u>-</u>	<u>8</u>	<u>8</u>
Fund Balance at Beginning of Year	<u>4,444</u>	<u>4,444</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 4,444</u>	<u>\$ 4,452</u>	<u>\$ 8</u>

CITY OF PATASKALA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEMA FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u></u>
Fund Balance at Beginning of Year	<u>\$ 9</u>	<u>\$ 9</u>	<u>\$ -</u>
Fund Balance at End of Year	<u><u>\$ 9</u></u>	<u><u>\$ 9</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)
COMMUNITY HOUSING IMPROVEMENT PROGRAM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Intergovernmental	\$ 336,278	\$ 336,278	\$ -
Total Revenues	<u>336,278</u>	<u>336,278</u>	<u>-</u>
Expenditures:			
<i>Current:</i>			
<u>Community Environment</u>			
General Government			
Contractual services	485,915	485,915	-
Total General Government	<u>485,915</u>	<u>485,915</u>	<u>-</u>
Total Community Environment	<u>485,915</u>	<u>485,915</u>	<u>-</u>
Total Expenditures	<u>485,915</u>	<u>485,915</u>	<u>-</u>
Excess of Expenditures Over Revenues	<u>(149,637)</u>	<u>(149,637)</u>	<u>-</u>
Other Financing Sources:			
Transfers in	92,620	92,620	-
Total Other Financing Sources	<u>92,620</u>	<u>92,620</u>	<u>-</u>
Net Change in Fund Balance	<u>(57,017)</u>	<u>(57,017)</u>	<u>-</u>
Fund Balance at Beginning of Year	42,070	42,070	-
Prior year encumbrances appropriated	<u>14,947</u>	<u>14,947</u>	<u>-</u>
Fund Balance at End of Year	<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)

CDBG FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amount</u>		Variance with
	<u>Final</u>	<u>Actual</u>	Final Budget
			Positive
			(Negative)
Other financing uses:			
Transfers out	\$ (92,621)	\$ (92,621)	\$ -
Total Other Financing Uses	<u>(92,621)</u>	<u>(92,621)</u>	<u>-</u>
Net Change in Fund Balance	(92,621)	(92,621)	-
Fund Balance at Beginning of Year	70,921	70,921	-
Prior year encumbrances appropriated	<u>21,700</u>	<u>21,700</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SAFE ROUTES TO SCHOOLS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Intergovernmental	\$ 128,791	\$ 128,791	\$ -
Total Revenues	128,791	128,791	-
Expenditures:			
<i>Current:</i>			
<u>Security of Persons and Property</u>			
Public Service			
Capital outlay	128,791	128,791	-
Total Public Service	128,791	128,791	-
Total Security of Persons and Property	128,791	128,791	-
Total Expenditures	128,791	128,791	-
Excess of Revenues Over Expenditures	-	-	-
Other Financing Uses:			
Transfers out	(7,678)	(7,678)	-
Total Other Financing Uses	(7,678)	(7,678)	-
Net Change in Fund Balance	(7,678)	(7,678)	-
Fund Balance at Beginning of Year	7,678	7,678	-
Fund Balance at End of Year	\$ -	\$ -	\$ -

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INDIGENT DRIVER INTERLOCK FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Fines and forfeitures	\$ 1,000	\$ 952	\$ (48)
Total Revenues	1,000	952	(48)
Net Change In Fund Balance	1,000	952	(48)
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,000</u>	<u>\$ 952</u>	<u>\$ (48)</u>

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
UNCLAIMED MONIES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Other	\$ 25	\$ 25	\$ -
Total Revenues	<u>25</u>	<u>25</u>	<u>-</u>
Net Change in Fund Balance	25	25	-
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	<u>\$ 25</u>	<u>\$ 25</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, 2014

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Investment income	\$ 170	\$ 178	\$ 8
Rental Income	2,160	2,160	-
Contributions and donations	1,845	2,141	296
Other	250	78	(172)
Total Revenues	4,425	4,557	132
Expenditures:			
<i>Current:</i>			
<u>Leisure Time Activities</u>			
Parks, Lands & Municipal Facilities			
General operating	2,881	2,092	789
Total Parks, Lands & Muncipal Facilities	2,881	2,092	789
Total Leisure Time Activities	2,881	2,092	789
Total Expenditures	2,881	2,092	789
Net Change in Fund Balance	1,544	2,465	921
Fund Balance at Beginning of Year	28,431	28,431	-
Prior Year Encumbrances Appropriated	381	381	-
Fund Balance at End of Year	\$ 30,356	\$ 31,277	\$ 921

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, 2014**

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u></u>
Fund Balance at Beginning of Year	<u>\$ 367</u>	<u>\$ 367</u>	<u>\$ -</u>
Fund Balance at End of Year	<u><u>\$ 367</u></u>	<u><u>\$ 367</u></u>	<u><u>\$ -</u></u>

CITY OF PATASKALA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE K-9 UNIT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u></u>
Fund Balance at Beginning of Year	<u>\$ 696</u>	<u>\$ 696</u>	<u>\$ -</u>
Fund Balance at End of Year	<u>\$ 696</u>	<u>\$ 696</u>	<u>\$ -</u>

CITY OF PATASKALA, OHIO
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2014

	Debt Service Fund	Street Bond Fund	Total Nonmajor Debt Service Funds
<u>Assets:</u>			
Equity in pooled cash and investments	\$ 159,501	\$ 30,067	\$ 189,568
Receivables (net of allowances of uncollectibles):			
Income taxes	336,977	-	336,977
Due from other governments	944	-	944
Accrued interest	265	-	265
Total Assets	<u>\$ 497,687</u>	<u>\$ 30,067</u>	<u>\$ 527,754</u>
<u>Deferred Inflows of Resources:</u>			
Investment income not available	26	-	26
Income tax revenue not available	255,102	-	255,102
Total Deferred Inflows of Resources	<u>255,128</u>	<u>-</u>	<u>255,128</u>
<u>Fund Balances:</u>			
Restricted	242,559	30,067	272,626
Total Fund Balances	<u>242,559</u>	<u>30,067</u>	<u>272,626</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 497,687</u>	<u>\$ 30,067</u>	<u>\$ 527,754</u>

CITY OF PATASKALA, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Debt Service Fund	Street Bond Fund	Total Nonmajor Debt Service Funds
Revenues:			
Income taxes	\$ 285,666	\$ -	\$ 285,666
Intergovernmental	1,219	-	1,219
Investment income	12,179	-	12,179
Other	3,085	-	3,085
Total Revenues	302,149	-	302,149
Expenditures:			
<i>Current:</i>			
General government	13,010	-	13,010
<i>Debt service:</i>			
Principal retirement	336,705	-	336,705
Interest and fiscal charges	46,144	-	46,144
Bond issuance costs	91,118	-	91,118
Total Debt Service	473,967	-	473,967
Total Expenditures	486,977	-	486,977
Excess of Expenditures Over Revenues	(184,828)	-	(184,828)
Other Financing Sources (Uses):			
Transfers in	378,816	-	378,816
Transfers out	(405,900)	-	(405,900)
Premium on bond issuance	248,117	-	248,117
Total Other Financing Sources (Uses)	221,033	-	221,033
Net Change in Fund Balance	36,205	-	36,205
Fund Balance at Beginning of Year	206,354	30,067	236,421
Fund Balance at End of Year	\$ 242,559	\$ 30,067	\$ 272,626

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Income taxes	\$ 225,505	\$ 225,582	\$ 77
Intergovernmental	275	275	-
Investment income	2,100	2,127	27
Other	3,085	3,085	-
Total Revenues	230,965	231,069	104
Expenditures:			
<i>Current:</i>			
<u>General government</u>			
Finance			
General operating	13,210	13,010	200
Total Finance	13,210	13,010	200
Total General Government	13,210	13,010	200
<i>Debt service:</i>			
Principal retirement	8,833,071	8,825,984	7,087
Interest and fiscal charges	137,322	136,698	624
Bond issuance costs	110,192	110,192	-
Total Debt Service	9,080,585	9,072,874	7,711
Total Expenditures	9,093,795	9,085,884	7,911
Excess of Expenditures Over Revenues	(8,862,830)	(8,854,815)	8,015
Other Financing Sources:			
Transfers in	8,823,332	8,823,332	-
Premium on sale of notes	6,587	6,587	-
Total Other Financing Sources	8,829,919	8,829,919	-
Net Change in Fund Balance	(32,911)	(24,896)	8,015
Fund Balance at Beginning of Year	184,563	184,563	-
Fund Balance at End of Year	\$ 151,652	\$ 159,667	\$ 8,015

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, 2014

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

CITY OF PATASKALA, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2014

	Capital Improvements Fund	Municipal Building Purchase Fund	Courter Bridge Improvement Fund	State Route 310 TIF Fund	Total Nonmajor Capital Projects Funds
Assets:					
Equity in pooled cash and investments	\$ 604,654	\$ 6,871	\$ 59	\$ 969,346	\$ 1,580,930
Receivables (net of allowances of uncollectibles):					
Payment in lieu of taxes	-	-	-	174,110	174,110
Accrued interest	1,007	-	-	-	1,007
Restricted assets:					
Equity in pooled cash and investments	290	-	-	-	290
Total Assets	\$ 605,951	\$ 6,871	\$ 59	\$ 1,143,456	\$ 1,756,337
Liabilities:					
Accounts payable	\$ 960	\$ -	\$ -	\$ 27,262	\$ 28,222
Contracts payable	250,743	-	-	-	250,743
Retainage payable	290	-	-	-	290
Total Liabilities	251,993	-	-	27,262	279,255
Deferred Inflows of Resources:					
Investment income not available	101	-	-	-	101
PILOTs levied for the next fiscal year	-	-	-	174,110	174,110
Total Deferred Inflows of Resources	101	-	-	174,110	174,211
Fund Balances:					
Restricted	353,857	6,871	59	942,084	1,302,871
Total Fund Balances	353,857	6,871	59	942,084	1,302,871
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 605,850	\$ 6,871	\$ 59	\$ 1,143,456	\$ 1,756,236

CITY OF PATASKALA, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Capital Improvements Fund</u>	<u>Municipal Building Purchase Fund</u>	<u>Courter Bridge Improvement Fund</u>	<u>State Route 310 TIF Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:					
Income taxes	\$ 285,306	\$ -	\$ -	\$ -	\$ 285,306
Intergovernmental	385	-	-	-	385
Investment income	4,352	-	-	-	4,352
Payment in lieu of taxes	-	-	-	201,140	201,140
Other	1,016	\$ -	\$ -	\$ -	1,016
Total Revenues	291,059	-	-	201,140	492,199
Expenditures:					
Capital outlay	498,072	-	-	44,684	542,756
<i>Debt service:</i>					
Interest and fiscal charges	2,545	-	-	-	2,545
Total Debt Service	-	-	-	-	2,545
Total Expenditures	500,617	-	-	44,684	545,301
Excess (Deficiency) of Revenues Over (Under) Expenditures	(209,558)	-	-	156,456	(53,102)
Other Financing Sources:					
Transfers in	738,478	-	-	-	738,478
Total Other Financing Sources	738,478	-	-	-	738,478
Net Change in Fund Balance	528,920	-	-	156,456	685,376
Fund Balance (Deficit) at Beginning of Year	(175,063)	6,871	59	785,628	617,495
Fund Balance at End of Year	\$ 353,857	\$ 6,871	\$ 59	\$ 942,084	\$ 1,302,871

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL IMPROVEMENTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Income tax	\$ 315,705	\$ 315,814	\$ 109
Investment income	3,900	4,075	175
Intergovernmental	385	385	-
Other	1,000	1,016	16
Total Revenues	320,990	321,290	300
Expenditures:			
<u>Capital Outlay</u>			
Finance			
General operating	19,694	17,943	1,751
Total Finance	19,694	17,943	1,751
Public Service			
Capital outlay	894,685	644,129	250,556
Total Public Service	894,685	644,129	250,556
Total Capital Outlay	914,379	662,072	252,307
Total Expenditures	914,379	662,072	252,307
Excess of Expenditures Over Revenues	(593,389)	(340,782)	252,607
Other Financing Sources:			
Transfers in	7,678	7,678	-
Total Other Financing Sources	7,678	7,678	-
Net Change in Fund Balance	(585,711)	(333,104)	252,607
Fund Balance at Beginning of Year	479,558	479,558	-
Prior Year Encumbrances Appropriated	186,895	186,895	-
Fund Balance at End of Year	\$ 80,742	\$ 333,349	\$ 252,607

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, 2014

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u></u>
Fund Balance at Beginning of Year	<u>\$ 6,871</u>	<u>\$ 6,871</u>	<u>\$ -</u>
Fund Balance at End of Year	<u>\$ 6,871</u>	<u>\$ 6,871</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, 2014

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

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STATE ROUTE 310 TAX INCREMENT FINANCE EQUIVALENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amount</u>		Variance with
	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$ 201,100	\$ 201,140	\$ 40
Total Revenues	201,100	201,140	40
Expenditures:			
<u>Capital Outlay</u>			
General Government			
Contractual services	230,000	215,180	14,820
Total Finance	230,000	215,180	14,820
Finance			
Contractual services	6,875	6,865	10
Total Finance	6,875	6,865	10
Total Capital Outlay	236,875	222,045	14,830
Total Expenditures	236,875	222,045	14,830
Net Change in Fund Balance	(35,775)	(20,905)	14,870
Fund Balance at Beginning of Year	778,278	778,278	-
Prior Year Encumbrances Appropriated	7,350	7,350	-
Fund Balance at End of Year	\$ 749,853	\$ 764,723	\$ 14,870

CITY OF PATASKALA, OHIO

**INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - PROPRIETARY FUNDS**

ENTERPRISE FUNDS

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

Major Enterprise Funds

Water Fund

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

Water Expansion Fund

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

Water Bond Improvements Fund

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

Water Debt Service Fund

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

Sewer Fund

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

Sewer Capital Improvement Fund

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

Sewer Bond Improvements Fund

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

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.

