



City of Pataskala, Ohio
Comprehensive Annual
Financial Report

For the Year Ended
December 31, 2017





Dave Yost • Auditor of State

July 10, 2018

Tara Weaver
Julian & Grube, Inc.
333 County Line Road West
Westerville, Ohio 43082

Dear Ms. Weaver:

A desk review of the audit report has been performed for the City of Pataskala, Licking County, for the year ended December 31, 2017. Based on the desk review, this report is acceptable and requires no modifications.

We will certify this audit with the Clerk of the Bureau. As a reminder, the final invoice for this project must be submitted to the Auditor of State for approval no later than 90 days after the release of the report by the Auditor of State's Clerk of the Bureau. If you have any questions or concerns, please contact me at (614) 466-3597.

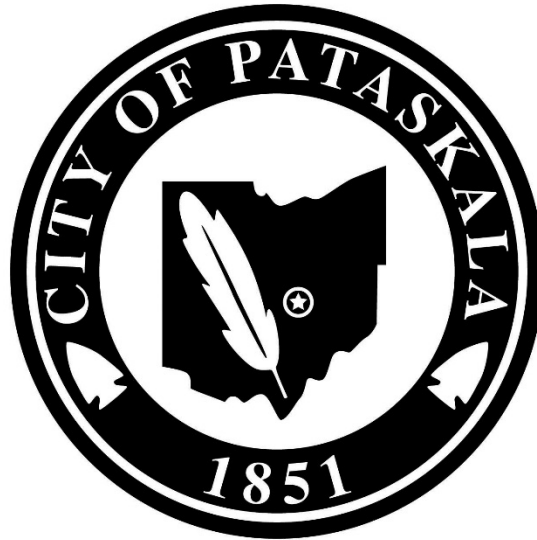
Sincerely,

DAVE YOST
Auditor of State

A handwritten signature in cursive script that reads "Brad Blake".

Brad Blake
Chief of Quality Assurance
Center for Audit Excellence

cc: Stacie Scholl, Chief Auditor
James Nicholson, Finance Director, City of Pataskala



City of Pataskala, Ohio
Comprehensive Annual
Financial Report

For the Year Ended
December 31, 2017

James M. Nicholson
Finance Director



Introductory Section

City of Pataskala | CAFR



CITY OF PATASKALA, OHIO

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Finance Department

James M. Nicholson
Finance Director

Janice A. Smith
Finance Manager

June 7, 2018

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, 2017, 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 upon 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: (1) Mid-Ohio Regional Planning Commission (MORPC); (2) Southwest Licking Community Water & Sewer District; (3) West Licking Joint Fire District; (4) Pataskala Corporate Park Joint Economic Development District (JEDD); (5) Regional Income Tax Agency (RITA); (6) Central Ohio Health Care Consortium (COHCC); and (7) GROW Licking Community Improvement Corporation (CIC).

The Municipal Charter, which was initially adopted in 1996, became effective January 1, 1996. The Charter is subject to period amendment by the electorate, and was most recently amended in 2016. 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 retained the services of the law firm, Isaac Wiles, to serve in this capacity.

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

The City provides the following services: public safety, operation of water and sewer utilities, parks and recreational programming, and a planning and zoning department. Fire protection services are provided by the West Licking Joint Fire District, in which the City participates and has an appointed 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. In 2016, the City began transitioning recreational programming back to the City, and, with the exception of the municipal swimming pool, now have full responsibility and authority over recreational programming.

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 accounting and budgetary control 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 proposed 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 subject to Council approval. *Program/Function* represents groupings of functionally similar tasks performed by the jurisdiction and is the local equivalent of the ORC-required department. There are twelve major programs/functions identified by the City Finance Director, and include the following:

- 100 – General Government
- 150 – Executive & Legislative
- 200 – Legal & Court
- 300 – Public Service
- 400 – Police
- 500 – Finance
- 600 – Lands, Buildings & Facilities
- 650 – Recreational Programming
- 700 – Debt Service
- 800 – Water Utility
- 850 – Sewer Utility
- 900 – 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:

- 52 – Salary & Related
- 53 – Contractual Services
- 54 – General Operating
- 55 – Capital Outlay
- 57 – Debt Service
- 59 – 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 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 17,175 residents based on the 2018 annual population estimate by the Mid-Ohio Regional Planning Commission (MORPC), which makes the City the 2nd largest City in the county, and the 13th largest in the central Ohio region.

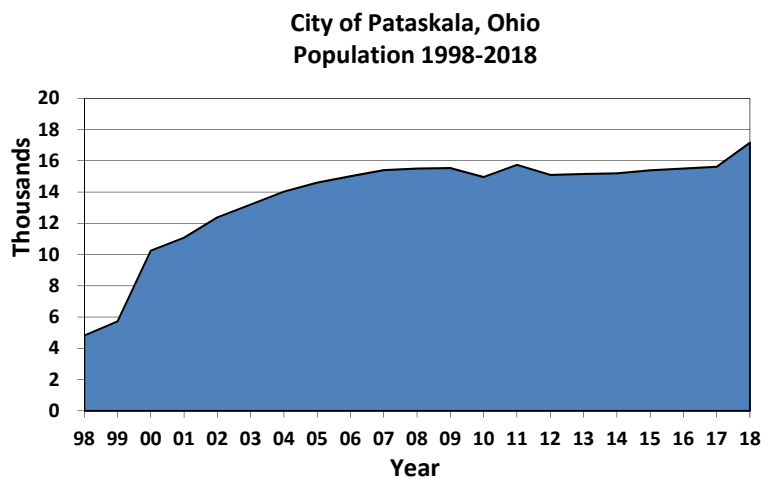
City residents have easy access to downtown Columbus and the entire central Ohio area via Interstate 270 and Interstate 70, U.S. Route 40 and State Routes 16 and 310. Commercial passenger air service is available at Port Columbus International Airport and Rickenbacker International Airport in the City 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 2018 population is rapidly approaching 16,000. The main factor contributing to this growth over a sustained period has been increase in residential development that compliments the rural character of Pataskala, along with relatively close proximity to the region's core city, Columbus. In 2016, Columbus Business First magazine named Pataskala the fifth fastest growing city in the central Ohio region.

Within the past 18 years, the City has seen significant commercial development occurring within the eastern portion of the City along Broad Street with the development of a Kroger store, and adjacent strip



retail center, the Hazelwood Shopping Center. In addition to the construction of Kroger in 2000, the first phase of the Hazelwood Shopping Center was also constructed with approximately 19 additional retail units ranging from 1,400 square feet to 4,800 square feet and totaling 28,800 square feet. These units are all full and provide retail and dining options for residents. 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. 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.

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 was one of the initial projects funded under Ohio's Job Ready Sites (JRS) program, and is critical to the City for the creation of jobs and investment in the Park. 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. In 2016, the City attracted the first development to the Pataskala Corporate Park. An American Electric Power (AEP regional distribution center was approved to be constructed on

100 acres located in the northern portion of the Park. Construction on this project began in the summer of 2017. Additionally, AEP has received approval to construct an electric service sub-station on 10 acres in the Pataskala Corporate Park. This will provide additional electric capacity in the park, increasing the attractiveness of the property.

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: (1) the creation of the JEDD; (2) utilization of grant funding from the Department of Development's (ODO) JRS program; (3) utilization of Community Reinvestment Area (CRA) property tax exemptions; and (4) utilization of an existing Tax Increment Financing (TIF) area, in order to attract hundreds of jobs and millions of dollars in new investment.

In 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.

The City has also experienced the opening of nearly 20 small local businesses. These businesses range from food service to miscellaneous retail. We continue to experience local business growth.

Residential development construction has also increased in the city. There are currently more than 900 residential lots in some stage of development/planning. The City has become attractive to residential developers due to the quality services and well scoring local school districts. Subdivisions that have recently been approved or are under construction include: Broadmoore Commons (274 lots); Legacy Estates Phase III (35 lots); The Settlement phases III and IV (32 total lots); Carrington Ridge Phase II (36 units); Foor Farms Phase II (60 units); Hazelwood Phase 4, 5, and 6 (76 lots) and The Ravines at Hazelwood phase III (40 lots). Additionally, in 2016 a property owner annexed land into the City for residential development. Once approved, the development will consists of approximately 250 lots for single-family residential development.

MAJOR INITIATIVES:

Planning and Zoning Department/Economic Development

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

The department's guiding principles are:

1. Public engagement in planning discussions;
2. Achievement of a balance of land uses that sustain the City;
3. Enhancement of pedestrian connections to parks, schools, government, commercial, industrial and residential designations;
4. Protection of the environment;
5. Revitalization of the historic village centers; and
6. Maintaining the City's identity with its agrarian and rail heritage.

The Department is comprised of a Director of Planning, City Planner, Zoning Inspector, and a Zoning Clerk who are responsible for operation of the Department. The Department also provides staff support to the Board of Zoning Appeals and the Planning and Zoning Commission, composed of 5 and 7 citizen members, respectively. The Director of Planning compiles business and industry information/data for the City, and assists 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.

During 2017, the Planning and Zoning Department undertook a number of initiatives, including:

- Finalized the update of the Pataskala Subdivision Regulations for adoption in 2018;
- Continued the effort to update the Pataskala Comprehensive Plan, which has not been updated in over 10 years;
- Improved upon the established a formal code enforcement process and developed a more efficient way to track code violations;
- Continued the digitization of over 10,000 zoning permits to be used in the City GIS system;
- Created standards for sidewalks and paths to be installed in conjunction with new development, in addition to a fee-in-lieu provision and associated fund for the installation of sidewalks and paths that would not be an immediate benefit to the community;
- Created zoning standards and permit requirements for demolitions;
- Amended the accessory building regulations to curb the number of variance requests for sheds, pole barns, etc.;
- Created regulations and permit requirements for Mobile Food Vendors (Food Trucks);
- Amended the regulations for "neighbor notices" for Planning and Zoning and Board of Zoning Appeals applications to correct existing issues and create a uniform notification method;
- Began process to amend the Pataskala Schedule of Fees;
- Continued to correct discrepancies on the Zoning Map; and
- Improved coordination between the Planning and Zoning Department, the Pataskala Utility Department, the South West Community Water and Sewer District and the Licking County Health Department on Certificates of Compliance for new residential construction. This coordination of efforts ensures that Certificates of Compliance are completed, and that water and sanitary services are installed correctly.

Many of the changes that were completed in 2017 have shown immediate results and garnered support from residents and businesses alike. The Planning and Zoning Department seeks to continue and built on successes well into 2018 and beyond.

Police Department

The Police Department takes every opportunity to interact with our community. We enjoy the time we get to spend with our residents. So much so, that the department sponsors an event called “Cookout with the Cops” every summer. We also participate in activities like Safety Days, Independence Day Fireworks, the Licking Memorial Mini-Triathlon and the Pataskala Street Fair. They foster a strong relationship with the public so they feel more comfortable in sharing information that helps us by having situations brought to our attention. This allows us to take a more proactive role in the safety and well-being of our city.

We are excited that our new police facility has been designed, and is working its way through the building and permitting processes. A new police station will allow us to better serve our community as well. Having our home next to the rest of the city offices will create a City complex that will makes things less confusing and more convenient for those doing business with the City. The new location is also more centrally located which will make it easier to reach for the residents on the west side of the city. With the new location being more centrally located, it will make things more convenient for our residents from the western half of the community. We are also excited for the facility be located next to Karr Park, which we hope will make visits to the station more enjoyable.



We are proud to be working with community leaders to fight the continuing drug epidemic that all communities battle. We are working with the Drug Free Clubs of America to reinforce the message of eradicating illegal drug use with high school students. We are also proud to have one of the original drug drop-off locations in the county. We accept citizens unused prescription medications to keep them from falling into the wrong hands, or being disposed of via the City’s sanitary sewer system. We also participate in ‘Drug Take Back Days’ to help with this.

We also use other tools and partnerships to fight the drug epidemic. We use our K-9 officers to look for and detect illegal drugs to help get them off the streets. We are also members of The Central Ohio Drug Enforcement Task Force. Their focus is arresting drug dealers to help make our area safer.

We are teaming up with the Licking County Sheriff’s Office to join Project Life Saver. The program provides a tracking system for people that are prone to confusion, or memory impairment. If a recipient of a tracker happens to wander off and become lost, we will have the ability to track and locate the individual.

The Police Department continues to look for new and effective approaches to help ensure that Pataskala continues to be a fun and safe place to live and visit.

Public Service Department

The Public Service Department’s primary source of funding is the City income tax, and in 2017, approximately 35.7% of the income tax revenue collected was dedicated to public service operations. While the City still has a several prior year Capital Improvements Program (CIP) projects in various stages

of completion, the City did elect to take on one additional significant improvement project in 2017. However, most of the City's focus remained on maintaining and expanding the department's equipment, procuring materials, and employing staff to complete various roadway, storm system, traffic control, and other public infrastructure maintenance and improvement projects.

A new project undertaken by the City in 2017 was the Columbia Road Culvert Replacement Project. Funding for this project was made possible by receipt of grant and no interest loan dollars awarded to the City by the Ohio Public Works Commission. Design was finalized in 2016 and the project was substantially completed in late 2017. The Columbia Road Bridge Replacement project, which was largely funded by the Ohio Department of Transportation's Municipal Bridge Program, was also completed in 2017. While only undertaking one new major road construction project during 2017, significant effort was expended on existing projects from the previous few years that were still in progress. Design was completed on two of these, namely the Mink Street Phase II project and the Taylor Road/Cleveland Avenue Trail and Sidewalk project. Both are expected to be constructed in 2018. The other two, the Main Street Improvements project, and the Mink and Broad Street Intersection Improvements did not see much effort expended, but remain unfinished due to unforeseen delays; both projects are anticipated to be completed in 2018.

The City also commissioned and completed two separate stormwater drainage studies to identify causes and potential solutions to stormwater issues in the City. The first is the Graham Road/Kylemore Subdivision study which identified stormwater improvements needed along Graham Road to mitigate flooding. The preferred alternative is scheduled for design during 2018, and construction in 2019. The other study was aimed at inventorying and evaluating all stormwater retention and detention basins throughout the City, to determine responsible parties for each, and to identify deficiencies and solutions to restore proper function. The top priority improvements are scheduled to occur in 2018, and a new ordinance is also anticipated to take effect in 2018 to provide the City with an avenue for enforcement of maintenance of privately owned basins where the current code falls short.

The City's annual street program for 2017 provided much needed maintenance to several roads throughout the City. The following streets/sections of streets received new surface asphalt: Willow Street, from Main Street to Township Road (500'), Township Road, from Willow Street to Mill Street (2300'), Applewood Drive, from Poff Drive to Township Road (1200'), Wood Street, from Mill Street to its northern terminus (1600'), and both Oxford Drive and Corylus Drive, from Broad Street to 800' north of Broad Street. The City also chose to use chip and seal treatments to help prolong the life of the following 5 residential streets: Charles Drive (1400'), Daley Drive (1500'), Helen Road (1200'), Christy Lee Drive (1000'), and Saddlepath Lane (2300'). While not a typical application, all of the streets are older style residential development that consist of a single dead end or cul-de-sac street without curbs.

With the remainder of the budget, the Public Service Department was able to focus on paying down debt service, making improvements to facilities, and acquiring equipment to increase in-house capabilities and safety. New equipment included the purchase of a large equipment trailer, a new bed for the sign truck, a skid steer cold planer attachment, a skid steer paving attachment, and brine equipment. A large equipment trailer was identified as a need due to the inadequacy of existing trailers to carry newer, larger equipment. The new trailer allows for hauling of this equipment, instead of driving them to each job site. This trailer also eliminated the need for two of the smaller trailers, which were sold to help defray the cost of the new trailer. A new sign bed was needed for the sign truck, as the old bed had experienced significant deterioration, and was at the end of its useful life. The new bed was also designed to better house the equipment, and better serve the needs of the personnel operating the truck and equipment. A skid steer cold planer attachment was purchased after previously renting this equipment, as it was found to be a valuable tool for repairing pavement. This grinder allows for clean and concise asphalt removal

operations, and combined with the addition of the paver attachment, makes pavement repair operations more efficient, effective, and professional looking for longer lasting, better looking repairs. To assist with snow removal during certain snow events, the department outfitted a dump truck with a tank and sprayer nozzles to apply brine to the roadways. This project also included a stationary tank to store brine at the service garage for filling the truck tank.

To complete small scale infrastructure and maintenance projects, the City relies on the capabilities of its Public Service Department Staff. The following list highlights efforts that were completed by the Departments eight full-time employees and one part-time grounds maintenance employee in 2016:

- Over 20,000 feet of roadside ditch cleaning and restoration.
- Over 500 feet of storm sewer/culverts replaced/installed.
- Approximately 20 tons of crack seal material applied to roadways throughout the City.
- Roughly 1800 gallons of emulsion and 100 tons of gravel used to dura-patch City roads.
- Patching potholes and asphalt repairs, using approximately of 230 tons of asphalt.
- Repair of 84 street lights.
- Replacement/upgrade of over 300 street and traffic signs.
- 15 traffic signal repairs/bulb replacements.
- Over 1,000 man hours mowing public right-of-way

Other work items include snow removal, tree removal, continuous berm improvement efforts, OUPS locates, and all facility and grounds maintenance. The Department is responsible for maintaining approximately 280 lane miles of roadway, 17 bridges, and all non-utility related public infrastructure.

Utilities Department

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

Wastewater Department

The Wastewater Collection System consists of 7 Lift Stations, 774 manholes, and 38 miles of sewer main pipe line. The 2017 calendar year for the Utility Department was productive and successful in our daily mission of clean water. We made efforts in equipment replacement and equipment revitalization was accomplished through maintenance efforts. Maintenance efforts include numerous hours in plant operation duties, preventative maintenance duties at our facilities, and duties in the collection system.

- **2017 Biosolids Storage Building** - The Biosolids Management Program resulted in 122.5 dry tons, or 1,741,540 pounds of nutrient product for agricultural beneficial reuse. The program is on the frontline of reuse and recovery of the beneficial application of biosolids. The work with local farmers provides a product to improve soil conditions and to reduce the use of commercial fertilizers. We are diligent in all our testing, agronomic rate calculations and applications to ensure proper nutrient use on crops.

- **Sanitary Sewer Main Line Cleaning and Televising** – A total of 10,000 feet of sanitary sewer line, or approximately 10% of our main line inventory, was preventatively cleaned and televised. The 2017 program focused on maintenance areas that required frequent attention, with a focus on budget reduction in operating costs. A more aggressive cleaning and televising schedule will occur in 2018 with the focus being on the most aged segments of our collection system.
- **2017 GIS System Project** - The Utility Department took great strides in developing our GIS system for our underground infrastructure. We worked with our consultant to build and update our systems to stream line our department efforts in infrastructure management. We completed the transition to a web accessible platform for field staff. This allows for remote access and data recall in the field through the use of smart phones or tablets. The tablets can also be used for field editing.
- **River Forest Lift Station Rehabilitation Project** - The River Forest Lift Station Project was completed in 2017 to update a 45 year old pump station that was unreliable and a safety issue for proper maintenance. The new station allows for future development opportunities in the area.
- **2017 Ohio EPA Mandated Phosphorus Removal Study** - The 2017 Phosphorus Study was conducted by the Utility Department as a cost savings measure. We evaluated the capability of our current facility to meet future effluent phosphorus limitations. Process changes were applied in attempts to meet requirement without a facility upgrade. Study results supported the inability of the facility to meet future requirements without facility improvements. Design options will be vetted in 2018 in efforts to improve the facility in light of future regulatory requirements.
- **Polishing Lagoon Aerators** - Aerators were installed under the phosphorus study in efforts to achieve additional phosphorus removal. While this did not achieve the goal intended the overall appearance and health of one of the 4 acre lagoons is greatly improved.

Water Department

The Water Distribution System consists of 600 fire hydrants, nearly 4,000 main line and service line valves, 4 elevated water storage tanks, 4 clear well storage tanks, 8 active water treatment wells, 1 water booster pump station, 2 treatment plants, and 58 miles of water main pipe line. The 2017 calendar year for the Utility Department was productive and successful in our daily mission of clean water. We made efforts in equipment replacement and equipment revitalization was accomplished through maintenance efforts. Maintenance efforts include numerous hours in plant operation duties, preventative maintenance duties at our facilities, and duties in the distribution system

- **2017 Water Distribution Hydraulic Modeling Study** - The Utility Department worked with a consultant to better understand the current and future limitations of the distribution system. This investment was to directly understand future demands with pressure concerns in a target development areas. The study provided guidance on improvement project and future goals. We will continue to update this system as we continue to grow with changes in the system.
- **2017 GIS System Project** – The Utility Department took great strides in developing our GIS system for our underground infrastructure. We worked with our consultant to build and update our systems to stream line our department efforts in infrastructure management. We completed the transition to a web accessible platform for field staff. This allows for remote access and data recall in the field through the use of smart phones or tablets. The tablets can also be used for field editing.

- **2017 Ohio EPA Lead Service Line Map Program** - The department was required to complete a map indicating the presence of lead service lines in our service area. Records and physical inspections revealed there are no known lead service lines serving our customers. We did indicate on our map the age of homes that were likely to have lead solder prior to its ban in 1986.
- **Brine Storage Tanks** - The brine storage tanks at Water Treatment Plants 1 and 2 received a full interior cleaning and inspection.
- **Public Education Efforts** - We provided educational information to the customers regarding “Drinking Water Quality Advisories” and our procedures for implementation and notification of the public. An informational video on the water treatment process was shared with our customers. The “Adopt-a- Hydrant” program was also shared with the public. We are active in providing information to our customer’s regarding the services provided. The “Hyper Reach” notification system was implemented to provide information quickly to our customers via phone and text messages.
- **System Maintenance** – During 2017, the Water Department completed the following repairs and improvements to the water system:
 - 11 water main and/or valve repair jobs
 - 26 service line repair jobs
 - 2 hydrants replaced
 - 9 hydrants repaired
 - 19 service valves repaired
 - All 650 hydrants flushed during the annual hydrant flushing program
 - 2,144 utility locate requests fulfilled by the staff
 - Over 4,000 laboratory tests to ensure OEPA compliance
 - 2,391 OUPS locate requests fulfilled by staff, a 15% increase from 2015

Utility Billing Department

The Billing Department ensures timely delivery of service to our customers, and is diligent in providing the outstanding customer service every day of the year. This includes keeping the meter reading on a schedule month to month, ensuring that customer invoices go out on time, and attentiveness to customer service order requests. During 2017, the department processed approximately \$3.9 million in service charge revenues.

- **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

Parks and Recreation Department

In 2016, City council directed the administration to bring the Parks and Recreation Department back under City management and control, and



authorized the hiring of a permanent, full time Parks and Recreation Manager. This decision gives the control of the Parks back to the City, and provides for cost savings in utilizing existing City services, such as the Public Service department for mowing and property maintenance. The Park Advisory Board, however, continues to monitor and serve as a ‘sounding board’ for the activities, development, and overall direction of the Parks.

During 2018, the department will be focusing on increasing public awareness of all city parks, as many residents are not aware that we have a total of 6 existing parks, with a 7th soon to be created within our district. Constructing a master plan for each park is a priority, so that we can begin establishing an identity for each park within our city. Identifying the nature or identity for the parks is important, so that we can provide the community with the necessary amenities needed to support the rapid growth of our city.



With an estimated population of more than 17,000 residents and a median age of 37, the city has a younger population, but we must not forget about the city’s mature and elderly. Parks and Recreation is here to serve the mature population segment with social, recreational, active, and healthy opportunities to build a community centered around volunteerism to help strengthen our communities image. Effectively promoting and publicizing recreational programs and events will help enrich the lives of our residents.

The City’s park system has six parks within its corporation limits, totaling more than 127 acres of passive and active parkland, and include the following:

The City’s park system has six parks within its corporation limits, totaling more than 127 acres of passive and active parkland, and include the following:

Foundation Park (Active) has 3 softball diamonds, 11 rec soccer fields, 6 traveling team soccer fields, picnic shelter, a softball garage, a soccer garage/concession stand, a maintenance garage, and a walking path. Foundation hosts the assembly of floats for the annual Fourth of July parade, the Easter egg hunt sponsored by the Lions Club, the Antique Power Show (includes tractor pull events, live music and other community events). The park also has a small pond.



Municipal Park (Active) has a baseball diamond, a swimming pool, 2 soccer fields, a basketball court, a sand volleyball court, shelter house, and a playground for children. It also has a walking trail that connects two large subdivisions.

Freedom Park (Active) has 2 soccer fields, a playground for children, and a shelter house.

Liberty Park (Passive) has a large pond, a walking path and a large open field.

Citizens Park (Passive) has a children’s playground, and a large pond.

Karr Park (Active) has two shelter houses, a children’s playground, a volleyball court and walking paths.

LEADS Park (Future) is currently planned to have two baseball fields, a shelter house and a soccer field.

The City continues to invest its' resources in their parks facilities. Planned projects for 2018 which have been funded in the budget include the following:

- Multi-use trail and sidewalk to be constructed along Taylor Rd/Cleveland Road to Monarch Rd
- Karr Park: shelter inspection, possible roof replacement and pay/widen trail (2019)
- Develop a master plan for all parks so that each have their own identity
- Install/replace security lighting on Park Buildings
- Install new ice machines for community events use
- Offer community events, including: summer movie night series; consider partnerships to offer fitness classes at the parks; consider/establish space for community gardens; Arbor Day events; and sponsor a food truck festival at our local parks.

The Parks and Recreation Department looks to the future to enhance City Programs to offer the citizens of Pataskala more diverse sport programs and community events. In addition, we will concentrate on repairing existing buildings as well as maintaining and enhancing the grounds at all the parks. To help take our city's Parks and Recreation Department to the next level and to keep up with the growth of our rural city we are considering developing a sponsorship program. This program will be offered to our local chamber members to effectively market local business whiling making a positive impact in 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.

In 2016, City Council authorized the Administration to enter into a contract with an architectural firm, Horne & King, for planning, architectural design and construction administration services related to the construction of a new Police Station. Police department operations are currently run out of the Town Hall building, a facility that was never designed to serve in such a capacity. Permanent long-term funding for the project and project bidding were successfully completed in early-2018. Site preparation and initial construction has also commenced. The project is projected to be completed by mid-2019.

Finance Department

The Finance Department, which consists of 3 full-time employees, is responsible for the following functions: payroll, budgetary compliance, accounts payable/receivable, income tax collection, human resources, payroll, capital asset accounting, investment of public funds, and ensuring compliance with Bureau of Worker's Compensation guidelines.

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

In early-2018, the City successfully completed the bank placement of \$4.6 million for construction funding for the Police station project. The City's Aa3 rating was recently reaffirmed 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.

This year will mark the twenty-fourth consecutive year of filing financial statements according to accounting principles generally accepted in the United States of America (GAAP), and the ninth 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 2017, City Council directed that the income tax collections were to be allocated as follows: Police (53.0%), Street (35.65%), Capital Improvement (2.15%), and Debt Service (9.2%).

Pataskala is considered to be a bedroom community, with a significant portion of its approximately 17,100 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 2016 rate of 4.0% to December 2017's rate of 3.8%, and is somewhat better than the State of Ohio's December 2017 rate of 4.7%. This is a welcome improvement over Licking County's 11.0% rate

in January 2010. 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 City Administrator, Benjamin J. King, 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 2017. The Administration 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:** Continue efforts to market the Pataskala Corporate Park location with collaboration from our partners from Licking County. In late 2016, the City attracted the first tenant to the Corporate Park when AEP purchased 100-acres for a distribution and equipment storage facility.
- **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. Consider expansion of the City's three non-Corporate Park CRA's to make additional land along our main corridors more attractive to investors.
- **Local School Districts:** Work with both local school districts to implement a revenue sharing agreement for the Corporate Park CRA, benefitting 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. Right-of-way acquisition occurring in 2016 and 2017. Construction scheduled to occur in 2018.

- **Street & Road Infrastructure:** Implementation of the Roadway Asset Management Plan (RAMP), including repaving/reconstruction of identified roadways. City continues aggressive budgeting each year toward our annual roadway improvements program.
- **Taylor Road Pedestrian & Bicycle Path:** Provide safety, connectivity and access to residents in Brookside 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. Construction occurred in 2017.
- **Columbia Road culvert replacement (OPWC Grant):** In 2016, the City was awarded an OPWC grant in the amount of \$218,023 for the replacement of a culvert, and related road widening, on Columbia Road. The City's local share for this project is estimated to be \$11,501.
- **Storm Water Drainage System:** The City continues to work to addressing its' stormwater drainage issues, ensuring compliance with the NPDES stormwater requirements.

3) 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 maintenance efforts
 - 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 throughout the City to identify areas in the storm water system that need to be cleaned.
- **NPDES/MS4 Permit:** Improved communication with the EPA and staff efforts to improve compliance with requirements of NPDES/MS4 program.

4) 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 2018.

- **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 and Programs:** City sponsored recreation programs to continue. Almost 500 youth involved in spring soccer program. Implementation of additional recreation programming opportunities. Identification and planning for park facility improvements.
- **Park Master Plans:** Work in conjunction with Parks Advisory Board for park master planning.
- **Comprehensive Land Use Plan:** In 2018, the Pataskala City Council authorized legislation to contract with a firm to update the Comprehensive Plan. Adoption of the new plan is scheduled to occur in late-2018.

5) 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.

6) 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:** Begin construction design for a new Police Station. Architectural and construction design has been completed, and the project successfully was successfully bid in late-2017. Site prep and building construction of the new station began in early-2018.

7) 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 a comprehensive *Employee Handbook & Policy Manual* which, in addition to providing employees guidance on employment practices and policies, also 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 financial policy section are 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.

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 expanded 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, 2016. This was the eighth 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.

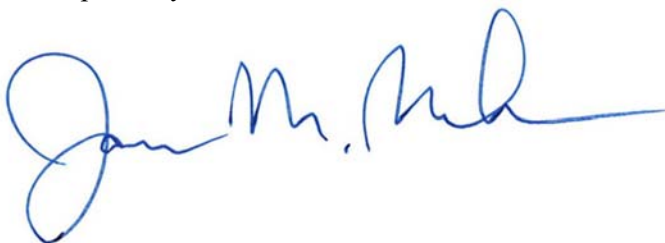
The GFOA has given an *Award for Outstanding Achievement in Popular Annual Financial Reporting* to the City of Pataskala for its Popular Annual Financial Report for the fiscal year ended December 31, 2016. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. An Award for Outstanding Achievement is valid for a period of one year only. This is the first year that the City has received this recognition.

The GFOA presented a *Distinguished Budget Presentation Award* to the City of Pataskala for its Annual Budget for the fiscal year beginning January 1, 2017. In order to receive the award, a government unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device. The Distinguished Budget Award is valid for a period of one year only. This is the first year that the City has received this recognition.

The City has also been awarded the Ohio Auditor of State's *Award With Distinction* certificate (formerly known as the "Making Your Tax Dollars Count" award) for the past eighth consecutive years (2009-2016), based upon the submission of a Comprehensive Annual Financial Report, and the auditor's 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 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, 2016

Christopher P. Morill

Executive Director/CEO

City of Pataskala, Ohio
Elected & Appointed Officials
As of December 31, 2017

Elected Officials*

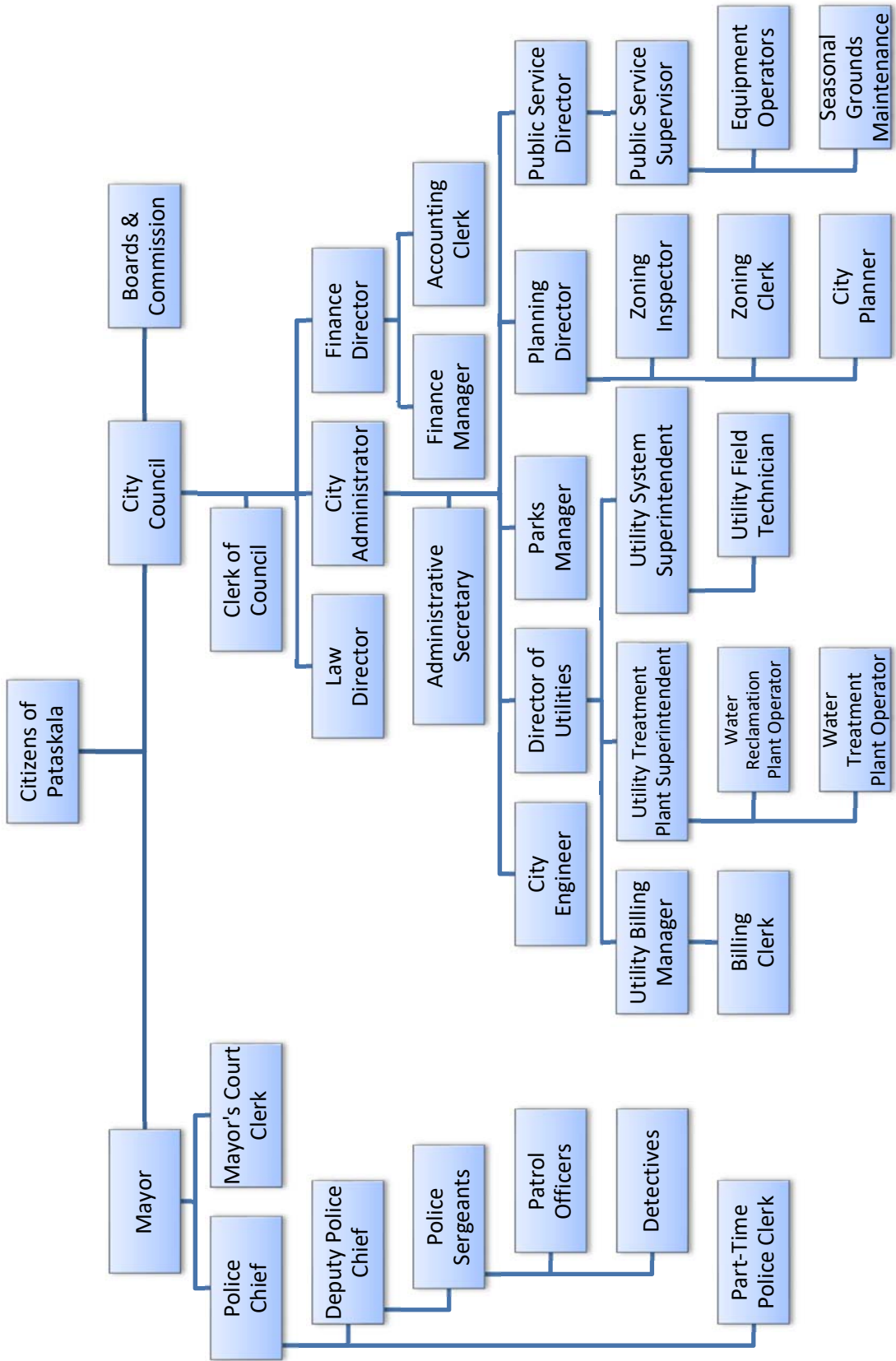
Mayor	Michael W. Compton (2021)
Council President	<i>At-Large</i> – Timothy O. Hickin (2021)
Council Members	<i>At-Large</i> – Andrew W. Walther (2021) <i>At-Large</i> – Todd W. Barstow (2021) <i>Ward 1</i> – Thomas H. Lee (2019) <i>Ward 2</i> – Melissa A. Carter (2019) <i>Ward 3</i> – Michael C. Powell (2019) <i>Ward 4</i> – Suzanne M. Hayes (2019)

Appointed Officials:

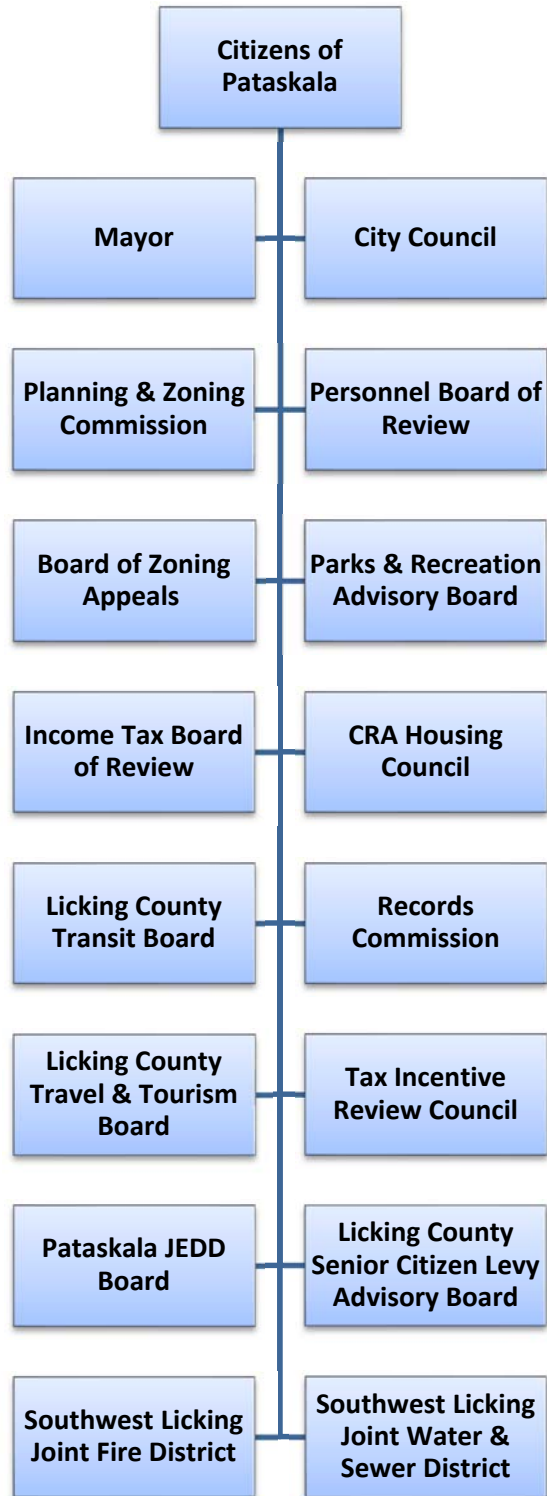
City Administrator	Benjamin J. King
Director of Finance	James M. Nicholson, MBA, CPFM
Law Director	Brian M. Zets, Esq.
Planning Director	Scott C. Fulton
Public Service Director	Alan W. Haines, P.E.
Chief of Police	Bruce Brooks
Utilities Director	Nathan W. Coey

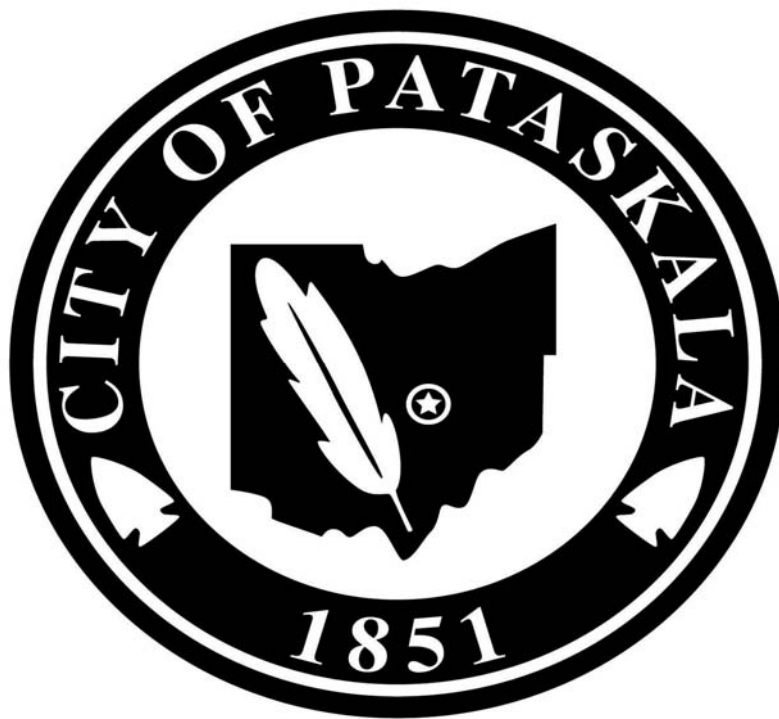
* Elected officials terms of office listed in parentheses.

City of Pataskala, Ohio Organizational Chart



City of Pataskala, Ohio
Boards & Commissions





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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 2F
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, 2017, 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 such 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, 2017, 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*, and schedules of net pension assets and liabilities and pension contributions 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 this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

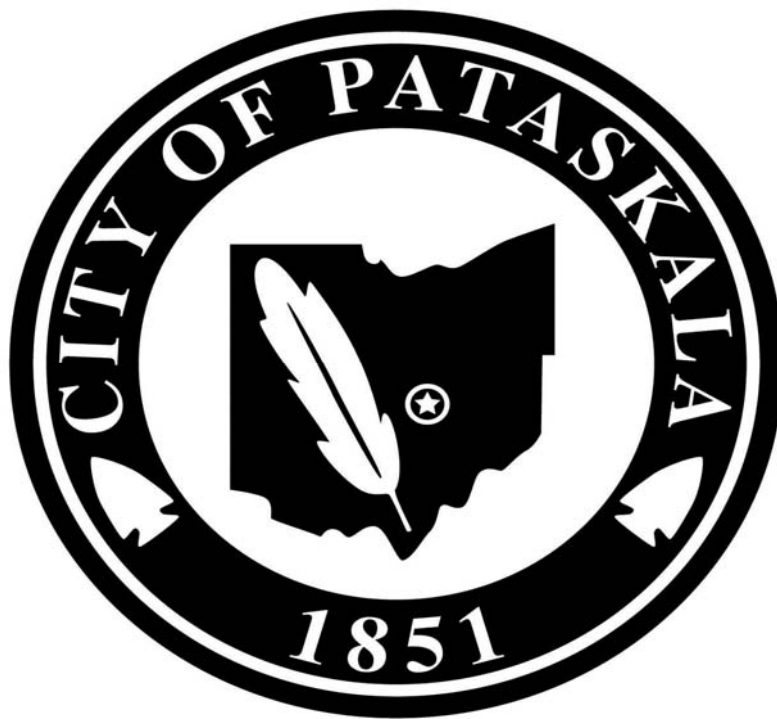
Independent Auditor's Report
City of Pataskala

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2018, 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.
June 7, 2018



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CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

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, 2017. 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 2017 are as follows:

- The total net position of the City increased \$2,369,162. Net position of governmental activities increased \$1,566,302 or 6.16% from 2016's net position. Net position of business-type activities increased \$802,860 or 12.53% from 2016's net position.
- General revenues accounted for \$6,996,745 or 75.55% of total governmental activities revenue. Program-specific revenues accounted for \$2,264,650 or 24.45% of total governmental activities revenue.
- The City had \$7,695,093 in expenses related to governmental activities; \$2,264,650 of these expenses were offset by program specific charges for services, grants or contributions.
- The general fund had revenues and other financing sources of \$1,567,230 in 2017. This represents an increase of \$93,725 from 2016 revenues. The expenditures and other financing uses of the general fund, which totaled \$1,403,310 in 2017 increased \$191,746 from 2016. The net increase in fund balance for the general fund was \$163,920 or 13.09%.
- The Street fund had revenues and other financing sources of \$2,732,137 in 2017, which is a decrease of \$145,822 from 2016 revenues. The expenditures and other financing uses in the Street fund totaled \$1,902,570 in 2017, which decreased \$858,658 from 2016. The net increase in fund balance was \$829,567 or 31.23%.
- The Police fund had revenues and other financing sources of \$2,979,391 in 2017, which is an increase of \$146,645 from 2016 revenues. The expenditures and other financing uses in the Police fund totaled \$2,766,322 in 2017, which decreased \$226,892 from 2016. The net increase in fund balance was \$213,069 or 14.28%.
- The Debt Service fund had revenues and other financing sources of \$1,082,646 and expenditures of \$1,169,726 in 2017. The fund balance of the debt service fund decreased \$87,080 or 33.31%.
- Net position for the business-type activities, which are made up of the Water and Sewer enterprise funds, increased in 2017 by \$802,860.
- In the general fund, the actual revenues and other financing sources came in \$31,192 lower than they were in the final budget. Actual expenditures were \$307,107 less than the amount in the final budget. These variances are the result of the City's conservative budgeting process.

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

Using This Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2017?" 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. The 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 either improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors would 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 57-59 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, 2017

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 focus on the City's most significant funds. The analysis of the City's major governmental and proprietary funds begins on page 48.

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 and has segregated these funds into major and nonmajor funds. The City's major governmental funds are the general fund, Street fund, Police fund and Debt Service 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 60-69 of this report.

Proprietary Funds

The City maintains one type of proprietary fund, its 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 70-73 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 74 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 75-123 of this report.

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension liability. The required supplementary information can be found on pages 126-132 of this report.

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, 2017 and 2016.

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<u>Assets</u>						
Current and other assets	\$ 14,199,125	\$ 13,529,289	\$ 6,582,458	\$ 5,841,381	\$ 20,781,583	\$ 19,370,670
Capital assets, net	25,433,004	25,576,613	13,364,566	13,774,840	38,797,570	39,351,453
Total assets	39,632,129	39,105,902	19,947,024	19,616,221	59,579,153	58,722,123
<u>Deferred outflows of resources</u>						
Unamortized deferred charges	-	-	306,055	321,742	306,055	321,742
Pension	1,495,667	1,407,034	417,542	356,019	1,913,209	1,763,053
Total deferred outflows	1,495,667	1,407,034	723,597	677,761	2,219,264	2,084,795
<u>Liabilities</u>						
Current liabilities	493,521	1,080,972	172,737	116,518	666,258	1,197,490
Long-term liabilities:						
Due within one year	767,020	771,031	725,421	692,852	1,492,441	1,463,883
Net pension liability	4,898,332	4,308,165	992,047	793,041	5,890,379	5,101,206
Other amounts	6,809,257	7,818,871	11,538,476	12,262,565	18,347,733	20,081,436
Total liabilities	12,968,130	13,979,039	13,428,681	13,864,976	26,396,811	27,844,015
<u>Deferred inflows of resources</u>						
Property taxes and PILOTs	1,138,333	1,064,910	-	-	1,138,333	1,064,910
Pension	26,717	40,673	30,491	20,417	57,208	61,090
Total deferred inflows	1,165,050	1,105,583	30,491	20,417	1,195,541	1,126,000
<u>Net Position</u>						
Net investment in capital assets	18,122,929	17,637,386	1,434,142	1,163,737	19,557,071	18,801,123
Restricted	7,015,922	6,037,115	-	-	7,015,922	6,037,115
Unrestricted	1,855,765	1,753,813	5,777,307	5,244,852	7,633,072	6,998,665
Total net position	\$ 26,994,616	\$ 25,428,314	\$ 7,211,449	\$ 6,408,589	\$ 34,206,065	\$ 31,836,903

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

In 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and GASB Statement 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68" which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national, and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

As a result of implementing GASB 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2017, the City's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$34,206,065. At year end, net positions were \$26,994,616 and \$7,211,449 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 65.12% 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, 2017, were \$18,122,929 and \$1,434,142 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, \$7,015,922, 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 \$26,994,616.

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CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

The following table shows the changes in net position for 2017 and 2016.

	<u>Governmental Activities</u>		<u>Change in Net Position Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues						
<u>Program revenues:</u>						
Charges for services and sales	\$ 667,195	\$ 555,844	\$ 3,920,943	\$ 4,174,757	\$ 4,588,138	\$ 4,730,601
Operating grants and contributions	1,353,608	1,299,277	-	-	1,353,608	1,299,277
Capital grants and contributions	243,847	1,311,084	-	-	243,847	1,311,084
<u>General revenues:</u>						
Property taxes	901,169	843,062	-	-	901,169	843,062
Income taxes	5,579,836	5,136,499	-	-	5,579,836	5,136,499
Payments in lieu of taxes	257,284	190,126	-	-	257,284	190,126
Unrestricted grants	205,764	188,862	-	-	205,764	188,862
Interest	18,329	17,188	37,836	40,778	56,165	57,966
Other	34,363	13,345	33,064	64,094	67,427	77,439
Total Revenues	9,261,395	9,555,287	3,991,843	4,279,629	13,253,238	13,834,916
Expenses:						
General government	1,974,894	1,805,720	-	-	1,974,894	1,805,720
Security of persons and property	2,669,556	2,495,690	-	-	2,669,556	2,495,690
Transportation	2,251,881	2,193,530	-	-	2,251,881	2,193,530
Community environment	385,940	296,206	-	-	385,940	296,206
Leisure time activity	208,044	186,728	-	-	208,044	186,728
Interest and fiscal charges	204,778	220,459	-	-	204,778	220,459
Water	-	-	1,621,079	1,809,143	1,621,079	1,809,143
Sewer	-	-	1,567,904	1,565,175	1,567,904	1,565,175
Total Expenses	7,695,093	7,198,333	3,188,983	3,374,318	10,884,076	10,572,651
Change in Net Position	1,566,302	2,356,954	802,860	905,311	2,369,162	3,262,265
Net position at beginning of year	25,428,314	23,071,360	6,408,589	5,503,278	31,836,903	28,574,638
Net Position at End of Year	\$ 26,994,616	\$ 25,428,314	\$ 7,211,449	\$ 6,408,589	\$ 34,206,065	\$ 31,836,903

Governmental Activities

Governmental activities net position increased \$1,566,302 in 2017.

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

Security of persons and property, which primarily supports the operations of the police department, had expenses of \$2,669,556 which accounted for 34.69% of the governmental expenses of the City. These expenses were partially funded by \$202,585 in direct charges to users of the services and \$45,029 in operating grants and contributions. Transportation, which primarily supports street construction and maintenance projects, had expenses of \$2,251,881 which accounted for 29.26% of the governmental expenses of the City. These expenses were funded by \$976,764 in operating grants and contributions and \$243,847 in capital grants and contributions. General government expenses totaled \$1,974,894 which was partially funded by \$332,804 in direct charges to users of the services and \$330,874 in operating grants and contributions.

The State and Federal government contributed to the City a total of \$1,353,608 in operating grants and contributions. These revenues are restricted to a particular program or purpose.

General revenues totaled \$6,996,745 and amounted to 75.55% of total governmental revenues. These revenues primarily consist of property tax revenue and income tax revenue making up \$6,481,005 which is 92.63% of general revenues or 69.98% of all revenues. Income tax revenue increased due to a better than expected tax collections throughout the City.

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.

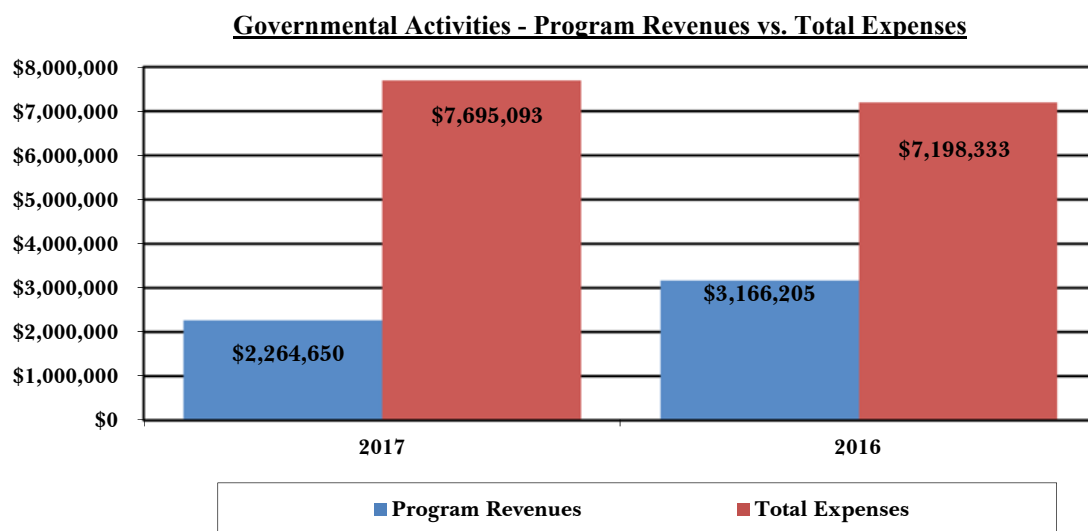
	Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2017	2017	2016	2016
<u>Program expenses:</u>				
General government	\$ 1,974,894	\$ 1,311,216	\$ 1,805,720	\$ 1,374,596
Security of persons and property	2,669,556	2,421,942	2,495,690	2,266,997
Transportation	2,251,881	1,031,270	2,193,530	(174,189)
Community environment	385,940	353,771	296,206	241,957
Leisure time activity	208,044	107,466	186,728	102,308
Interest and fiscal charges	204,778	204,778	220,459	220,459
Total Expenses	\$ 7,695,093	\$ 5,430,443	\$ 7,198,333	\$ 4,032,128

The dependence upon general revenues for governmental activities is apparent, with 70.57% in 2017 supported through taxes and other general revenues.

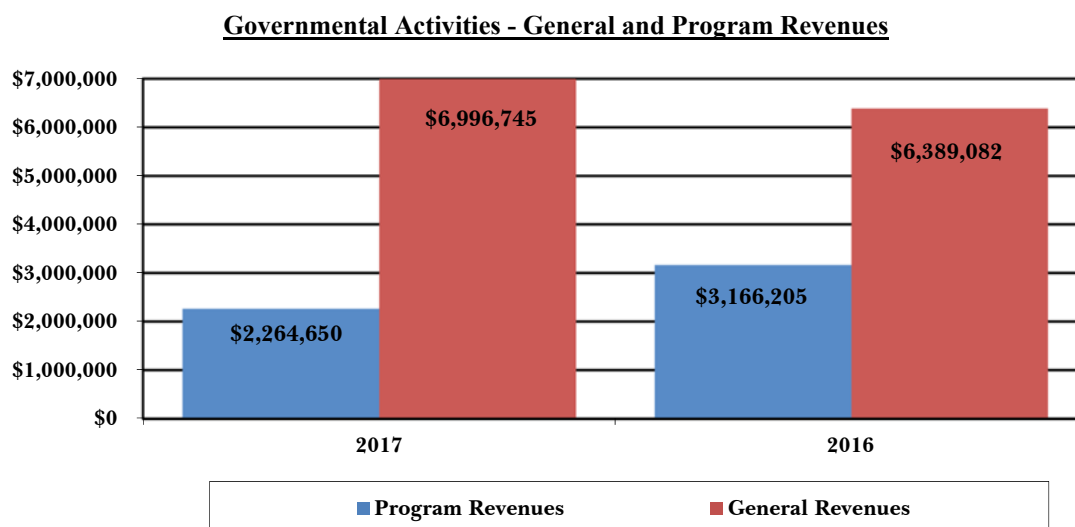
CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

The following graph illustrates governmental-activities program revenues and total expenses for years 2017 and 2016.



The graph below shows governmental-activities general and program revenues for years 2017 and 2016.



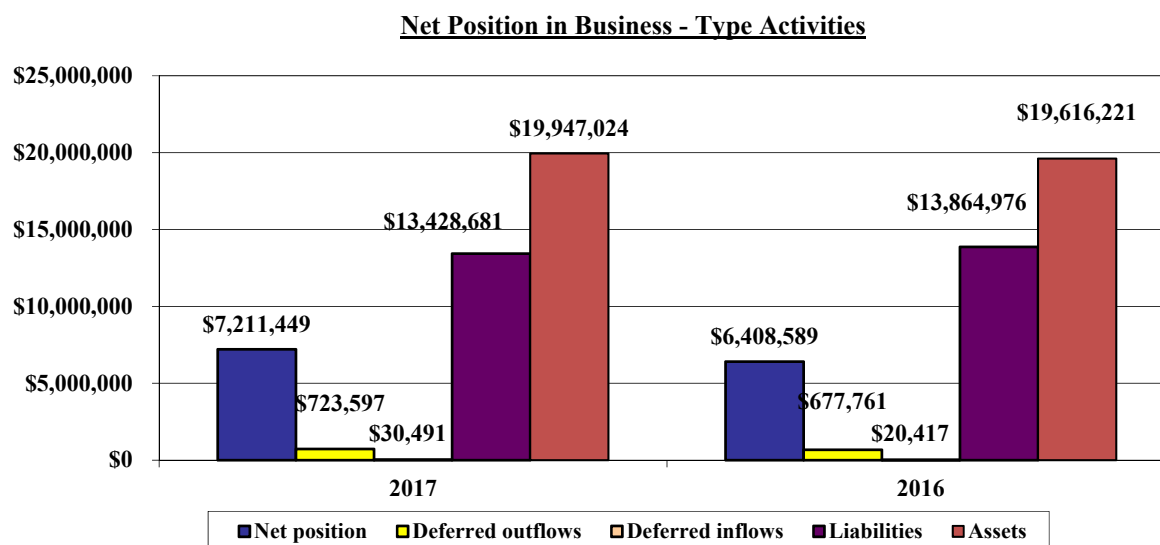
Business-type Activities

Business-type activities include the water and sewer enterprise funds. These programs had program revenues of \$3,920,943, general revenues of \$70,900, and expenses of \$3,188,983 for 2017.

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

The following graph illustrates the business-type activities assets, deferred outflows, liabilities, deferred inflows and net position at December 31, 2017 and 2016.



The City's total assets for business-type activities increased due primarily to higher equity in pooled cash balances due primarily to water and sewer rate increases.

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 reported a combined fund balance of \$10,409,937 which is \$973,527 higher than last year's total of \$9,436,410.

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

The following schedule indicates the fund balances and the total change in fund balances as of December 31, 2017 and 2016 for all major and nonmajor governmental funds.

	Fund Balances 12/31/2017	Fund Balances 12/31/2016	Change
Major funds:			
General	\$ 1,415,783	\$ 1,251,863	\$ 163,920
Street	3,485,719	2,656,152	829,567
Police	1,705,412	1,492,343	213,069
Debt service	174,315	261,395	(87,080)
Other nonmajor governmental funds	3,628,708	3,774,657	(145,949)
Total	\$ 10,409,937	\$ 9,436,410	\$ 973,527

General Fund

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

	2017 Amount	2016 Amount	Percentage Change
<u>Revenues</u>			
Taxes	\$ 880,675	\$ 853,298	3.21%
Charges for services	72,332	38,370	88.51%
Licenses and permits	243,503	228,663	6.49%
Fines and forfeitures	126,841	136,246	(6.90%)
Intergovernmental	192,814	182,707	5.53%
Special assessments	-	2,440	(100.00%)
Investment income	13,150	12,337	6.59%
Rental income	4,055	8,666	(53.21%)
Other	32,306	10,778	199.74%
Total Revenues	\$ 1,565,676	\$ 1,473,505	6.26%

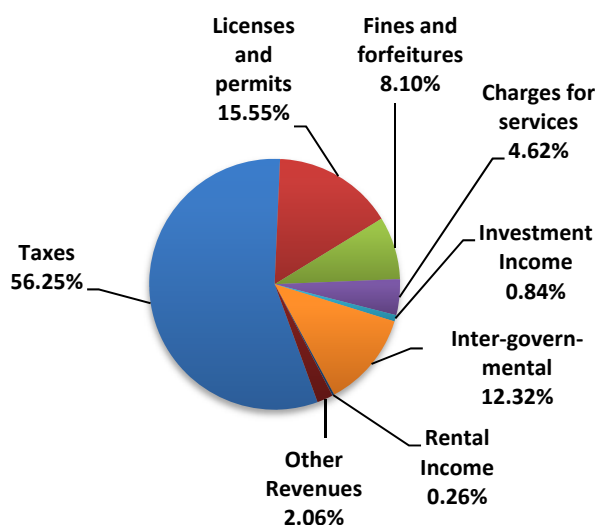
Revenues of the general fund increased \$92,171, or 6.26%. Tax revenue represents 56.25% of all general fund revenue. Taxes increased by \$27,377 due to a re-evaluation of property taxes in Licking County. The increase in charges for services is the result of an increase in the recreation fees charged to City residents.

CITY OF PATASKALA, OHIO

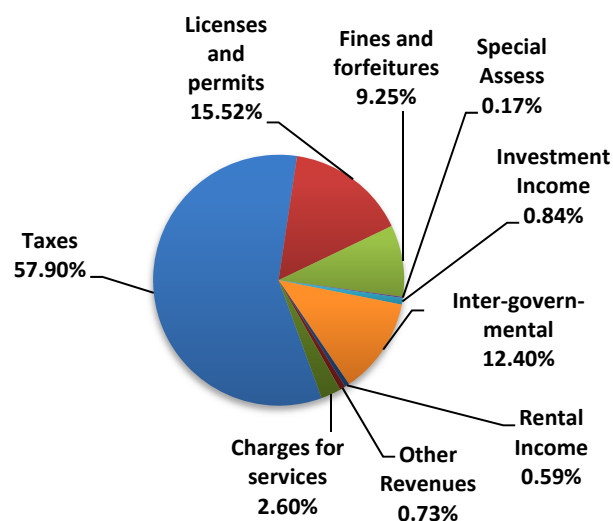
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

The following graphs illustrate the breakdown of the general fund's revenues for December 31, 2017 and 2016:

Revenues - 2017



Revenues – 2016



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

	2017 Amount	2016 Amount	Percentage Change
<u>Expenditures</u>			
General government	\$ 847,352	\$ 784,156	8.06%
Community environment	336,947	271,871	23.94%
Leisure time activity	161,560	148,765	8.60%
Debt service	951	6,772	(85.96%)
Total Expenditures	\$ 1,346,810	\$ 1,211,564	11.16%

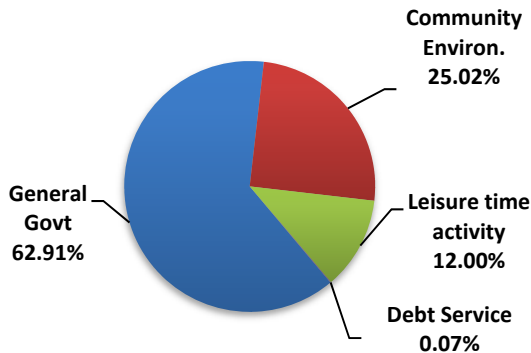
Expenditures of the general fund increased \$135,246 or 11.16%. The increase in general government was a result of increased spending in the Court & Legal and Parks, Lands & Municipal Facilities departments. The increase in community environment was due to increased costs associated with the Planning & Zoning department for the City.

CITY OF PATASKALA, OHIO

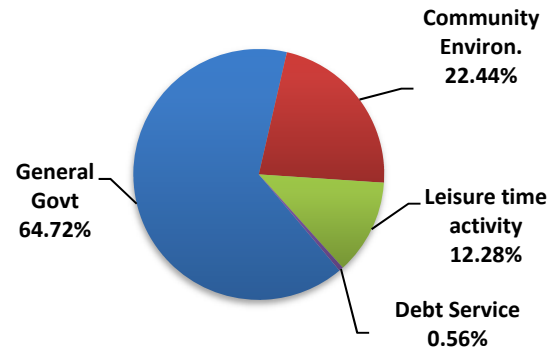
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

The graphs below show the general fund's expenditures for December 31, 2017 and 2016:

Expenditures - 2017



Expenditures – 2016



Street Fund

The Street fund had revenues and other financing sources of \$2,732,137 in 2017, which is a decrease of \$145,822 from 2016 revenues. This decrease was primarily the result of a capital lease being entered into during 2016 that accounted for more other financing sources. The expenditures and other financing uses in the Street fund totaled \$1,902,570 in 2017, which decreased \$858,658 from 2016. Expenditures and other financing sources decreased primarily due to a decrease in capital outlay expenditures in 2017 compared to 2016.