The Oaks Assessment Fund

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

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, 2014

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Operating Revenues:			
Charges for services	\$ 1,234,555	\$ 1,108,184	\$ (126,371)
Other operating revenues	9,015	9,205	190
Total Operating Revenues	1,243,570	1,117,389	(126,181)
Operating Expenses:			
General Government			
Salaries & related	21,645	14,035	7,610
Contractual services	60,000	48,244	11,756
Total General Government	81,645	62,279	19,366
Court & Legal			
Salaries & related	25,338	24,444	894
Contractual services	5,000	5,000	-
Total Court & Legal	30,338	29,444	894
Finance			
Salaries & related	31,482	29,913	1,569
Contractual services	8,760	8,220	540
Total Finance	40,242	38,133	2,109
Water Utility			
Salaries & related	353,432	346,828	6,604
Contractual services	97,168	77,733	19,435
General operating	462,090	370,962	91,128
Capital outlay	63,250	13,690	49,560
Total Water Utility	975,940	809,213	166,727
Total Operating Expenses	1,128,165	939,069	189,096
Operating Income	115,405	178,320	62,915
Nonoperating Revenues:			
Investment income	2,125	2,473	348
Total Nonoperating Revenues	2,125	2,473	348
Income Before Transfers	115,405	175,847	60,442
Transfers:			
Transfers out	(165,000)	(165,000)	-
Net Change in Fund Equity	(49,595)	10,847	60,442
Fund Equity at Beginning of Year	474,955	474,955	-
Prior Year Encumbrances Appropriated	32,913	32,913	-
Fund Equity at End of Year	\$ 458,273	\$ 518,715	\$ 60,442

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER EXPANSION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Operating Revenues:			
Charges for services	\$ 280,787	\$ 446,089	\$ 165,302
Total Operating Revenues	280,787	446,089	165,302
Operating Expenses:			
Water Utility			
General operating	1,000	76	924
Capital outlay	130,000	47,637	82,363
Total Water Utility	131,000	47,713	83,287
Total Operating Expenses	131,000	47,713	83,287
Operating Income	149,787	398,376	248,589
Nonoperating revenues:			
Investment income	1,800	2,015	215
Total Nonoperating Revenues	1,800	2,015	215
Income Before Transfers	151,587	400,391	248,804
Transfers:			
Transfers out	(300,000)	(300,000)	-
Total Non-Operating Revenues	(300,000)	(300,000)	-
Net Change in Fund Equity	(148,413)	100,391	248,804
Fund Equity at Beginning of Year	525,836	525,836	-
Prior Year Encumbrances Appropriated	18,786	18,786	-
Fund Equity at End of Year	\$ 396,209	\$ 645,013	\$ 248,804

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER BOND IMPROVEMENTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Operating Expenses:			
Water Utility			
Capital outlay	\$ 73,092	\$ 69,501	\$ 3,591
Total Water Utility	73,092	69,501	3,591
Total Expenses	73,092	69,501	3,591
Operating Loss	(73,092)	(69,501)	3,591
Non-Operating Revenues:			
Bonds issued	1,450,000	1,450,000	-
Notes issued	1,140,000	1,140,000	-
Premiums on notes and bonds issued	64,702	64,703	1
Investment income	200	206	6
Total Non-Operating Revenues	2,654,902	2,654,909	7
Income Before Transfers	2,581,810	2,585,408	3,598
Transfers:			
Transfers out	(2,662,203)	(2,662,203)	-
Total Non-Operating Revenues	(2,662,203)	(2,662,203)	-
Net Change in Fund Equity	(80,393)	(76,795)	3,598
Fund Equity at Beginning of Year	25,596	25,596	-
Prior year encumbrances appropriated	76,336	76,336	-
Fund Equity at End of Year	\$ 21,539	\$ 25,137	\$ 3,598

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Non-Operating Revenues (expenses):			
Investment income	\$ 1,939	\$ 2,088	\$ 149
<u>Debt Service:</u>			
Principal	(2,767,851)	(2,768,000)	(149)
Interest and fiscal charges	(316,248)	(316,247)	1
Bond and note issuance costs	(28,677)	(28,672)	5
Total Debt Service	(3,112,776)	(3,112,919)	(143)
Total Non-Operating Revenues (expenses)	(3,110,837)	(3,110,831)	6
Loss Before Transfers	(3,110,837)	(3,110,831)	6
Transfers:			
Transfers in	3,127,203	3,127,203	-
Net Change in Fund Equity	16,366	16,372	6
Fund Equity at Beginning of Year	14,110	14,110	-
Fund Equity at End of Year	\$ 30,476	\$ 30,482	\$ 6

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, 2014

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Operating Revenues:			
Charges for services	\$ 1,180,731	\$ 1,099,225	\$ (81,506)
Other operating revenues	9,300	9,526	226
Total Operating Revenues	<u>1,190,031</u>	<u>1,108,751</u>	<u>(81,280)</u>
Operating Expenses:			
General Government			
Salaries & related	34,082	21,143	12,939
Contractual services	55,527	48,515	7,012
Total General Government	<u>89,609</u>	<u>69,658</u>	<u>19,951</u>
Court & Legal			
Salaries & related	39,006	37,457	1,549
Contractual services	20,000	20,000	-
Total Court & Legal	<u>59,006</u>	<u>57,457</u>	<u>1,549</u>
Finance			
Salaries & related	47,722	43,570	4,152
Contractual services	10,735	10,190	545
Total Finance	<u>58,457</u>	<u>53,760</u>	<u>4,697</u>
Sewer Utility			
Salaries & related	440,937	432,903	8,034
Contractual services	345,054	261,418	83,636
General operating	331,593	294,342	37,251
Capital outlay	3,250	3,250	-
Total Sewer Utility	<u>1,120,834</u>	<u>991,913</u>	<u>128,921</u>
Total Operating Expenses	<u>1,327,906</u>	<u>1,172,788</u>	<u>155,118</u>
Operating Income (Loss)	<u>(137,875)</u>	<u>(64,037)</u>	<u>73,838</u>
Non-Operating Revenues:			
Investment income	5,250	5,343	93
Total Non-Operating Revenues	<u>5,250</u>	<u>5,343</u>	<u>93</u>
Net Change in Fund Equity	<u>(132,625)</u>	<u>(58,694)</u>	<u>73,931</u>
Fund Equity at Beginning of Year	1,191,335	1,191,335	-
Prior Year Encumbrances Appropriated	49,169	49,169	-
Fund Equity at End of Year	<u>\$ 1,107,879</u>	<u>\$ 1,181,810</u>	<u>\$ 73,931</u>

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER CAPITAL IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Operating Revenues:			
Charges for services	\$ 409,000	\$ 552,372	\$ 143,372
Total Operating Revenues	409,000	552,372	143,372
Operating Expenses:			
Sewer Utility			
General operating	1,000	135	865
Capital outlay	30,000	20,008	9,992
Total Sewer Utility	31,000	20,143	10,857
Total Operating Expenses	31,000	20,143	10,857
Operating Income	378,000	532,229	154,229
Non-Operating Revenues:			
Investment income	2,200	2,192	(8)
Total Non-Operating Revenues	2,200	2,192	(8)
Income Before Transfers	380,200	534,421	154,221
Transfers:			
Transfers out	(382,065)	(382,065)	-
Net Change in Fund Equity	(1,865)	152,356	154,221
Fund Equity at Beginning of Year	634,324	634,324	-
Prior Year Encumbrances Appropriated	5,000	5,000	-
Fund Equity at End of Year	\$ 637,459	\$ 791,680	\$ 154,221

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER BOND IMPROVEMENTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Operating Expenses:			
Sewer Utility			
Capital outlay	\$ 129,768	\$ 129,769	\$ (1)
Total Sewer Utility	129,768	129,769	(1)
Total Operating Expenses	129,768	129,769	(1)
Total Operating Loss	(129,768)	(129,769)	(1)
Non-Operating Revenues:			
Bonds issued	1,310,000	1,310,000	-
Notes issued	670,000	670,000	-
Premiums on notes and bonds issued	55,370	55,370	-
Investment income	575	599	24
Total Non-Operating Revenues	2,035,945	2,035,969	24
Income Before Transfers	1,906,177	1,906,200	23
Transfers:			
Transfers out	(2,055,369)	(2,055,369)	-
Net Change in Fund Equity	(149,192)	(149,169)	23
Fund Equity at Beginning of Year	85,327	85,327	-
Prior year encumbrances appropriated	153,753	153,753	-
Fund Equity at End of Year	\$ 89,888	\$ 89,911	\$ 23

CITY OF PATASKALA, OHIO

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

SEWER DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Non-Operating Revenues (expenses):			
Investment income	\$ 2,908	\$ 2,995	\$ 87
<u>Debt Service:</u>			
Principal	(2,222,949)	(2,232,941)	(9,992)
Interest and fiscal charges	(139,456)	(129,458)	9,998
Issuance costs	<u>(23,155)</u>	<u>(23,143)</u>	12
Total debt service	<u>(2,382,652)</u>	<u>(2,385,542)</u>	18
Total Debt Service	<u>(2,385,560)</u>	<u>(2,385,542)</u>	18
Total Non-Operating Revenues (expenses)	<u>(2,382,652)</u>	<u>(2,382,547)</u>	105
Loss Before Transfers	<u>(2,382,652)</u>	<u>(2,382,547)</u>	105
Transfers:			
Transfers in	<u>2,437,435</u>	<u>2,437,434</u>	(1)
Net Change in Fund Equity	54,783	54,887	104
Fund Equity at Beginning of Year	<u>72,885</u>	<u>72,885</u>	-
Fund Equity at End of Year	<u>\$ 127,668</u>	<u>\$ 127,772</u>	<u>\$ 104</u>

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OAKS ASSESSMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Operating Revenues:			
Special assessments	\$ 20,679	\$ 20,679	\$ -
Total Operating Revenues	<u>20,679</u>	<u>20,679</u>	<u>-</u>
Operating Income	<u>20,679</u>	<u>20,679</u>	<u>-</u>
Nonoperating Expenses:			
Debt service:			
Principal	(9,908)	(9,908)	-
Interest and fiscal charges	(11,107)	(11,059)	48
Total debt service	<u>(21,015)</u>	<u>(20,967)</u>	<u>48</u>
Total Nonoperating Expenses	<u>(21,015)</u>	<u>(20,967)</u>	<u>48</u>
Net Change in Fund Equity	<u>(336)</u>	<u>(288)</u>	<u>48</u>
Fund Equity at Beginning of Year	<u>19,608</u>	<u>19,608</u>	<u>-</u>
Fund Equity at End of Year	<u><u>\$ 19,272</u></u>	<u><u>\$ 19,320</u></u>	<u><u>\$ 48</u></u>

CITY OF PATASKALA, OHIO

*INDIVIDUAL FUND STATEMENT
FUND DESCRIPTION - FIDUCIARY FUNDS*

Agency Funds

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

Mayors Court Fund

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

Fire Escrow Fund

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

Construction Accounts Fund

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

Payroll Clearing Fund

To account for money held related to employee and employer payroll items due to others.

CITY OF PATASKALA, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Beginning Balance 12/31/2013	Additions	Reductions	Ending Balance 12/31/2014
Mayor's Court Fund				
Assets:				
Cash in segregated accounts	\$ 125	\$ 225,677	\$ 225,227	\$ 575
Total Assets	\$ 125	\$ 225,677	\$ 225,227	\$ 575
Liabilities:				
Undistributed monies	\$ 125	\$ 225,677	\$ 225,227	\$ 575
Total Liabilities	\$ 125	\$ 225,677	\$ 225,227	\$ 575
Fire Escrow Fund				
Assets:				
Equity in pooled cash and cash equivalents	\$ 39,755	\$ 4,880	\$ 15,755	\$ 28,880
Total Assets	\$ 39,755	\$ 4,880	\$ 15,755	\$ 28,880
Liabilities:				
Deposits held and due to others	\$ 39,755	\$ 4,880	\$ 15,755	\$ 28,880
Total Liabilities	\$ 39,755	\$ 4,880	\$ 15,755	\$ 28,880
Construction Accounts Fund				
Assets:				
Equity in pooled cash and investments	\$ 197,989	\$ 95,914	\$ 89,142	\$ 204,761
Total Assets	\$ 197,989	\$ 95,914	\$ 89,142	\$ 204,761
Liabilities:				
Deposits held and due to others	\$ 197,989	\$ 95,914	\$ 89,142	\$ 204,761
Total Liabilities	\$ 197,989	\$ 95,914	\$ 89,142	\$ 204,761
Payroll Clearing Account				
Assets:				
Equity in pooled cash and investments	\$ -	\$ 3,009,796	\$ 2,958,274	\$ 51,522
Total Assets	\$ -	\$ 3,009,796	\$ 2,958,274	\$ 51,522
Liabilities:				
Pension obligation payable	\$ -	\$ 3,009,796	\$ 2,958,274	\$ 51,522
Total Liabilities	\$ -	\$ 3,009,796	\$ 2,958,274	\$ 51,522
TOTAL AGENCY FUNDS				
Assets:				
Equity in pooled cash and investments	\$ 237,744	\$ 3,110,590	\$ 3,063,171	\$ 285,163
Cash in segregated accounts	125	225,677	225,227	575
Total Assets	\$ 237,869	\$ 3,336,267	\$ 3,288,398	\$ 285,738
Liabilities:				
Undistributed monies	\$ 125	\$ 225,677	\$ 225,227	\$ 575
Pension obligation payable	-	3,009,796	2,958,274	51,522
Deposits held and due to others	237,744	100,794	104,897	233,641
Total Liabilities	\$ 237,869	\$ 3,336,267	\$ 3,288,398	\$ 285,738



Statistical Section
City of Pataskala | CAFR



CITY OF PATASKALA, OHIO

STATISTICAL SECTION
TABLE OF CONTENTS

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	176-185
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and income tax.	186-193
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	194-198
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	199-200
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the City provides and the activities it performs.	202-207

Sources: Sources are noted on the individual schedules.

CITY OF PATASKALA, OHIO

NET POSITION BY COMPONENT
LAST TEN YEARS

(accrual basis of accounting)

	Fiscal Year			
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Governmental activities</u>				
Net investment in capital assets	\$ 14,920,098	\$ 12,389,873	\$ 13,774,478	\$ 11,421,201
Restricted for:				
Debt service	489,676	300,426	245,725	67,217
Capital projects	1,539,576	1,976,407	1,221,848	894,345
Transportation projects	3,907,772	2,625,800	1,948,664	1,494,751
Community development	2,160	159,356	102,975	23,352
Parks and recreation	-	-	-	50,844
Police	2,439,637	1,968,801	2,087,707	2,169,514
Other purposes	-	-	-	-
Unrestricted	1,000,815	2,481,743	1,201,567	2,153,086
Total Governmental Activities Net Position	<u>\$ 24,299,734</u>	<u>\$ 21,902,406</u>	<u>\$ 20,582,964</u>	<u>\$ 18,274,310</u>
<u>Business-type activities</u>				
Net investment in capital assets	\$ 1,037,561	\$ 1,523,496	\$ 1,648,124	\$ 2,154,908
Unrestricted	4,388,383	3,662,044	3,154,156	2,336,168
Total Business-Type Activities Net Position	<u>\$ 5,425,944</u>	<u>\$ 5,185,540</u>	<u>\$ 4,802,280</u>	<u>\$ 4,491,076</u>
<u>Primary government</u>				
Net investment in capital assets	\$ 15,957,659	\$ 13,913,369	\$ 15,422,602	\$ 13,576,109
Restricted for:				
Debt service	489,676	300,426	245,725	67,217
Capital projects	1,539,576	1,976,407	1,221,848	894,345
Transportation projects	3,907,772	2,625,800	1,948,664	1,494,751
Community development	2,160	159,356	102,975	23,352
Parks and recreation	-	-	-	50,844
Police	2,439,637	1,968,801	2,087,707	2,169,514
Other purposes	-	-	-	-
Unrestricted	5,389,198	6,143,787	4,355,723	4,489,254
Total Primary Government Net Position	<u>\$ 29,725,678</u>	<u>\$ 27,087,946</u>	<u>\$ 25,385,244</u>	<u>\$ 22,765,386</u>

Source: City financial reports

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$	6,885,892	\$ 5,768,494	\$ 4,965,912	\$ 3,374,813	\$ 3,123,377	\$ 2,633,554
	30,067	30,067	30,067	30,067	30,067	30,067
	428,679	8,830	-	-	-	-
	1,368,440	1,419,374	1,328,269	1,141,807	1,218,590	718,716
	8,813	-	-	-	-	-
	100,733	99,467	84,991	78,690	108,498	-
	1,431,654	579,510	368,748	220,905	277,968	180,561
	358	5,058	7,248	393,076	362,393	467,403
	1,807,920	1,168,314	890,439	1,104,231	1,060,773	1,177,550
	<u>\$ 12,062,556</u>	<u>\$ 9,079,114</u>	<u>\$ 7,675,674</u>	<u>\$ 6,343,589</u>	<u>\$ 6,181,666</u>	<u>\$ 5,207,851</u>
\$	2,890,611	\$ 2,327,739	\$ 1,868,441	\$ 1,566,742	\$ 3,325,935	\$ 2,116,473
	2,367,129	3,482,621	4,629,883	4,916,251	2,968,971	3,486,977
	<u>\$ 5,257,740</u>	<u>\$ 5,810,360</u>	<u>\$ 6,498,324</u>	<u>\$ 6,482,993</u>	<u>\$ 6,294,906</u>	<u>\$ 5,603,450</u>
\$	9,776,503	\$ 8,096,233	\$ 6,834,353	\$ 4,941,555	\$ 6,449,312	\$ 4,750,027
	30,067	30,067	30,067	30,067	30,067	30,067
	428,679	8,830	-	-	-	-
	1,368,440	1,419,374	1,328,269	1,141,807	1,218,590	718,716
	8,813	-	-	-	-	-
	100,733	99,467	84,991	78,690	108,498	-
	1,431,654	579,510	368,748	220,905	277,968	180,561
	358	5,058	7,248	393,076	362,393	467,403
	4,175,049	4,650,935	5,520,322	6,020,482	4,029,744	4,664,527
	<u>\$ 17,320,296</u>	<u>\$ 14,889,474</u>	<u>\$ 14,173,998</u>	<u>\$ 12,826,582</u>	<u>\$ 12,476,572</u>	<u>\$ 10,811,301</u>

CITY OF PATASKALA, OHIO

CHANGES IN NET POSITION
LAST TEN YEARS

(accrual basis of accounting)

<u>PROGRAM REVENUES:</u>	Fiscal Year			
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental Activities:				
<i>Charges for Services:</i>				
General government	\$ 366,658	\$ 379,351	\$ 348,491	\$ 359,222
Security of persons and property	205,599	192,348	216,514	231,099
Transportation	-	-	-	-
Community environment	52,388	-	-	-
Leisure time activities	14,060	22,690	15,797	11,755
<i>Operating Grants & Contributions:</i>				
General government	143,400	-	1,000	-
Security of persons and property	178,688	476,701	97,026	53,413
Transportation	955,003	1,129,954	1,372,877	678,261
Community environment	336,278	171,004	436,726	85,387
Leisure time activities	2,141	-	-	239,829
<i>Capital Grants & Contributions:</i>				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	225,891	46,219	-	4,098,126
Community environment	-	-	-	35,536
Leisure time activities	-	-	-	36,542
Total Governmental Activities Program Revenues	<u>\$ 2,480,106</u>	<u>\$ 2,418,267</u>	<u>\$ 2,488,431</u>	<u>\$ 5,829,170</u>
Business-type activities:				
<i>Charges for Services:</i>				
Water	1,548,621	1,642,290	1,439,095	1,363,563
Sewer	1,650,339	1,689,448	1,713,051	1,101,552
<i>Capital Grants & Contributions:</i>				
Water	-	-	-	-
Sewer	-	-	-	-
Total Business-Type Activities Program Revenues	<u>\$ 3,198,960</u>	<u>\$ 3,331,738</u>	<u>\$ 3,152,146</u>	<u>\$ 2,465,115</u>
Total Primary Government Program Revenues	<u>\$ 5,679,066</u>	<u>\$ 5,750,005</u>	<u>\$ 5,640,577</u>	<u>\$ 8,294,285</u>
<u>PROGRAM EXPENSES:</u>				
Governmental Activities:				
General government	\$ 1,095,246	\$ 706,223	\$ 1,357,119	\$ 758,581
Security of persons and property	1,992,137	2,086,324	1,391,309	1,724,472
Public health services	-	112,101	111,485	60,486
Transportation	2,761,450	2,642,514	2,279,621	1,561,671
Community environment	677,184	543,577	591,589	318,312
Leisure time activities	94,930	157,950	50,103	41,908
Economic development	-	-	-	24,799
Other	-	-	-	-
Interest and fiscal charges	222,866	83,157	45,967	37,693
Total Governmental Activities Expenses	<u>\$ 6,843,813</u>	<u>\$ 6,331,846</u>	<u>\$ 5,827,193</u>	<u>\$ 4,527,922</u>

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$	372,604	\$ 345,726	\$ 330,353	\$ 329,569	\$ 377,297	\$ 348,665
	155,183	170,419	176,275	169,535	63,076	10,921
	-	40,568	-	-	-	-
	-	-	2,182	739	746	328
	19,375	26,808	105,210	123,240	138,684	162,027
	-	-	-	-	296,711	258,899
	147,517	257,748	1,840	7,461	100,724	170,903
	908,554	951,379	1,179,526	1,097,946	683,419	678,030
	47,548	37,644	37,000	-	-	-
	-	3,103	1,125	-	-	-
	-	-	-	-	-	223,082
	-	-	-	60,592	-	-
	1,031,411	828,333	1,009,944	207,446	364,566	17,676
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	<u>2,682,192</u>	<u>\$ 2,661,728</u>	<u>\$ 2,843,455</u>	<u>\$ 1,996,528</u>	<u>\$ 2,025,223</u>	<u>\$ 1,870,531</u>
	779,089	766,464	769,684	1,011,506	953,613	1,120,539
	866,261	853,948	853,857	973,410	923,912	1,108,618
	-	101,460	131,079	79,695	123,070	-
	56,665	101,000	216,391	112,898	174,344	-
\$	<u>1,702,015</u>	<u>\$ 1,822,872</u>	<u>\$ 1,971,011</u>	<u>\$ 2,177,509</u>	<u>\$ 2,174,939</u>	<u>\$ 2,229,157</u>
\$	<u>4,384,207</u>	<u>\$ 4,484,600</u>	<u>\$ 4,814,466</u>	<u>\$ 4,174,037</u>	<u>\$ 4,200,162</u>	<u>\$ 4,099,688</u>
\$	871,750	\$ 826,900	\$ 967,338	\$ 1,063,385	\$ 1,131,868	\$ 1,217,964
	1,373,081	1,401,767	1,649,394	1,710,954	1,613,421	1,411,576
	59,300	57,500	57,500	57,500	57,000	47,693
	1,228,925	1,145,854	1,056,476	1,128,655	1,004,060	774,839
	270,207	335,062	410,129	335,154	329,149	386,665
	46,494	48,003	108,228	257,006	206,123	136,392
	4,462	9,800	-	-	-	-
	-	-	-	-	-	-
	51,942	77,952	92,133	117,610	68,765	14,963
\$	<u>3,906,161</u>	<u>\$ 3,902,838</u>	<u>\$ 4,341,198</u>	<u>\$ 4,670,264</u>	<u>\$ 4,410,386</u>	<u>\$ 3,990,092</u>

(Continued)

CITY OF PATASKALA, OHIO
CHANGES IN NET POSITION
LAST TEN YEARS (CONTINUED)
(accrual basis of accounting)

	Fiscal Year			
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Business-type activities:				
Water	\$ 1,392,928	\$ 1,458,080	\$ 1,541,391	\$ 1,467,074
Sewer	<u>1,610,487</u>	<u>1,573,164</u>	<u>1,349,053</u>	<u>1,416,632</u>
Total Business-Type Activities Program Expenses	<u>\$ 3,003,415</u>	<u>\$ 3,031,244</u>	<u>\$ 2,890,444</u>	<u>\$ 2,883,706</u>
Total Primary Government Program Expenses	<u>\$ 9,847,228</u>	<u>\$ 9,363,090</u>	<u>\$ 8,717,637</u>	<u>\$ 7,411,628</u>
Governmental Activities	\$ (4,363,707)	\$ (3,913,579)	\$ (3,338,762)	\$ 1,301,248
Business-Type Activities	<u>195,545</u>	<u>300,494</u>	<u>261,702</u>	<u>(418,591)</u>
Total Primary Government Net (Expense)/Revenue	<u>\$ (4,168,162)</u>	<u>\$ (3,613,085)</u>	<u>\$ (3,077,060)</u>	<u>\$ 882,657</u>
 <u>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:</u>				
Governmental Activities:				
Taxes:				
Property taxes levied for:				
General purposes	\$ 714,826	\$ 891,357	\$ 802,654	\$ 623,868
Street fund	-	-	-	-
Police fund	-	-	-	-
Income taxes levied for:				
Street fund	2,190,585	1,511,685	965,097	833,223
Police fund	2,607,079	2,016,235	1,668,443	2,299,295
Debt service fund	476,763	148,909	214,930	57,251
Capital projects fund	195,699	282,067	1,655,919	524,805
JEDD income tax fund	120	803	-	237
Payments in lieu of taxes (PILOT)	201,140	109,965	127,553	261,409
Grants and entitlements not restricted to specific programs	185,808	234,624	184,454	303,395
Investment earnings-unrestricted	16,230	1,813	16,023	6,594
Transfers	-	(10,957)	-	-
Miscellaneous	<u>172,812</u>	<u>46,520</u>	<u>12,343</u>	<u>106,889</u>
Total Governmental Activities	<u>\$ 6,761,062</u>	<u>\$ 5,233,021</u>	<u>\$ 5,647,416</u>	<u>\$ 5,016,966</u>
Business-Type Activities:				
Investment earnings-unrestricted	17,501	35,668	13,834	6,825
Transfers	-	10,957	-	-
Miscellaneous	<u>27,358</u>	<u>36,141</u>	<u>35,668</u>	<u>164,913</u>
Total Business-Type Activities	<u>\$ 44,859</u>	<u>\$ 82,766</u>	<u>\$ 49,502</u>	<u>\$ 171,738</u>
Total Primary Government	<u>\$ 6,805,921</u>	<u>\$ 5,315,787</u>	<u>\$ 5,696,918</u>	<u>\$ 5,188,704</u>
 <u>Change in Net Position:</u>				
Governmental Activities	\$ 2,397,355	\$ 1,319,442	\$ 2,308,654	\$ 6,318,214
Business-Type Activities	<u>240,404</u>	<u>383,260</u>	<u>311,204</u>	<u>(246,853)</u>
Total Primary Government	<u>\$ 2,637,759</u>	<u>\$ 1,702,702</u>	<u>\$ 2,619,858</u>	<u>\$ 6,071,361</u>

Source: City financial reports

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 1,338,996	\$ 1,614,297	\$ 1,244,786	\$ 1,525,419	\$ 964,444	\$ 894,526
<u>939,701</u>	<u>945,829</u>	<u>835,364</u>	<u>788,867</u>	<u>807,882</u>	<u>612,421</u>
\$ 2,278,697	\$ 2,560,126	\$ 2,080,150	\$ 2,314,286	\$ 1,772,326	\$ 1,506,947
\$ 6,184,858	\$ 6,462,964	\$ 6,421,348	\$ 6,984,550	\$ 6,182,712	\$ 5,497,039
\$ (1,223,969)	\$ (1,241,110)	\$ (1,497,743)	\$ (2,673,736)	\$ (2,385,163)	\$ (2,119,561)
<u>(576,682)</u>	<u>(737,254)</u>	<u>(109,139)</u>	<u>(136,777)</u>	<u>402,613</u>	<u>722,210</u>
\$ <u>(1,800,651)</u>	\$ <u>(1,978,364)</u>	\$ <u>(1,606,882)</u>	\$ <u>(2,810,513)</u>	\$ <u>(1,982,550)</u>	\$ <u>(1,397,351)</u>
\$ 1,063,530	\$ 862,226	\$ 845,202	\$ 826,407	\$ 853,878	\$ 690,564
-	-	-	1,726	525,244	502,568
1,259,991	1,375,422	1,342,858	1,311,759	1,316,392	996,877
272,986	-	-	-	-	-
818,953	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
424,161	-	-	-	-	-
331,221	368,296	466,879	455,723	434,943	338,895
4,223	11,624	38,676	114,274	110,276	61,951
-	-	-	-	-	-
<u>32,346</u>	<u>26,982</u>	<u>136,213</u>	<u>125,770</u>	<u>118,245</u>	<u>122,113</u>
\$ 4,207,411	\$ 2,644,550	\$ 2,829,828	\$ 2,835,659	\$ 3,358,978	\$ 2,712,968
4,714	27,583	104,178	300,956	271,525	143,716
-	-	-	-	-	-
<u>19,348</u>	<u>21,707</u>	<u>20,292</u>	<u>23,905</u>	<u>17,318</u>	<u>68,697</u>
\$ 24,062	\$ 49,290	\$ 124,470	\$ 324,861	\$ 288,843	\$ 212,413
\$ 4,231,473	\$ 2,693,840	\$ 2,954,298	\$ 3,160,520	\$ 3,647,821	\$ 2,925,381
\$ 2,983,442	\$ 1,403,440	\$ 1,332,085	\$ 161,923	\$ 973,815	\$ 593,407
<u>(552,620)</u>	<u>(687,964)</u>	<u>15,331</u>	<u>188,084</u>	<u>691,456</u>	<u>934,623</u>
\$ <u>2,430,822</u>	\$ <u>715,476</u>	\$ <u>1,347,416</u>	\$ <u>350,007</u>	\$ <u>1,665,271</u>	\$ <u>1,528,030</u>