Police Fund

The Police fund had revenues and other financing sources of \$2,979,391 in 2017, which is an increase of \$146,645 from 2016 revenues. This increase was primarily the result of more income taxes due to a change in the allocation of the City's 1.0% income tax rate. The expenditures and other financing uses in the Police fund totaled \$2,766,322 in 2017, which increased \$226,892 from 2016. This increase is due primarily to an increase in spending in the police department. The net increase in fund balance was \$213,069 or 14.28%.

Debt Service Fund

The Debt Service fund had revenues and other financing sources of \$1,082,646 and expenditures of \$1,169,726 in 2017. Revenues and other financing sources increased due to an increase in transfers in to assist in paying down debt obligations. Expenditures increased due to the repayment of a bond anticipation note that was issued in 2016.

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.

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

In the general fund, actual revenues and other financing sources came in \$31,192 lower than projected in the final budget. Actual expenditures and other financing uses were \$307,107 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 \$307,107 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

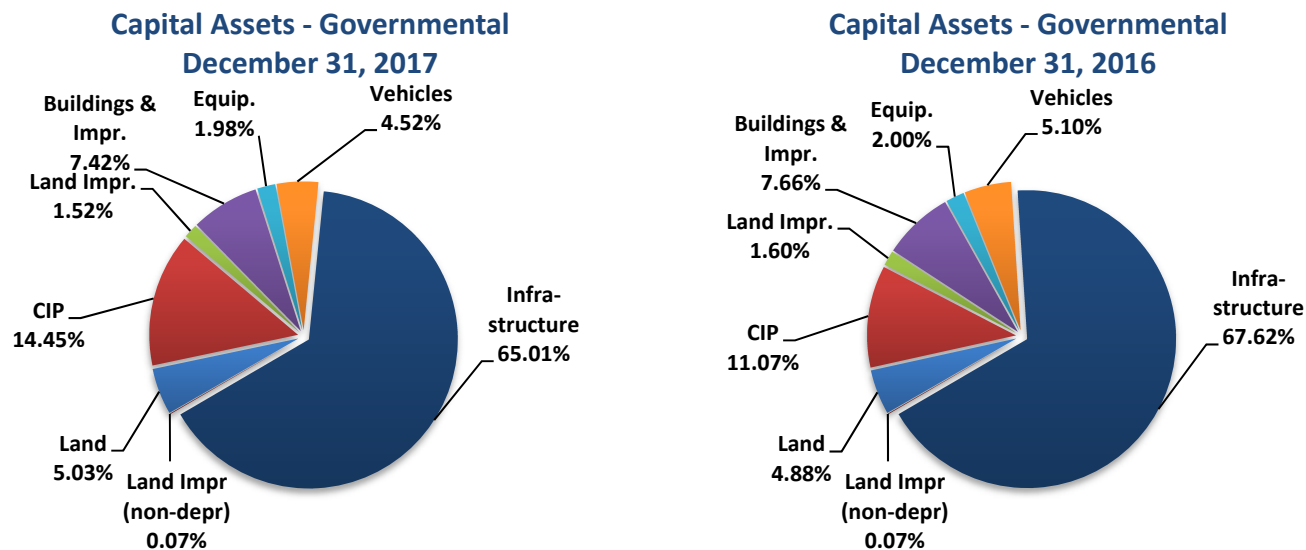
At the end of 2017, the City had \$38,797,570, net of accumulated depreciation, invested in land, construction in progress, land improvements, buildings and improvements, equipment, vehicles, and infrastructure. Of this total, \$25,433,004 was reported in governmental activities and \$13,364,566 was reported in business-type activities. The following table shows December 31, 2017 balances compared to December 31, 2016.

Capital Assets at December 31 (Net of Depreciation)						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 1,279,832	\$ 1,247,232	\$ 654,893	\$ 654,893	\$ 1,934,725	\$ 1,902,125
Land improvements (non depr.)	17,077	17,077	-	-	17,077	17,077
Construction-in-progress	3,675,404	2,831,717	30,800	14,775	3,706,204	2,846,492
Land improvements	386,644	408,834	8,375,505	8,455,848	8,762,149	8,864,682
Buildings and improvements	1,886,003	1,959,806	885,754	970,407	2,771,757	2,930,213
Equipment	505,547	512,442	89,079	97,378	594,626	609,820
Vehicles	1,148,707	1,304,555	112,558	142,638	1,261,265	1,447,193
Infrastructure	16,533,790	17,294,950	3,215,977	3,438,901	19,749,767	20,733,851
Totals	<u>\$ 25,433,004</u>	<u>\$ 25,576,613</u>	<u>\$ 13,364,566</u>	<u>\$ 13,774,840</u>	<u>\$ 38,797,570</u>	<u>\$ 39,351,453</u>

CITY OF PATASKALA, OHIO

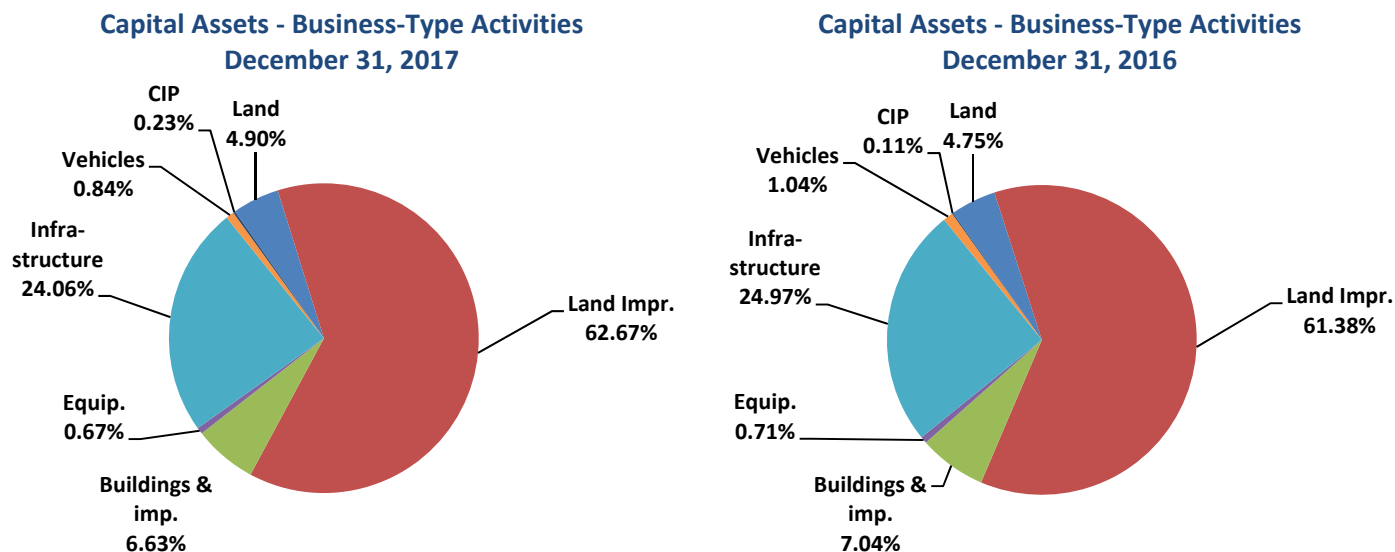
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

The following graphs show the breakdown of governmental capital assets by category for 2017 and 2016.



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 2017 and 2016.



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 62.67% of the City's total business-type capital assets.

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

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, 2017 and 2016:

	Governmental Activities	
	2017	2016
Bonds	\$ 5,830,000	\$ 6,105,000
Loans payable	629,285	751,785
Capital lease obligation payable	439,296	665,819
SIB loan	135,193	166,549
OPWC loans	214,414	38,839
Bond anticipation notes payable	-	500,000
Total Long-Term Obligations	\$ 7,248,188	\$ 8,227,992
	Business-type Activities	
	2017	2016
General obligation bonds	\$ 7,930,000	\$ 8,305,000
OWDA Loans	3,373,534	3,572,382
Loans payable	500,000	600,000
Total Long-Term Obligations	\$ 11,803,534	\$ 12,477,382

During 2017, the City's governmental activities entered into on OPWC loan and received proceeds of \$178,811 for Phase II of Mink Street.

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

Economic Conditions and Outlook

In May 2010, the City of Pataskala passed a 1.0% tax on earned income and business net profits, 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. The allocation percentages have changed every year since that time. During the 2017 budget development process, Council revised the allocation for 2017 to provide additional funding for Police and Public Service. For 2017, the allocation was as follows: 53.0% - Police; 35.65% - Public Service; 2.45% - Capital Improvements fund; and 8.9% - Debt Service fund; and in 2016 the allocation was: 53.0% - Police; 35.65% - Public Service; 2.15% - Capital Improvements fund; and 9.2% - 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.

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

Based upon the year-end 2017 fund balances, estimates of 2018 collections and funding/debt service requirements, the allocation was amended by Council once again. For 2018, the allocation is as follows: 52.0% - Police; 32.1% - Public Service; 2.0% - Capital Improvements fund; and 13.9% - 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. Management continues to closely monitor the income tax revenue projections, and maintains conservative budgeting practices, even though collections have significantly exceeded those estimates. The current 2018 budget estimates that income tax collections (cash-basis) will be approximately \$5.56 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. Prior to 2011, the City lacked sufficient funding to adequately maintain its roads and infrastructure. As a result, many of its streets and related infrastructure fell into disrepair, requiring 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 – the Main Street/State Route 310 improvements project and the Mink Street improvements project. During 2015 and 2016, the city spent a total of \$6.0 million on road and related infrastructure improvements. Future street programs, however, have become more modest now that much of the repair backlog has been cleared.

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 \$1.58 million for water system improvements and \$1.43 million for sewer system improvements. The City's utility funds do not receive income tax receipts or other funding from the general or other governmental funds, and are self-supporting through user charges. In 2012, the City implemented a new utility rate structure to address operations, needed capital improvements, and provide necessary funds to pay debt service-related charges. The rate schedule called for annual increases through 2016. Management will continue to closely monitor the revenue generated by the revised rate structures to ensure that adequate funding for debt service and operations is ensured.

The City's corporate park is beginning to see signs of activity. American Electric Power (AEP) acquired several parcels in the park, and is beginning to develop facilities and a power substation within the park. Although these will generate personal property tax revenues, the benefit will primarily accrue to the local school districts as the city no longer receives personal property tax revenue. We believe that by landing an anchor tenant in the park, however, it will be the catalyst to trigger future development in the park which will generate income tax revenues on the businesses payroll.

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 further challenges future budgets. These changes will require the Administration and Council to adjust future operating budgets to avoid significant decreases in services.

CITY OF PATASKALA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

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), the Licking County Engineer, the Ohio Department of Development and the Ohio Department of Transportation (ODOT). 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. The final phase, a \$4.5 million project, will be constructed during 2018. A major traffic corridor through the City, State Route 310, was completely repaved by ODOT in 2016. This \$735 thousand project was 80% grant funded by ODOT, with a local match of \$148 thousand. In anticipation of this major project, \$2.2 in infrastructure improvements, such as water/sewer lines, street lights, curbs and storm sewers, were constructed during 2015 in the old Village center.

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 2F, Pataskala, Ohio 43062 or email jnicholson@ci.pataskala.oh.us.



CITY OF PATASKALA, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2017

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and investments	\$ 9,260,938	\$ 5,451,379	\$ 14,712,317
Receivables:			
Income taxes	2,487,600	-	2,487,600
Real and other taxes	818,928	-	818,928
Accounts	95,615	608,552	704,167
Special assessments	2,551	285,307	287,858
Accrued interest	18,037	12,115	30,152
Payment in lieu of taxes	354,590	-	354,590
Due from other governments	720,462	-	720,462
Materials and supplies inventory	86,666	182,623	269,289
Prepayments	88,111	32,429	120,540
Net pension asset	17,492	10,053	27,545
Restricted assets:			
Cash with fiscal and escrow agents	248,135	-	248,135
Capital assets:			
Non-depreciable capital assets	4,972,313	685,693	5,658,006
Depreciable capital assets, net	20,460,691	12,678,873	33,139,564
Total capital assets, net	25,433,004	13,364,566	38,797,570
Total Assets	39,632,129	19,947,024	59,579,153
Deferred Outflows of Resources:			
Unamortized deferred charges on debt refunding	-	306,055	306,055
Pension - OPERS	753,985	417,542	1,171,527
Pension - OP&F	741,682	-	741,682
Total Deferred Outflows of Resources	1,495,667	723,597	2,219,264
Liabilities:			
Accounts payable	147,028	75,736	222,764
Contracts payable	173,933	-	173,933
Accrued wages and benefits payable	100,305	24,134	124,439
Due to other governments	23,637	1,820	25,457
Accrued interest payable	25,762	10,275	36,037
Pension and postemployment benefits payable	17,377	3,554	20,931
Unearned revenue	5,479	57,218	62,697
Long-term liabilities:			
Due within one year	767,020	725,421	1,492,441
Due in more than one year:			
Net pension liability	4,898,332	992,047	5,890,379
Other amounts due in more than one year	6,809,257	11,538,476	18,347,733
Total Liabilities	12,968,130	13,428,681	26,396,811
Deferred Inflows of Resources:			
Property taxes levied for the next fiscal year	783,743	-	783,743
PILOTs levied for the next fiscal year	354,590	-	354,590
Pension - OPERS	19,413	30,491	49,904
Pension - OP&F	7,304	-	7,304
Total Deferred Inflows of Resources	1,165,050	30,491	1,195,541
Net Position:			
Net investment in capital assets	18,122,929	1,434,142	19,557,071
Restricted for:			
Debt service	421,539	-	421,539
Capital projects	1,784,299	-	1,784,299
Transportation projects	4,756,007	-	4,756,007
Community development	2,655	-	2,655
Police	51,422	-	51,422
Unrestricted	1,855,765	5,777,307	7,633,072
Total Net Position	\$ 26,994,616	\$ 7,211,449	\$ 34,206,065

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 1,974,894	\$ 332,804	\$ 330,874	\$ -
Security of persons and property	2,669,556	202,585	45,029	-
Transportation	2,251,881	-	976,764	243,847
Community environment	385,940	32,169	-	-
Leisure time activity	208,044	99,637	941	-
Interest and fiscal charges	204,778	-	-	-
Total Governmental Activities	7,695,093	667,195	1,353,608	243,847
Business-type activities:				
Water	1,621,079	2,015,799	-	-
Sewer	1,567,904	1,905,144	-	-
Total Business-Type Activities	3,188,983	3,920,943	-	-
Total Primary Government	\$ 10,884,076	\$ 4,588,138	\$ 1,353,608	\$ 243,847

General revenues:

Property taxes levied for:
General purposes
Income taxes levied for:
Street fund
Police 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
\$ (1,311,216)	\$ -	\$ (1,311,216)
(2,421,942)	-	(2,421,942)
(1,031,270)	-	(1,031,270)
(353,771)	-	(353,771)
(107,466)	-	(107,466)
(204,778)	-	(204,778)
(5,430,443)	-	(5,430,443)
-	394,720	394,720
-	337,240	337,240
-	731,960	731,960
(5,430,443)	731,960	(4,698,483)
901,169	-	901,169
1,900,802	-	1,900,802
2,932,251	-	2,932,251
620,906	-	620,906
125,507	-	125,507
370	-	370
257,284	-	257,284
205,764	-	205,764
18,329	37,836	56,165
34,363	33,064	67,427
6,996,745	70,900	7,067,645
1,566,302	802,860	2,369,162
25,428,314	6,408,589	31,836,903
\$ 26,994,616	\$ 7,211,449	\$ 34,206,065

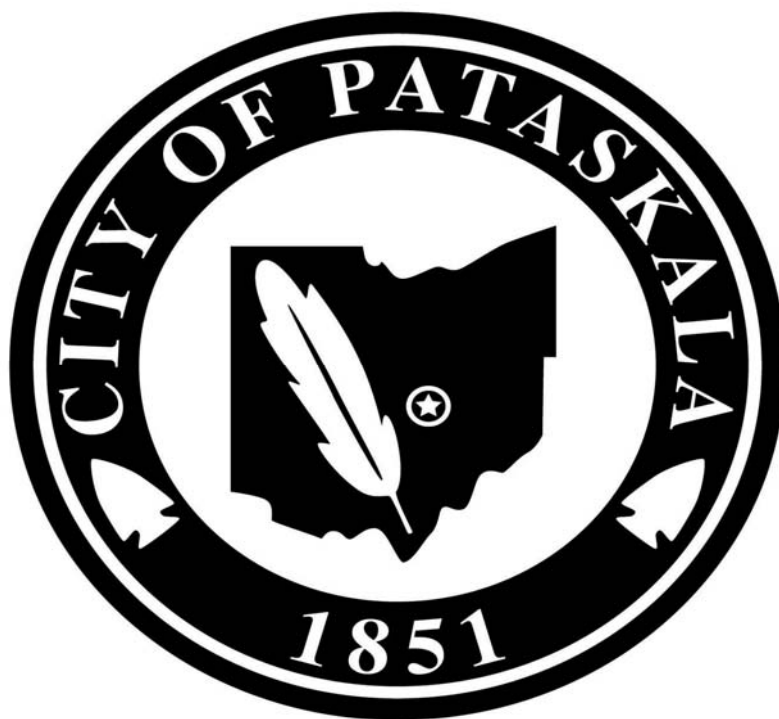
CITY OF PATASKALA, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	General	Street	Police	Debt Service
Assets:				
Equity in pooled cash and investments	\$ 1,419,958	\$ 3,037,608	\$ 1,395,391	\$ 64,991
<u>Receivables:</u>				
Income taxes	-	798,420	1,293,366	345,697
Real and other taxes	818,928	-	-	-
Accounts	78,126	16,111	821	-
Special assessments	2,551	-	-	-
Accrued interest	3,163	6,772	3,106	145
Payment in lieu of taxes	-	-	-	-
Due from other governments	102,394	369,234	33,378	-
Materials and supplies inventory	-	86,666	-	-
Prepayments	23,123	19,171	45,817	-
<u>Restricted assets:</u>				
Cash with fiscal and escrow agents	-	-	-	-
Total Assets	\$ 2,448,243	\$ 4,333,982	\$ 2,771,879	\$ 410,833
Liabilities:				
Accounts payable	\$ 34,706	\$ 39,452	\$ 72,870	\$ -
Contracts payable	-	-	-	-
Accrued wages and benefits payable	17,681	21,118	61,506	-
Due to other governments	775	7,837	11,898	2,734
Unearned revenue	-	-	-	-
Pension and postemployment benefits payable	2,543	3,055	11,779	-
Total Liabilities	55,705	71,462	158,053	2,734
Deferred Inflows of Resources:				
Property taxes levied for the next fiscal year	783,743	-	-	-
Delinquent property tax revenue not available	35,185	-	-	-
Investment income not available	549	1,175	539	25
Special assessments revenue not available	2,551	-	-	-
Miscellaneous revenue not available	61,091	-	-	-
Income tax revenue not available	-	539,834	874,497	233,759
Intergovernmental revenue not available	93,636	235,792	33,378	-
PILOTs levied for the next fiscal year	-	-	-	-
Total Deferred Inflows of Resources	976,755	776,801	908,414	233,784
Fund Balances:				
Nonspendable	24,031	105,837	45,817	-
Restricted	-	3,379,882	1,659,595	174,315
Committed	-	-	-	-
Assigned	543,259	-	-	-
Unassigned	848,493	-	-	-
Total Fund Balances	1,415,783	3,485,719	1,705,412	174,315
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,448,243	\$ 4,333,982	\$ 2,771,879	\$ 410,833

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds
\$ 3,342,990	\$ 9,260,938
50,117	2,487,600
-	818,928
557	95,615
-	2,551
4,851	18,037
354,590	354,590
215,456	720,462
-	86,666
-	88,111
248,135	248,135
\$ 4,216,696	\$ 14,181,633
\$ -	\$ 147,028
173,933	173,933
-	100,305
393	23,637
5,479	5,479
-	17,377
179,805	467,759
-	783,743
-	35,185
841	3,129
-	2,551
-	61,091
33,634	1,681,724
19,118	381,924
354,590	354,590
408,183	3,303,937
-	175,685
3,026,877	8,240,669
601,831	601,831
-	543,259
-	848,493
3,628,708	10,409,937
\$ 4,216,696	\$ 14,181,633



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CITY OF PATASKALA, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2017

Total governmental fund balances		\$	10,409,937
<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.			25,433,004
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Income taxes receivable	\$	1,681,724	
Real and other taxes receivable		35,185	
Accounts receivable		61,091	
Special assessments receivable		2,551	
Accrued interest receivable		3,129	
Due from other governments		381,924	
Total			2,165,604
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(25,762)
Unamortized premiums on bond issuances are not recognized in the funds.			(208,996)
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.			
Net pension asset		17,492	
Deferred outflows of resources		1,495,667	
Deferred inflows of resources		(26,717)	
Net pension liability		(4,898,332)	
Total			(3,411,890)
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		(119,093)	
General obligation bonds payable		(5,830,000)	
LGI loans payable		(629,285)	
Capital leases payable		(439,296)	
SIB loan payable		(135,193)	
OPWC loans payable		(214,414)	
Total			(7,367,281)
Net Position of Governmental Activities		\$	26,994,616

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, 2017

	General	Street	Police	Debt Service
Revenues:				
Income taxes	\$ -	\$ 1,913,673	\$ 2,879,447	\$ 525,129
Real and other taxes	880,675	-	-	-
Charges for services	72,332	-	11,341	-
Licenses and permits	243,503	-	-	-
Fines and forfeitures	126,841	-	1,623	-
Intergovernmental	192,814	747,953	12,591	2,129
Investment income	13,150	27,009	10,874	5,756
Rental income	4,055	-	-	-
Contributions and donations	1,205	-	350	-
Payments in lieu of taxes	-	-	-	-
Other	31,101	39,736	47,839	2,057
Total Revenues	1,565,676	2,728,371	2,964,065	535,071
Expenditures:				
<u>Current:</u>				
General government	847,352	493,241	364,582	30,699
Security of persons and property	-	-	2,357,524	-
Transportation	-	1,168,154	-	-
Community environment	336,947	-	-	-
Leisure time activity	161,560	-	-	-
Capital outlay	-	-	-	-
<u>Debt service:</u>				
Principal retirement	944	200,212	25,367	932,092
Interest and fiscal charges	7	15,963	1,420	206,935
Total Expenditures	1,346,810	1,877,570	2,748,893	1,169,726
Excess (Deficiency) of Revenues Over (Under) Expenditures	218,866	850,801	215,172	(634,655)
Other Financing Sources (Uses):				
Sale of capital assets	1,554	3,766	15,326	-
Transfers in	-	-	-	547,575
Transfers (out)	(56,500)	(25,000)	(17,429)	-
Issuance of OPWC loans	-	-	-	-
Total Other Financing Sources (Uses)	(54,946)	(21,234)	(2,103)	547,575
Net Change in Fund Balances	163,920	829,567	213,069	(87,080)
Fund Balances at Beginning of Year	1,251,863	2,656,152	1,492,343	261,395
Fund Balances at End of Year	\$ 1,415,783	\$ 3,485,719	\$ 1,705,412	\$ 174,315

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds
\$ 130,227	\$ 5,448,476
-	880,675
23,250	106,923
-	243,503
10,859	139,323
635,126	1,590,613
21,650	78,439
109,749	113,804
-	1,555
257,284	257,284
79,863	200,596
1,268,008	9,061,191
30,203	1,766,077
3,500	2,361,024
308,493	1,476,647
-	336,947
11,887	173,447
790,039	790,039
-	1,158,615
-	224,325
1,144,122	8,287,121
123,886	774,070
-	20,646
25,000	572,575
(473,646)	(572,575)
178,811	178,811
(269,835)	199,457
(145,949)	973,527
3,774,657	9,436,410
\$ 3,628,708	\$ 10,409,937

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, 2017**

Net Change in Fund Balances - Total Governmental Funds	\$	973,527
<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.		
Capital asset additions	\$ 1,460,866	
Current year depreciation	(1,594,125)	
Total		(133,259)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(10,350)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Income taxes	131,360	
Real and other taxes	20,494	
Licenses and permits	61,091	
Intergovernmental revenues	(12,736)	
Special assessments	2,551	
Investment income	(2,556)	
Total		200,204
Proceeds of 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.		
		(178,811)
Repayment of bond, 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.		
Bonds	275,000	
Capital leases	226,523	
SIB loan	31,356	
LGI loans	122,500	
Bond anticipation notes	500,000	
OPWC loans	3,236	
Total		1,158,615
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	7,193	
Amortization of bond premiums and discounts	12,354	
Total		19,547
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		370,343
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability are reported as pension expense in the statement of activities.		
		(854,981)
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.		
		21,467
Change in Net Position of Governmental Activities	\$	1,566,302

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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Real and other taxes	\$ 871,900	\$ 908,562	\$ 880,675	\$ (27,887)
Licenses and permits	220,095	229,350	243,809	14,459
Fines and forfeitures	149,033	155,300	128,340	(26,960)
Intergovernmental	181,784	189,428	192,467	3,039
Special assessments	2,399	2,500	-	(2,500)
Investment income	14,395	15,000	18,223	3,223
Other	15,834	16,500	22,880	6,380
Total Revenues	1,455,440	1,516,640	1,486,394	(30,246)
Expenditures:				
Current:				
General government	1,128,414	1,165,608	925,204	240,404
Community environment	379,798	371,706	334,588	37,118
Leisure time activity	140,189	138,795	109,210	29,585
Total Expenditures	1,648,401	1,676,109	1,369,002	307,107
Excess (Deficiency) of Expenditures Over (Under) Revenues	(192,961)	(159,469)	117,392	276,861
Other Financing Sources (Uses):				
Sale of capital assets	2,400	2,500	1,554	(946)
Transfers (out)	(10,000)	(66,500)	(66,500)	-
Total Other Financing Sources (Uses)	(7,600)	(64,000)	(64,946)	(946)
Net Change in Fund Balances	(200,561)	(223,469)	52,446	275,915
Fund Balances at Beginning of Year	1,093,641	1,093,641	1,093,641	-
Prior Year Encumbrances Appropriated	92,540	92,540	92,540	-
Fund Balance at End of Year	\$ 985,620	\$ 962,712	\$ 1,238,627	\$ 275,915

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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Income taxes	\$ 1,908,038	\$ 1,925,815	\$ 1,925,427	\$ (388)
Intergovernmental	708,400	715,000	735,035	20,035
Investment income	32,200	32,500	39,664	7,164
Other	29,723	30,000	24,151	(5,849)
Total Revenues	<u>2,678,361</u>	<u>2,703,315</u>	<u>2,724,277</u>	<u>20,962</u>
Expenditures:				
<u>Current:</u>				
General government	619,545	627,971	535,404	92,567
Transportation	2,052,606	2,057,689	1,713,031	344,658
Total Expenditures	<u>2,672,151</u>	<u>2,685,660</u>	<u>2,248,435</u>	<u>437,225</u>
Excess of Revenues Over Expenditures	<u>6,210</u>	<u>17,655</u>	<u>475,842</u>	<u>458,187</u>
Other Financing Sources (Uses):				
Sale of capital assets	4,954	5,000	3,766	(1,234)
Transfers (out)	-	(25,000)	(25,000)	-
Total Other Financing Sources (Uses)	<u>4,954</u>	<u>(20,000)</u>	<u>(21,234)</u>	<u>(1,234)</u>
Net Change in Fund Balances	11,164	(2,345)	454,608	456,953
Fund Balances at Beginning of Year	2,050,910	2,050,910	2,050,910	-
Prior Year Encumbrances Appropriated	131,734	131,734	131,734	-
Fund Balance at End of Year	<u>\$ 2,193,808</u>	<u>\$ 2,180,299</u>	<u>\$ 2,637,252</u>	<u>\$ 456,953</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Income taxes	\$ 2,833,442	\$ 2,863,063	\$ 2,862,486	\$ (577)
Charges for services	9,006	9,100	11,341	2,241
Fines and forfeitures	495	500	350	(150)
Intergovernmental	11,381	11,500	12,591	1,091
Investment income	12,370	12,500	16,720	4,220
Other	59,874	60,500	47,873	(12,627)
Total Revenues	<u>2,926,568</u>	<u>2,957,163</u>	<u>2,951,361</u>	<u>(5,802)</u>
Expenditures:				
Current:				
General government	371,723	398,106	366,854	31,252
Security of persons and property	2,553,013	2,541,110	2,322,325	218,785
Total Expenditures	<u>2,924,736</u>	<u>2,939,216</u>	<u>2,689,179</u>	<u>250,037</u>
Excess of Revenues Over Expenditures	<u>1,832</u>	<u>17,947</u>	<u>262,182</u>	<u>244,235</u>
Other Financing Sources (Uses):				
Sale of capital assets	495	500	15,326	14,826
Transfers (out)	(17,429)	(17,429)	(17,429)	-
Total Other Financing Sources (Uses)	<u>(16,934)</u>	<u>(16,929)</u>	<u>(2,103)</u>	<u>14,826</u>
Net change in fund balances	<u>(15,102)</u>	<u>1,018</u>	<u>260,079</u>	<u>259,061</u>
Fund Balances at Beginning of Year	1,057,063	1,057,063	1,057,063	-
Prior Year Encumbrances Appropriated	34,404	34,404	34,404	-
Fund Balance at End of Year	<u>\$ 1,076,365</u>	<u>\$ 1,092,485</u>	<u>\$ 1,351,546</u>	<u>\$ 259,061</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Total
Assets:			
Current assets:			
Equity in pooled cash and investments	\$ 2,320,429	\$ 3,130,950	\$ 5,451,379
<u>Receivables:</u>			
Accounts	300,950	307,602	608,552
Special assessments	-	285,307	285,307
Accrued interest	5,172	6,943	12,115
Materials and supplies inventory	139,167	43,456	182,623
Prepayments	21,386	11,043	32,429
Total Current Assets	2,787,104	3,785,301	6,572,405
Noncurrent assets:			
Net pension asset	5,187	4,866	10,053
<u>Capital assets:</u>			
Non-depreciable capital assets	361,552	324,141	685,693
Depreciable capital assets, net	5,829,763	6,849,110	12,678,873
Total Capital Assets, Net	6,191,315	7,173,251	13,364,566
Total Noncurrent Assets	6,196,502	7,178,117	13,374,619
Total Assets	8,983,606	10,963,418	19,947,024
Deferred Outflows of Resources:			
Unamortized deferred charges on debt refunding	305,377	678	306,055
Pension - OPERS	215,047	202,495	417,542
Total Deferred Outflows of Resources	520,424	203,173	723,597
Liabilities:			
<u>Current liabilities:</u>			
Accounts payable	31,086	44,650	75,736
Accrued wages and benefits payable	11,253	12,881	24,134
Due to other governments	921	899	1,820
Accrued interest payable	8,707	1,568	10,275
Compensated absences payable - current	7,281	13,897	21,178
General obligation bonds payable	270,000	130,000	400,000
OWDA loans payable	-	204,243	204,243
Other loans payable	100,000	-	100,000
Pension and postemployment benefits payable	1,663	1,891	3,554
Unearned revenue	35,493	21,725	57,218
Total Current Liabilities	466,404	431,754	898,158
<u>Long-term liabilities:</u>			
Compensated absences payable	1,257	4,983	6,240
General obligation bonds payable	6,756,318	1,206,627	7,962,945
OWDA loans payable	-	3,169,291	3,169,291
Other loans payable	400,000	-	400,000
Net pension liability	511,856	480,191	992,047
Total Long-Term Liabilities	7,669,431	4,861,092	12,530,523
Total Liabilities	8,135,835	5,292,846	13,428,681
Deferred Inflows of Resources:			
Pension - OPERS	8,892	21,599	30,491
Total Deferred Inflows of Resources	8,892	21,599	30,491
Net Position:			
Net investment in capital assets	(1,029,626)	2,463,768	1,434,142
Unrestricted	2,388,929	3,388,378	5,777,307
Total Net Position	\$ 1,359,303	\$ 5,852,146	\$ 7,211,449

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, 2017

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Total
Operating Revenues:			
Charges for services	\$ 2,015,799	\$ 1,895,477	\$ 3,911,276
Special assessments	-	9,667	9,667
Other operating revenues	15,105	17,959	33,064
Total Operating Revenues	2,030,904	1,923,103	3,954,007
Operating Expenses:			
Salaries & related services	553,629	591,183	1,144,812
Contractual services	238,297	289,751	528,048
General operating	312,770	192,929	505,699
Depreciation	289,814	361,962	651,776
Total Operating Expenses	1,394,510	1,435,825	2,830,335
Operating Income	636,394	487,278	1,123,672
Nonoperating Revenues (Expenses):			
Interest and fiscal charges	(225,094)	(132,079)	(357,173)
Loss on sale of capital assets	(1,475)	-	(1,475)
Interest income	16,372	21,464	37,836
Total Nonoperating Revenues (Expenses)	(210,197)	(110,615)	(320,812)
Change in Net Position	426,197	376,663	802,860
Net Position at Beginning of Year	933,106	5,475,483	6,408,589
Net Position at End of Year	\$ 1,359,303	\$ 5,852,146	\$ 7,211,449

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Total
Cash Flows From Operating Activities:			
Cash received from charges for services	\$ 2,026,198	\$ 1,893,902	\$ 3,920,100
Cash received from special assessments	-	19,986	19,986
Cash received from other operations	20,865	11,575	32,440
Cash payments for salaries & related services	(475,011)	(472,558)	(947,569)
Cash payments for contractual services	(200,243)	(276,148)	(476,391)
Cash payments for general operating costs	(378,351)	(200,597)	(578,948)
Net Cash Provided by Operating Activities	993,458	976,160	1,969,618
Cash Flows From Capital and Related Financing Activities:			
Acquisition of capital assets	(44,487)	(198,490)	(242,977)
Principal retirement on bonds & loans	(360,000)	(313,848)	(673,848)
Interest paid on bonds, notes & loans	(239,238)	(135,955)	(375,193)
Net Cash Used In Capital and Related Financing Activities	(643,725)	(648,293)	(1,292,018)
Cash Flows From Investing Activities:			
Interest received	26,856	35,715	62,571
Decrease in fair value of investments	(10,973)	(14,570)	(25,543)
Net Cash Provided by Investing Activities	15,883	21,145	37,028
Net Increase in Cash and Investments	365,616	349,012	714,628
Cash and Investments at Beginning of Year	1,954,813	2,781,938	4,736,751
Cash and Investments at End of Year	\$ 2,320,429	\$ 3,130,950	\$ 5,451,379

(Continued)

CITY OF PATASKALA, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ 636,394	\$ 487,278	\$ 1,123,672
<u>Adjustments:</u>			
Depreciation	289,814	361,962	651,776
<u>Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:</u>			
Accounts receivable	5,541	(7,959)	(2,418)
Special assessment receivable	-	10,319	10,319
Materials and supplies inventory	(31,143)	(8,997)	(40,140)
Prepayments	(5,235)	12,623	7,388
Net pension asset	(573)	(217)	(790)
Deferred outflows - pension - OPERS	(37,718)	(23,805)	(61,523)
Accounts payable	18,990	35,193	54,183
Accrued wages and benefits	(2,873)	9,021	6,148
Due to other governments	348	(4,925)	(4,577)
Compensated absences payable	(5,966)	10,812	4,846
Pension and postemployment benefits payable	(315)	1,351	1,036
Unearned revenue	10,618	-	10,618
Net pension liability	116,853	82,153	199,006
Deferred inflows - pension - OPERS	(1,277)	11,351	10,074
Net Cash Provided by Operating Activities	\$ 993,458	\$ 976,160	\$ 1,969,618

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2017

	<u>Agency</u>
Assets:	
Equity in pooled cash and investments	<u>\$ 451,584</u>
Total Assets	<u>\$ 451,584</u>
Liabilities:	
Pension and postemployment benefits payable	<u>\$ 61,286</u>
Deposits held and due to others	<u>390,298</u>
Total Liabilities	<u>\$ 451,584</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

**SCHEDULE OF NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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CITY OF PATASKALA, OHIO

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FOR THE YEAR ENDED DECEMBER 31, 2017**

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CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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 finance and legal; police protection; public health; street maintenance; community development; and water and sewer utilities.