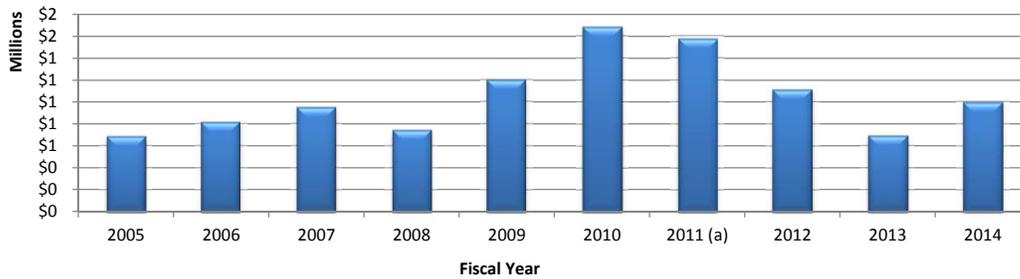
CITY OF PATASKALA, OHIO

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS

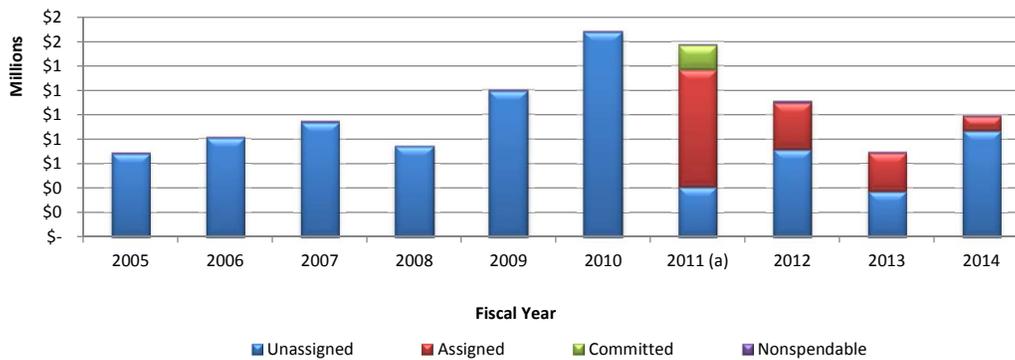
(modified accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u> ^(a)
General Fund				
Nonspendable	\$ 7,022	\$ 9,302	\$ 15,491	\$ 7,442
Committed	-	-	-	200,186
Assigned	120,649	313,403	383,681	958,541
Unassigned	868,271	369,603	715,312	410,863
Total General Fund	\$ 995,942	\$ 692,308	\$ 1,114,484	\$ 1,577,032
All Other Governmental Funds				
Nonspendable	\$ 60,877	\$ 18,164	\$ 49,045	\$ 68,667
Restricted	8,456,579	6,593,931	4,288,119	4,581,579
Committed	44,412	32,294	31,809	48,545
Unassigned (deficit)	-	(4,333,597)	(35,066)	(16,304)
Total All Other Governmental Funds	\$ 8,561,868	\$ 2,310,792	\$ 4,333,907	\$ 4,682,487
Total Governmental Funds	\$ 9,557,810	\$ 3,003,100	\$ 5,448,391	\$ 6,259,519

Unassigned General Fund Balance



General Fund Balance - by Category

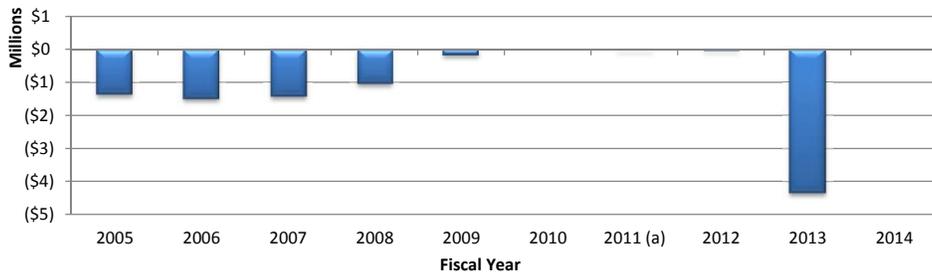


(a) The City implemented GASB 54 in 2011. The prior years (2004-2010) have been restated to reflect the change.

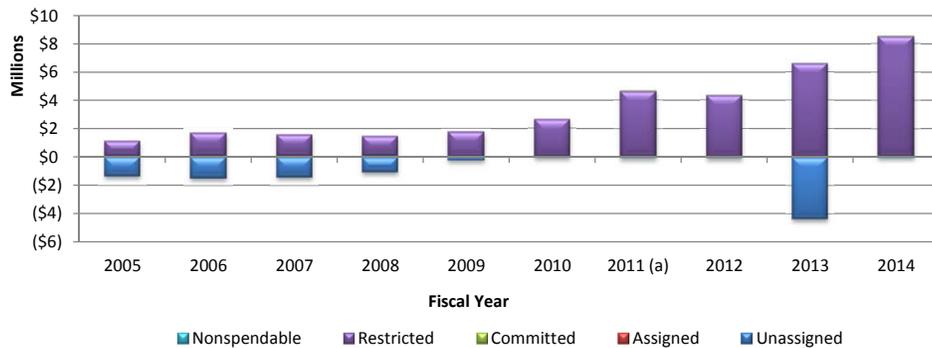
Source: City financial reports

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$	7,173	\$ 7,825	\$ 5,696	\$ 12,787	\$ 7,569	\$ 9,797
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,679,354	1,193,775	737,870	938,413	807,844	677,499
\$	1,686,527	\$ 1,201,600	\$ 743,566	\$ 951,200	\$ 815,413	\$ 687,296
\$	64,871	\$ 66,247	\$ 95,809	\$ 58,681	\$ 63,704	\$ 50,908
	2,570,543	1,718,379	1,350,443	1,495,967	1,604,404	1,049,351
	-	-	-	-	-	-
	-	(168,275)	(1,020,333)	(1,411,683)	(1,472,570)	(1,335,209)
\$	2,635,414	\$ 1,616,351	\$ 425,919	\$ 142,965	\$ 195,538	\$ (234,950)
\$	4,321,941	\$ 2,817,951	\$ 1,169,485	\$ 1,094,165	\$ 1,010,951	\$ 452,346

Unassigned All Other Governmental Funds Balance



All Other Governmental Fund Balance - by Category

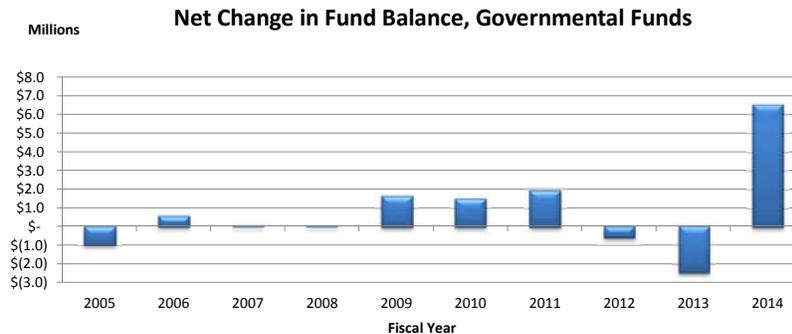


CITY OF PATASKALA, OHIO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS

(modified accrual basis of accounting)

	2014	2013	2012	2011
Revenues:				
Income taxes	\$ 4,725,721	\$ 3,846,461	\$ 3,832,475	\$ 3,335,770
Property and other taxes	819,665	803,422	802,525	637,042
Charges for services	18,893	22,690	15,797	26,293
Licenses and permits	270,812	256,957	206,922	233,253
Fines and forfeitures	221,825	192,348	216,514	231,099
Intergovernmental	1,927,690	1,953,278	2,026,095	1,938,053
Special assessments	4,169	9,527	4,369	2,967
Investment income	49,971	6,986	17,193	7,826
Rental Income	121,059	118,225	127,673	111,344
Contributions and donations	2,141	-	-	163
Payments in lieu of taxes (PILOT)	201,140	155,279	82,239	550,600
Other	243,586	138,240	112,321	106,726
Total Revenues	\$ 8,606,672	\$ 7,503,413	\$ 7,444,123	\$ 7,181,136
Expenditures:				
<i>Current:</i>				
General government	\$ 1,585,981	\$ 861,834	\$ 1,207,191	\$ 1,012,038
Security of persons and property	2,216,466	2,638,716	1,930,465	1,722,313
Public health and welfare	-	112,101	111,485	60,486
Transportation	1,621,694	1,942,020	2,273,208	1,418,164
Community environment	677,224	545,189	592,679	269,258
Leisure time activity	77,118	137,621	33,126	257,165
Economic development	-	-	-	24,799
Other	-	-	-	-
Capital outlay	2,614,077	2,815,454	2,369,511	519,744
<i>Debt service:</i>				
Principal retirement	422,208	967,222	217,568	166,928
Interest and fiscal charges	95,665	81,026	39,832	38,434
Bond issuance costs	91,118	-	-	-
Total Expenditures	\$ 9,401,551	\$ 10,101,183	\$ 8,775,065	\$ 5,489,329
Excess of Revenues Over (Under) Expenditures	\$ (794,879)	\$ (2,597,770)	\$ (1,330,942)	\$ 1,691,807
Other Financing Sources (Uses):				
Loans issued	\$ 203,413	\$ 15,407	\$ -	\$ -
Bond issuance	6,630,000	-	-	-
Sale of capital assets	285	-	-	-
Note issuance	-	-	720,000	245,771
Premium on notes sold	-	-	-	-
Sale of bonds	-	-	-	-
Premium on sale of bonds	248,117	-	-	-
Inception of capital lease	267,774	148,029	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	1,615,815	3,306,934	200,000	179,477
Transfers (out)	(1,615,815)	(3,317,891)	(200,000)	(179,477)
Total Other Financing Sources (Uses)	\$ 7,349,589	\$ 152,479	\$ 720,000	\$ 245,771
Net Change in Fund Balances	\$ 6,554,710	\$ (2,445,291)	\$ (610,942)	\$ 1,937,578
Capital Expenditures	\$ 3,360,434	\$ 3,791,327	\$ 3,590,210	\$ 1,420,744
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	8.57%	16.61%	4.96%	5.05%



Source: City financial reports

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$	976,035	\$ -	\$ -	\$ -	\$ -	\$ -
	2,434,278	2,192,130	2,159,252	2,169,911	2,688,325	2,271,826
	28,181	23,310	179,345	225,982	245,173	235,377
	235,985	259,098	237,392	170,188	176,807	270,443
	155,183	134,523	115,769	113,232	63,076	10,921
	2,480,970	1,638,319	1,822,969	1,660,086	1,660,587	1,503,542
	-	-	-	-	-	-
	5,118	15,675	53,533	141,600	110,276	61,951
	120,200	118,538	106,162	102,879	94,747	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	79,661	112,133	87,091	129,901	115,796	122,113
\$	6,515,611	4,493,726	4,761,513	4,713,779	5,154,787	4,476,173
\$	855,648	\$ 817,413	\$ 927,449	\$ 991,432	\$ 1,185,194	\$ 1,177,317
	1,360,206	1,380,665	1,650,201	1,682,856	1,604,152	1,406,116
	59,300	57,500	57,500	57,500	57,000	47,693
	1,166,311	821,874	871,259	866,760	693,215	1,061,145
	239,698	229,192	287,595	242,974	261,046	226,208
	20,352	14,340	80,296	135,840	116,516	118,725
	4,462	9,800	-	-	-	-
	-	-	-	-	-	-
	1,170,248	270,420	685,462	964,755	536,597	1,276,525
	-	-	-	-	-	-
	299,833	258,810	83,270	95,818	73,697	132,624
	48,563	77,179	92,133	117,610	68,765	14,963
	-	-	-	-	-	-
\$	5,224,621	3,937,193	4,735,165	5,155,545	4,596,182	5,461,316
\$	1,290,990	556,533	26,348	(441,766)	558,605	(985,143)
\$	-	\$ -	\$ -	\$ 101,283	\$ -	\$ -
	-	-	-	-	-	-
	18,000	49,500	48,972	-	-	-
	195,000	860,000	-	-	-	-
	-	1,730	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	180,703	-	423,697	-	-
	-	-	-	-	-	-
	172,445	65,657	461,948	178,093	15,480	-
	(172,445)	(65,657)	(461,948)	(178,093)	(15,480)	-
\$	213,000	1,091,933	48,972	524,980	-	-
\$	1,503,990	1,648,466	75,320	83,214	558,605	(985,143)
\$	1,499,257	\$ 1,083,821	\$ 1,522,106	\$ 933,118	\$ 360,656	\$ 1,635,411
	9.35%	11.78%	5.46%	5.05%	3.36%	3.86%

CITY OF PATASKALA, OHIO
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN YEARS
(modified accrual basis of accounting - \$000's omitted)

Fiscal Year	Property Tax	Income Tax	Motor Vehicle Tax	Gasoline Tax	Total Tax Revenues
2014	\$ 820.0	\$ 4,725.7	\$ 142.1	\$ 572.6	\$ 6,260.4
2013	\$ 803.4	\$ 3,846.5	\$ 144.1	\$ 561.5	\$ 5,355.5
2012	805.5	3,832.5	146.3	542.2	5,326.5
2011	637.0	3,335.8	152.8	530.9	4,656.5
2010	2,434.0	976.0	129.3	546.9	4,086.2
2009	2,192.0	-	139.8	529.7	2,861.5
2008	2,159.0	-	151.8	554.6	2,865.4
2007	2,170.0	-	158.7	534.1	2,862.8
2006	2,688.0	-	145.0	507.5	3,340.5
2005	2,271.8	-	141.3	444.2	2,857.3

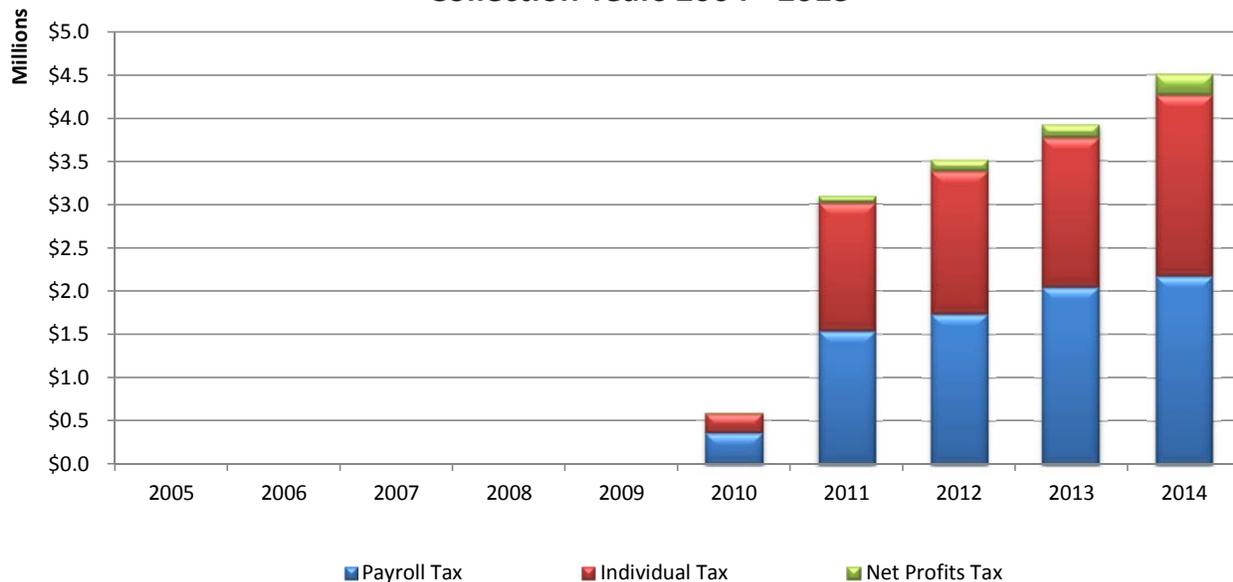
CITY OF PATASKALA, OHIO

**GOVERNMENT-WIDE INCOME TAX COLLECTIONS
LAST TEN YEARS
(Cash Basis)**

Tax Year	Tax Rate	Payroll Tax	Individual Tax	Net Profits Tax	Total Tax Collections	Total Government-Wide Revenues	Total Income Taxes as % of Total Government Revenues
2005	0.0%	-	-	-	-	\$ 4,583,499	0.00%
2006	0.0%	-	-	-	-	5,384,201	0.00%
2007	0.0%	-	-	-	-	4,832,187	0.00%
2008	0.0%	-	-	-	-	5,673,283	0.00%
2009	0.0%	-	-	-	-	5,306,278	0.00%
2010	1.0%*	360,868	223,122	3,297	587,287	6,889,603	8.52%
2011	1.0%	1,540,840	1,474,395	79,801	3,095,036	10,846,136	28.54%
2012	1.0%	1,740,511	1,648,552	130,832	3,519,894	8,135,847	43.26%
2013	1.0%	2,044,485	1,724,714	153,638	3,922,837	7,651,288	51.27%
2014	1.0%	2,179,849	2,089,286	242,398	4,511,533	9,241,168	48.82%
Four Year Average		\$ 1,876,421	\$ 1,734,237	\$ 151,667	\$ 3,762,325	\$ 8,968,610	41.95%

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

**Government-Wide Income
Tax Revenues by Type
Collection Years 2004 - 2013**



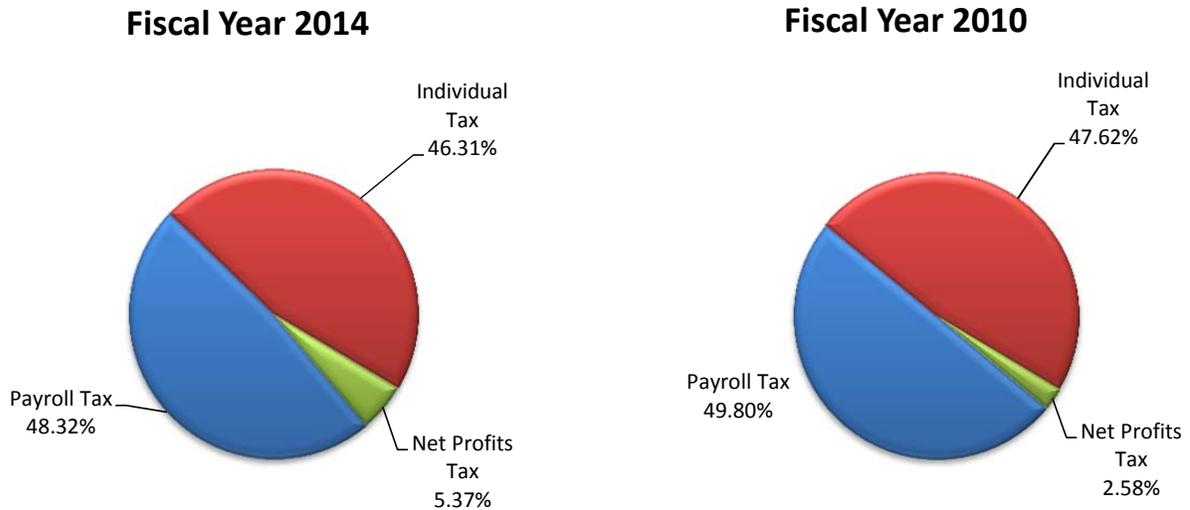
Source: Regional Income Tax Agency & City financial reports

CITY OF PATASKALA, OHIO

**GOVERNMENT-WIDE INCOME TAX COLLECTIONS
CURRENT YEAR AND FOUR YEARS AGO
(Cash Basis)**

	<u>Fiscal Year 2014</u>		<u>Fiscal Year 2010</u>	
Payroll Tax	\$ 2,179,849	48.31%	\$ 1,540,840	49.78%
Individual Tax	2,089,286	46.31%	1,474,395	47.64%
Net Profits Tax	<u>242,398</u>	<u>5.37%</u>	<u>79,801</u>	<u>2.58%</u>
Total Income Tax Collections	<u>\$ 4,511,533</u>	<u>100.00%</u>	<u>\$ 3,095,036</u>	<u>100.00%</u>

2014 - 2010 Income Tax Breakdown



Source: City financial reports

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

CITY OF PATASKALA, OHIO

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

Tax Year	Collection Year	Real Property		Personal Property		Public Utility		TOTAL		
		Assessed	Estimated Actual ^(a)	Assessed	Estimated Actual ^(c)	Assessed	Estimated Actual ^(b)	Assessed	Estimated Actual	Average Effective Millage
2005	2006	289,712	827,748	9,705	38,820	7,793	8,856	\$307,209	\$875,424	\$9.5200
2006	2007	240,880	688,228	3,977	20,944	5,720	8,557	\$250,577	\$717,729	\$9.4820
2007	2008	318,169	909,054	3,246	12,985	6,371	7,304	\$327,786	\$929,343	\$7.4524
2008	2009	326,214	932,039	625	2,500	7,966	9,117	\$334,805	\$943,656	\$7.4467
2009	2010	326,066	931,618	0	0	9,095	10,649	\$335,161	\$942,267	\$7.5037
2010	2011	325,908	931,167	0	0	9,462	10,753	\$335,371	\$941,920	\$2.9000
2011	2012	316,684	904,811	0	0	9,158	10,407	\$325,842	\$915,218	\$2.9000
2012	2013	312,438	892,680	0	0	10,288	11,691	\$322,726	\$904,371	\$2.9000
2013	2014	318,582	910,234	0	0	9,502	10,798	\$328,084	\$921,032	\$2.9000
2014	2015	320,564	915,896	0	0	9,584	10,890	\$330,147	\$926,786	\$2.9000

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

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

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

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

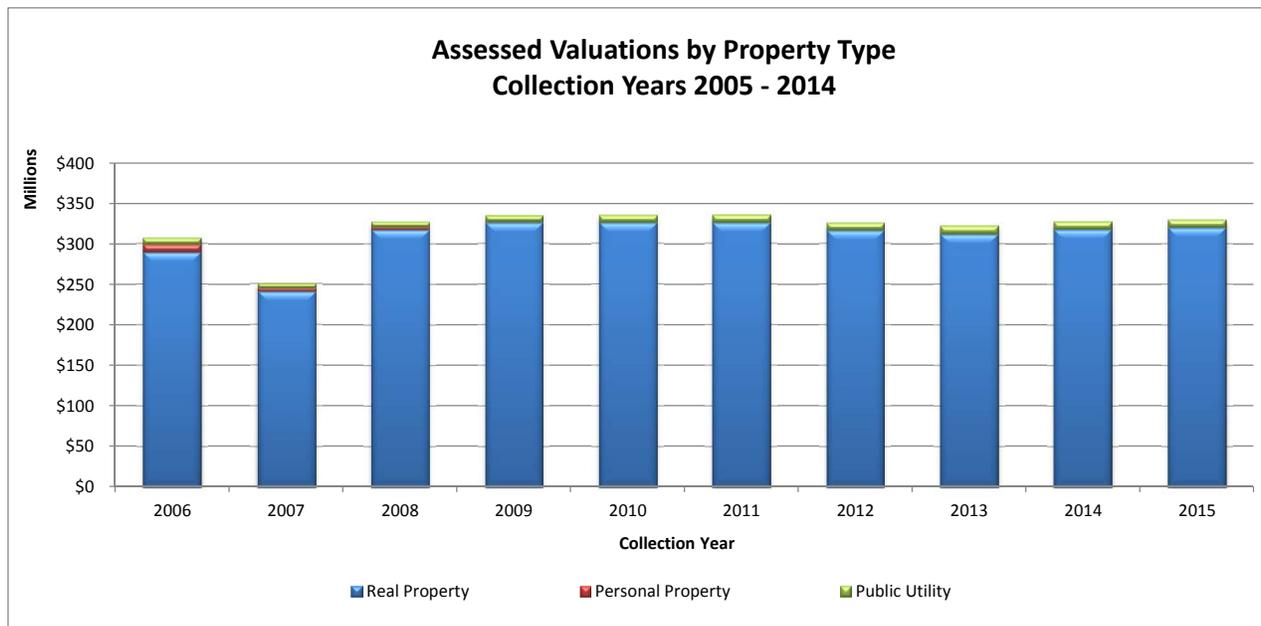
For 2006, tangible personal is assessed at 18.75% of property value, including inventory.

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

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

For 2009-2014, tangible personal is assessed at 0% of property value, including inventory.

Source: Licking County, Ohio; Fiscal Officer



CITY OF PATASKALA, OHIO

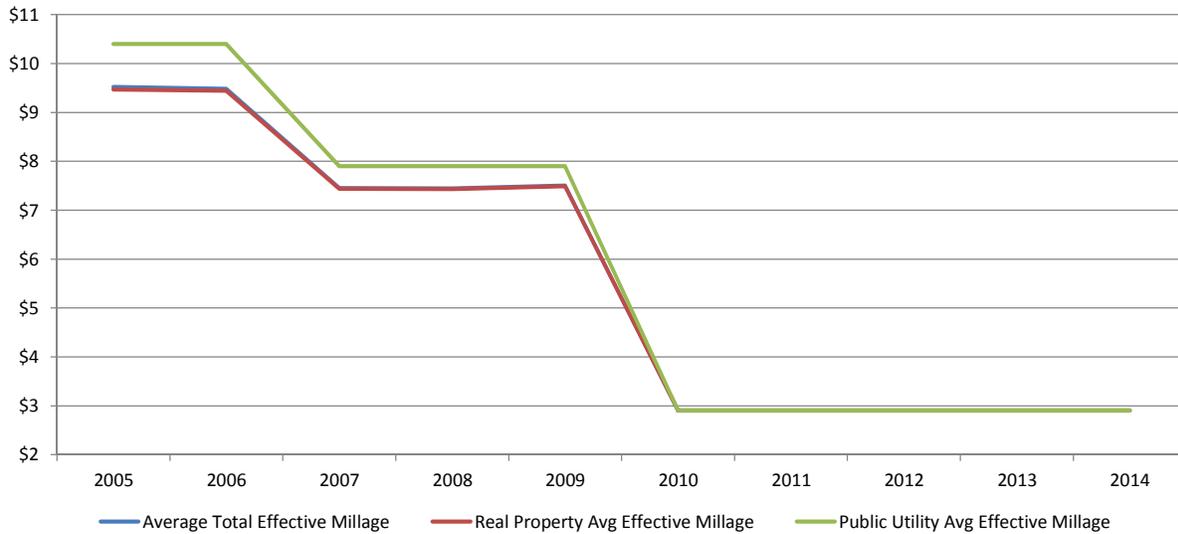
ESTIMATED ASSESSED TAXES & AVERAGE EFFECTIVE RATES OF TAXABLE PROPERTY
LAST TEN YEARS

Tax Year	Real Property		Personal Property		Public Utility		TOTAL	
	Estimated Assessed Taxes	Average Effective Millage						
2005	2,742,635	9.4668	100,933	10.4000	81,050	10.4000	\$2,924,618	\$9.5200
2006	2,275,121	9.4450	41,364	10.4000	59,490	10.4000	\$2,375,975	\$9.4820
2007	2,366,816	7.4389	25,645	7.9000	50,327	7.9000	\$2,442,788	\$7.4524
2008	2,425,320	7.4348	4,938	7.9000	62,933	7.9000	\$2,493,191	\$7.4467
2009	2,443,103	7.4927	0	0.0000	71,848	7.9000	\$2,514,951	\$7.5037
2010	945,134	2.9000	0	0.0000	27,441	2.9000	\$972,575	\$2.9000
2011	918,383	2.9000	0	0.0000	26,558	2.9000	\$944,941	\$2.9000
2012	906,070	2.9000	0	0.0000	29,835	2.9000	\$935,905	\$2.9000
2013	923,888	2.9000	0	0.0000	27,556	2.9000	\$951,444	\$2.9000
2014	929,647	2.9000	0	0.0000	27,792	2.9000	\$957,439	\$2.9000