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: (1) able to impose its will on that organization; or (2) 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 (PRA) and the Licking Heights Youth Association. 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. During 2016, however, the City began transitioning recreation programming activities back to the City from the PRA. 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 2017 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, 2017

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 to the Sewer District Board of Trustees, and the remaining members are appointed by Harrison and Etna Townships. The City made no contributions during 2017 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, 2017

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 294 municipalities and 28 JEDD/JEDZ districts 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.

GROW Licking County - Formed in 2012, GROW Licking County (GROW) is a 501(c)(3) non-profit, public-private partnership for the purpose of serving as the lead economic development organization for Licking County, Ohio. The organization is governed by a 15-member board that is tasked with setting the annual operating and capital budgets for GROW. Board members are appointed by the founding members of the organization (Licking County Chamber of Commerce, Licking County Commissioner's Office, and the Heath-Newark-Licking County Port Authority), and serve staggered 3-year terms. The Mayor of Pataskala was appointed to the Board by the Licking County Chamber of Commerce to serve on the board as the City of Pataskala's representative. The Mayor's term expires on December 31, 2018. The City of Pataskala contributed \$10,000 towards GROW in 2017.

B. Basis of Presentation - Fund Accounting

The City's basic financial statements (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.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

C. Fund Accounting

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

Governmental Funds - Governmental funds are those through which most governmental functions are typically financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets 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 maintaining local roads and related infrastructure within the City.

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

Debt service fund - The Debt Service fund accounts for income taxes that are restricted for the use of paying principal and interest.

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.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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

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 currently 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, the construction accounts fund and the payroll clearing account fund.

D. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows 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.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, payments in lieu of taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income tax is recognized in the period in which the income is earned (See Note 7). Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Payments in lieu of taxes (PILOT) 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; earnings on investments; and special assessments.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, See Note 15 for deferred outflows of resources related the City's net pension liability. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance 2018 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the City, See Note 15 for deferred inflows of resources related to the City's net pension liability. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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

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/function, within each fund. Although the legal level of budgetary control was established at the object level within each department/function, the City has elected to present budgetary statement comparisons at the fund and function levels of expenditures included within the basic financial statements. Budgetary modifications may only be made by ordinance by the City Council at the legal level of control.

Tax Budget - The ORC calls for the City Administrator to presents an estimate of the following year's annual operating budget, or tax budget, by mid-July, to City Council for consideration and passage. The Council approved estimated is then submitted to the Licking 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 2017.

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 on or before 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 2017.

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.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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

G. Cash and Investments

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 2017, investments were limited to State Treasury Asset Reserve of Ohio (STAR Ohio), Federal Home Loan Bank (FHLB) Securities, Federal Farm Credit Bank (FFCB) Securities, Federal Home Loan Mortgage Corporation (FHLMC) Securities, negotiable certificates of deposit, nonnegotiable 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.

During 2017, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of 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 has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Interest income is distributed to the funds according to statutory requirements and City policy. Interest revenue earned and credited to the general fund during 2017 amounted to \$13,150, which included \$2,566 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 the government-wide and fund financial statements, inventories are stated at cost. For all funds, cost is determined on a first-in, first-out (FIFO) 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.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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

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 acquisition 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 below. 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.

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.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

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

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

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2017, 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, claims and judgements, and net pension liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Loans and notes are recognized as a liability on the governmental fund financial statements when due.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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

M. Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund loans receivable” and “interfund loans payable”. These amounts are eliminated in the governmental activities column of the statement of net position, with the exception of the net residual amounts due between governmental and business-type activities which are presented as internal balances. At December 31, 2017, 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 or 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 and uses in governmental funds, and after non-operating revenues and expenses in proprietary funds. Repayments from funds responsible for particular expenditures or 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.

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, 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.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in one of 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.

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 strive to maintain an unencumbered fund balance in line with established ranges, typically 25-35%, and which vary depending upon the fund type. The percentages are calculated using the actual or projected fund balance, and expressing it as a percentage of the relevant full-year expense budget.

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.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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

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 2017.

V. Unamortized Bond Premium and Discount/Unamortized Accounting Gain or Loss/Bond Issuance Costs

Bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds and bond discounts are presented as a reduction to the face amount of the bonds.

For advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow of resources.

On the governmental fund financial statements, bond premiums and discounts are recognized in the current period. The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 13.

Bond issuance costs are expensed when they occur.

W. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to and deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

X. Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For 2017, the City has implemented GASB Statement No. 80, "*Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14*", GASB Statement No. 81 "*Irrevocable Split-Interest Agreements*", and GASB Statement No. 82, "*Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*".

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the City.

GASB Statement No. 81 improves the accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the City.

GASB Statement No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 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 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 (1) year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

5. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed two-hundred seventy (270) days from the purchase date in an amount not to exceed twenty-five (25%) percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.
9. Time certificates of deposit (CDs) in authorized depositories, provided those funds are properly insured or collateralized as provided in Ohio Revised Code Section 135.18. The payment of the principal and interest thereon for which eligible securities are pledged must be paid and deposited with the City or qualified and approved trustee.
10. Negotiable time certificates of deposit (negotiable CDs) which have a secondary market in which to trade such securities. The underlying issuer must be covered by FDIC insurance, and the amount of the acquired security is limited to ninety seven percent (97%) of the available FDIC coverage. For example, an investment in a negotiable certificate of deposit (CD) would be limited to \$242,500 assuming FDIC coverage limit of \$250,000.

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 \$248,135 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, 2017. This amount is not included in the City's depository balance detailed in Note 4.B.

B. Deposits with Financial Institutions

At December 31, 2017, the carrying amount of all City deposits was \$5,468,797, including nonnegotiable certificates of deposit of \$4,479 and the bank balance of all City deposits was \$5,623,978. Of the bank balance, \$5,076,482 was covered by the FDIC and \$547,496 was covered by the Ohio Pooled Collateral System.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the City's deposits may not be returned. The City's banks are participants in the Ohio Pooled Collateral System ("OPCS"). Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. 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.

C. Investments

Investments are reported at fair value. As of December 31, 2017, the City had the following investments:

<u>Measurement/ investment type</u>	<u>Measurement Amount</u>	<u>Investment Maturities</u>				
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>Greater than 24 months</u>
Fair value:						
FHLB	\$ 652,120	\$ -	\$ -	\$ -	\$ -	\$ 419,349
FFCB	602,073	-	-	-	232,771	289,029
FHLMC	425,321	224,388	736,777	313,044	-	200,933
Negotiable CD's	6,482,520	244,993	-	-	884,052	4,616,698
Governmental money market	6,128	6,128	-	-	-	-
Amortized cost:						
STAR Ohio	1,526,942	1,526,942	-	-	-	-
Total	\$ 9,695,104	\$ 2,002,451	\$ 736,777	\$ 313,044	\$ 1,116,823	\$ 5,526,009

The weighted average maturity of investments is 2.37 years.

The City's investments in U.S. government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The City's investments in federal agency securities (FHLB, FFCB, FHLMC) and negotiable CD's are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

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 (5) 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 (e.g., 'buy and hold').

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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. The City has a policy which states that all security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis. That is, broker/dealers will not be paid until the securities purchased are delivered to the City or to the City's designated centralized safekeeping account. The securities will be held by centralized safekeeping at a qualified financial institution, hereafter designated "custodian". The centralized custodian will be designated by the Finance Director. The securities will be free and clear of any lien. The custodian will issue a safekeeping receipt to the City, listing the instrument, maturity date and rate. Month-end reports will also be provided to the City by the custodian, including held securities, book and market values, in addition to a written custodial agreement.

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, 2017:

<u>Measurement/ investment type</u>	<u>Measurement Amount</u>	<u>% to Total</u>
Fair value:		
FHLB	\$ 652,120	6.73
FFCB	602,073	6.21
FHLMC	425,321	4.39
Negotiable CD's	6,482,520	66.86
Governmental money market	6,128	0.06
Amortized cost:		
STAR Ohio	1,526,942	15.75
Total	\$ 9,695,104	100.00

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2017:

<u>Cash and Investments per Note</u>	
Carrying amount of deposits	\$ 5,468,797
Investments	9,695,104
Cash with fiscal and escrow agent	248,135
Total	\$ 15,412,036

<u>Cash and Investments per Statement of Net Position</u>	
Governmental activities	\$ 9,509,073
Business type activities	5,451,379
Agency fund	451,584
Total	\$ 15,412,036

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 5 - INTERFUND TRANSACTIONS

Interfund transfers for the year ended December 31, 2017, consisted of the following:

<u>Transfer to</u>	<u>Transfer from</u>				<u>Total</u>
	<u>General</u>	<u>Street</u>	<u>Police</u>	<u>Nonmajor Governmental Funds</u>	
Debt service	\$ 56,500	\$ -	\$ 17,429	\$ 473,646	\$ 547,575
Nonmajor governmental fund	-	25,000	-	-	25,000
Total	\$ 56,500	\$ 25,000	\$ 17,429	\$ 473,646	\$ 572,575

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 transfers out of the police fund and nonmajor governmental funds to the debt service fund were for debt service payments. The transfer out of the street fund to the Columbia Road bridge improvement fund (a nonmajor governmental fund) was to fund capital improvements.

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

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

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at thirty-five percent (35%) of appraised market value. All property is required to be revalued every six (6) 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. 2017 public utility property taxes became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The Licking County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Pataskala. The Licking 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, 2017 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 2017 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.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 6 - PROPERTY TAXES - (Continued)

The full tax rate for all City operations for the year ended December 31, 2017 was \$2.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2017 property tax receipts were based are as follows:

Real Property	\$ 370,737,082
Public Utility	<u>20,459,860</u>
Total Assessed Value	<u>\$ 391,196,942</u>

NOTE 7 - INCOME TAXES

The City levies a voted income tax of one percent (1.0%) on all income earned within the City (including business net profits), as well as on earned income of Pataskala residents earned outside the City. The City has a mandatory filing requirement for all residents and businesses operating in 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.

Income tax revenue is credited to five funds. During 2017, of the tax levied, the Street fund received 35.65%, the Police fund received 53.00%, the Debt Service fund received 8.90% and the Capital Improvements fund (a nonmajor governmental fund) received 2.45%. The revenues allocated to the funds shall be used for operations specific to those departments. Income tax collections allocated to the street, police, debt service and capital improvement funds totaled \$1,913,673, \$2,879,447, \$525,129 and \$129,857, respectively, for the year ended December 31, 2017. 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 \$370 in income taxes in 2017.

RITA administers and collects income taxes for the City. Payments are remitted semi-monthly, net of estimated collection fees of three percent (3.0%). In June the year following collection, RITA calculates the actual cost of collection and either: (1) rebates the overpayment amount; or (2) charges the entity for underpayment. In 2017, the City was notified that its 2016 cost of collection was 2.53%, and the rebate amount was \$22,150. The JEDD income taxes are administered and collected by the City of Newark.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2017, 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, 2017.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 8 - RECEIVABLES - (Continued)

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

Governmental activities:

Income taxes	\$ 2,487,600
Real and other taxes	818,928
Accounts	95,615
Special assessments	2,551
Accrued interest	18,037
Payments in lieu of taxes	354,590
Due from other governments	720,462

Business-type activities:

Accounts	608,552
Special assessments	285,307
Accrued interest	12,115

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 (TIF) DISTRICT

The City, pursuant to the Ohio Revised Code and City ordinances, has established a Tax Increment Financing District, or TIF. A TIF represents a designated 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 “PILOT” payments are then dedicated to the payments for various public improvements within or adjacent to the TIF area. Property values existing before the commencement date of a TIF continue to be subjected to property taxes.

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

The City established the State Route 310 TIF fund which shall be maintained in the custody of the City. This fund shall receive PILOT revenues 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 2017 was \$257,284 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.

CITY OF PATASKALA, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 10 - CAPITAL ASSETS

A. Governmental activities capital asset activity for the year ended December 31, 2017, was as follows.

<u>Governmental activities:</u>	<u>Balance 12/31/16</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/17</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,247,232	\$ 32,600	\$ -	\$ 1,279,832
Land improvements	17,077	-	-	17,077
Construction in progress	<u>2,831,717</u>	<u>843,687</u>	<u>-</u>	<u>3,675,404</u>
Total capital assets, not being depreciated	<u>4,096,026</u>	<u>876,287</u>	<u>-</u>	<u>4,972,313</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	532,885	-	-	532,885
Buildings and improvements	2,716,140	5,687	-	2,721,827
Equipment	895,730	84,634	(11,500)	968,864
Vehicles	3,031,024	85,745	(99,752)	3,017,017
Infrastructure	<u>23,219,719</u>	<u>408,513</u>	<u>-</u>	<u>23,628,232</u>
Total capital assets, being depreciated	<u>30,395,498</u>	<u>584,579</u>	<u>(111,252)</u>	<u>30,868,825</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(124,051)	(22,190)	-	(146,241)
Buildings and improvements	(756,334)	(79,490)	-	(835,824)
Equipment	(383,288)	(81,179)	1,150	(463,317)
Vehicles	(1,726,469)	(241,593)	99,752	(1,868,310)
Infrastructure	<u>(5,924,769)</u>	<u>(1,169,673)</u>	<u>-</u>	<u>(7,094,442)</u>
Total accumulated depreciation	<u>(8,914,911)</u>	<u>(1,594,125)</u>	<u>100,902</u>	<u>(10,408,134)</u>
Total capital assets, being depreciated, net	<u>21,480,587</u>	<u>(1,009,546)</u>	<u>(10,350)</u>	<u>20,460,691</u>
Governmental activities capital assets, net	<u>\$ 25,576,613</u>	<u>\$ (133,259)</u>	<u>\$ (10,350)</u>	<u>\$ 25,433,004</u>

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

<u>Governmental activities:</u>	
General government	\$ 222,865
Security of persons and property	164,110
Transportation	1,192,401
Leisure time activity	<u>14,749</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,594,125</u>

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 10 - CAPITAL ASSETS - (Continued)

B. Business-type activities capital asset activity for the year ended December 31, 2017, was as follows.

	Balance			Balance
<u>Business-type activities:</u>	<u>12/31/16</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/17</u>
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$ 654,893	\$ -	\$ -	\$ 654,893
Construction in progress	<u>14,775</u>	<u>223,705</u>	<u>(207,680)</u>	<u>30,800</u>
Total Capital Assets, Not Being Depreciated	<u>669,668</u>	<u>223,705</u>	<u>(207,680)</u>	<u>685,693</u>
<i>Capital Assets, Being Depreciated:</i>				
Land improvements	11,706,937	221,367	-	11,928,304
Buildings and improvements	2,791,902	-	-	2,791,902
Equipment	161,825	5,585	-	167,410
Vehicles	315,881	-	(14,750)	301,131
Infrastructure	<u>8,410,454</u>	<u>-</u>	<u>-</u>	<u>8,410,454</u>
Total Capital Assets, Being Depreciated	<u>23,386,999</u>	<u>226,952</u>	<u>(14,750)</u>	<u>23,599,201</u>
<i>Less: Accumulated Depreciation:</i>				
Land improvements	(3,251,089)	(301,710)	-	(3,552,799)
Buildings and improvements	(1,821,495)	(84,653)	-	(1,906,148)
Equipment	(64,447)	(13,884)	-	(78,331)
Vehicles	(173,243)	(28,605)	13,275	(188,573)
Infrastructure	<u>(4,971,553)</u>	<u>(222,924)</u>	<u>-</u>	<u>(5,194,477)</u>
Total Accumulated Depreciation	<u>(10,281,827)</u>	<u>(651,776)</u>	<u>13,275</u>	<u>(10,920,328)</u>
Total Capital Assets, Being Depreciated, Net	<u>13,105,172</u>	<u>(424,824)</u>	<u>(1,475)</u>	<u>12,678,873</u>
Business-Type Activities Capital Assets, Net	<u>\$ 13,774,840</u>	<u>\$ (201,119)</u>	<u>\$ (209,155)</u>	<u>\$ 13,364,566</u>

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

Business-type activities:

Water	\$ 289,814
Sewer	<u>361,962</u>
Total Depreciation Expense - Business Type Activities	<u>\$ 651,776</u>

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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 within established limits. 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 in lieu of being paid overtime, and may accrue a maximum of hours and may be carried forward to the next year.

As of December 31, 2017, the liability for compensated absences in governmental activities and business-type activities was \$119,093 and \$27,418, respectively. The total liability for the City's compensated absences reported on the statement of net position was \$146,511 with \$113,708 being due within one year.

NOTE 12 - CAPITAL LEASES - LESSEE DISCLOSURE

In previous years, the City entered into capital lease agreements for the acquisition of case equipment, a roadside mower and electronic sign boards, a backhoe, Durapatcher, dump trucks, a skid steer, 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 and equipment in the amount of \$1,025,236 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 \$202,635, leaving a current book value of \$822,601.

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 for the copiers and police radios of \$26,067 at December 31, 2017 has been recorded in the government-wide financial statements. Principal and interest payments in 2017 totaled \$944 and \$7, respectively, are reported as debt service payments of the general fund. Principal and interest payments of \$200,212 and \$15,963, respectively, are reported as debt service payments in the street fund. Principal and interest payments of \$25,367 and \$1,420, 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, 2017:

<u>Fiscal Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2018	\$ 242,961
2019	159,974
2020	<u>54,796</u>
Total minimum lease payment	457,731
Less: amount representing interest	<u>(18,435)</u>
Present value of minimum lease payments	<u>\$ 439,296</u>

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 13 - LONG-TERM OBLIGATIONS

A. During 2017, the following activity occurred in the City's governmental long-term obligations.

	Balance			Balance	Amounts
	12/31/16	Additions	Reductions	12/31/17	Due in
Governmental activities:					One Year
Series 2014 general obligation bonds	\$ 6,105,000	\$ -	\$ (275,000)	\$ 5,830,000	\$ 285,000
Miscellaneous loans payable	751,785	-	(122,500)	629,285	122,500
Capital leases	665,819	-	(226,523)	439,296	231,449
SIB loan	166,549	-	(31,356)	135,193	32,304
OPWC loans	38,839	178,811	(3,236)	214,414	3,237
Series 2016 bond anticipation note	500,000	-	(500,000)	-	-
Net pension liability	4,308,165	590,167	-	4,898,332	-
Compensated absences	140,560	179,882	(201,349)	119,093	92,530
Total Governmental Activities					
Long-Term Obligations	\$ 12,676,717	\$ 948,860	\$ (1,359,964)	12,265,613	\$ 767,020

Add: unamortized premium on bond issuance	208,996
Total Reported on Statement of Net Position	\$ 12,474,609

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.

Net pension liability: See Note 15 for more details.

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. Principal and interest payments are made from the Debt Service fund.

Miscellaneous Loans: 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 April 30, 2023. Principal and interest payments are made from the Debt Service fund.

On June 9, 2015, the City entered into a loan with Park National Bank in the amount of \$1,400,000 for the State Route 310/Main St. improvements. Of this amount, \$700,000 was related to governmental activities. The loan carries an interest rate of 3.35% and has a final maturity date of June 1, 2022. Principal and interest payments are made from the Debt Service fund.

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

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, 2017 the City has a \$135,193 balance outstanding on the loan. Principal and interest payments are made from the Debt Service fund.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

OPWC Loans: The Ohio Public Works Commission (OPWC) loans are general obligations of the City, and principal and interest will be repaid from the debt service fund. The OPWC loans are interest free, providing repayment remains current. At December 31, 2017, the City had OPWC loans outstanding for Refugee Road and Mink Street. The OPWC loan for Mink Street is still open, and does not have an amortization schedule available.

Series 2016 Bond Anticipation Note: On August 22, 2016, the City issued \$500,000 in bond anticipation notes for costs associated with the building of a new police station. The notes carried an interest note of 1.05% and matured on May 22, 2017. At December 31, 2017, there were \$294,975 in unspent proceeds.

A summary of the City's future debt service requirements for governmental activities long-term obligations outstanding as of December 31, 2017 are as follows:

Year Ending December 31,	Series 2014 GO Bonds		
	Principal	Interest	Total
2018	\$ 285,000	\$ 171,524	\$ 456,524
2019	290,000	165,825	455,825
2020	290,000	160,024	450,024
2021	300,000	154,225	454,225
2022	305,000	148,224	453,224
2023 - 2027	1,620,000	641,926	2,261,926
2028 - 2032	1,880,000	384,426	2,264,426
2033 - 2034	860,000	52,000	912,000
Total	\$ 5,830,000	\$ 1,878,174	\$ 7,708,174

Year Ending December 31,	Miscellaneous Loans		
	Principal	Interest	Total
2018	\$ 122,500	\$ 15,279	\$ 137,779
2019	122,500	11,884	134,384
2020	122,500	8,515	131,015
2021	122,500	5,090	127,590
2022	122,500	1,694	124,194
2023	16,785	-	16,785
Total	\$ 629,285	\$ 42,462	\$ 671,747

Year Ending December 31,	SIB Loan		
	Principal	Interest	Total
2018	\$ 32,304	\$ 3,815	\$ 36,119
2019	33,280	2,839	36,119
2020	34,286	1,833	36,119
2021	35,323	797	36,120
Total	\$ 135,193	\$ 9,284	\$ 144,477

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	OPWC Loans - Refugee Road		
	Principal	Interest	Total
2018	\$ 3,237	\$ -	\$ 3,237
2019	3,237	-	3,237
2020	3,236	-	3,236
2021	3,237	-	3,237
2022	3,237	-	3,237
2023 - 2027	16,182	-	16,182
2028	3,237	-	3,237
Total	\$ 35,603	\$ -	\$ 35,603

B. During 2017, the following activity occurred in the City's business-type long-term obligations.

Business-type activities:	Interest Rate	Balance 12/31/16	Additions	Reductions	Balance 12/31/17	Amounts Due in One Year
<u>General Obligation Bonds</u>						
Series 2011 Sewer bonds	5.50-6.125%	\$ 200,000	\$ -	\$ (65,000)	\$ 135,000	\$ 70,000
Series 2014 Sewer bonds	2.00-4.00%	1,210,000	-	(50,000)	1,160,000	60,000
Series 2007 Water bonds	4.25-5.00%	155,000	-	(155,000)	-	-
Series 2014 Water bonds	2.00-4.00%	1,335,000	-	(60,000)	1,275,000	65,000
Series 2015 Water refunding bonds	2.00-4.00%	5,405,000	-	(45,000)	5,360,000	205,000
Total General Obligation Bonds		8,305,000	-	(375,000)	7,930,000	400,000
<u>OWDA Loans</u>						
Sewer planning loan #5374	3.25%	36,263	-	(2,282)	33,981	2,357
Sewer design loan #5917	3.17%	298,448	-	(185,678)	112,770	190,650
Sewer system loan #5735	2.66%	3,237,671	-	(10,888)	3,226,783	11,236
Total OWDA loans		3,572,382	-	(198,848)	3,373,534	204,243
<u>Other Obligations</u>						
Miscellaneous loans payable	3.35%	600,000	-	(100,000)	500,000	100,000
Net pension liability		793,041	199,006	-	992,047	-
Compensated absences		22,572	63,718	(58,872)	27,418	21,178
Total Other Obligations		1,415,613	262,724	(158,872)	1,519,465	121,178
Total Business-Type Activities Long-Term Obligations		\$ 13,292,995	\$ 262,724	\$ (732,720)	12,822,999	\$ 725,421
Add: Unamortized premium on bond issue					432,945	
Total Reported on the Statement of Net Position					\$ 13,255,944	

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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.

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. During 2015, \$5,330,000 of the bonds were refunded by the Series 2015 Water Refunding Bonds. These bonds matured during 2017 and there were no future obligations. The water bonds are general obligation bonds, which are supported by the full faith and credit of the City.

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.

On December 29, 2015, the City issued \$5,460,000 in Series 2015 Water Refunding Bonds to advance refund \$5,330,000 of the Series 2007 Water System Improvement General Obligation Bonds. The 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 \$5,460,000. Principal and interest payments are made from the Water fund and are due on June 1 and December 1 of each year. The refunding bonds carry interest rates ranging from 2.00-4.00% and have a final maturity date of December 1, 2037. The balance of the refunded bonds outstanding was \$5,330,000 at December 31, 2017.

The reacquisition price of the Series 2015 bonds exceeded the net carrying amount of the old debt by \$336,043. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which equal to the life of the Series 2015 issued. This advance refunding was undertaken to reduce the combined total debt service payments over the next 22 years by \$831,166 and resulted in an economic gain of \$644,347.

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, 2017, the City had outstanding borrowings of \$3,373,534. During 2017, the Sewer fund made \$198,848 principal payments on the OWDA loans.

The City has pledged future sewer revenues to repay the sewer system, sewer planning and sewer design OWDA loans. The loans are payable solely from Sewer fund revenues. Annual principal and interest payments on the loans are expected to require 33.80% of the Sewer fund net revenues and 15.30% of total revenues. Principal and interest paid for the current year were \$294,278, total net revenues were \$870,704 and total operating revenues were \$1,923,103.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

Miscellaneous Loan: On June 9, 2015, the City entered into a loan with Park National Bank in the amount of \$1,400,000 for the State Route 310/Main St. improvements. Of this amount, \$700,000 was related to business-type activities in the water fund. The loan carries an interest rate of 3.35% and has a final maturity date of June 1, 2022.

Net pension liability: See Note 15 for details.

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

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

Year Ending December 31,	General Obligation Bonds		
	Principal	Interest	Total
2018	\$ 400,000	\$ 250,026	\$ 650,026
2019	400,000	241,325	641,325
2020	340,000	232,674	572,674
2021	345,000	225,875	570,875
2022	345,000	218,976	563,976
2023 - 2027	1,860,000	982,709	2,842,709
2028 - 2032	2,185,000	595,825	2,780,825
2033 - 2037	2,055,000	230,800	2,285,800
Total	\$ 7,930,000	\$ 2,978,210	\$ 10,908,210

Year Ending December 31,	OWDA Loans		
	Principal	Interest	Total
2018	\$ 204,243	\$ 90,036	\$ 294,279
2019	209,784	84,495	294,279
2020	215,476	78,803	294,279
2021	221,324	72,956	294,280
2022	227,329	66,950	294,279
2023 - 2027	1,232,607	238,789	1,471,396
2028 - 2032	987,206	68,001	1,055,207
2033 - 2036	75,565	5,488	81,053
Total	\$ 3,373,534	\$ 705,518	\$ 4,079,052

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	Miscellaneous Loans		
	Principal	Interest	Total
2018	\$ 100,000	\$ 15,279	\$ 115,279
2019	100,000	11,884	111,884
2020	100,000	8,515	108,515
2021	100,000	5,090	105,090
2022	100,000	1,694	101,694
Total	\$ 500,000	\$ 42,462	\$ 542,462

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, 2017, the City's total debt margin was \$41,280,061 and the unvoted debt margin was \$21,515,832.

NOTE 14 - RISK MANAGEMENT

A. Risk Pool Membership

The City belongs to the Ohio Plan Risk Management, Inc. – formerly known as 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 Ohio governments ("Members"). The Plan is legally separate from its members.

Pursuant to Section 2744.081 of the Ohio Revised Code the Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through 14 appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Until November 1, 2016, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 762 and 772 members as of December 31, 2016 and 2015, respectively.

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.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 14 - RISK MANAGEMENT - (Continued)

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

The Pool's audited financial statements conform to generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2016 and 2015 (the latest information available):

	<u>2016</u>	<u>2015</u>
Assets	\$14,765,712	\$14,643,667
Liabilities	<u>(9,531,506)</u>	<u>(9,112,030)</u>
Members' Equity	<u>\$5,234,206</u>	<u>\$5,531,637</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 2017, 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 (7) 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); and 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.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 14 - RISK MANAGEMENT - (Continued)

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.