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

Source: Licking County, Ohio; County Auditor

Average Effective Millage Rate
By Tax Type



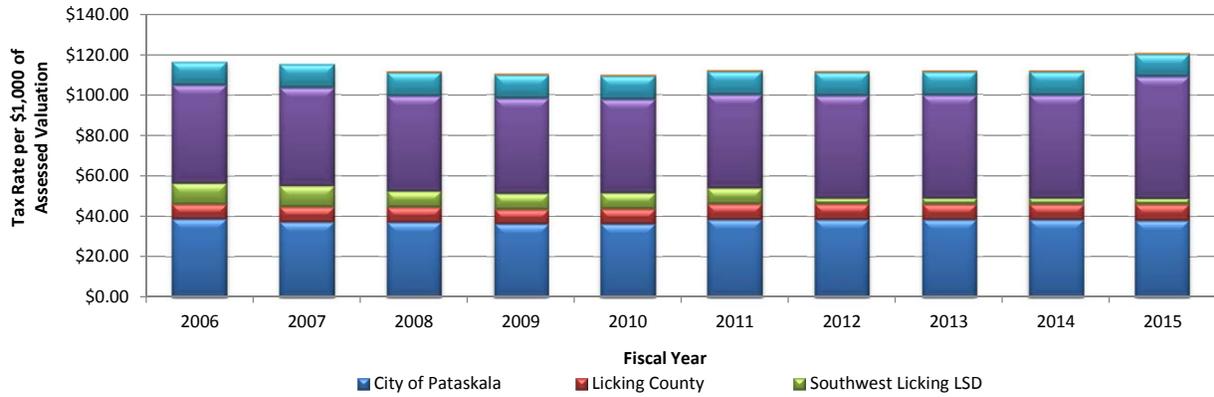
CITY OF PATASKALA, OHIO

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

Tax Year	Collection Year	City Direct Rates				Licking County	Southwest Licking Local School District	Licking Heights Local School District
		Operating	Street Levy	Police	Total Direct Rate			
2005	2006	\$2.90	\$2.50	\$5.00	\$10.40	\$7.40	\$38.83	\$48.50
2006	2007	\$2.90	\$0.00	\$5.00	\$10.40	\$7.40	\$37.30	\$48.52
2007	2008	\$2.90	\$0.00	\$5.00	\$7.90	\$7.40	\$37.22	\$47.07
2008	2009	\$2.90	\$0.00	\$5.00	\$7.90	\$7.10	\$36.39	\$47.00
2009	2010	\$2.90	\$0.00	\$5.00	\$7.90	\$7.40	\$36.41	\$46.24
2010	2011	\$2.90	\$0.00	\$0.00	\$7.90	\$7.70	\$38.62	\$46.22
2011	2012	\$2.90	\$0.00	\$0.00	\$2.90	\$7.70	\$38.58	\$50.89
2012	2013	\$2.90	\$0.00	\$0.00	\$2.90	\$7.70	\$38.37	\$50.87
2013	2014	\$2.90	\$0.00	\$0.00	\$2.90	\$7.70	\$38.37	\$50.87
2014	2015	\$2.90	\$0.00	\$0.00	\$2.90	\$8.00	\$38.10	\$60.54

Source: Franklin County, Ohio; County Auditor

Assessed Property Tax Rates - By Entity
 Collection Years 2006 - 2015

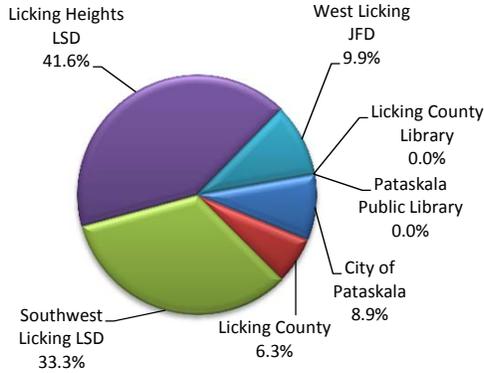


West Licking Joint Fire District	Pataskala Public Library	Licking County Library	TOTAL
\$11.50	\$0.00	\$0.00	\$116.63
\$11.50	\$0.00	\$0.00	\$115.12
\$11.50	\$0.50	\$0.00	\$111.59
\$11.50	\$0.50	\$0.00	\$110.39
\$11.50	\$0.50	\$0.00	\$109.95
\$11.50	\$0.50	\$1.00	\$113.44
\$11.50	\$0.50	\$1.00	\$113.07
\$11.50	\$0.50	\$1.00	\$112.84
\$11.50	\$0.50	\$1.00	\$112.84
\$11.00	\$0.50	\$1.00	\$122.04

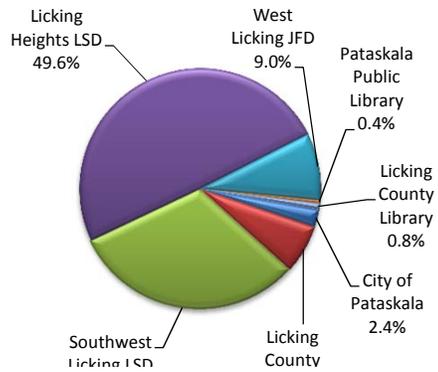
Res/Agr Effective Rate	Com/Ind Effective Rate
\$8.9371	\$9.8587
\$9.5327	\$9.4009
\$9.4835	\$9.4066
\$7.5503	\$7.3274
\$7.5115	\$7.3580
\$7.5259	\$7.4594
\$2.9000	\$2.9000
\$2.9000	\$2.9000
\$2.9000	\$2.9000
\$2.9000	\$2.9000

2006 - 2015 Property Tax Breakdown by Government Entity

2006 Collection Year



2015 Collection Year



CITY OF PATASKALA, OHIO

TOP PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND FIVE YEARS AGO

Taxpayer Name	2014			2009		
	Rank	Assessed Valuation	% of Total Assessed Valuation	Rank	Assessed Valuation	% of Total Assessed Valuation
<u>Real Estate</u>						
Hazelton Management Group LLC	1	\$2,779,990	0.84%	1	\$2,636,100	0.79%
Catalina Club, LLC	2	\$2,486,020	0.75%	2	\$2,469,290	0.74%
Village Gate Apt Ltd	3	\$1,750,000	0.53%	4	\$2,021,600	0.60%
Kroger Co.	4	\$1,576,470	0.48%	5	\$1,562,960	0.47%
BNR Columbus Storage, LP	5	\$1,046,610	0.32%			
Reyno Holding Co.	6	\$900,900	0.27%	6	\$900,900	0.27%
Hazelton Retail LTD	7	\$8,202,050	2.48%	9	\$765,140	0.23%
Tolson Investments LLC	8	\$706,830	0.21%			
Newcon, Inc.	9	\$704,060	0.21%			
First Bremen Bank	10	\$683,900	0.21%			
Licking Memorial Health Systems				3	\$2,288,090	0.68%
Fernco Dev Ltd, Norco Devt Ltd, Lenco Dev				7	\$800,940	0.24%
Dominion Homes Inc.				8	\$799,330	0.24%
Pataskala Green IV Limited				10	\$705,810	0.21%
<u>Public Utility</u>						
Ohio Power Co.	1	8,670,710	2.63%	2	869,890	0.26%
Columbia Gas of Ohio	2	816,590	0.25%	4	508,790	0.15%
National Gas & Oil Corp	3	622,000	0.19%	3	584,450	0.17%
Licking Rural Electrification	4	264,770	0.08%			
United Telephone of Ohio	5	256,260	0.08%			
Columbus Southern Power				1	6,509,410	1.94%
General Electric Capital Commercial Inc.				5	353,540	0.11%
ALL OTHER TAXPAYERS		\$298,680,000	90.47%		\$311,384,620	92.91%
TOTAL ASSESSED VALUATION		\$330,147,160	100.00%		\$335,160,860	100.00%

Source: Licking County Auditor's Office. Top 10 taxpayer information not available prior to 2009.

CITY OF PATASKALA, OHIO

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Tax Year	Collection Year	Total Tax Levy	Current Collection	Delinquent Collection ⁽¹⁾	Total Tax Collections	Accumulated Outstanding Delinquent Taxes	Percent of Current Collections to Tax Levy ⁽²⁾	Percent of Delinquent Taxes to Total Tax Levy
2004	2005	2,639,130	2,523,104	81,367	2,604,471	\$200,780	95.60%	7.61%
2005	2006	3,020,403	2,896,778	83,307	2,980,085	130,359	95.91%	4.32%
2006	2007	2,422,756	2,342,779	60,072	2,402,851	427,856	96.70%	17.66%
2007	2008	2,419,380	2,341,780	60,071	2,401,851	126,039	96.79%	5.21%
2008	2009	2,510,313	2,416,286	61,676	2,477,962	124,869	96.25%	4.97%
2009	2010	2,507,307	2,413,468	88,874	2,502,342	164,135	96.26%	6.55%
2010	2011	1,056,076	939,100	19,155	958,255	56,037	88.92%	5.31%
2011	2012	934,491	883,993	22,726	906,719	48,264	94.60%	5.16%
2012	2013	933,045	873,402	27,375	900,777	44,000	93.61%	4.72%
2013	2014	937,207	909,601	34,607	944,208	29,681	97.05%	3.17%
Ten Year Average		\$ 1,938,011	\$ 1,854,029	\$ 53,923	\$ 1,907,952	\$ 135,202	95.67%	6.98%

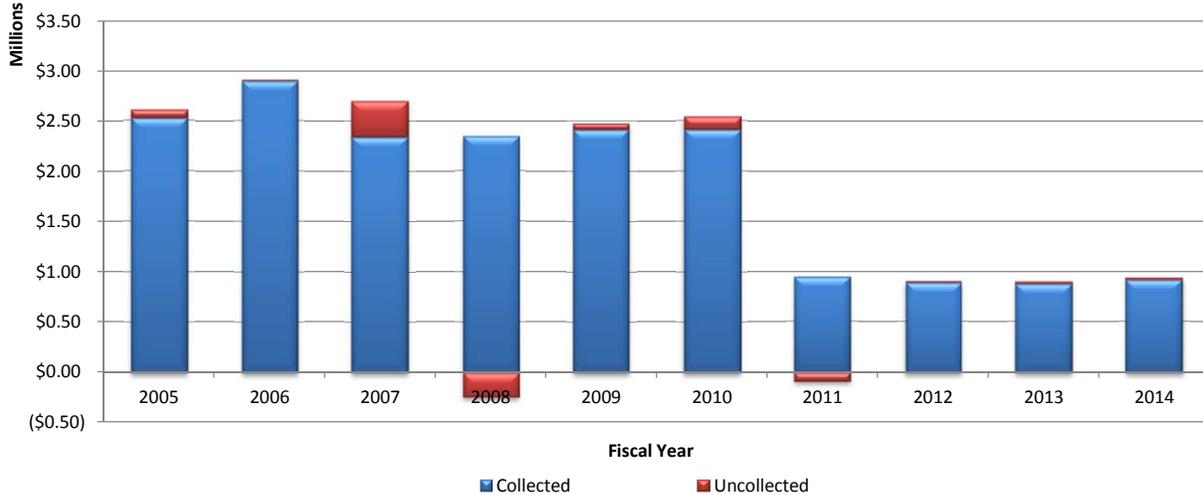
Note: Annual property tax rates can be found on pages 190-191.

Source: Licking County, Ohio; County Auditor

⁽¹⁾ Represents collection of delinquent prior period taxes during the indicated collection year. Information provided from County was not available by tax levy year.

⁽²⁾ Total could exceed 100% due to the current year collection of delinquent prior period taxes during the indicated collection year.

Property Tax Levies - Collected vs Delinquent
Collection Years 2005 - 2014



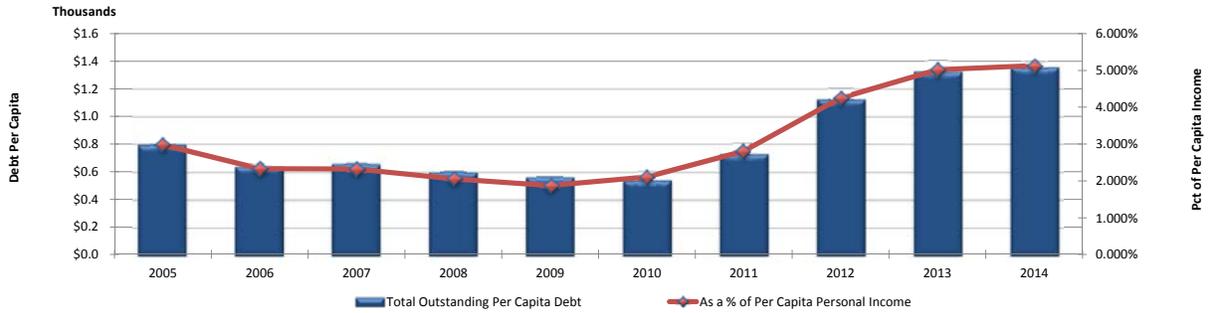
CITY OF PATASKALA, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS
(\$000's omitted)

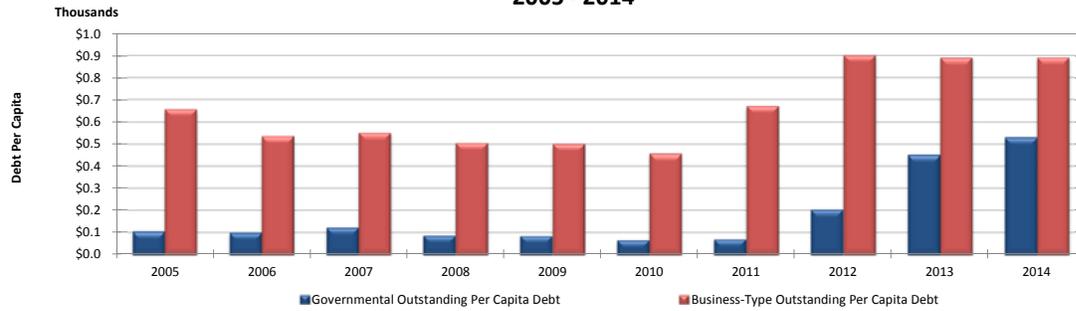
Fiscal Year	Governmental Activities						Business-Type Activities				Total Debt	Percent of Per Capita Income	Total Debt Per Capita	% of Personal Income
	General Obligation Bonds	Premiums	Notes Payable	OPWC Loans	Other Loans	Capital Leases	General Obligation Bonds	Premiums	OWDA Loans	Notes Payable				
2014	\$6,630.0	\$246.1	\$42.8	\$89.8	\$400.8	\$325.4	\$8,860.0	\$179.2	\$3,954.5	\$0.0	\$20,728.6	5.13%	\$1,356.5	5.13%
2013	0.0	0.0	6,307.5	64.0	255.2	143.2	6,300.0	79.4	4,116.8	2,845.0	20,111.1	5.02%	1,327.1	5.03%
2012	0.0	0.0	2,833.0	55.4	245.7	0.0	6,485.0	82.7	4,297.0	3,013.0	17,011.8	4.25%	1,127.2	4.25%
2011	0.0	0.0	790.0	66.0	245.8	0.0	6,670.0	86.0	3,665.0	0.0	11,522.8	2.81%	732.3	2.81%
2010	0.0	0.0	946.4	76.5	0.0	0.0	6,840.0	89.3	183.4	0.0	8,135.6	2.10%	543.8	2.10%
2009	0.0	0.0	1,022.0	81.8	0.0	191.6	6,990.0	92.6	411.2	0.0	8,789.2	1.87%	564.3	1.87%
2008	0.0	0.0	1,036.0	92.4	0.0	253.5	7,130.0	96.0	733.1	0.0	9,341.0	2.06%	602.3	2.06%
2007	0.0	0.0	1,427.0	101.3	0.0	327.9	7,190.0	99.3	1,030.6	0.0	10,176.1	2.33%	660.7	2.33%
2006	0.0	0.0	1,530.0	0.0	0.0	0.0	675.0	0.0	1,305.6	6,145.0	9,655.6	2.33%	643.4	2.33%
2005	0.0	0.0	1,537.0	0.0	0.0	73.7	710.0	0.0	1,559.8	7,782.0	11,662.5	2.98%	798.9	2.98%