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 (6) 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 2017 was \$346,674.

Effective July 1, 2017, the OPEC-HC board approved a change of plan administrator and network. After a careful evaluation of the transition plan, the City elected to remain with the Jefferson Health Plan (JHP), the original administrator. From July 1 through December 31, payments for medical insurance coverage were made to the JHP. The City's payments for health insurance coverage to JHP in 2017 was \$260,917.

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 15 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability/Asset

The net pension liability/asset reported on the statement of net position represents a liability or asset to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability/asset represents the City's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

GASB 68 assumes any net pension liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits or overfunded benefits is presented as a long-term *net pension liability* or *net pension asset*, respectively, on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *pension and postemployment benefits payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police, participate 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 and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension Plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 2.25%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 2.25% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

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

	State and Local
2017 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2017 Actual Contribution Rates	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	1.0 %
Total Employer	14.0 %
Employee	10.0 %

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$231,651 for 2017. Of this amount, \$10,103 is reported as pension and postemployment benefits payable.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

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

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	<u>Police</u>
2017 Statutory Maximum Contribution Rates	
Employer	19.50 %
Employee	12.25 %
2017 Actual Contribution Rates	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	<u>0.50 %</u>
Total Employer	<u><u>19.50 %</u></u>
Employee	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$223,237 for 2017. Of this amount \$11,057 is reported as pension and postemployment benefits payable.

Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability and net pension asset for the OPERS Traditional Pension Plan, Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2016, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OPERS - Member- Directed</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.01177100%	0.04894000%	0.00000000%	0.04760300%	
Proportion of the net pension liability/asset current measurement date	<u>0.01197000%</u>	<u>0.04948400%</u>	<u>0.00100000%</u>	<u>0.05008300%</u>	
Change in proportionate share	<u><u>0.00019900%</u></u>	<u><u>0.00054400%</u></u>	<u><u>0.00100000%</u></u>	<u><u>0.00248000%</u></u>	
Proportionate share of the net pension liability	\$ 2,718,183	\$ -	\$ -	\$ 3,172,196	\$ 5,890,379
Proportionate share of the net pension asset	-	(27,541)	(4)	-	(27,545)
Pension expense	628,516	19,898	5	437,874	1,086,293

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Deferred outflows of resources					
Differences between expected and actual experience	\$ 3,684	\$ -	\$ 41	\$ 897	\$ 4,622
Net difference between projected and actual earnings on pension plan investments	404,800	6,719	5	308,485	720,009
Changes of assumptions	431,135	6,712	4	-	437,851
Changes in employer's proportionate percentage/ difference between employer contributions	86,776	-	-	209,063	295,839
City contributions subsequent to the measurement date	206,276	24,725	650	223,237	454,888
Total deferred outflows of resources	<u>\$ 1,132,671</u>	<u>\$ 38,156</u>	<u>\$ 700</u>	<u>\$ 741,682</u>	<u>\$ 1,913,209</u>
Deferred inflows of resources					
Differences between expected and actual experience	\$ 16,177	\$ 14,086	\$ -	\$ 7,304	\$ 37,567
Changes in employer's proportionate percentage/ difference between employer contributions	19,641	-	-	-	19,641
Total deferred outflows of resources	<u>\$ 35,818</u>	<u>\$ 14,086</u>	<u>\$ -</u>	<u>\$ 7,304</u>	<u>\$ 57,208</u>

\$454,888 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2018.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
2018	\$ 392,676	\$ 1,306	\$ 8	\$ 163,380	\$ 557,370
2019	365,391	1,305	8	163,379	530,083
2020	144,376	1,015	8	134,047	279,446
2021	(11,866)	(1,365)	8	23,915	10,692
2022	-	(1,117)	6	24,423	23,312
Thereafter	-	(1,799)	12	1,997	210
Total	<u>\$ 890,577</u>	<u>\$ (655)</u>	<u>\$ 50</u>	<u>\$ 511,141</u>	<u>\$ 1,401,113</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the Board's actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, for the defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Wage inflation	3.25%
Future salary increases, including inflation	3.25% to 10.75% including wage inflation
COLA or ad hoc COLA	Pre 1/7/2013 retirees: 3.00%, simple
	Post 1/7/2013 retirees: 3.00%, simple
	through 2018, then 2.15% simple
Investment rate of return	7.50%
Actuarial cost method	Individual entry age

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3% for 2016.

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	23.00 %	2.75 %
Domestic equities	20.70	6.34
Real estate	10.00	4.75
Private equity	10.00	8.97
International equities	18.30	7.95
Other investments	18.00	4.92
Total	100.00 %	5.66 %

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability/asset was 7.50%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. A discount rate of 8.00% was used in the previous measurement period. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the City's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.50%, as well as what the City's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.50%) or one-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 4,152,632	\$ 2,718,183	\$ 1,522,823
Combined Plan	1,979	(27,541)	(50,474)
Member-Directed Plan	10	(4)	(10)

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2016 is based on the results of an actuarial valuation date of January 1, 2016, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented below:

Valuation date	January 1, 2016
Actuarial cost method	Entry age normal
Investment rate of return	8.25%
Projected salary increases	4.25% - 11.00%
Payroll increases	3.75%
Inflation assumptions	3.25%
Cost of living adjustments	2.60% and 3.00% simple

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed for the five-year period ended December 31, 2016. The recommended assumption changes based on this experience study were adopted by OPF's Board and were effective beginning with the January 1, 2017 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2016 are summarized below:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return **	30 Year Expected Real Rate of Return **
Cash and Cash Equivalents	- %		
Domestic Equity	16.00	4.46 %	5.21 %
Non-US Equity	16.00	4.66	5.40
Core Fixed Income *	20.00	1.67	2.37
Global Inflation			
Protected Securities *	20.00	0.49	2.33
High Yield	15.00	3.33	4.48
Real Estate	12.00	4.71	5.65
Private Markets	8.00	7.31	7.99
Timber	5.00	6.87	6.87
Master Limited Partnerships	8.00	6.92	7.36
Total	120.00 %		

Note: assumptions are geometric.

* levered 2x

** numbers include inflation

OPF's Board of Trustees has incorporated the "risk parity" concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The total pension liability was calculated using the discount rate of 8.25%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25%), or one percentage point higher (9.25%) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$ 4,225,004	\$ 3,172,196	\$ 2,279,947

Changes Between Measurement Date and Report Date - In October 2017, the OP&F Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25% to 8.00%. Although the exact amount of these changes is not known, it has the potential to impact to the City's net pension liability.

NOTE 16 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

Plan Description - OPERS administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. This trust is also used to fund health care for Member Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed Plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2016 CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the OPERS Board of Trustees (OPERS Board) 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/financial/reports.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (800) 222-7377.

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 16 - 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 2017, 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 2017 was 1.00%.

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, 2017, 2016, and 2015 were \$17,819, \$33,732, and \$33,064, respectively; 95.95% has been contributed for 2017 and 100% has been contributed for 2016 and 2015. The remaining 2017 post-employment health care benefits liability has been reported as pension and postemployment benefits payable on the basic financial statements.

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 health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

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

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

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 16 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2017 thru December 31, 2017. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers were \$5,875 for the year ended December 31, 2017, \$5,803 for the year ended December 31, 2016, and \$5,688 for the year ended December 31, 2015. 100% has been contributed for 2016 and 2015. 95.17% has been contributed for police for 2017. The remaining 2017 post-employment health care benefits liability has been reported as pension and postemployment benefits payable on the basic financial statements.

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

	Net Change in Fund Balance		
	<u>General Fund</u>	<u>Street Fund</u>	<u>Police Fund</u>
Budget basis	\$ 52,446	\$ 454,608	\$ 260,079
Net adjustment for revenue accruals	151	4,094	12,704
Net adjustment for expenditure accruals	(27,793)	(46,731)	(109,185)
Net adjustment for other sources/uses	10,000	-	-
Funds budgeted elsewhere	2,640	-	-
Adjustment for encumbrances	<u>126,476</u>	<u>417,596</u>	<u>49,471</u>
GAAP basis	<u>\$ 163,920</u>	<u>\$ 829,567</u>	<u>\$ 213,069</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 18 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2017.

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, 2017**

NOTE 19 - FUND BALANCE

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

Fund balance	General	Street Fund	Police Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Materials and supplies inventory	\$ -	\$ 86,666	\$ -	\$ -	\$ -	\$ 86,666
Prepays	23,123	19,171	45,817	-	-	88,111
Unclaimed monies	908	-	-	-	-	908
Total Nonspendable	24,031	105,837	45,817	-	-	175,685
Restricted:						
Debt service	-	-	-	174,315	30,067	204,382
Capital improvements	-	-	-	-	2,045,079	2,045,079
Transportation projects	-	3,379,882	-	-	900,309	4,280,191
Police	-	-	1,659,595	-	51,422	1,711,017
Total Restricted	-	3,379,882	1,659,595	174,315	3,026,877	8,240,669
Committed:						
Capital improvements	-	-	-	-	411,259	411,259
Community development programs	-	-	-	-	83,866	83,866
Parks and recreation	-	-	-	-	106,706	106,706
Total Committed	-	-	-	-	601,831	601,831
Assigned:						
Subsequent year appropriation	382,892	-	-	-	-	382,892
General government	81,245	-	-	-	-	81,245
Community environment	5,005	-	-	-	-	5,005
Leisure time activities	73,750	-	-	-	-	73,750
Other purposes	367	-	-	-	-	367
Total Assigned	543,259	-	-	-	-	543,259
Unassigned	848,493	-	-	-	-	848,493
Total Fund Balances	\$ 1,415,783	\$ 3,485,719	\$ 1,705,412	\$ 174,315	\$ 3,628,708	\$ 10,409,937

CITY OF PATASKALA, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 20 - CONTRACTUAL COMMITMENTS

As a result of various projects that were in progress at December 31, 2017, 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>
Columbus & Ohio River Railroad	\$ 245,962	\$ -	\$ 245,962
Fields Excavating, Inc.	800,000	(724,448)	75,552
Home & King Architects, Inc.	502,000	(200,437)	301,563
Jobes Henderson & Associates	533,079	(445,074)	88,005
Law General Contracting, Inc.	179,031	-	179,031
Prime AE Group	183,000	(136,167)	46,833
Shelly Company	1,528,859	(1,339,796)	189,063
Total	\$ 3,971,931	\$ (2,845,922)	\$ 1,126,009

NOTE 21 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 98,693
Street fund	370,861
Police fund	128
Nonmajor governmental funds	1,000,888
Total	\$ 1,470,570

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CITY OF PATASKALA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 22 - SUBSEQUENT EVENT

Effective January 1, 2018, the City joined the Central Ohio Health Care Consortium (COHCC or the “Pool”), a risk-sharing pool, which provides employee health care benefits for all full-time employees who wish to participate in the Pool. With the City joining COHCC, the Pool now consists of eleven political subdivisions who pool risk for basic hospital, surgical, and prescription drug coverage. The City entered into an initial irrevocable agreement to remain members of the Pool for a minimum of three years. The Pool is governed by a Board of Directors consisting of one director appointed by each member. The Board elects a chairman, a vice chairman and a secretary. The Board is responsible for its own financial matters and the Pool maintains its own books of account. Budgeting and financing of the Pool is subject to the approval of the Board. The City has no explicit and measurable equity interest in the Pool. The City has no ongoing financial responsibility other than the three year minimum membership. The City pays monthly contributions to the Consortium, which are used to cover claims and administrative costs, and to purchase excess loss insurance for the plan. The Pool 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 Pool for medical claims paid for an individual in excess of \$200,000 per claim per year, with an unlimited individual lifetime maximum. The aggregate excess loss coverage has been structured to indemnify the Pool for aggregate claims paid in excess of \$13,483,095 to a maximum of \$1,000,000 annually. In the event that the losses of the Pool in any year exceeds amounts paid to the Pool, 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. In the event that an entity should withdraw from the plan, the withdrawing member is required to either reimburse the Pool for any claims paid on its behalf or the member must pay the claims directly.

The City’s decision to change medical insurance networks resulted in the City assuming the liability for 2017 incurred but not reported (IBNR) claims. Thus, the City would be responsible for directly funding all approved 2017 claims paid in 2018. The Jefferson Health Plan (JHP) continued to serve as the administrator for these claims. As of April 1, 2018, the City has provided funding of \$137,713 to JHP for the administration and payment of these claims. In the event that the actual claims amount is greater than the initial funding, the City would be responsible for funding the difference. However, should the actual claims amount be less than the initial funding, JHP would refund any excess funding provided. At this time, the City is unable to determine if the claims will be greater or less than the initial funding amount.



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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PATASKALA, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY/NET PENSION ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST FOUR YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.011970%	0.011771%	0.010490%	0.010490%
City's proportionate share of the net pension liability	\$ 2,718,183	\$ 2,038,886	\$ 1,265,211	\$ 1,236,634
City's covered payroll	\$ 1,510,942	\$ 1,488,875	\$ 1,257,250	\$ 1,367,477
City's proportionate share of the net pension liability as a percentage of its covered payroll	179.90%	136.94%	100.63%	90.43%
Plan fiduciary net position as a percentage of the total pension liability	77.25%	81.08%	86.45%	86.36%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.049484%	0.048940%	0.051772%	0.051772%
City's proportionate share of the net pension asset	\$ 27,541	\$ 23,815	\$ 19,933	\$ 5,432
City's covered payroll	\$ 171,058	\$ 164,317	\$ 167,775	\$ 207,762
City's proportionate share of the net pension asset as a percentage of its covered payroll	16.10%	14.49%	11.88%	2.61%
Plan fiduciary net position as a percentage of the total pension asset	116.55%	116.90%	114.83%	104.56%
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.001000%	n/a	n/a	n/a
City's proportionate share of the net pension asset	\$ 4	n/a	n/a	n/a
City's covered payroll	\$ 4,617	n/a	n/a	n/a
City's proportionate share of the net pension asset as a percentage of its covered payroll	0.09%	n/a	n/a	n/a
Plan fiduciary net position as a percentage of the total pension asset	103.40%	n/a	n/a	n/a

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PATASKALA, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
OHIO POLICE AND FIRE (OP&F) PENSION FUND**

LAST FOUR YEARS

	2017	2016	2015	2014
City's proportion of the net pension liability	0.05008300%	0.04760300%	0.04466590%	0.04466590%
City's proportionate share of the net pension liability	\$ 3,172,196	\$ 3,062,320	\$ 2,313,880	\$ 2,175,369
City's covered payroll	\$ 1,130,068	\$ 1,107,637	\$ 1,020,095	\$ 896,285
City's proportionate share of the net pension liability as a percentage of its covered payroll	280.71%	276.47%	226.83%	242.71%
Plan fiduciary net position as a percentage of the total pension liability	68.36%	66.77%	72.20%	73.00%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PATASKALA, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

	LAST TEN YEARS			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 206,276	\$ 181,313	\$ 178,665	\$ 150,870
Contributions in relation to the contractually required contribution	<u>(206,276)</u>	<u>(181,313)</u>	<u>(178,665)</u>	<u>(150,870)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,586,738	\$ 1,510,942	\$ 1,488,875	\$ 1,257,250
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%	12.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 24,725	\$ 20,527	\$ 19,718	\$ 20,133
Contributions in relation to the contractually required contribution	<u>(24,725)</u>	<u>(20,527)</u>	<u>(19,718)</u>	<u>(20,133)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 190,192	\$ 171,058	\$ 164,317	\$ 167,775
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%	12.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 650	\$ 554		
Contributions in relation to the contractually required contribution	<u>(650)</u>	<u>(554)</u>		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>		
City's covered payroll	\$ 6,500	\$ 4,617		
Contributions as a percentage of covered payroll	10.00%	12.00%		

Note: Information prior to 2011 for the City's combined plan and prior to 2016 for the City's member directed plan was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 177,772	\$ 100,627	\$ 99,504	\$ 104,862	\$ 87,782	\$ 73,097
<u>(177,772)</u>	<u>(100,627)</u>	<u>(99,504)</u>	<u>(104,862)</u>	<u>(87,782)</u>	<u>(73,097)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,367,477	\$ 1,006,270	\$ 995,040	\$ 1,176,022	\$ 1,080,394	\$ 1,044,243
13.00%	10.00%	10.00%	8.92%	8.13%	7.00%
\$ 27,009	\$ 13,814	\$ 3,381			
<u>(27,009)</u>	<u>(13,814)</u>	<u>(3,381)</u>			
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			
\$ 207,762	\$ 173,761	\$ 42,528			
13.00%	7.95%	7.95%			

CITY OF PATASKALA, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TEN YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Police:</i>				
Contractually required contribution	\$ 223,237	\$ 214,713	\$ 210,451	\$ 193,818
Contributions in relation to the contractually required contribution	<u>(223,237)</u>	<u>(214,713)</u>	<u>(210,451)</u>	<u>(193,818)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,174,932	\$ 1,130,068	\$ 1,107,637	\$ 1,020,095
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 142,360	\$ 110,378	\$ 93,036	\$ 84,305	\$ 97,263	\$ 103,913
<u>(142,360)</u>	<u>(110,378)</u>	<u>(93,036)</u>	<u>(84,305)</u>	<u>(97,263)</u>	<u>(103,913)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 896,285	\$ 865,710	\$ 729,694	\$ 661,216	\$ 762,847	\$ 815,004
15.88%	12.75%	12.75%	12.75%	12.75%	12.75%

CITY OF PATASKALA, OHIO

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017**

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

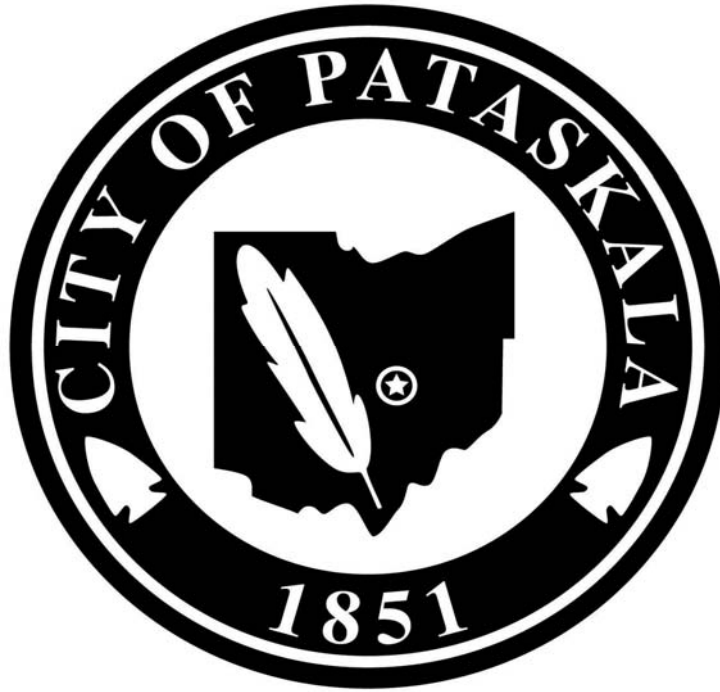
Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2017.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2017.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. See the notes to the basic financial statements for the methods and assumptions in this calculation.



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.

Debt Service Fund

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

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 (JEDD Income Tax) 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.

Indigent Driver Interlock Fund

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

Law Enforcement Training Fund

This fund accounts for federal and state grant dollars that are restricted for the purpose of training police officers in the City.

Payment in Lieu Fund

This fund accounts for resources provided by developers that are committed for further use. Developers provide funds to the City in lieu of installing sidewalks, planting trees, etc.

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 FUND

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

Street Bond Fund

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

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.

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.

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.

Columbia Road Bridge Improvement Fund

This fund is used to account for transfers that are committed to improvements to be made on the Columbia Road Bridge.

Capital Facilities Fund

This fund is used to account for rental income that is committed to various capital facilities projects in the City.

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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Real and Other Taxes	\$ 871,900	\$ 908,562	\$ 880,675	\$ (27,887)
Licenses and Permits	220,095	229,350	243,809	14,459
Fines and Forfeitures	149,033	155,300	128,340	(26,960)
Intergovernmental	181,784	189,428	192,467	3,039
Special Assessments	2,399	2,500	-	(2,500)
Investment Income	14,395	15,000	18,223	3,223
Other	15,834	16,500	22,880	6,380
Total Revenues	1,455,440	1,516,640	1,486,394	(30,246)
Expenditures:				
<i>Current:</i>				
<u>General Government</u>				
General Government				
Salaries & related	72,596	72,596	56,713	15,883
Contractual services	166,940	166,158	142,591	23,567
General operating	85,707	82,186	48,269	33,917
Total General Government	325,243	320,940	247,573	73,367
 Court & Legal				
Salaries & related	79,710	79,710	73,467	6,243
Contractual services	214,694	257,660	177,020	80,640
General operating	14,443	13,730	8,453	5,277
Total Court & Legal	308,847	351,100	258,940	92,160
 Executive & Legislative				
Salaries & related	156,636	156,636	134,860	21,776
Contractual services	8,500	8,500	2,988	5,512
General operating	30,588	38,854	23,956	14,898
Total Executive & Legislative	195,724	203,990	161,804	42,186
 Finance				
Salaries & related	36,630	35,376	32,942	2,434
Contractual services	28,840	28,840	27,773	1,067
General operating	13,228	12,100	4,806	7,294
Capital outlay	5,000	5,000	-	5,000
Total Finance	83,698	81,316	65,521	15,795
 Parks, Lands & Municipal Facilities				
Contractual services	5,194	51,362	47,132	4,230
General operating	62,501	151,112	138,446	12,666
Capital outlay	147,207	5,788	5,788	-
Total Parks, Lands & Municipal Facilities	214,902	208,262	191,366	16,896
 Total General Government	1,128,414	1,165,608	925,204	240,404

--Continued

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Community Environment</u>				
General Government				
Salaries & related	315,335	315,335	299,701	15,634
Contractual services	17,600	17,600	10,001	7,599
General operating	46,863	38,771	24,886	13,885
Total General Government	379,798	371,706	334,588	37,118
Total Community Environment	379,798	371,706	334,588	37,118
<u>Leisure Time Activities</u>				
Parks, Lands & Municipal Facilities				
Salaries & related	33,649	33,649	31,905	1,744
Contractual services	30,965	30,965	28,969	1,996
General operating	74,753	74,181	48,336	25,845
Capital outlay	822	-	-	-
Total Parks, Lands & Municipal Facilities	140,189	138,795	109,210	29,585
Total Leisure Time Activities	140,189	138,795	109,210	29,585
Total Expenditures	1,648,401	1,676,109	1,369,002	307,107
Excess (Deficiency) of Revenues Over (Under) Expenditures	(192,961)	(159,469)	117,392	276,861
Other Financing Sources (Uses):				
Sale of assets	2,400	2,500	1,554	(946)
Transfers out	(10,000)	(66,500)	(66,500)	-
Total Other Financing Sources (Uses)	(7,600)	(64,000)	(64,946)	(946)
Net Change in Fund Balance	(200,561)	(223,469)	52,446	275,915
Fund Balance at Beginning of Year	1,093,641	1,093,641	1,093,641	-
Prior Year Encumbrances Appropriated	92,540	92,540	92,540	-
Fund Balance at End of Year	\$ 985,620	\$ 962,712	\$ 1,238,627	\$ 275,915

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, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income taxes	\$ 1,908,038	\$ 1,925,815	\$ 1,925,427	\$ (388)
Intergovernmental	708,400	715,000	735,035	20,035
Investment income	32,200	32,500	39,664	7,164
Other	29,723	30,000	24,151	(5,849)
Total Revenues	2,678,361	2,703,315	2,724,277	20,962
Expenditures:				
<i>Current:</i>				
<u>General Government</u>				
General Government				
Salaries & related	61,396	61,396	48,157	13,239
Contractual services	302,260	293,057	241,358	51,699
General operating	2,500	2,500	1,324	1,176
Total General Government	366,156	356,953	290,839	66,114
 Court & Legal				
Contractual services	37,130	42,130	42,130	-
Total Court & Legal	37,130	42,130	42,130	-
 Finance				
Salaries & related	62,170	62,170	58,995	3,175
Contractual services	13,950	13,840	10,546	3,294
General operating	105,700	122,200	112,017	10,183
Total Finance	181,820	198,210	181,558	16,652
 Parks, Lands & Municipal Facilities				
General operating	34,439	30,678	20,877	9,801
Total Parks, Lands & Municipal Facilities	34,439	30,678	20,877	9,801
 Total General Government	619,545	627,971	535,404	92,567
 <u>Transportation</u>				
Public Service				
Salaries & related	731,074	736,704	640,998	95,706
Contractual services	115,484	104,664	91,717	12,947
General operating	352,718	312,991	210,531	102,460
Capital outlay	853,330	903,330	769,785	133,545
Total Transportation	2,052,606	2,057,689	1,713,031	344,658
 Total Expenditures	2,672,151	2,685,660	2,248,435	437,225
Excess of Revenues Over Expenditures	6,210	17,655	475,842	458,187
 Other Financing Sources (Uses):				
Sale of assets	4,954	5,000	3,766	(1,234)
Transfers out	-	(25,000)	(25,000)	-
Total Other Financing Sources (Uses)	4,954	(20,000)	(21,234)	(1,234)
 Net Change in Fund Balance	11,164	(2,345)	454,608	456,953
 Fund Balance at Beginning of Year	2,050,910	2,050,910	2,050,910	-
Prior Year Encumbrances Appropriated	131,734	131,734	131,734	-
 Fund Balance at End of Year	\$ 2,193,808	\$ 2,180,299	\$ 2,637,252	\$ 456,953

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, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income taxes	\$ 2,833,442	\$ 2,863,063	\$ 2,862,486	\$ (577)
Charge for services	9,006	9,100	11,341	2,241
Fines and forfeitures	495	500	350	(150)
Intergovernmental	11,381	11,500	12,591	1,091
Investment income	12,370	12,500	16,720	4,220
Other	59,874	60,500	47,873	(12,627)
Total Revenues	2,926,568	2,957,163	2,951,361	(5,802)
Expenditures:				
<i>Current:</i>				
<u>General Government</u>				
General Government				
Salaries & related	7,550	7,550	163	7,387
Contractual services	65,000	65,000	63,952	1,048
General operating	2,500	2,500	100	2,400
Total General Government	75,050	75,050	64,215	10,835
 Court & Legal				
Contractual services	36,391	41,391	41,391	-
Total Court & Legal	36,391	41,391	41,391	-
 Finance				
Salaries & related	62,170	62,170	58,968	3,202
Contractual services	13,950	13,840	11,271	2,569
General operating	155,600	179,100	166,532	12,568
Total Finance	231,720	255,110	236,771	18,339
 Parks, Lands & Municipal Facilities				
Contractual services	5,140	5,140	4,944	196
General operating	23,422	21,415	19,533	1,882
Total Finance	28,562	26,555	24,477	2,078
Total General Government	371,723	398,106	366,854	31,252
 <u>Security of Persons & Property</u>				
Police				
Salaries & related	2,141,386	2,141,386	2,009,272	132,114
Contractual services	15,308	13,994	13,781	213
General operating	250,819	240,230	194,123	46,107
Capital outlay	145,500	145,500	105,149	40,351
Total Police	2,553,013	2,541,110	2,322,325	218,785
 Total Security of Persons & Property	2,553,013	2,541,110	2,322,325	218,785
 Total Expenditures	2,924,736	2,939,216	2,689,179	250,037
Excess of Revenues Over Expenditures	1,832	17,947	262,182	244,235

--Continued

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, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Other Financing Sources (Uses):				
Sale of capital assets	\$ 495	\$ 500	\$ 15,326	\$ 14,826
Transfers out	(17,429)	(17,429)	(17,429)	-
Total Other Financing Sources (Uses)	(16,934)	(16,929)	(2,103)	14,826
Net Change in Fund Balance	(15,102)	1,018	260,079	244,235
Fund Balance at Beginning of Year	1,057,063	1,057,063	1,057,063	-
Prior Year Encumbrances Appropriated	34,404	34,404	34,404	-
Fund Balance at End of Year	\$ 1,076,365	\$ 1,092,485	\$ 1,351,546	\$ 244,235

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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Income taxes	\$ 480,779	\$ 480,779	\$ 480,682	\$ (97)
Intergovernmental	1,220	1,220	2,129	909
Investment income	2,500	4,000	6,094	2,094
Other	-	-	2,057	2,057
Total Revenues	484,499	485,999	490,962	4,963
Expenditures:				
<i>Current:</i>				
General government				
Finance				
General operating	26,200	30,200	27,965	2,235
Total Finance	26,200	30,200	27,965	2,235
Total General Government	26,200	30,200	27,965	2,235
<i>Debt service:</i>				
Principal retirement	1,027,023	931,209	931,179	30
Interest and fiscal charges	438,262	207,926	207,848	78
Total Debt Service	1,465,285	1,139,135	1,139,027	108
Total Expenditures	1,491,485	1,169,335	1,166,992	2,343
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,006,986)	(683,336)	(676,030)	7,306
Other Financing Sources:				
Transfers in	1,078,754	560,254	547,575	(12,679)
Total Other Financing Sources	1,078,754	560,254	547,575	(12,679)
Net Change in Fund Balance	71,768	(123,082)	(128,455)	(5,373)
Fund Balance at Beginning of Year	193,815	193,815	193,815	-
Fund Balance at End of Year	\$ 265,583	\$ 70,733	\$ 65,360	\$ (5,373)

CITY OF PATASKALA, OHIO

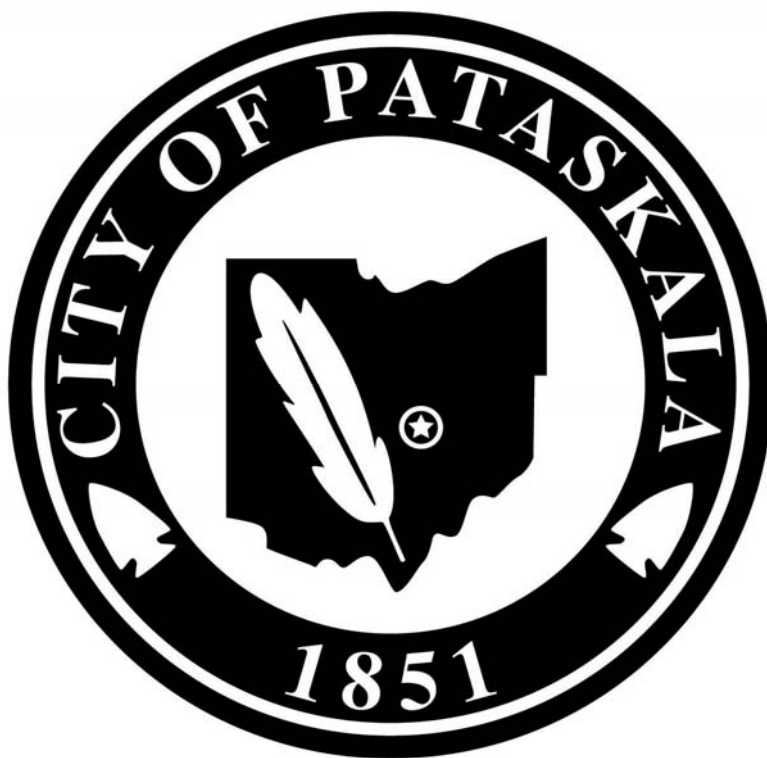
**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund - Street Bond Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 860,807	\$ 30,067	\$ 2,452,116	\$ 3,342,990
Receivables (net of allowances of uncollectibles):				
Income taxes	370	-	49,747	50,117
Accounts	557	-	-	557
Accrued interest	1,613	-	3,238	4,851
Payment in lieu of taxes	-	-	354,590	354,590
Due from other governments	50,219	-	165,237	215,456
<u>Restricted assets:</u>				
Cash with fiscal and escrow agents	248,135	-	-	248,135
Total Assets	\$ 1,161,701	\$ 30,067	\$ 3,024,928	\$ 4,216,696
Liabilities:				
Contracts payable	\$ -	\$ -	\$ 173,933	\$ 173,933
Due to other governments	-	-	393	393
Unearned revenue	-	-	5,479	5,479
Total Liabilities	-	-	179,805	179,805
Deferred Inflows of Resources:				
Investment income not available	280	-	561	841
Income tax revenue not available	-	-	33,634	33,634
Nonexchange transactions not available	19,118	-	-	19,118
PILOTs levied for the next fiscal year	-	-	354,590	354,590
Total Deferred Inflows of Resources	19,398	-	388,785	408,183
Fund balances:				
Restricted	951,731	30,067	2,045,079	3,026,877
Committed	190,572	-	411,259	601,831
Total Fund Balances	1,142,303	30,067	2,456,338	3,628,708
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 1,161,701	\$ 30,067	\$ 3,024,928	\$ 4,216,696