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Total Outstanding Debt Ratio Analysis
2005 - 2014



Outstanding Debt Per Capita by Type
2005 - 2014



Source: City financial reports

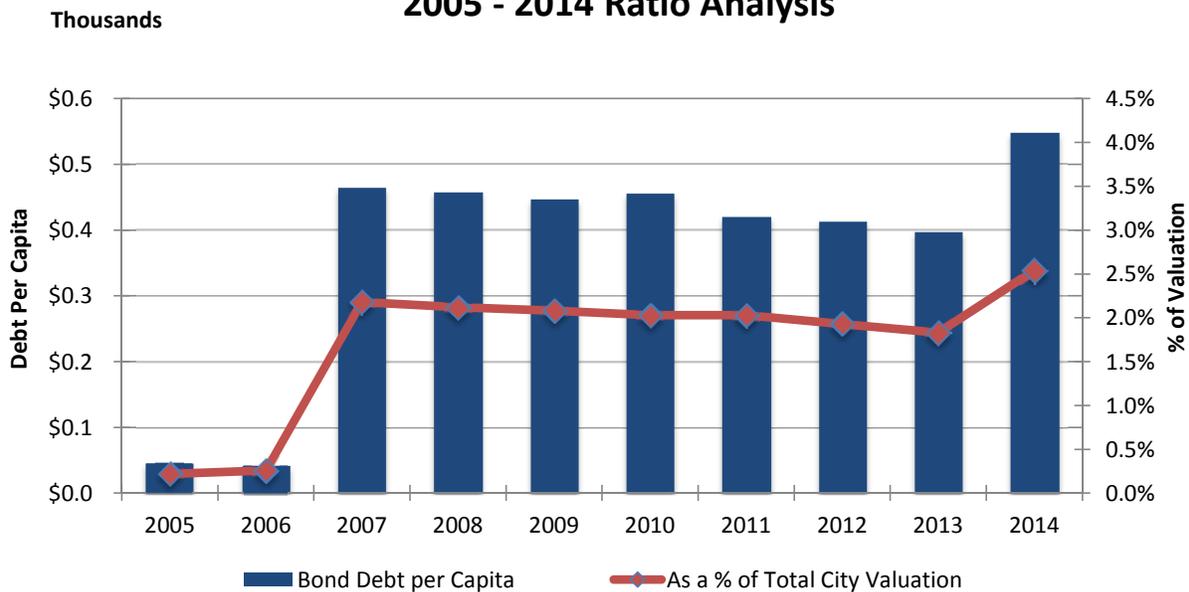
CITY OF PATASKALA, OHIO

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS**

Fiscal Year	General Bonded Debt Outstanding (\$000)				Percent of Actual Taxable Property Value	Outstanding Debt Per Capita
	General Obligation Bonds Business-Type	Total	Less: Restricted for Debt Service	Total Net General Bonded Debt Outstanding		
2014	\$8,860.0	\$8,860.0	\$489.7	\$8,370.3	2.54%	\$547.76
2013	6,300.0	6,300.0	\$300.4	5,999.6	1.83%	395.91
2012	6,485.0	6,485.0	245.7	6,239.3	1.93%	413.42
2011	6,670.0	6,670.0	67.2	6,602.8	2.03%	419.60
2010	6,840.0	6,840.0	30.0	6,810.0	2.03%	455.15
2009	6,990.0	6,990.0	30.0	6,960.0	2.08%	446.87
2008	7,130.0	7,130.0	30.0	7,100.0	2.12%	457.83
2007	7,190.0	7,190.0	30.0	7,160.0	2.18%	464.87
2006	675.0	675.0	30.0	645.0	0.26%	42.98
2005	710.0	710.0	30.0	680.0	0.22%	46.58

Note: Details regarding the Cit's outstanding debt can be found in the notes to the financial statements.

**Total General Bonded Debt Outstanding
2005 - 2014 Ratio Analysis**



Source: City financial reports

CITY OF PATASKALA, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT

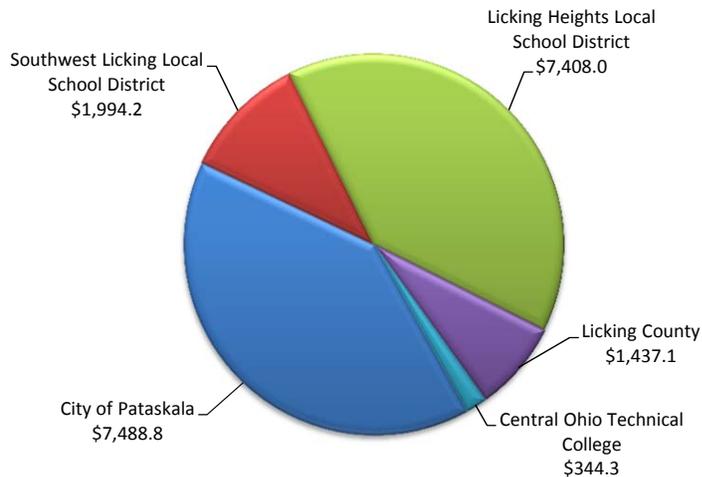
As of December 31, 2014

(\$000's omitted)

Governmental Unit	Assessed Valuation	Total Debt Outstanding	Percent Applicable to City ⁽¹⁾	Amount Applicable to City
<u>Direct</u>				
City of Pataskala	\$330,147.2	\$7,488.8	100.00%	\$7,488.8
<u>Overlapping</u>				
Southwest Licking Local School District	\$583,566.4	\$3,525.0	56.57%	\$1,994.2
Licking Heights Local School District	504,268.0	11,315.0	65.47%	7,408.0
Licking County	3,902,859.2	16,988.8	8.46%	1,437.1
Central Ohio Technical College	3,926,801.4	<u>4,095.0</u>	<u>8.41%</u>	<u>344.3</u>
Total Overlapping Debt		<u>\$35,923.8</u>		<u>\$11,183.6</u>
Total Direct & Overlapping Debt		<u>\$43,412.6</u>		<u>\$18,672.4</u>

⁽¹⁾ The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the government's boundaries and dividing it by the County's total taxable assessed value.

**Direct & Overlapping
General Obligation Debt**



Source: Licking County, Ohio; County Auditor

CITY OF PATASKALA, OHIO

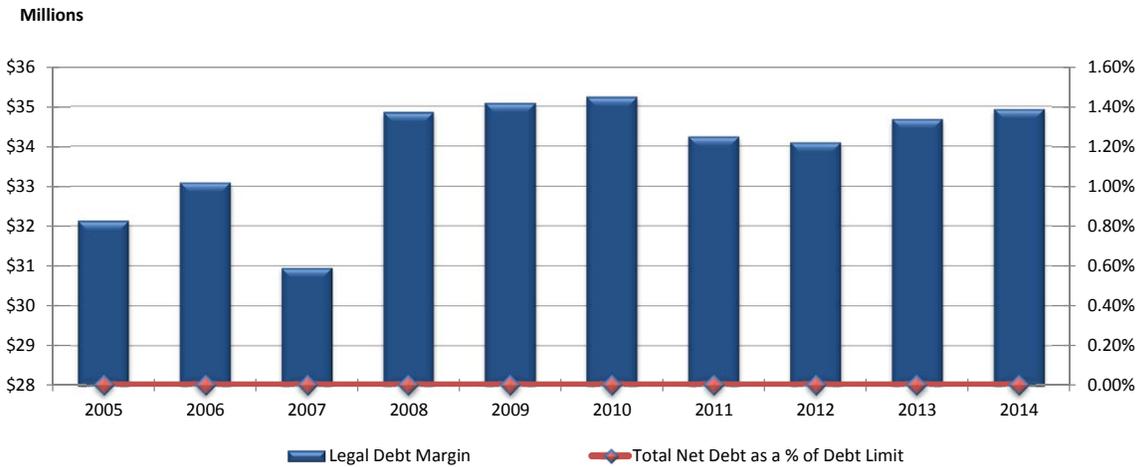
LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS

Fiscal Year	Assessed Value	Voted Debt Limit	Total Net Voted Debt Applicable to Limit	Debt Service Available Balance	Legal Debt Margin	Unvoted Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2014	\$330,147,160	\$34,665,452	\$0	\$272,626	\$34,938,078	\$18,158,094	0.00%
2013	328,084,130	\$34,448,834	0	\$236,421	34,685,255	18,281,048	0.00%
2012	322,725,800	33,886,209	0	213,636	34,099,845	17,963,555	0.00%
2011	325,841,880	34,213,397	0	30,067	34,243,464	17,951,370	0.00%
2010	335,370,730	35,213,927	0	30,067	35,243,994	18,475,457	0.00%
2009	333,857,610	35,055,049	0	30,067	35,085,116	18,392,236	0.00%
2008	331,707,830	34,829,322	0	30,067	34,859,389	18,273,998	0.00%
2007	294,592,358	30,932,198	0	30,067	30,962,265	16,232,647	0.00%
2006	314,988,340	33,073,776	0	30,067	33,103,843	17,354,426	0.00%
2005	305,787,780	32,107,717	0	30,068	32,137,785	16,848,396	0.00%

Note: Debt limit is calculated as assessed valuation multiplied by 10.5% plus the debt service fund equity. Unvoted debt limit is calculated as assessed valuation multiplied by 5.5%.

Note: HB66 began the phase-out of Tangible Personal Property Tax in the next three years. To reflect this phase-out, the assessed valuation listed above has been reduced for TPP by 50% of the 2006 Assessed Valuation.

Legal Debt Margin Analysis
2005 - 2014



Source: City financial reports

CITY OF PATASKALA, OHIO

**PLEGDED REVENUE LOAN COVERAGE - OWDA LOANS
LAST TEN YEARS**

SEWER OWDA LOANS:

Year	Operating Revenue	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements (2)			Coverage Ratio
				Principal	Interest	Total	
2014	\$ 1,664,194	\$ 1,123,832	\$ 540,362	\$ 162,333	\$ 113,047	\$ 275,380	1.96
2013	1,701,478	1,079,355	622,123	180,148	118,137	298,285	2.09
2012	1,728,713	937,029	791,684	416,942	165,787	582,729	1.36
2011	1,106,985	1,166,708	(59,723)	5,831	1,728	7,559	(7.90)
2010	872,648	705,169	167,479	237,773	17,719	255,492	0.66
2009	861,758	701,994	159,764	212,185	30,787	242,972	0.66
2008	857,372	585,809	271,563	197,290	48,148	245,438	1.11
2007	982,872	534,225	448,647	183,441	61,998	245,439	1.83
2006	932,038	545,373	386,665	170,563	74,876	245,439	1.58
2005	1,132,105	341,732	790,373	158,590	86,850	245,440	3.22

WATER OWDA LOANS:

Year	Operating Revenue	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements (2)			Coverage Ratio
				Principal	Interest	Total	
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2011	1,378,810	868,165	510,645	62,802	4,374	67,176	7.60
2010	788,378	724,931	63,447	120,127	12,805	132,932	0.48
2009	780,361	993,715	(213,354)	109,725	20,474	130,199	(1.64)
2008	786,461	629,673	156,788	100,224	37,245	137,469	1.14
2007	1,025,952	658,638	367,314	91,546	45,923	137,469	2.67
2006	962,805	570,721	392,084	83,619	53,850	137,469	2.85
2005	1,165,749	565,509	600,240	76,378	61,091	137,469	4.37

(1) Total Operating expenses are exclusive of depreciation

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

There are no Water OWDA loans outstanding after December 31, 2011. Therefore, this calculation is not applicable.

Source: City financial reports

CITY OF PATASKALA, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Fiscal Year	Population ⁽³⁾	Total Median Household Income ⁽¹⁾	Personal Income ⁽¹⁾⁽⁶⁾	Per Capita Personal Income ⁽¹⁾	Median Age	Combined School Enrollment ⁽⁴⁾	Unemployment Rate ⁽²⁾
2014	15,281	\$ 59,341	\$ 403,983,797	\$ 26,437	36.1	7,653	4.2%
2013	15,154	59,341	399,859,625	26,437	35.8	7,558	5.9%
2012	15,092	56,470	400,556,772	26,541	35.8	7,408	8.6%
2011	15,736	56,470	410,426,352	26,082	35.8	7,161	8.6%
2010	14,962	59,038	386,797,624	25,852	34.0	7,140	9.3%
2009	15,575	58,041	469,414,925	30,139	34.0	6,960	6.1%
2008	15,508	56,626	453,779,588	29,261	34.0	6,685	5.2%
2007	15,402	55,920	437,555,418	28,409	34.0	6,293	5.0%
2006	15,007	55,214	413,908,067	27,581	34.0	5,978	5.7%
2005	14,598	54,508	390,905,244	26,778	34.0	5,709	5.9%

OTHER MISCELLANEOUS INFORMATION ⁽⁵⁾

Date of Incorporation 1891
Form of Government Charter City
Population ⁽¹⁾ 15,031

Area in square miles 28.72

<u>City Acreage by class:</u>	<u>Total</u>	<u>Percent</u>
Agricultural	10,539	58.8%
Residential	5,577	31.1%
Office/Commercial/Industrial	1,153	6.4%
Roadways, utilities, other	<u>647</u>	<u>3.6%</u>
Total City Acreage	17,916	100.0%

Facilities & Services

Miles of streets 165
Number of signalized intersections 11

Sources:

- (1) U.S. Census Bureau
- (2) U.S. Bureau of Labor Statistics
- (3) 2010 U.S. Census Bureau and Mid Ohio Regional Planning Commission
- (4) Southwest Licking and Licking Heights Local School Districts
- (5) City departments
- (6) Sperling's Best Places (www.bestplaces.net)