CITY OF PATASKALA, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund - Street Bond Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Income taxes	\$ 370	\$ -	\$ 129,857	\$ 130,227
Charges for services	23,250	-	-	23,250
Fines and forfeitures	10,859	-	-	10,859
Intergovernmental	406,920	-	228,206	635,126
Investment income	5,729	-	15,921	21,650
Rental income	-	-	109,749	109,749
Payments in lieu of taxes	-	-	257,284	257,284
Other	79,387	-	476	79,863
Total Revenues	526,515	-	741,493	1,268,008
Expenditures:				
<u>Current:</u>				
General government	30,203	-	-	30,203
Security of persons and property	3,500	-	-	3,500
Transportation	308,493	-	-	308,493
Leisure time activity	11,887	-	-	11,887
Capital outlay	-	-	790,039	790,039
Total Expenditures	354,083	-	790,039	1,144,122
Excess (Deficiency) of Revenues Over (Under) Expenditures	172,432	-	(48,546)	123,886
Other Financing Sources (Uses):				
Transfers in	-	-	25,000	25,000
Transfers out	-	-	(473,646)	(473,646)
Issuance of OPWC loans	-	-	178,811	178,811
Total Other Financing Sources (Uses)	-	-	(269,835)	(269,835)
Net Change in Fund Balance	172,432	-	(318,381)	(145,949)
Fund Balance at Beginning of Year	969,871	30,067	2,774,719	3,774,657
Fund Balance at End of Year	\$ 1,142,303	\$ 30,067	\$ 2,456,338	\$ 3,628,708



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CITY OF PATASKALA, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2017

	State Highway Fund	Ecological Preservation Fund	JEDD Income Tax Fund	Permissive License Tax Fund
Assets:				
Equity in pooled cash and investments	\$ 133,738	\$ 1,000	\$ 1,285	\$ 483,543
Receivables (net of allowances of uncollectibles):				
Income taxes	-	-	370	-
Accounts	-	-	-	-
Accrued interest	298	-	-	1,078
Due from other governments	29,938	-	-	20,281
<u>Restricted assets:</u>				
Cash with fiscal and escrow agents	-	-	-	248,135
Total Assets	<u>\$ 163,974</u>	<u>\$ 1,000</u>	<u>\$ 1,655</u>	<u>\$ 753,037</u>
Deferred Inflows of Resources:				
Investment income not available	52	-	-	187
Nonexchange transactions not available	19,118	-	-	-
Total Deferred Inflows of Resources	<u>19,170</u>	<u>-</u>	<u>-</u>	<u>187</u>
Fund balances:				
Restricted	144,804	1,000	1,655	752,850
Committed	-	-	-	-
Total Fund Balances	<u>144,804</u>	<u>1,000</u>	<u>1,655</u>	<u>752,850</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 163,974</u>	<u>\$ 1,000</u>	<u>\$ 1,655</u>	<u>\$ 753,037</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>
\$ 106,510	\$ 490	\$ 27,020	\$ 5,921	\$ 8,972	\$ 4,479
-	-	-	-	-	-
-	-	532	-	25	-
237	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 106,747</u>	<u>\$ 490</u>	<u>\$ 27,552</u>	<u>\$ 5,921</u>	<u>\$ 8,997</u>	<u>\$ 4,479</u>
41	-	-	-	-	-
-	-	-	-	-	-
<u>41</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	490	27,552	5,921	8,997	-
106,706	-	-	-	-	4,479
<u>106,706</u>	<u>490</u>	<u>27,552</u>	<u>5,921</u>	<u>8,997</u>	<u>4,479</u>
<u>\$ 106,747</u>	<u>\$ 490</u>	<u>\$ 27,552</u>	<u>\$ 5,921</u>	<u>\$ 8,997</u>	<u>\$ 4,479</u>

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CITY OF PATASKALA, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 DECEMBER 31, 2017

	Indigent Drivers Interlock Fund	Law Enforcement Training Fund	Payment in Lieu Fund	Total Nonmajor Special Revenue Funds
<u>Assets:</u>				
Equity in pooled cash and investments	\$ 952	\$ 7,510	\$ 79,387	\$ 860,807
Receivables (net of allowances of uncollectibles):				
Income taxes	-	-	-	370
Accounts	-	-	-	557
Accrued interest	-	-	-	1,613
Due from other governments	-	-	-	50,219
<u>Restricted assets:</u>				
Cash with fiscal and escrow agents	-	-	-	248,135
Total Assets	<u>\$ 952</u>	<u>\$ 7,510</u>	<u>\$ 79,387</u>	<u>\$ 1,161,701</u>
<u>Deferred Inflows of Resources:</u>				
Investment income not available	-	-	-	280
Nonexchange transactions not available	-	-	-	19,118
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,398</u>
<u>Fund balances:</u>				
Restricted	952	7,510	-	951,731
Committed	-	-	79,387	190,572
Total Fund Balances	<u>952</u>	<u>7,510</u>	<u>79,387</u>	<u>1,142,303</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 952</u>	<u>\$ 7,510</u>	<u>\$ 79,387</u>	<u>\$ 1,161,701</u>



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CITY OF PATASKALA, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	State Highway Fund	Ecological Preservation Fund	JEDD Income Tax Fund	Permissive License Tax Fund
Revenues:				
Income taxes	\$ -	\$ -	\$ 370	\$ -
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	59,960	-	-	346,960
Investment income	1,138	-	-	3,606
Other	-	-	-	-
Total Revenues	61,098	-	370	350,566
Expenditures:				
<u>Current:</u>				
General government	-	-	-	15,783
Security of persons and property	-	-	-	-
Transportation	20,548	-	-	287,945
Leisure time activity	-	-	-	-
Total Expenditures	20,548	-	-	303,728
Net Change in Fund Balance	40,550	-	370	46,838
Fund Balance at Beginning of Year	104,254	1,000	1,285	706,012
Fund Balance at End of Year	\$ 144,804	\$ 1,000	\$ 1,655	\$ 752,850

Park Use Fund	Immobilization Fund	Court Computer Fund	Alcohol Enforcement and Education Fund	Law Enforcement Trust Fund	Pataskala Mobile Home Park Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23,250	-	-	-	-	-
-	-	7,434	-	3,425	-
-	-	-	-	-	-
976	-	-	-	-	9
-	-	-	-	-	-
24,226	-	7,434	-	3,425	9
-	-	14,420	-	-	-
-	-	-	-	3,500	-
-	-	-	-	-	-
11,887	-	-	-	-	-
11,887	-	14,420	-	3,500	-
12,339	-	(6,986)	-	(75)	9
94,367	490	34,538	5,921	9,072	4,470
\$ 106,706	\$ 490	\$ 27,552	\$ 5,921	\$ 8,997	\$ 4,479

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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, 2017

	Indigent Drivers Interlock Fund	Law Enforcement Training Fund	Payment in Lieu Fund	Total Nonmajor Special Revenue Funds
Revenues:				
Income taxes	\$ -	\$ -	\$ -	\$ 370
Charges for services	-	-	-	23,250
Fines and forfeitures	-	-	-	10,859
Intergovernmental	-	-	-	406,920
Investment income	-	-	-	5,729
Other	-	-	79,387	79,387
Total Revenues	-	-	79,387	526,515
Expenditures:				
<u>Current:</u>				
General government	-	-	-	30,203
Security of persons and property	-	-	-	3,500
Transportation	-	-	-	308,493
Leisure time activity	-	-	-	11,887
Total Expenditures	-	-	-	354,083
Net Change in Fund Balance	-	-	79,387	172,432
Fund Balance at Beginning of Year	952	7,510	-	969,871
Fund Balance at End of Year	\$ 952	\$ 7,510	\$ 79,387	\$ 1,142,303

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, 2017

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Intergovernmental	\$ 56,500	\$ 58,911	\$ 2,411
Investment Income	1,100	1,695	595
Total Revenues	57,600	60,606	3,006
Expenditures:			
<i>Current:</i>			
<u>Transportation</u>			
Public Service			
Contractual services	13,900	8,455	5,445
General operating	47,266	20,204	27,062
Total Public Service	61,166	28,659	32,507
Total Transportation	61,166	28,659	32,507
Total Expenditures	61,166	28,659	32,507
Net Change in Fund Balance	(3,566)	31,947	35,513
Fund Balance at Beginning of Year	90,226	90,226	-
Prior Year Encumbrances Appropriated	4,979	4,979	-
Fund Balance at End of Year	\$ 91,639	\$ 127,152	\$ 35,513

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, 2017**

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Fund Balance at Beginning of Year	\$ 1,000	\$ 1,000	\$ -
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 (JEDD) FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Fund Balance at Beginning of Year	<u>\$ 1,285</u>	<u>\$ 1,285</u>	<u>\$ -</u>
Fund Balance at End of Year	<u><u>\$ 1,285</u></u>	<u><u>\$ 1,285</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)
PERMISSIVE LICENSE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Intergovernmental	\$ 250,000	\$ 260,582	\$ 10,582
Investment income	5,100	5,702	602
Total Revenues	255,100	266,284	11,184
Expenditures:			
<i>Current:</i>			
<u>General Government</u>			
Contractual services	32,500	27,819	4,681
Total General Government	32,500	27,819	4,681
<u>Transportation</u>			
Public Service			
Contractual services	35,000	17,876	17,124
General operating	110,000	32,572	77,428
Capital outlay	281,176	243,155	38,021
Total Public Service	426,176	293,603	132,573
Total Transportation	426,176	321,422	137,254
Total Expenditures	458,676	321,422	137,254
Net Change in Fund Balance	(203,576)	(55,138)	148,438
Fund Balance at Beginning of Year	523,731	523,731	-
Fund Balance at End of Year	\$ 320,155	\$ 468,593	\$ 148,438

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, 2017

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Charges for Services	\$ 30,000	\$ 23,250	\$ (6,750)
Investment Income	1,200	1,429	229
Total Revenues	31,200	24,679	(6,521)
Expenditures:			
<i>Current:</i>			
<u>Leisure Time Activity</u>			
Recreation Improvement			
General operating	9,000	8,882	118
Contractual	8,500	8,500	-
Capital outlay	17,500	-	17,500
Total Leisure Time Activity	35,000	17,382	17,618
Total Expenditures	35,000	17,382	17,618
Net Change in Fund Balance	(3,800)	7,297	11,097
Fund Balance at Beginning of Year	92,823	92,823	-
Prior year encumbrances appropriated	1,500	1,500	-
Fund Balance at End of Year	\$ 90,523	\$ 101,620	\$ 11,097

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, 2017**

	<u>Budgeted Amount</u>		Variance with
	<u>Final</u>	<u>Actual</u>	Final Budget
			Positive
			(Negative)
Fund Balance at Beginning of Year	\$ 490	\$ 490	\$ -
Fund Balance at End of Year	<u><u>\$ 490</u></u>	<u><u>\$ 490</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)
COURT COMPUTER FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Fines and forfeitures	\$ 7,000	\$ 7,561	\$ 561
Total Revenues	7,000	7,561	561
Expenditures:			
<i>Current:</i>			
<u>General Government</u>			
Court & Legal			
Contractual	5,000	-	5,000
General operating	12,500	10,902	1,598
Capital outlay	4,518	4,518	-
Total Court & Legal	22,018	15,420	6,598
Total General Government	22,018	15,420	6,598
Total Expenditures	22,018	15,420	6,598
Net Change in Fund Balance	(15,018)	(7,859)	7,159
Fund Balance at Beginning of Year	28,361	28,361	-
Prior Year Encumbrances Appropriated	5,518	5,518	-
Fund Balance at End of Year	\$ 18,861	\$ 26,020	\$ 7,159

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, 2017**

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Fund Balance at Beginning of Year	\$ 5,921	\$ 5,921	\$ -
Fund Balance at End of Year	<u>\$ 5,921</u>	<u>\$ 5,921</u>	<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, 2017

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Fines and forfeitures	\$ 3,000	\$ 3,636	\$ 636
Total Revenues	3,000	3,636	636
Expenditures:			
<i>Current:</i>			
<u>Security of Persons & Property</u>			
Police			
Salaries & related	1,000	500	500
General operating	3,000	3,000	-
Total Police	4,000	3,500	500
Total Security of Persons & Property	4,000	3,500	500
Total Expenditures	4,000	3,500	500
Net Change in Fund Balance	(1,000)	136	1,136
Fund Balance at Beginning of Year	8,836	8,836	-
Fund Balance at End of Year	\$ 7,836	\$ 8,972	\$ 1,136

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, 2017

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Investment Income	\$ -	\$ 9	\$ 9
Total Revenues	<u>-</u>	<u>9</u>	<u>9</u>
Net Change in Fund Balance	<u>-</u>	<u>9</u>	<u>9</u>
Fund Balance at Beginning of Year	<u>4,470</u>	<u>4,470</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 4,470</u></u>	<u><u>\$ 4,479</u></u>	<u><u>\$ 9</u></u>

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, 2017**

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Fund Balance at Beginning of Year	\$ 952	\$ 952	\$ -
Fund Balance at End of Year	<u>\$ 952</u>	<u>\$ 952</u>	<u>\$ -</u>

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT TRAINING AND EDUCATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Intergovernmental	\$ 6,500	\$ 5,500	\$ (1,000)
Total Revenues	<u>6,500</u>	<u>5,500</u>	<u>(1,000)</u>
 Net Change In Fund Balance	 6,500	 5,500	 (1,000)
 Fund Balance at Beginning of Year	 -	 -	 -
Prior year encumbrances appropriated . .	<u>2,010</u>	<u>2,010</u>	<u>-</u>
 Fund Balance at End of Year	 <u>\$ 8,510</u>	 <u>\$ 7,510</u>	 <u>\$ (1,000)</u>

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PAYMENT IN LIEU FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Other	\$ 80,000	\$ 79,387	\$ (613)
Total Revenues	<u>80,000</u>	<u>79,387</u>	<u>(613)</u>
Net Change In Fund Balance	80,000	79,387	(613)
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 80,000</u></u>	<u><u>\$ 79,387</u></u>	<u><u>\$ (613)</u></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, 2017

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Other	\$ 1,000	\$ 768	\$ (232)
Total Revenues	<u>1,000</u>	<u>768</u>	<u>(232)</u>
Net Change in Fund Balance	1,000	768	(232)
Fund Balance at Beginning of Year	<u>140</u>	<u>140</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 1,140</u></u>	<u><u>\$ 908</u></u>	<u><u>\$ (232)</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, 2017

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)	
	<u>Final</u>	<u>Actual</u>		
Revenues:				
Charges for services	\$ 67,500	\$ 72,332	\$ 4,832	
Investment income	750	938	188	
Rental Income	4,000	4,055	55	
Contributions and donations	1,000	1,205	205	
Other	1,250	90	(1,160)	
Total Revenues	74,500	78,620	4,120	
Expenditures:				
<i>Current:</i>				
<u>Leisure Time Activities</u>				
Parks, Lands & Municipal Facilities				
Salaries & related	38,149	32,448	5,701	
Contractual services	29,250	18,700	10,550	
General operating	33,025	28,605	4,420	
Total Parks, Lands & Municipal Facilities	100,424	79,753	20,671	
Total Leisure Time Activities	100,424	79,753	20,671	
Total Expenditures	100,424	79,753	20,671	
Excess of Revenues Over Expenditures	(25,924)	(1,133)	24,791	
Other Financing Sources:				
Transfers in	10,000	10,000	-	
Total Other Financing Sources	10,000	10,000	-	
Net Change in Fund Balance	(15,924)	8,867	24,791	
Fund Balance at Beginning of Year	47,069	47,069	-	
Prior Year Encumbrances Appropriated	300	300	-	
Fund Balance at End of Year	\$ 31,445	\$ 56,236	\$ 24,791	

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, 2017**

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Fund Balance at Beginning of Year	\$ 367	\$ 367	\$ -
Fund Balance at End of Year	<u>\$ 367</u>	<u>\$ 367</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, 2017

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Fines and forfeitures	\$ 1,000	\$ 1,150	\$ 150
Donations and contributions	1,000	350	(650)
Total Revenues	<u>2,000</u>	<u>1,500</u>	<u>(500)</u>
Expenditures:			
Security of Persons & Property			
General operating	5,000	3,408	1,592
Total Security of Persons & Property	<u>5,000</u>	<u>3,408</u>	<u>1,592</u>
Total Expenditures	<u>5,000</u>	<u>3,408</u>	<u>1,592</u>
Net Change in Fund Balance	(3,000)	(1,908)	1,092
Fund Balance at Beginning of Year	<u>4,061</u>	<u>4,061</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 1,061</u></u>	<u><u>\$ 2,153</u></u>	<u><u>\$ 1,092</u></u>

CITY OF PATASKALA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET BOND FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

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



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CITY OF PATASKALA, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2017

	Capital Improvements Fund	Issue II Fund	Bond Improvement Fund	Municipal Building Purchase Fund
Assets:				
Equity in pooled cash and investments	\$ 1,158,286	\$ 242,115	\$ 294,432	\$ 6,871
Receivables (net of allowances of uncollectibles):				
Income taxes	49,747	-	-	-
Accrued interest	2,582	-	656	-
Payment in lieu of taxes	-	-	-	-
Due from other governments	-	165,237	-	-
Total Assets	\$ 1,210,615	\$ 407,352	\$ 295,088	\$ 6,871
Liabilities:				
Contracts payable	\$ -	\$ 173,933	\$ -	\$ -
Intergovernmental payable	393	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	393	173,933	-	-
Deferred Inflows of Resources:				
Investment income not available	448	-	113	-
Income tax revenue not available	33,634	-	-	-
PILOTs levied for the next fiscal year	-	-	-	-
Total Deferred Inflows of Resources	34,082	-	113	-
Fund Balances:				
Restricted	1,176,140	233,419	294,975	6,871
Committed	-	-	-	-
Total Fund Balances	1,176,140	233,419	294,975	6,871
Resources & Fund Balances	\$ 1,210,615	\$ 407,352	\$ 295,088	\$ 6,871

Courter Bridge Improvement Fund	State Route 310 TIF Fund	Columbia Road Bridge Improvement Fund	Capital Facilities Fund	Total Nonmajor Capital Projects Funds
\$ 59	\$ 333,615	\$ 4,880	\$ 411,858	\$ 2,452,116
-	-	-	-	49,747
-	-	-	-	3,238
-	354,590	-	-	354,590
-	-	-	-	165,237
\$ 59	\$ 688,205	\$ 4,880	\$ 411,858	\$ 3,024,928
\$ -	\$ -	\$ -	\$ -	\$ 173,933
-	-	-	-	393
-	-	-	5,479	5,479
-	-	-	5,479	179,805
-	-	-	-	561
-	-	-	-	33,634
-	354,590	-	-	354,590
-	354,590	-	-	388,785
59	333,615	-	-	2,045,079
-	-	4,880	406,379	411,259
59	333,615	4,880	406,379	2,456,338
\$ 59	\$ 688,205	\$ 4,880	\$ 411,858	\$ 3,024,928

CITY OF PATASKALA, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Capital Improvements Fund	Issue II Fund	Bond Improvement Fund	Municipal Building Purchase Fund
Revenues:				
Income taxes	\$ 129,857	\$ -	\$ -	\$ -
Intergovernmental	140,797	87,409	-	-
Investment income	11,846	-	4,075	-
Rental income	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Other	476	-	-	-
Total Revenues	282,976	87,409	4,075	-
Expenditures:				
Capital outlay	250,192	198,846	166,837	-
Total Expenditures	250,192	198,846	166,837	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	32,784	(111,437)	(162,762)	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(79,969)	-	-
Issuance of OPWC loans	-	178,811	-	-
Total Other Financing Sources (Uses)	-	98,842	-	-
Net Change in Fund Balance	32,784	(12,595)	(162,762)	-
Fund Balance at Beginning of Year	1,143,356	246,014	457,737	6,871
Fund Balance at End of Year	\$ 1,176,140	\$ 233,419	\$ 294,975	\$ 6,871

Courter Bridge Improvement Fund	State Route 310 TIF Fund	Columbia Road Bridge Improvement Fund	Capital Facilities Fund	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ -	\$ 129,857
-	-	-	-	228,206
-	-	-	-	15,921
-	-	-	109,749	109,749
-	257,284	-	-	257,284
-	-	-	-	476
-	257,284	-	109,749	741,493
-	3,864	170,300	-	790,039
-	3,864	170,300	-	790,039
-	253,420	(170,300)	109,749	(48,546)
-	-	25,000	-	25,000
-	(118,677)	-	(275,000)	(473,646)
-	-	-	-	178,811
-	(118,677)	25,000	(275,000)	(269,835)
-	134,743	(145,300)	(165,251)	(318,381)
59	198,872	150,180	571,630	2,774,719
\$ 59	\$ 333,615	\$ 4,880	\$ 406,379	\$ 2,456,338

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, 2017

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Income tax	\$ 132,349	\$ 132,323	\$ (26)
Investment income	19,830	16,827	(3,003)
Intergovernmental	452,500	284,434	(168,066)
Other	-	476	476
Total Revenues	604,679	434,060	(170,619)
Expenditures:			
<u>Capital Outlay</u>			
General government			
Contract services	4,650	4,650	-
Total General Government	4,650	4,650	-
Public Service			
Capital outlay	1,197,802	708,671	489,131
Total Public Service	1,197,802	708,671	489,131
Finance			
General operating	8,700	7,698	1,002
Total Finance	8,700	7,698	1,002
Park maintenance & administration			
Contract services	25,461	25,413	48
Capital outlay	72,500	72,500	-
Total Park Maintenance & Administration	97,961	97,913	48
Total Capital Outlay	1,309,113	818,932	490,181
Total Expenditures	1,309,113	818,932	490,181
Net Change in Fund Balance	(704,434)	(384,872)	319,562
Fund Balance at Beginning of Year	426,693	426,693	-
Prior Year Encumbrances Appropriated	739,608	739,608	-
Fund Balance at End of Year	\$ 461,867	\$ 781,429	\$ 319,562

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, 2017

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Intergovernmental	\$ 575,000	\$ 150,879	\$ (424,121)
Total Revenues	575,000	150,879	(424,121)
Expenditures:			
<u>Capital outlay</u>			
Public Service			
Contractual services	45,181	45,181	-
Capital outlay	1,208,668	1,087,699	120,969
Total Public Service	1,253,849	1,132,880	120,969
Total Capital Outlay	1,253,849	1,132,880	120,969
Total Expenditures	1,253,849	1,132,880	120,969
Excess of Expenditures Over Revenues	(678,849)	(982,001)	(545,090)
Other Financing Sources (Uses):			
OPWC loans	-	100,983	100,983
Transfers out	(92,648)	(79,969)	12,679
Total Other Financing Sources (Uses)	(92,648)	21,014	113,662
Net Change in Fund Balance	(771,497)	(960,987)	(431,428)
Fund Balance (Deficit) at Beginning of Year	(155,881)	(155,881)	-
Prior year encumbrances appropriated	953,849	953,849	-
Fund Balance (Deficit) at End of Year	\$ 26,471	\$ (163,019)	\$ (431,428)

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, 2017

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Investment income	\$ 4,250	\$ 5,419	\$ 1,169
Total Revenues	<u>4,250</u>	<u>5,419</u>	<u>1,169</u>
Expenditures:			
<u>General government</u>			
General Government			
Capital outlay	454,800	454,800	-
Total General Government	<u>454,800</u>	<u>454,800</u>	<u>-</u>
Total Capital Outlay	<u>454,800</u>	<u>454,800</u>	<u>-</u>
Total Expenditures	<u>454,800</u>	<u>454,800</u>	<u>-</u>
Net Change in Fund Balance	(450,550)	(449,381)	1,169
Fund Balance at Beginning of Year	11,121	11,121	-
Prior year encumbrances appropriated	<u>454,800</u>	<u>454,800</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 15,371</u></u>	<u><u>\$ 16,540</u></u>	<u><u>\$ 1,169</u></u>

CITY OF PATASKALA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MUNICIPAL BUILDING PURCHASE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

CITY OF PATASKALA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COURTER BRIDGE IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</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, 2017

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Property Taxes	\$ 219,987	\$ 257,284	\$ 37,297
Total Revenues	219,987	257,284	37,297
Expenditures:			
<u>Capital Outlay</u>			
General Government			
Contractual services	7,500	-	7,500
Total General government	7,500	-	7,500
Public Service			
Capital outlay	130,552	75,552	55,000
Total Public Service	130,552	75,552	55,000
Finance			
Contractual services	8,500	3,864	4,636
Total Finance	8,500	3,864	4,636
Total Capital Outlay	146,552	79,416	67,136
Total Expenditures	146,552	79,416	67,136
Excess of Revenues Over Expenditures	73,435	177,868	104,433
Other Financing Uses:			
Transfers out	(118,677)	(118,677)	-
Total Other Financing Uses	(118,677)	(118,677)	-
Net Change in Fund Balance	(45,242)	59,191	104,433
Fund Balance at Beginning of Year	123,320	123,320	-
Prior Year Encumbrances Appropriated	75,552	75,552	-
Fund Balance at End of Year	\$ 153,630	\$ 258,063	\$ 104,433

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COLUMBIA ROAD BRIDGE IMPROVEMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Intergovernmental	\$ 500,720	\$ -	\$ (500,720)
Total Revenues	500,720	-	(500,720)
 Expenditures:			
<i>Current:</i>			
<u>Capital Outlay</u>			
General Government			
Contractual services	11,380	-	11,380
Total General government	11,380	-	11,380
 Public Service			
Capital outlay	614,520	170,300	444,220
Total Public Service	614,520	170,300	444,220
 Total Capital Outlay	625,900	170,300	455,600
 Total Expenditures	625,900	170,300	455,600
 Excess of Expenditures Over Revenues	(125,180)	(170,300)	(956,320)
 Other Financing Sources:			
Transfers in	25,000	25,000	-
Total Other Financing Sources	25,000	25,000	-
 Net Change in Fund Balance	(100,180)	(145,300)	(956,320)
 Fund Balance at Beginning of Year	150,180	150,180	-
 Fund Balance at End of Year	\$ 50,000	\$ 4,880	\$ (45,120)

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL FACILITIES FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Rental Income	\$ 120,000	\$ 108,627	\$ (11,373)
Total Revenues	120,000	108,627	(11,373)
Excess of Revenues Over Expenditures	120,000	108,627	(11,373)
Other Financing Sources:			
Transfers out	(275,000)	(275,000)	-
Total Other Financing Sources	(275,000)	(275,000)	-
Net Change in Fund Balance	(155,000)	(166,373)	(11,373)
Fund Balance at Beginning of Year	578,231	578,231	-
Fund Balance at End of Year	<u>\$ 423,231</u>	<u>\$ 411,858</u>	<u>\$ (11,373)</u>

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

ENTERPRISE FUNDS

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

Major Enterprise Funds

Water Operations Fund

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

Water Capital Improvements 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 Operations Fund

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

Sewer Capital Improvements 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.

Oaks Assessment Fund

To account for the activity of the special assessment in The Oaks subdivision associated with the construction of sanitary sewer line improvements.

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER OPERATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Operating Revenues:			
Charges for services	\$ 1,156,719	\$ 1,218,127	\$ 61,408
Other operating revenues	21,250	20,865	(385)
Total Operating Revenues	1,177,969	1,238,992	61,023
Operating Expenses:			
General Government			
Salaries & related	61,396	48,143	13,253
Contractual services	83,250	44,895	38,355
General operating	4,000	100	3,900
Total General Government	148,646	93,138	55,508
Court & Legal			
Contractual services	59,630	41,630	18,000
Total Court & Legal	59,630	41,630	18,000
Finance			
Salaries & related	50,072	47,212	2,860
Contractual services	16,680	14,708	1,972
Total Finance	66,752	61,920	4,832
Water Utility			
Salaries & related	383,324	379,717	3,607
Contractual services	105,837	95,850	9,987
General operating	444,008	434,066	9,942
Capital outlay	6,000	3,468	2,532
Total Water Utility	939,169	913,101	26,068
Total Operating Expenses	1,214,197	1,109,789	104,408
Operating Income (Loss)	(36,228)	129,203	165,431
Nonoperating Revenues:			
Investment income	4,590	8,220	3,630
Total Nonoperating Revenues	4,590	8,220	3,630
Net Change in Fund Equity	(31,638)	137,423	169,061
Fund Equity at Beginning of Year	678,698	678,698	-
Prior Year Encumbrances Appropriated	68,207	68,207	-
Fund Equity at End of Year	\$ 715,267	\$ 884,328	\$ 169,061

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER CAPITAL IMPROVEMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Operating Revenues:			
Charges for services	\$ 655,000	\$ 808,071	\$ 153,071
Total Operating Revenues	655,000	808,071	153,071
Operating Expenses:			
General Government			
Contractual services	75,000	68,300	6,700
Total General Government	75,000	68,300	6,700
Water Utility			
Contractual services	26,692	7,488	19,204
Capital outlay	370,000	10,000	360,000
Total Water Utility	396,692	17,488	379,204
Total Operating Expenses	471,692	85,788	385,904
Operating Income	183,308	722,283	538,975
Nonoperating revenues:			
Investment income	9,740	13,767	4,027
Total Nonoperating Revenues	9,740	13,767	4,027
Income Before Transfers	193,048	736,050	543,002
Transfers:			
Transfers out	(600,000)	(600,000)	-
Net Change in Fund Equity	(406,952)	136,050	543,002
Fund Equity at Beginning of Year	1,120,873	1,120,873	-
Prior Year Encumbrances Appropriated	3,944	3,944	-
Fund Equity at End of Year	\$ 717,865	\$ 1,260,867	\$ 543,002

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, 2017

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Non-Operating Revenues:			
Investment income	\$ -	\$ 2	\$ 2
Total Non-Operating Revenues	<u>-</u>	<u>2</u>	<u>2</u>
Net Change in Fund Equity	-	2	2
Fund Equity at Beginning of Year	<u>156</u>	<u>156</u>	<u>-</u>
Fund Equity at End of Year	<u><u>\$ 156</u></u>	<u><u>\$ 158</u></u>	<u><u>\$ 2</u></u>

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Non-Operating Revenues (Expenses):			
Investment income	\$ 3,500	\$ 4,867	\$ 1,367
<u>Debt Service:</u>			
Principal	(360,000)	(360,000)	-
Interest and fiscal charges	(239,240)	(239,238)	2
Total Debt Service	(599,240)	(599,238)	2
Total Non-Operating Revenues (Expenses)	(595,740)	(594,371)	1,369
 Loss Before Transfers	 (595,740)	 (594,371)	 1,369
 Transfers:			
Transfers in	600,000	600,000	-
 Net Change in Fund Equity	 4,260	 5,629	 1,369
 Fund Equity at Beginning of Year	 85,132	 85,132	 -
 Fund Equity at End of Year	 \$ 89,392	 \$ 90,761	 \$ 1,369

CITY OF PATASKALA, OHIO

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

SEWER OPERATIONS FUND

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Operating Revenues:			
Charges for services	\$ 1,208,500	\$ 1,337,255	\$ 128,755
Other operating revenues	11,500	11,575	75
Total Operating Revenues	1,220,000	1,348,830	128,830
Operating Expenses:			
General Government			
Salaries & related	61,396	48,143	13,253
Contractual services	76,250	41,321	34,929
General operating	2,500	100	2,400
Total General Government	140,146	89,564	50,582
Court & Legal			
Contractual services	59,630	41,630	18,000
Total Court & Legal	59,630	41,630	18,000
Finance			
Salaries & related	50,072	47,167	2,905
Contractual services	14,090	14,090	-
Total Finance	64,162	61,257	2,905
Sewer Utility			
Salaries & related	386,541	377,309	9,232
Contractual services	333,294	266,323	66,971
General operating	352,747	267,655	85,092
Capital outlay	6,000	3,419	2,581
Total Sewer Utility	1,078,582	914,706	163,876
Total Operating Expenses	1,342,520	1,107,157	235,363
Operating Income (Loss)	(122,520)	241,673	364,193
Non-Operating Revenues:			
Investment income	13,060	19,205	6,145
Total Non-Operating Revenues	13,060	19,205	6,145
Net Change in Fund Equity	(109,460)	260,878	370,338
Fund Equity at Beginning of Year	1,427,142	1,427,142	-
Prior Year Encumbrances Appropriated	113,747	113,747	-
Fund Equity at End of Year	\$ 1,431,429	\$ 1,801,767	\$ 370,338

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER CAPITAL IMPROVEMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Operating Revenues:			
Charges for services	\$ 525,390	\$ 556,647	\$ 31,257
Total Operating Revenues	525,390	556,647	31,257
Operating Expenses:			
General Government			
Contractual services	43,125	3,125	40,000
Total General Government	43,125	3,125	40,000
Sewer Utility			
Contractual services	26,692	1,692	25,000
General operating	1,000	-	1,000
Capital outlay	220,000	199,780	20,220
Total Sewer Utility	247,692	201,472	46,220
Total Operating Expenses	290,817	204,597	86,220
Operating Income	234,573	352,050	117,477
Non-Operating Revenues:			
Investment income	8,000	13,156	5,156
Total Non-Operating Revenues	8,000	13,156	5,156
Income Before Transfers	242,573	365,206	122,633
Transfers:			
Transfers out	(450,000)	(450,000)	-
Net Change in Fund Equity	(207,427)	(84,794)	122,633
Fund Equity at Beginning of Year	1,193,212	1,193,212	-
Prior Year Encumbrances Appropriated	8,913	8,913	-
Fund Equity at End of Year	\$ 994,698	\$ 1,117,331	\$ 122,633

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, 2017

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Non-Operating Revenues:			
Investment income	\$ 500	\$ 4	\$ (496)
Total Non-Operating Revenues	500	4	(496)
Net Change in Fund Equity	500	4	(496)
Fund Equity at Beginning of Year	<u>374</u>	<u>374</u>	<u>-</u>
Fund Equity at End of Year	<u>\$ 874</u>	<u>\$ 378</u>	<u>\$ (496)</u>

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, 2017

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Non-Operating Revenues (Expenses):			
Investment income	\$ 1,720	\$ 3,350	\$ 1,630
<u>Debt Service:</u>			
Principal	(302,962)	(302,960)	2
Interest and fiscal charges	(126,670)	(126,579)	91
Total Debt Service	<u>(429,632)</u>	<u>(429,539)</u>	<u>93</u>
Total Non-Operating Revenues (Expenses)	<u>(427,912)</u>	<u>(426,189)</u>	<u>1,723</u>
Loss Before Transfers	<u>(427,912)</u>	<u>(426,189)</u>	<u>1,723</u>
Transfers:			
Transfers in	<u>450,000</u>	<u>450,000</u>	<u>-</u>
Net Change in Fund Equity	22,088	23,811	1,723
Fund Equity at Beginning of Year	<u>24,543</u>	<u>24,543</u>	<u>-</u>
Fund Equity at End of Year	<u><u>\$ 46,631</u></u>	<u><u>\$ 48,354</u></u>	<u><u>\$ 1,723</u></u>

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OAKS ASSESSMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Operating Revenues:			
Special assessments	\$ 19,767	\$ 19,986	\$ 219
Total Operating Revenues	19,767	19,986	219
Operating Expenses:			
Finance			
Contractual services	1,000	406	594
Total Finance	1,000	406	594
Operating Income	18,767	19,580	813
Nonoperating Expenses:			
Debt service:			
Principal	(10,889)	(10,888)	1
Interest and fiscal charges	(9,376)	(9,376)	-
Total debt service	(20,265)	(20,264)	1
Total Nonoperating Expenses	(20,265)	(20,264)	1
Net Change in Fund Equity	(1,498)	(684)	814
Fund Equity at Beginning of Year	17,114	17,114	-
Fund Equity at End of Year	<u><u>\$ 15,616</u></u>	<u><u>\$ 16,430</u></u>	<u><u>\$ 814</u></u>

CITY OF PATASKALA, OHIO

**INDIVIDUAL FUND STATEMENT
FUND DESCRIPTIONS - 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:

Mayor's 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, 2017

	Beginning Balance 12/31/2016	Additions	Reductions	Ending Balance 12/31/2017
Mayor's Court Fund				
<u>Assets:</u>				
Cash in segregated accounts	\$ 175	\$ 165,812	\$ 165,987	\$ -
Total Assets	\$ 175	\$ 165,812	\$ 165,987	\$ -
<u>Liabilities:</u>				
Undistributed monies	\$ 175	\$ 165,812	\$ 165,987	\$ -
Total Liabilities	\$ 175	\$ 165,812	\$ 165,987	\$ -
Fire Escrow Fund				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 24,000	\$ -	\$ -	\$ 24,000
Total Assets	\$ 24,000	\$ -	\$ -	\$ 24,000
<u>Liabilities:</u>				
Deposits held and due to others	\$ 24,000	\$ -	\$ -	\$ 24,000
Total Liabilities	\$ 24,000	\$ -	\$ -	\$ 24,000
Construction Accounts Fund				
<u>Assets:</u>				
Equity in pooled cash and investments	\$ 285,851	\$ 277,352	\$ 196,905	\$ 366,298
Total Assets	\$ 285,851	\$ 277,352	\$ 196,905	\$ 366,298
<u>Liabilities:</u>				
Deposits held and due to others	\$ 285,851	\$ 277,352	\$ 196,905	\$ 366,298
Total Liabilities	\$ 285,851	\$ 277,352	\$ 196,905	\$ 366,298
Payroll Clearing Account				
<u>Assets:</u>				
Equity in pooled cash and investments	\$ 59,151	\$ 3,553,173	\$ 3,551,038	\$ 61,286
Total Assets	\$ 59,151	\$ 3,553,173	\$ 3,551,038	\$ 61,286
<u>Liabilities:</u>				
Pension & postemployment benefits payable	\$ 59,151	\$ 3,553,173	\$ 3,551,038	\$ 61,286
Total Liabilities	\$ 59,151	\$ 3,553,173	\$ 3,551,038	\$ 61,286
TOTAL AGENCY FUNDS				
<u>Assets:</u>				
Equity in pooled cash and investments	\$ 369,002	\$ 3,830,525	\$ 3,747,943	\$ 451,584
Cash in segregated accounts	175	165,812	165,987	-
Total Assets	\$ 369,177	\$ 3,996,337	\$ 3,913,930	\$ 451,584
<u>Liabilities:</u>				
Undistributed monies	\$ 175	\$ 165,812	\$ 165,987	\$ -
Pension & postemployment benefits payable	59,151	3,553,173	3,551,038	61,286
Deposits held and due to others	309,851	277,352	196,905	390,298
Total Liabilities	\$ 369,177	\$ 3,996,337	\$ 3,913,930	\$ 451,584



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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.

Contents

Page

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.

200-209

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.

210-217

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.

218-222

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.

223-224

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the City provides and the activities it performs.

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Sources: Sources are noted on the individual schedules.

CITY OF PATASKALA, OHIO

**NET POSITION BY COMPONENT
LAST TEN YEARS
(accrual basis of accounting)**

	Fiscal Year			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014 ⁽¹⁾</u>
<u>Governmental activities</u>				
Net investment in capital assets	\$ 18,122,929	\$ 17,637,386	\$ 14,059,671	\$ 14,920,098
Restricted for:				
Debt service	421,539	410,136	429,136	489,676
Capital projects	1,784,299	1,634,473	3,481,168	1,539,576
Transportation projects	4,756,007	3,931,738	3,557,497	3,907,772
Community development	2,655	2,285	2,285	2,160
Parks and recreation	-	-	-	-
Police	51,422	58,483	474,253	2,439,637
Other purposes	-	-	-	-
Unrestricted	1,855,765	1,753,813	1,067,350	(1,595,927)
Total Governmental Activities Net Position	<u>\$ 26,994,616</u>	<u>\$ 25,428,314</u>	<u>\$ 23,071,360</u>	<u>\$ 21,702,992</u>
<u>Business-type activities</u>				
Net investment in capital assets	\$ 1,434,142	\$ 1,163,737	\$ 934,760	\$ 1,037,561
Unrestricted	5,777,307	5,244,852	4,568,518	3,943,375
Total Business-Type Activities Net Position	<u>\$ 7,211,449</u>	<u>\$ 6,408,589</u>	<u>\$ 5,503,278</u>	<u>\$ 4,980,936</u>
<u>Primary government</u>				
Net investment in capital assets	\$ 19,557,071	\$ 18,801,123	\$ 14,994,431	\$ 15,957,659
Restricted for:				
Debt service	421,539	410,136	429,136	489,676
Capital projects	1,784,299	1,634,473	3,481,168	1,539,576
Transportation projects	4,756,007	3,931,738	3,557,497	3,907,772
Community development	2,655	2,285	2,285	2,160
Parks and recreation	-	-	-	-
Police	51,422	58,483	474,253	2,439,637
Other purposes	-	-	-	-
Unrestricted	7,633,072	6,998,665	5,635,868	2,347,448
Total Primary Government Net Position	<u>\$ 34,206,065</u>	<u>\$ 31,836,903</u>	<u>\$ 28,574,638</u>	<u>\$ 26,683,928</u>

(1) The Net Position at December 31, 2014 has been restated under GASB Statement No. 68/71.

Source: City financial reports

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 12,389,873	\$ 13,774,478	\$ 11,421,201	\$ 6,885,892	\$ 5,768,494	\$ 4,965,912
300,426	245,725	67,217	30,067	30,067	30,067
1,976,407	1,221,848	894,345	428,679	8,830	-
2,625,800	1,948,664	1,494,751	1,368,440	1,419,374	1,328,269
159,356	102,975	23,352	8,813	-	-
-	-	50,844	100,733	99,467	84,991
1,968,801	2,087,707	2,169,514	1,431,654	579,510	368,748
-	-	-	358	5,058	7,248
2,481,743	1,201,567	2,153,086	1,807,920	1,168,314	890,439
<u>\$ 21,902,406</u>	<u>\$ 20,582,964</u>	<u>\$ 18,274,310</u>	<u>\$ 12,062,556</u>	<u>\$ 9,079,114</u>	<u>\$ 7,675,674</u>
\$ 1,523,496	\$ 1,648,124	\$ 2,154,908	\$ 2,890,611	\$ 2,327,739	\$ 1,868,441
3,662,044	3,154,156	2,336,168	2,367,129	3,482,621	4,629,883
<u>\$ 5,185,540</u>	<u>\$ 4,802,280</u>	<u>\$ 4,491,076</u>	<u>\$ 5,257,740</u>	<u>\$ 5,810,360</u>	<u>\$ 6,498,324</u>
\$ 13,913,369	\$ 15,422,602	\$ 13,576,109	\$ 9,776,503	\$ 8,096,233	\$ 6,834,353
300,426	245,725	67,217	30,067	30,067	30,067
1,976,407	1,221,848	894,345	428,679	8,830	-
2,625,800	1,948,664	1,494,751	1,368,440	1,419,374	1,328,269
159,356	102,975	23,352	8,813	-	-
-	-	50,844	100,733	99,467	84,991
1,968,801	2,087,707	2,169,514	1,431,654	579,510	368,748
-	-	-	358	5,058	7,248
6,143,787	4,355,723	4,489,254	4,175,049	4,650,935	5,520,322
<u>\$ 27,087,946</u>	<u>\$ 25,385,244</u>	<u>\$ 22,765,386</u>	<u>\$ 17,320,296</u>	<u>\$ 14,889,474</u>	<u>\$ 14,173,998</u>

CITY OF PATASKALA, OHIO

**CHANGES IN NET POSITION
LAST TEN YEARS
(accrual basis of accounting)**

	Fiscal Year			
<u>PROGRAM REVENUES:</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental Activities:				
<i>Charges for Services and Sales:</i>				
General government	\$ 332,804	\$ 271,868	\$ 290,261	\$ 366,658
Security of persons and property	202,585	145,307	158,344	205,599
Transportation	-	-	-	-
Community environment	32,169	54,249	53,269	52,388
Leisure time activities	99,637	84,420	33,390	14,060
<i>Operating Grants and Contributions:</i>				
General government	330,874	159,256	172,288	143,400
Security of persons and property	45,029	83,386	119,192	178,688
Transportation	976,764	1,056,635	946,405	955,003
Community environment	-	-	-	336,278
Leisure time activities	941	-	-	2,141
<i>Capital Grants and Contributions:</i>				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	243,847	1,311,084	274,739	225,891
Community environment	-	-	-	-
Leisure time activities	-	-	-	-
Total Governmental Activities Program Revenues	<u>\$ 2,264,650</u>	<u>\$ 3,166,205</u>	<u>\$ 2,047,888</u>	<u>\$ 2,480,106</u>
Business-type activities:				
<i>Charges for Services and Sales:</i>				
Water	2,015,799	2,158,711	1,880,929	1,548,621
Sewer	1,905,144	2,016,046	2,002,362	1,650,339
<i>Capital Grants & Contributions:</i>				
Water	-	-	-	-
Sewer	-	-	-	-
Total Business-Type Activities Program Revenues	<u>\$ 3,920,943</u>	<u>\$ 4,174,757</u>	<u>\$ 3,883,291</u>	<u>\$ 3,198,960</u>
Total Primary Government Program Revenues	<u>\$ 6,185,593</u>	<u>\$ 7,340,962</u>	<u>\$ 5,931,179</u>	<u>\$ 5,679,066</u>
<u>PROGRAM EXPENSES:</u>				
Governmental Activities:				
General government	\$ 1,974,894	\$ 1,805,720	\$ 1,919,562	\$ 1,095,246
Security of persons and property	2,669,556	2,495,690	2,134,698	1,992,137
Public health services	-	-	-	-
Transportation	2,251,881	2,193,530	1,762,282	2,761,450
Community environment	385,940	296,206	246,113	677,184
Leisure time activities	208,044	186,728	67,486	94,930
Economic development	-	-	-	-
Other	-	-	-	-
Interest and fiscal charges	204,778	220,459	211,259	222,866
Total Governmental Activities Expenses	<u>\$ 7,695,093</u>	<u>\$ 7,198,333</u>	<u>\$ 6,341,400</u>	<u>\$ 6,843,813</u>

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 379,351	\$ 348,491	\$ 359,222	\$ 372,604	\$ 345,726	\$ 330,353
192,348	216,514	231,099	155,183	170,419	176,275
-	-	-	-	40,568	-
-	-	-	-	-	2,182
22,690	15,797	11,755	19,375	26,808	105,210
-	1,000	-	-	-	-
476,701	97,026	53,413	147,517	257,748	1,840
1,129,954	1,372,877	678,261	908,554	951,379	1,179,526
171,004	436,726	85,387	47,548	37,644	37,000
-	-	239,829	-	3,103	1,125
-	-	-	-	-	-
-	-	-	-	-	-
46,219	-	4,098,126	1,031,411	828,333	1,009,944
-	-	35,536	-	-	-
-	-	36,542	-	-	-
<u>\$ 2,418,267</u>	<u>\$ 2,488,431</u>	<u>\$ 5,829,170</u>	<u>\$ 2,682,192</u>	<u>\$ 2,661,728</u>	<u>\$ 2,843,455</u>
1,642,290	1,439,095	1,363,563	779,089	766,464	769,684
1,689,448	1,713,051	1,101,552	866,261	853,948	853,857
-	-	-	-	101,460	131,079
-	-	-	56,665	101,000	216,391
<u>\$ 3,331,738</u>	<u>\$ 3,152,146</u>	<u>\$ 2,465,115</u>	<u>\$ 1,702,015</u>	<u>\$ 1,822,872</u>	<u>\$ 1,971,011</u>
<u>\$ 5,750,005</u>	<u>\$ 5,640,577</u>	<u>\$ 8,294,285</u>	<u>\$ 4,384,207</u>	<u>\$ 4,484,600</u>	<u>\$ 4,814,466</u>
\$ 706,223	\$ 1,357,119	\$ 758,581	\$ 871,750	\$ 826,900	\$ 967,338
2,086,324	1,391,309	1,724,472	1,373,081	1,401,767	1,649,394
112,101	111,485	60,486	59,300	57,500	57,500
2,642,514	2,279,621	1,561,671	1,228,925	1,145,854	1,056,476
543,577	591,589	318,312	270,207	335,062	410,129
157,950	50,103	41,908	46,494	48,003	108,228
-	-	24,799	4,462	9,800	-
-	-	-	-	-	-
83,157	45,967	37,693	51,942	77,952	92,133
<u>\$ 6,331,846</u>	<u>\$ 5,827,193</u>	<u>\$ 4,527,922</u>	<u>\$ 3,906,161</u>	<u>\$ 3,902,838</u>	<u>\$ 4,341,198</u>

- - Continued

CITY OF PATASKALA, OHIO

**CHANGES IN NET POSITION
LAST TEN YEARS (CONTINUED)**

(accrual basis of accounting)

	Fiscal Year			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Business-type activities:				
Water	\$ 1,621,079	\$ 1,809,143	\$ 1,798,346	\$ 1,392,928
Sewer	<u>1,567,904</u>	<u>1,565,175</u>	<u>1,594,905</u>	<u>1,610,487</u>
Total Business-Type Activities Program Expenses	\$ 3,188,983	\$ 3,374,318	\$ 3,393,251	\$ 3,003,415
Total Primary Government Program Expenses	\$ 10,884,076	\$ 10,572,651	\$ 9,734,651	\$ 9,847,228
Governmental Activities	\$ (5,430,443)	\$ (4,032,128)	\$ (4,293,512)	\$ (4,363,707)
Business-Type Activities	<u>731,960</u>	<u>800,439</u>	<u>490,040</u>	<u>195,545</u>
Total Primary Government Net (Expense)/Revenue	\$ (4,698,483)	\$ (3,231,689)	\$ (3,803,472)	\$ (4,168,162)

GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:

Governmental Activities:				
<i>Taxes:</i>				
Property taxes levied for:				
General purposes	\$ 901,169	\$ 843,062	\$ 827,781	\$ 714,826
Street fund	-	-	-	-
Police levy fund	-	-	-	-
Income taxes levied for:				
Street fund	1,900,802	1,831,162	1,542,506	2,190,585
Police fund	2,932,251	2,722,344	2,393,147	2,607,079
Debt service fund	620,906	465,632	485,230	476,763
Capital projects fund	125,507	117,361	49,335	195,699
JEDD income tax fund	370	-	125	120
Payments in lieu of taxes	257,284	190,126	153,835	201,140
Grants and entitlements not restricted to specific programs	205,764	188,862	189,381	185,808
Investment earnings-unrestricted	18,329	17,188	11,049	16,230
Transfers	-	-	-	-
Miscellaneous	<u>34,363</u>	<u>13,345</u>	<u>9,491</u>	<u>172,812</u>
Total Governmental Activities	\$ 6,996,745	\$ 6,389,082	\$ 5,661,880	\$ 6,761,062
Business-Type Activities:				
Investment earnings-unrestricted	37,836	40,778	30,006	17,501
Transfers	-	-	-	-
Miscellaneous	<u>33,064</u>	<u>64,094</u>	<u>2,296</u>	<u>27,358</u>
Total Business-Type Activities	\$ 70,900	\$ 104,872	\$ 32,302	\$ 44,859
Total Primary Government	\$ 7,067,645	\$ 6,493,954	\$ 5,694,182	\$ 6,805,921

Change in Net Position:

Governmental Activities	\$ 1,566,302	\$ 2,356,954	\$ 1,368,368	\$ 2,397,355
Business-Type Activities	<u>802,860</u>	<u>905,311</u>	<u>522,342</u>	<u>240,404</u>
Total Primary Government	\$ 2,369,162	\$ 3,262,265	\$ 1,890,710	\$ 2,637,759

Source: City financial reports

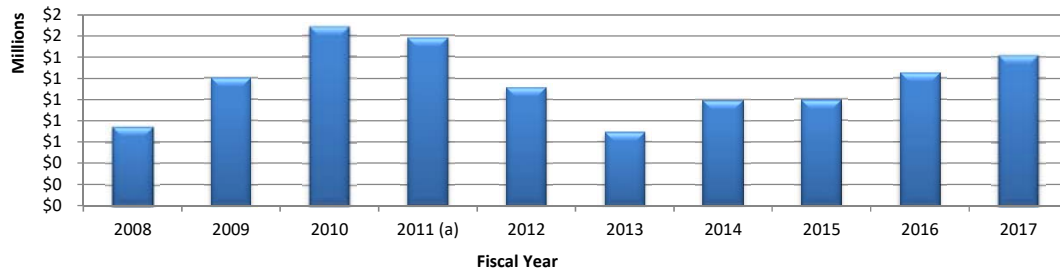
<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 1,458,080	\$ 1,541,391	\$ 1,467,074	\$ 1,338,996	\$ 1,614,297	\$ 1,244,786
<u>1,573,164</u>	<u>1,349,053</u>	<u>1,416,632</u>	<u>939,701</u>	<u>945,829</u>	<u>835,364</u>
\$ 3,031,244	\$ 2,890,444	\$ 2,883,706	\$ 2,278,697	\$ 2,560,126	\$ 2,080,150
\$ 9,363,090	\$ 8,717,637	\$ 7,411,628	\$ 6,184,858	\$ 6,462,964	\$ 6,421,348
\$ (3,913,579)	\$ (3,338,762)	\$ 1,301,248	\$ (1,223,969)	\$ (1,241,110)	\$ (1,497,743)
<u>300,494</u>	<u>261,702</u>	<u>(418,591)</u>	<u>(576,682)</u>	<u>(737,254)</u>	<u>(109,139)</u>
<u>\$ (3,613,085)</u>	<u>\$ (3,077,060)</u>	<u>\$ 882,657</u>	<u>\$ (1,800,651)</u>	<u>\$ (1,978,364)</u>	<u>\$ (1,606,882)</u>
\$ 891,357	\$ 802,654	\$ 623,868	\$ 1,063,530	\$ 862,226	\$ 845,202
-	-	-	-	-	-
-	-	-	1,259,991	1,375,422	1,342,858
1,511,685	965,097	833,223	272,986	-	-
2,016,235	1,668,443	2,299,295	818,953	-	-
148,909	214,930	57,251	-	-	-
282,067	1,655,919	524,805	-	-	-
803	-	237	-	-	-
109,965	127,553	261,409	424,161	-	-
234,624	184,454	303,395	331,221	368,296	466,879
1,813	16,023	6,594	4,223	11,624	38,676
(10,957)	-	-	-	-	-
<u>46,520</u>	<u>12,343</u>	<u>106,889</u>	<u>32,346</u>	<u>26,982</u>	<u>136,213</u>
\$ 5,233,021	\$ 5,647,416	\$ 5,016,966	\$ 4,207,411	\$ 2,644,550	\$ 2,829,828
35,668	13,834	6,825	4,714	27,583	104,178
10,957	-	-	-	-	-
<u>36,141</u>	<u>35,668</u>	<u>164,913</u>	<u>19,348</u>	<u>21,707</u>	<u>20,292</u>
\$ 82,766	\$ 49,502	\$ 171,738	\$ 24,062	\$ 49,290	\$ 124,470
\$ 5,315,787	\$ 5,696,918	\$ 5,188,704	\$ 4,231,473	\$ 2,693,840	\$ 2,954,298
\$ 1,319,442	\$ 2,308,654	\$ 6,318,214	\$ 2,983,442	\$ 1,403,440	\$ 1,332,085
<u>383,260</u>	<u>311,204</u>	<u>(246,853)</u>	<u>(552,620)</u>	<u>(687,964)</u>	<u>15,331</u>
<u>\$ 1,702,702</u>	<u>\$ 2,619,858</u>	<u>\$ 6,071,361</u>	<u>\$ 2,430,822</u>	<u>\$ 715,476</u>	<u>\$ 1,347,416</u>

CITY OF PATASKALA, OHIO

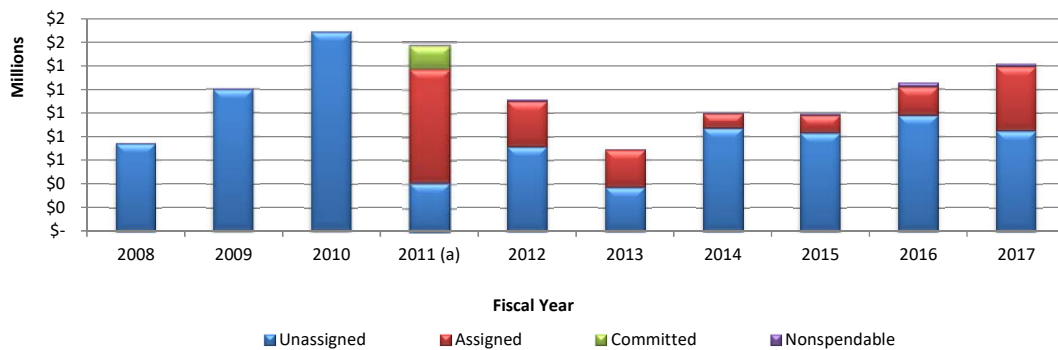
**FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>General Fund</u>				
Nonspendable	\$ 24,031	\$ 37,522	\$ 13,621	\$ 7,022
Committed	-	-	-	-
Assigned	543,259	236,788	148,242	120,649
Unassigned	<u>848,493</u>	<u>977,553</u>	<u>828,059</u>	<u>868,271</u>
Total General Fund	\$ 1,415,783	\$ 1,251,863	\$ 989,922	\$ 995,942
<u>All Other Governmental Funds</u>				
Nonspendable	\$ 151,654	\$ 178,453	\$ 90,044	\$ 60,877
Restricted	8,240,669	7,185,447	8,492,046	8,456,579
Committed	601,831	820,647	312,197	44,412
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total All Other Governmental Funds	\$ 8,994,154	\$ 8,184,547	\$ 8,894,287	\$ 8,561,868
Total Governmental Funds	<u>\$ 10,409,937</u>	<u>\$ 9,436,410</u>	<u>\$ 9,884,209</u>	<u>\$ 9,557,810</u>

Unassigned General Fund Balance



General Fund Balance - by Category

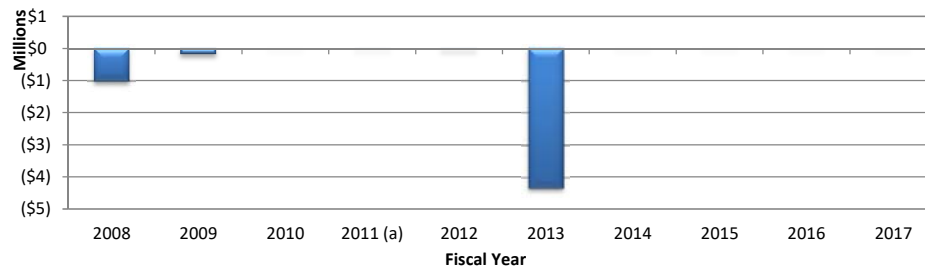


(a) The City implemented GASB 54 in 2011. The prior years (2008-2010) have been restated to reflect the change.