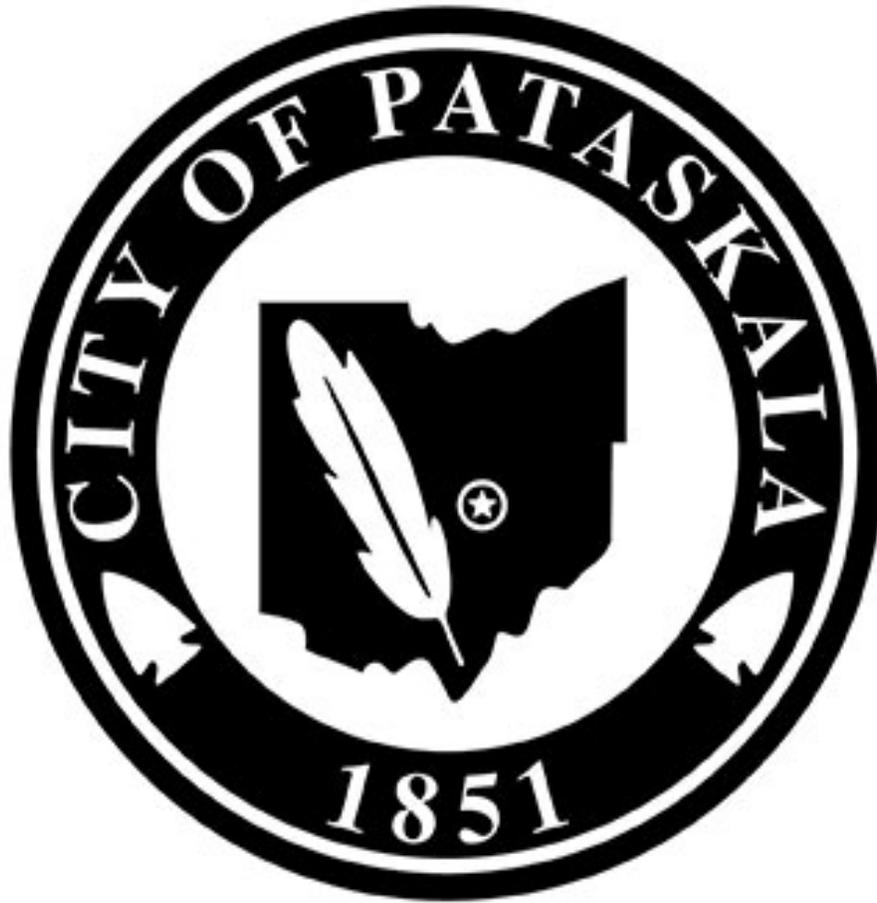
CITY OF PATASKALA, OHIO

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND FOUR YEARS AGO**

Employer	2014		2010	
	Percent of Total Withholding Taxes Paid	Rank	Percent of Total Withholding Taxes Paid	Rank
Licking Heights Local School District	5.90%	1	8.89%	1
West Licking Joint Fire District	2.11%	2	4.10%	3
Southwest Licking Local School District	1.96%	3	4.94%	2
Kroger	1.86%	4	3.71%	5
First Source Employee Management	1.79%	5		N/A
Thayer Investments LLC	1.56%	6		N/A
American Electric Power Service Corp.	1.48%	7	1.93%	6
Daily Services LLC	1.47%	8		N/A
Pataskala Land Corp	1.25%	9		N/A
City of Pataskala	1.19%	10	1.52%	9
Pataskala Oaks Care Center			3.98%	4
Mulch Manufacturing			1.77%	7
Craft Wholesalers			1.70%	8
Buckeye Ready Mix			1.41%	10
Total of Top Ten	<u>20.56%</u>		<u>33.95%</u>	
Total Withholdings - All Employers	<u>\$2,179,849</u>		<u>\$360,868</u>	

Source: Regional Income Tax Agency (RITA) records.
'NA' indicates no data available for time period.

Note: Information on principal employers prior to 2010 was not available, due to the implementation of the income tax in mid-2010.



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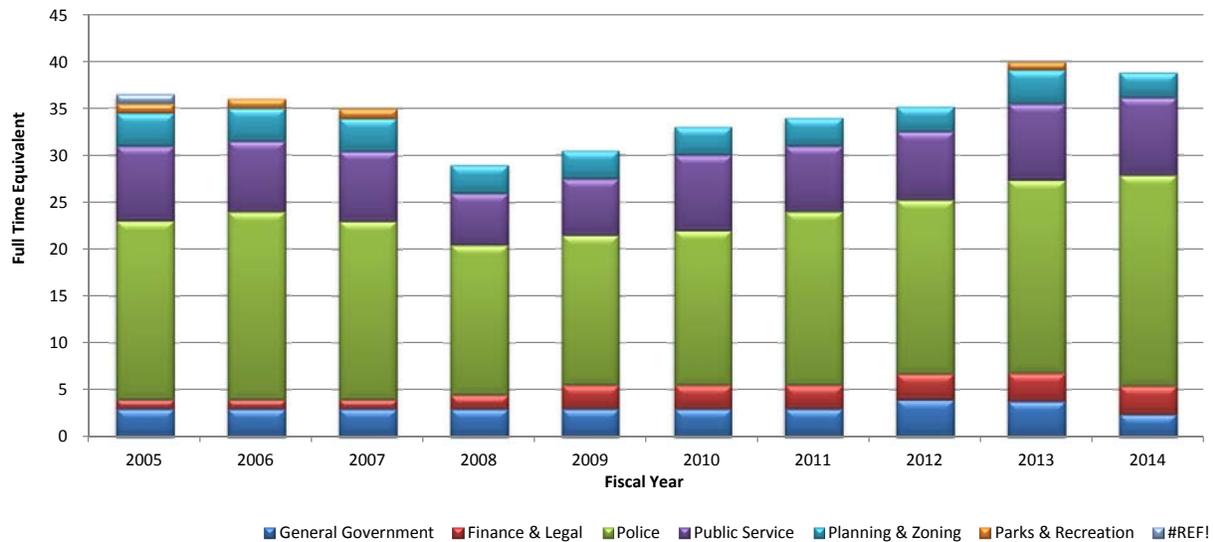
CITY OF PATASKALA, OHIO

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

Function/Program	2014	2013	2012	2011
General Government	2.43	3.80	4.00	3.00
Clerk of Council	1.00	1.00	1.00	1.00
Mayor's Court	0.99	1.00	1.00	1.00
City Administrator	0.44	1.00	1.00	1.00
Project Manager	-	0.80	1.00	-
Finance & Legal	3.00	3.00	2.75	2.50
Finance	2.00	2.00	1.75	1.50
Law	1.00	1.00	1.00	1.00
Public Safety	22.47	20.56	18.54	18.50
Police/Clerk	22.47	20.56	18.54	18.50
Transportation	8.28	8.15	7.25	7.00
Public Service	8.28	8.15	7.25	7.00
Community Environment	2.63	3.61	2.63	3.00
Planning & Zoning	2.63	3.61	2.63	3.00
Leisure Time Activity	-	0.83	-	-
Parks Administration	-	0.83	-	-
Parks Maintenance	-	-	-	-
Utility Services	10.02	9.49	9.15	9.00
Water	6.42	6.35	3.45	4.50
Sewer	3.60	3.14	5.70	4.50
Total Full-Time Equivalent (FTE)	48.83	49.44	44.32	43.00

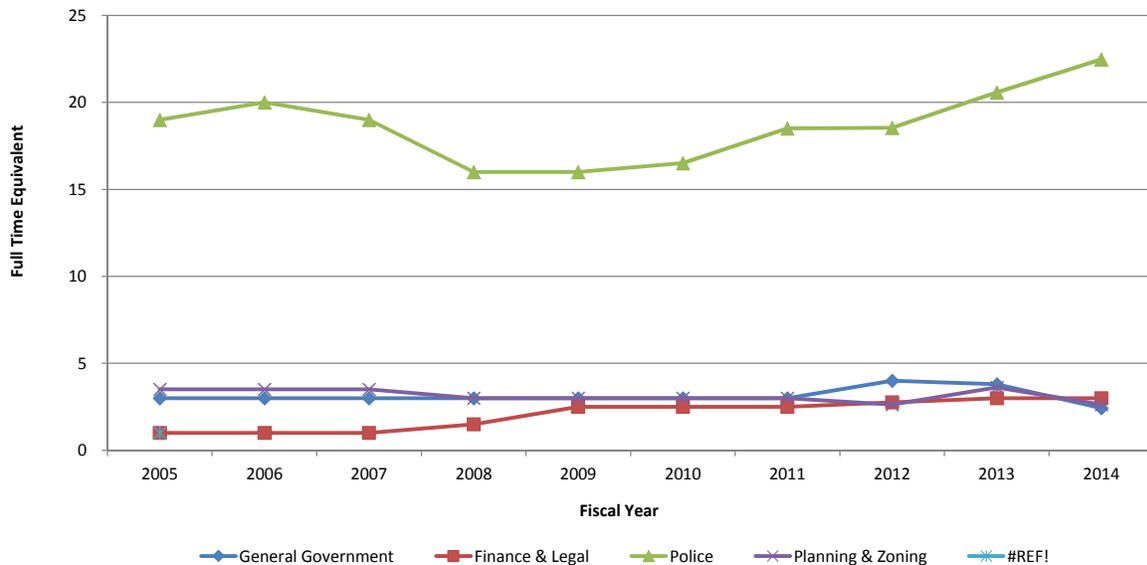
Source: City payroll systems

**Full-Time Equivalent Employees
By Function 2005 - 2014**



2010	2009	2008	2007	2006	2005
3.00	3.00	3.00	3.00	3.00	3.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
-	-	-	-	-	-
2.50	2.50	1.50	1.00	1.00	1.00
1.50	1.50	1.50	1.00	1.00	1.00
1.00	1.00	-	-	-	-
16.50	16.00	16.00	19.00	20.00	19.00
16.50	16.00	16.00	19.00	20.00	19.00
8.00	6.00	5.50	7.50	7.50	8.00
8.00	6.00	5.50	7.50	7.50	8.00
3.00	3.00	3.00	3.50	3.50	3.50
3.00	3.00	3.00	3.50	3.50	3.50
-	-	-	1.00	1.00	1.00
-	-	-	0.50	0.50	0.50
-	-	-	0.50	0.50	0.50
8.00	8.00	7.50	8.00	8.00	9.00
4.00	4.00	3.50	4.00	4.00	4.50
4.00	4.00	4.00	4.00	4.00	4.50
41.00	38.50	36.50	43.00	44.00	44.50

**Full-Time Equivalent Employees
By Function 2005 - 2014**



CITY OF PATASKALA, OHIO

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS**

Function/Program	2014	2013	2012	2011
General Government				
Positions Filled	9	8	11	4
Zoning Permits Issued	433	517	447	401
Zoning Inspections Performed	267	274	279	236
Ordinances & Resolutions	65	118	101	115
Public Safety				
Number of Arrests	524	406	715	436
Incidents/Police Reports Taken	1,383	1,035	1,853	1,521
Traffic Violations/Citations	1,370	1,528	1,850	1,167
Mayor's Court				
Misdemeanor Cases	102	108	123	142
O.V.I. Cases	10	1	1	14
Other Traffic Cases	1,280	1,325	1,557	1,583
Leisure Time Activities *				
Youth Soccer Participation	843	825	452	833
Select Soccer	114	122	216	108
Middle School Participation	113	80	43	84
High School Participation	82	75	44	54
Youth Softball Participation	175	142	135	115
Adult Softball Participation	256	256	120	NA
Youth Baseball Participation	89	56	175	NA
Porpose Swim Team Members	212	197	190	NA
Transportation				
Street Resurfacing (miles)	6.50	12.48	7.00	0.75
Tons of salt used	1,850	3,100	2,500	1,571
Bridges Replaced/Repaired	-	-	1	1
Water				
New Connections	34	51	48	19
Service Calls	924	736	689	578

Source: City of Pataskala Departments.

'NA' indicates that the data was not available for that specific time period.

Note: Information for 10 years prior was not available for all functions.

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
2	-	2	5	3	9
457	503	605	484	891	1,006
362	385	449	669	842	781
86	77	69	80	95	66
405	534	610	726	794	351
1,390	1,345	1,534	1,851	1,928	1,596
1,254	1,342	NA	NA	NA	NA
151	NA	NA	NA	NA	NA
15	NA	NA	NA	NA	NA
1,402	NA	NA	NA	NA	NA
802	788	820	865	725	637
190	112	90	82	107	116
20	NA	NA	NA	NA	NA
20	NA	NA	NA	NA	NA
145	426	183	186	180	150
NA	NA	205	226	201	210
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
2.06	-	-	20	NA	NA
1,829	279	163	399	NA	NA
1	1	1	1	-	-
19	16	20	32	44	110
578	610	NA	NA	NA	NA

CITY OF PATASKALA, OHIO

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS**

Function/Program	2014	2013	2012	2011
<u>Public Safety</u>				
Police:				
Stations	1	1	1	1
Cruisers/Patrol Vehicles	29	23	20	19
<u>Leisure Time Activities</u>				
Parks	6	6	6	6
Park Acreage	127	127	200	200
Swimming Pools	1	1	1	1
Wading Pools	1	1	1	1
Baseball Diamonds	3	3	3	3
Softball Fields	1	1	1	NA
Soccer Fields	24	23	NA	NA
<u>Transportation</u>				
Lane Miles	328	328	328	321
<u>Water</u>				
Water Mains (linear feet)	291,100	291,100	291,100	291,100
<u>Sewer</u>				
Sewer Lines (linear feet)	181,923	181,923	181,908	161,500
Lift Stations	7	7	7	7
Manholes	762	762	760	737
Force Main Sewer Lines (linear feet)	15,365	15,365	15,365	15,365

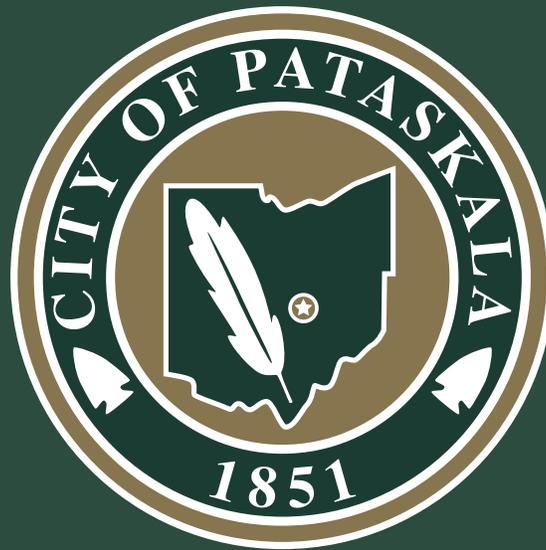
Source: City of Pataskala Departments

'NA' indicates that the data was not available for that specific time period.

2010	2009	2008	2007	2006	2005
1	1	1	1	1	1
18	24	32	35	NA	NA
6	6	6	6	6	6
200	200	200	200	200	200
1	1	1	1	1	1
1	1	1	1	1	1
4	4	4	4	4	4
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
320	320	320	320	320	320
291,215	291,215	290,400	289,200	283,200	280,100
161,500	161,500	160,252	154,892	148,452	140,952
7	7	7	7	7	7
737	737	737	737	737	737
15,365	15,365	15,365	15,365	15,365	15,365



END OF REPORT



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