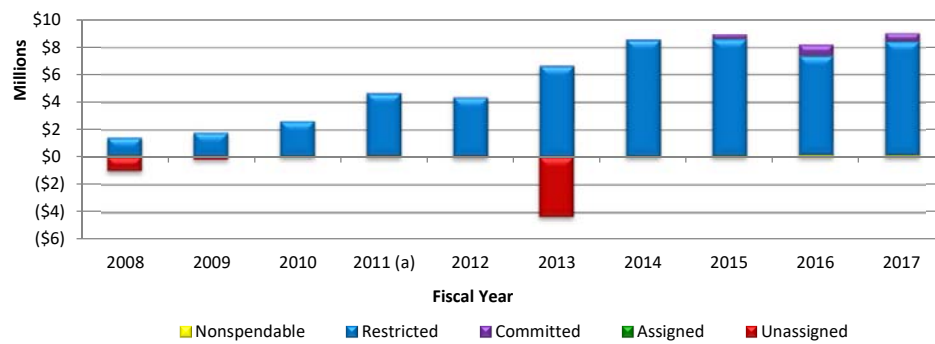
Source: City financial reports

<u>2013</u>	<u>2012</u>	<u>2011</u> ^(a)	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 9,302	\$ 15,491	\$ 7,442	\$ 7,173	\$ 7,825	\$ 5,696
-	-	200,186	-	-	-
313,403	383,681	958,541	-	-	-
<u>369,603</u>	<u>715,312</u>	<u>410,863</u>	<u>1,679,354</u>	<u>1,193,775</u>	<u>737,870</u>
\$ 692,308	\$ 1,114,484	\$ 1,577,032	\$ 1,686,527	\$ 1,201,600	\$ 743,566
\$ 18,164	\$ 49,045	\$ 68,667	\$ 64,871	\$ 66,247	\$ 95,809
6,593,931	4,288,119	4,581,579	2,570,543	1,718,379	1,350,443
32,294	31,809	48,545	-	-	-
<u>(4,333,597)</u>	<u>(35,066)</u>	<u>(16,304)</u>	<u>-</u>	<u>(168,275)</u>	<u>(1,020,333)</u>
\$ 2,310,792	\$ 4,333,907	\$ 4,682,487	\$ 2,635,414	\$ 1,616,351	\$ 425,919
\$ 3,003,100	\$ 5,448,391	\$ 6,259,519	\$ 4,321,941	\$ 2,817,951	\$ 1,169,485

Unassigned All Other Governmental Funds Balance



All Other Governmental Fund Balance - by Category

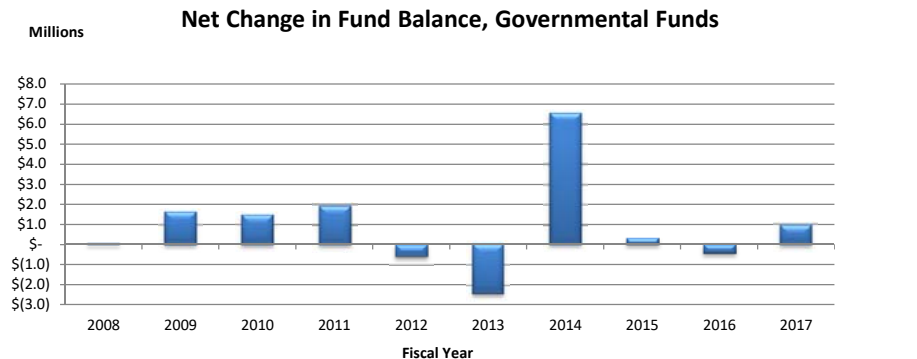


CITY OF PATASKALA, OHIO

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS**

(modified accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenues:				
Income taxes	\$ 5,448,476	\$ 5,132,966	\$ 4,948,134	\$ 4,725,721
Property and other taxes	880,675	853,298	832,535	819,665
Charges for services	106,923	86,217	38,296	18,893
Licenses and permits	243,503	228,663	249,575	270,812
Fines and forfeitures	139,323	148,769	153,957	221,825
Intergovernmental	1,590,613	2,618,779	1,479,219	1,927,690
Special assessments	-	2,440	5,591	4,169
Investment income	78,439	81,590	60,992	49,971
Rental Income	113,804	92,668	91,048	121,059
Contributions and donations	1,555	2,230	18,060	2,141
Payments in lieu of taxes (PILOT)	257,284	190,126	153,835	201,140
Other	200,596	120,305	74,796	243,586
Total Revenues	\$ 9,061,191	\$ 9,558,051	\$ 8,106,038	\$ 8,606,672
Expenditures:				
<i>Current:</i>				
General government	\$ 1,766,077	\$ 1,582,835	\$ 1,750,043	\$ 1,585,981
Security of persons and property	2,361,024	2,237,612	2,029,127	2,216,466
Public health and welfare	-	-	-	-
Transportation	1,476,647	1,972,918	1,651,933	1,621,694
Community environment	336,947	271,871	256,706	677,224
Leisure time activity	173,447	167,262	43,533	77,118
Economic development	-	-	-	-
Capital outlay	790,039	3,604,662	2,502,625	2,614,077
<i>Debt service:</i>				
Principal retirement	1,158,615	698,297	522,564	422,208
Interest and fiscal charges	224,325	230,393	235,194	95,665
Bond issuance costs	-	-	-	91,118
Total Expenditures	\$ 8,287,121	\$ 10,765,850	\$ 8,991,725	\$ 9,401,551
Excess of Revenues Over (Under) Expenditures	\$ 774,070	\$ (1,207,799)	\$ (885,687)	\$ (794,879)
Other Financing Sources (Uses):				
Loans issued	\$ 178,811	\$ -	\$ 700,000	\$ 203,413
Bond issuance	-	-	-	6,630,000
Sale of capital assets	20,646	-	12,086	285
Note issuance	-	500,000	-	-
Premium on notes sold	-	-	-	-
Sale of bonds	-	-	-	-
Premium on sale of bonds	-	-	-	248,117
Inception of capital lease	-	260,000	500,000	267,774
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	572,575	566,582	3,776,354	1,615,815
Transfers (out)	(572,575)	(566,582)	(3,776,354)	(1,615,815)
Total Other Financing Sources (Uses)	\$ 199,457	\$ 760,000	\$ 1,212,086	\$ 7,349,589
Net Change in Fund Balances	\$ 973,527	\$ (447,799)	\$ 326,399	\$ 6,554,710
Capital Expenditures	\$ 1,460,866	\$ 4,686,868	\$ 3,446,755	\$ 3,360,434
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	<i>20.26%</i>	<i>15.28%</i>	<i>13.67%</i>	<i>8.57%</i>



Source: City financial reports

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 3,846,461	\$ 3,832,475	\$ 3,335,770	\$ 976,035	\$ -	\$ -
803,422	802,525	637,042	2,434,278	2,192,130	2,159,252
22,690	15,797	26,293	28,181	23,310	179,345
256,957	206,922	233,253	235,985	259,098	237,392
192,348	216,514	231,099	155,183	134,523	115,769
1,953,278	2,026,095	1,938,053	2,480,970	1,638,319	1,822,969
9,527	4,369	2,967	-	-	-
6,986	17,193	7,826	5,118	15,675	53,533
118,225	127,673	111,344	120,200	118,538	106,162
-	-	163	-	-	-
155,279	82,239	550,600	-	-	-
138,240	112,321	106,726	79,661	112,133	87,091
\$ 7,503,413	\$ 7,444,123	\$ 7,181,136	\$ 6,515,611	\$ 4,493,726	\$ 4,761,513

\$ 861,834	\$ 1,207,191	\$ 1,012,038	\$ 855,648	\$ 817,413	\$ 927,449
2,638,716	1,930,465	1,722,313	1,360,206	1,380,665	1,650,201
112,101	111,485	60,486	59,300	57,500	57,500
1,942,020	2,273,208	1,418,164	1,166,311	821,874	871,259
545,189	592,679	269,258	239,698	229,192	287,595
137,621	33,126	257,165	20,352	14,340	80,296
-	-	24,799	4,462	9,800	-
2,815,454	2,369,511	519,744	1,170,248	270,420	685,462
967,222	217,568	166,928	299,833	258,810	83,270
81,026	39,832	38,434	48,563	77,179	92,133
-	-	-	-	-	-
\$ 10,101,183	\$ 8,775,065	\$ 5,489,329	\$ 5,224,621	\$ 3,937,193	\$ 4,735,165
\$ (2,597,770)	\$ (1,330,942)	\$ 1,691,807	\$ 1,290,990	\$ 556,533	\$ 26,348

\$ 15,407	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	18,000	49,500	48,972
-	720,000	245,771	195,000	860,000	-
-	-	-	-	1,730	-
-	-	-	-	-	-
-	-	-	-	-	-
148,029	-	-	-	180,703	-
-	-	-	-	-	-
3,306,934	200,000	179,477	172,445	65,657	461,948
(3,317,891)	(200,000)	(179,477)	(172,445)	(65,657)	(461,948)
\$ 152,479	\$ 720,000	\$ 245,771	\$ 213,000	\$ 1,091,933	\$ 48,972
\$ (2,445,291)	\$ (610,942)	\$ 1,937,578	\$ 1,503,990	\$ 1,648,466	\$ 75,320

\$ 3,791,327	\$ 3,590,210	\$ 1,420,744	\$ 1,499,257	\$ 1,083,821	\$ 1,522,106
16.61%	4.96%	5.05%	9.35%	11.78%	5.46%

CITY OF PATASKALA, OHIO GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE LAST TEN YEARS (modified accrual basis of accounting - \$000's omitted)						
<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Income Tax</u>	<u>Motor Vehicle Tax</u>	<u>Gasoline Tax</u>	<u>Total Tax Revenues</u>	
2017	\$ 880.7	\$ 5,448.5	\$ 180.9	\$ 618.6	\$	7,128.7
2016	853.3	5,133.0	184.0	584.6		6,754.9
2015	832.5	4,948.1	143.5	568.3		6,492.4
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

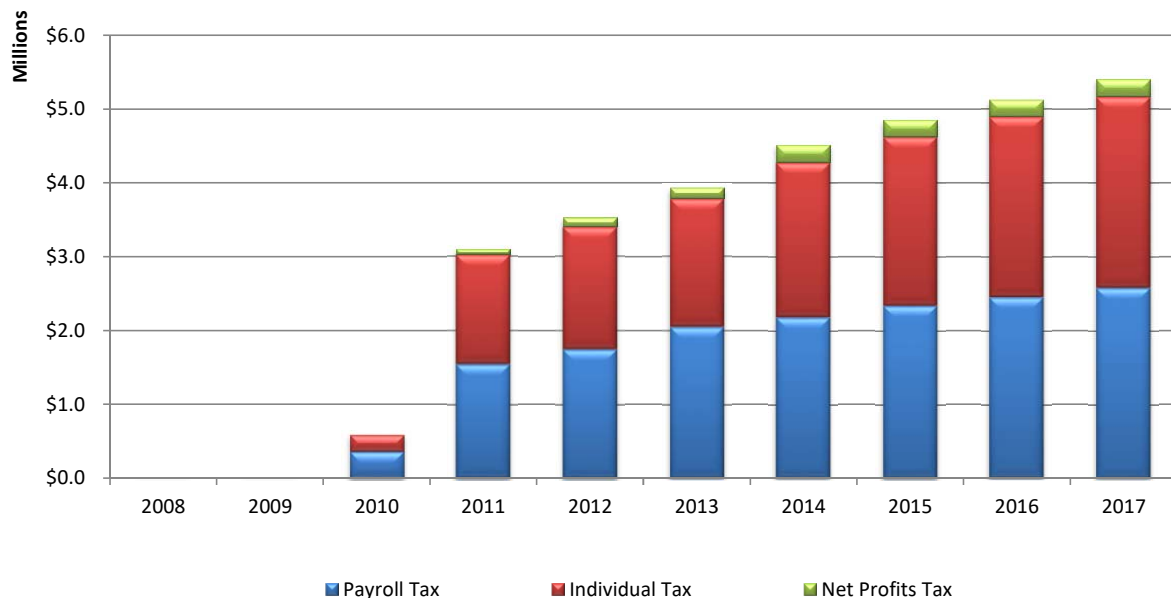
CITY OF PATASKALA, OHIO

**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
2008	0.0%	\$ -	\$ -	\$ -	\$ -	\$ 5,673,283	0.00%
2009	0.0%	-	-	-	-	5,306,278	0.00%
2010	0.0%	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%
2015	1.0%	2,333,963	2,279,620	236,243	4,849,826	7,709,768	62.90%
2016	1.0%	2,451,692	2,437,158	233,600	5,122,450	9,555,287	53.61%
2017	1.0%	2,579,382	2,578,639	242,896	5,400,917	9,261,395	58.32%
Average		\$ 2,124,389	\$ 2,033,195	\$ 188,487	\$ 4,346,071	\$ 8,027,005	54.14%

*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 2008 - 2017**



Source: Regional Income Tax Agency & City financial reports

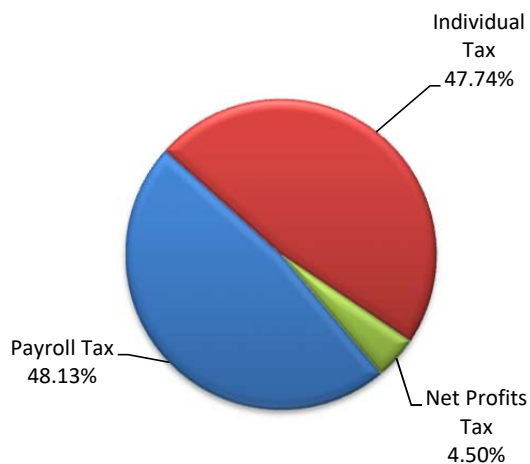
CITY OF PATASKALA, OHIO

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

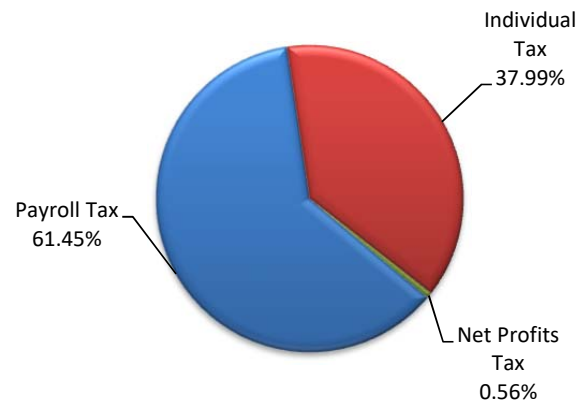
	<u>Fiscal Year 2017</u>		<u>Fiscal Year 2010</u>	
Payroll Tax	\$ 2,579,382	47.77%	\$ 360,868	61.45%
Individual Tax	2,578,639	47.74%	223,122	37.99%
Net Profits Tax	<u>242,896</u>	<u>4.50%</u>	<u>3,297</u>	<u>0.56%</u>
Total Income Tax Collections	<u>\$ 5,400,917</u>	<u>100.00%</u>	<u>\$ 587,287</u>	<u>100.00%</u>

**2017 - 2010 Income Tax Breakdown
by Tax Type**

Fiscal Year 2017



Fiscal Year 2010



Source: City financial reports

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

CITY OF 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
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	\$322,725	\$904,371	\$2.9000
2013	2014	318,582	910,234	3,977	17,293	9,502	10,798	\$332,061	\$938,325	\$2.8653
2014	2015	320,564	915,896	625	2,718	9,584	10,890	\$330,772	\$929,504	\$2.8946
2015	2016	314,972	899,919	0	0	13,104	14,891	\$328,076	\$914,810	\$2.9000
2016	2017	320,496	915,702	0	0	16,172	18,378	\$336,669	\$934,080	\$2.9000
2017	2018	370,737	1,059,249	0	0	20,460	23,250	\$391,197	\$1,082,499	\$2.9000

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

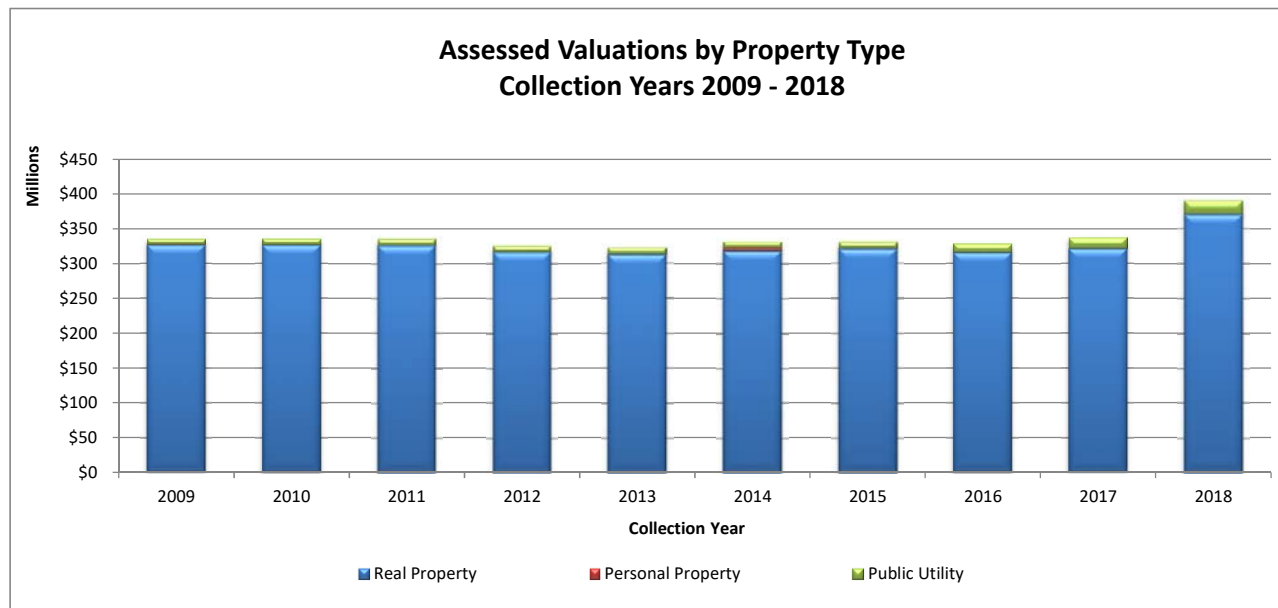
(a) Real property is assessed at 35% of actual value.

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

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

For 2009-2018, tangible personal is assessed at 0% of property value, including inventory.

Source: Licking County, Ohio; Fiscal Officer



CITY OF PATASKALA, OHIO

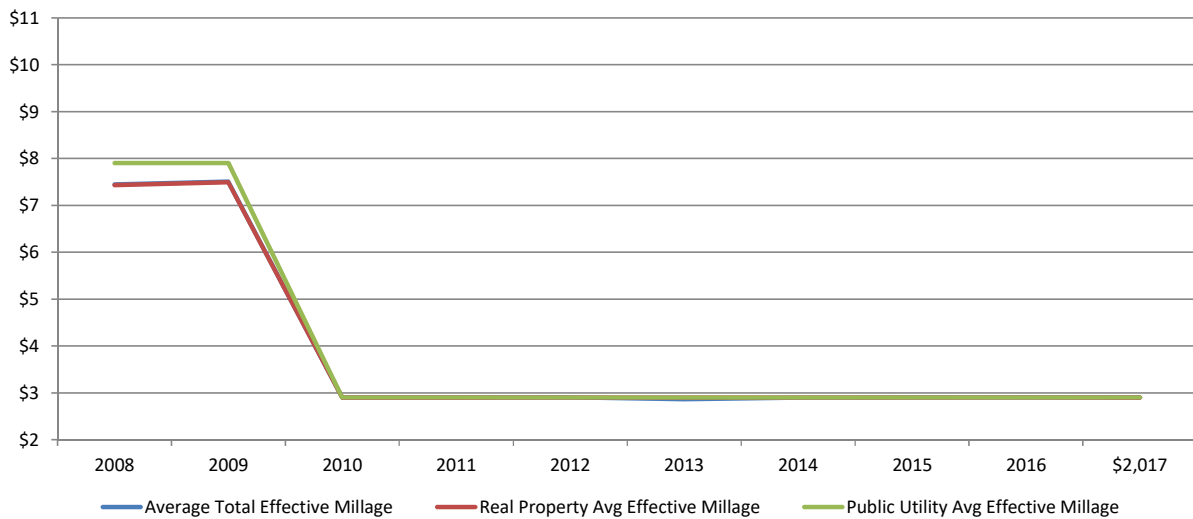
**ESTIMATED ASSESSED TAXES & AVERAGE EFFECTIVE RATES OF TAXABLE PROPERTY
LAST TEN YEARS**

Tax Year	Real Property		Personal Property		Public Utility		TOTAL	
	Estimated Assessed Taxes	Average Effective Millage	Estimated Assessed Taxes	Average Effective Millage	Estimated Assessed Taxes	Average Effective Millage	Estimated Assessed Taxes	Average Effective Millage
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	\$2.8653
2014	929,647	2.9000	0	0.0000	27,792	2.9000	\$957,439	\$2.8946
2015	913,418	2.9000	0	0.0000	38,001	2.9000	\$951,419	\$2.9000
2016	929,438	2.9000	0	0.0000	46,900	2.9000	\$976,338	\$2.9000
2017	1,075,138	2.9000	0	0.0000	59,334	2.9000	\$1,134,472	\$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**



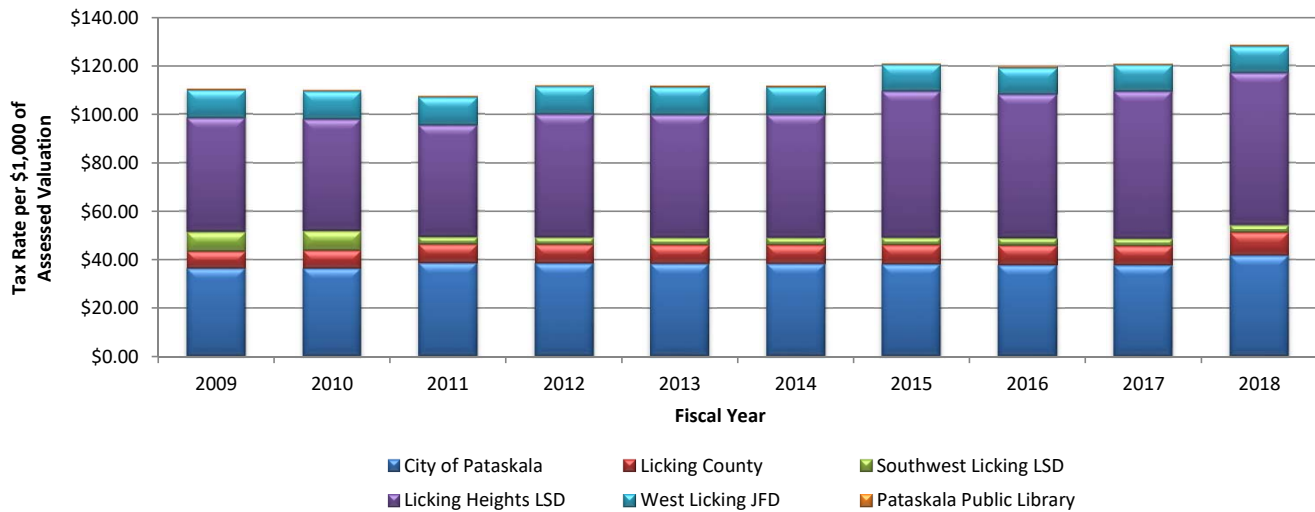
CITY OF PATASKALA, OHIO

**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			
2008	2009	\$2.90	\$0.00	\$5.00	\$7.90	\$7.10	\$36.39	\$47.00
2009	2010	\$2.90	\$0.00	\$5.00	\$7.90	\$7.40	\$36.41	\$46.24
2010	2011	\$2.90	\$0.00	\$0.00	\$2.90	\$7.70	\$38.62	\$46.22
2011	2012	\$2.90	\$0.00	\$0.00	\$2.90	\$7.70	\$38.58	\$50.89
2012	2013	\$2.90	\$0.00	\$0.00	\$2.90	\$7.70	\$38.37	\$50.87
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
2015	2016	\$2.90	\$0.00	\$0.00	\$2.90	\$8.00	\$37.90	\$59.59
2016	2017	\$2.90	\$0.00	\$0.00	\$2.90	\$8.00	\$37.70	\$60.89
2017	2018	\$2.90	\$0.00	\$0.00	\$2.90	\$9.50	\$41.70	\$62.88

Source: Licking County, Ohio; County Auditor

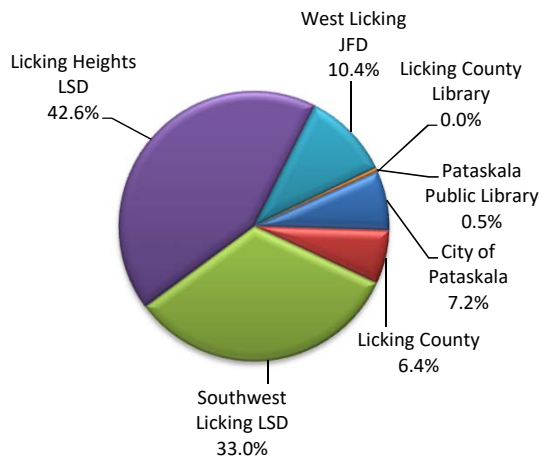
**Assessed Property Tax Rates - By Entity
Collection Years 2009 - 2018**



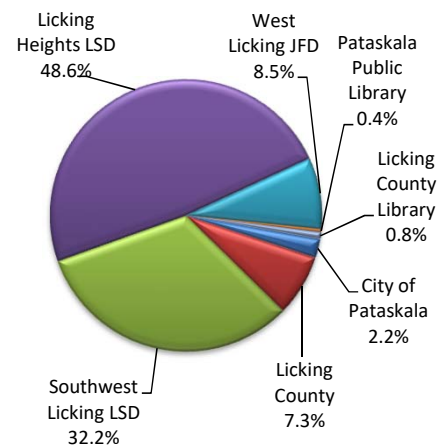
West Licking Joint Fire District	Pataskala Public Library	Licking County Library	TOTAL	Res/Agr Effective Rate	Com/Ind Effective Rate
\$11.50	\$0.50	\$0.00	\$110.39	\$7.5503	\$7.3274
\$11.50	\$0.50	\$0.00	\$109.95	\$7.5115	\$7.3580
\$11.50	\$0.50	\$1.00	\$108.44	\$7.5259	\$7.4594
\$11.50	\$0.50	\$1.00	\$113.07	\$2.9000	\$2.9000
\$11.50	\$0.50	\$1.00	\$112.84	\$2.9000	\$2.9000
\$11.50	\$0.50	\$1.00	\$112.84	\$2.9000	\$2.9000
\$11.00	\$0.50	\$1.00	\$122.04	\$2.9000	\$2.9000
\$11.00	\$0.50	\$1.00	\$120.89	\$2.9000	\$2.9000
\$11.00	\$0.50	\$1.00	\$121.99	\$2.9000	\$2.9000
\$11.00	\$0.50	\$1.00	\$129.48	\$2.9000	\$2.9000

2009 - 2018 Property Tax Breakdown by Government Entity

2009 Collection Year



2018 Collection Year



CITY OF PATASKALA, OHIO

**TOP PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND EIGHT YEARS AGO**

Taxpayer Name	2017			2009		
	Rank	Assessed Valuation	% of Total Assessed Valuation	Rank	Assessed Valuation	% of Total Assessed Valuation
<u>Real Estate</u>						
Catalina Club, LLC	1	\$2,485,500	0.64%	2	\$2,469,290	0.74%
Carrington Ridge One LLC	2	\$2,717,050	0.69%			
Village Gate Apt Ltd	3	\$2,432,510	0.62%	4	\$2,021,600	0.60%
Kroger Co.	4	\$2,058,000	0.53%	5	\$1,562,960	0.47%
Tolson Investments LLC	5	\$1,977,520	0.51%			
GVS Ohio Holdings I LLC	6	\$1,162,000	0.30%			
Reyno Holding Co.	7	\$1,852,980	0.47%	6	\$900,900	0.27%
American Homes 4 Rent Properties Seven LLC	8	\$1,207,480	0.31%			
Maronda Homes Inc Of Ohio	9	\$1,369,300	0.35%			
Broad Street Investment	10	\$1,032,210	0.26%			
Hazelton Management Group LLC				1	\$2,636,100	0.79%
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%
Hazelton Retail LTD				9	\$765,140	0.23%
Pataskala Green IV Limited				10	\$705,810	0.21%
<u>Public Utility</u>						
Ohio Power Co.	1	15,499,230	3.96%	2	869,890	0.26%
AEP Ohio Transmission Co, Inc	2	1,227,070	0.31%			
Columbia Gas of Ohio	3	1,119,750	0.29%	4	508,790	0.15%
National Gas & Oil Corp	4	830,810	0.21%	3	584,450	0.17%
Licking Rural Electrification	5	284,310	0.07%			
Columbus Southern Power				1	6,509,410	1.94%
General Electric Capital Commercial Inc.				5	353,540	0.11%
ALL OTHER TAXPAYERS		\$353,941,222	90.48%		\$311,384,620	92.91%
TOTAL ASSESSED VALUATION		\$391,196,942	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
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%
2014	2015	942,515	918,218	23,379	941,597	24,927	97.42%	2.64%
2015	2016	960,880	935,084	28,615	963,699	48,136	97.32%	5.01%
2016	2017	982,591	864,572	18,019	882,591	45,852	87.99%	4.67%
Ten Year Average		\$ 1,418,380	\$ 1,349,550	\$ 38,450	\$ 1,388,000	\$ 71,194	95.15%	5.02%

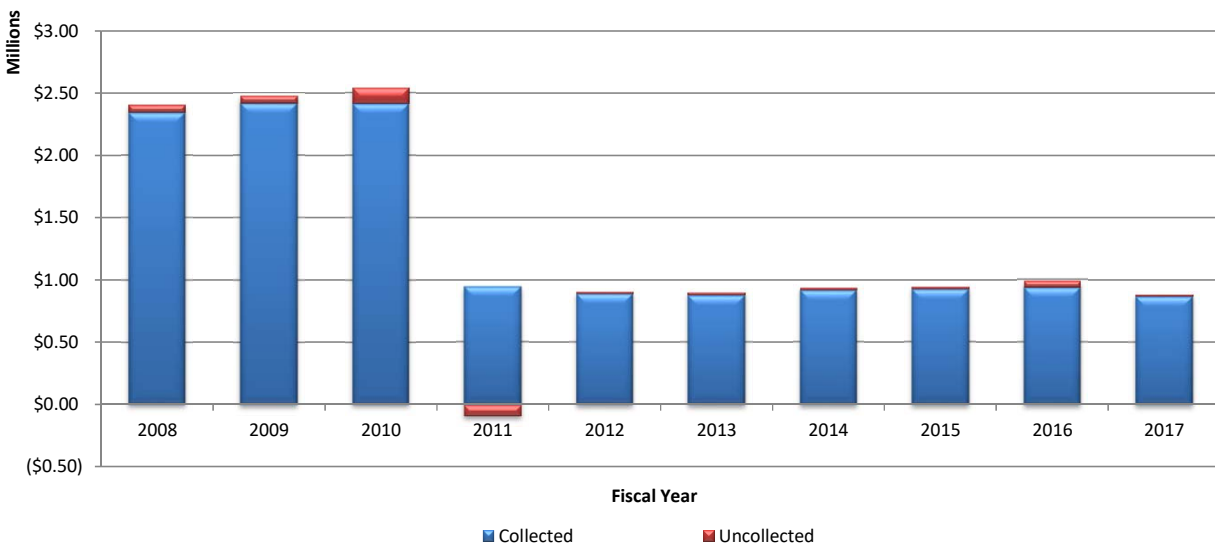
Note: Annual property tax rates can be found on pages 214-215.

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 2008 - 2017**



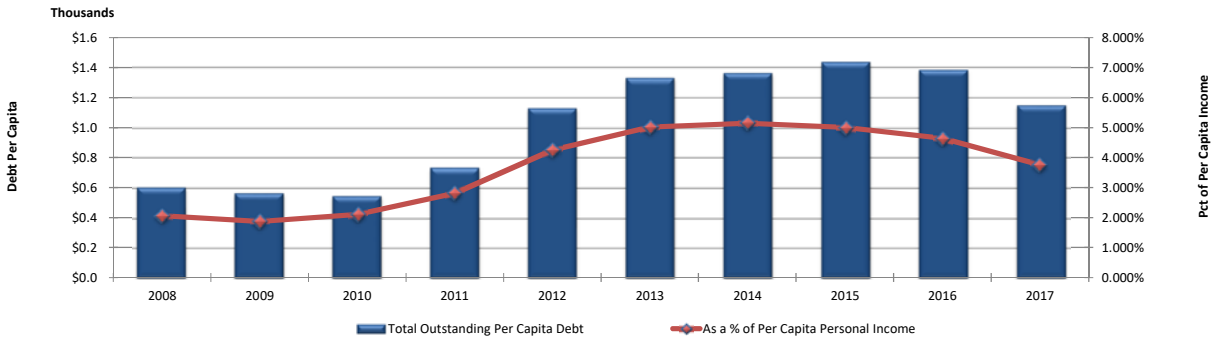
CITY OF PATASKALA, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS
(S000's omitted)

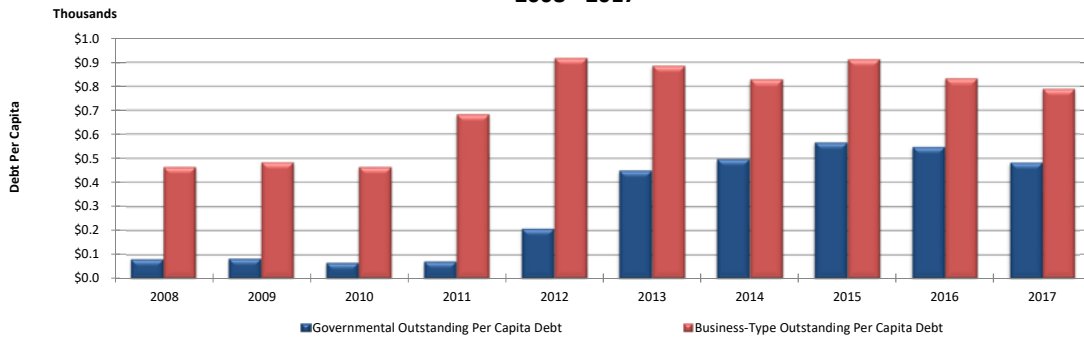
Fiscal Year	Governmental Activities						Business-Type Activities				Total Debt	Percent of Per Capita Income	Total Debt Per Capita	% of Personal Income
	General Obligation Bonds	Premiums	Notes Payable	OPWC Loans	Other Loans	Capital Leases	General Obligation Bonds	Premiums	OWDA Loans	Notes/ Loans Payable				
2017	\$5,830.0	\$209.0	\$0.0	\$214.4	\$764.5	\$439.3	\$7,930.0	\$432.9	\$3,373.5	\$500.0	\$19,693.7	3.76%	\$1,146.6	3.76%
2016	6,170.1	221.4	500.0	38.8	918.3	665.8	8,305.0	455.5	3,572.4	600.0	21,447.3	4.65%	1,381.6	4.65%
2015	6,440.1	233.7	0.0	86.6	1,065.7	639.0	8,680.0	478.0	3,766.0	700.0	22,089.1	5.01%	1,435.1	5.01%
2014	6,695.1	246.1	42.8	89.8	400.8	325.4	8,860.0	179.2	3,954.5	0.0	20,793.6	5.15%	1,360.7	5.15%
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%

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

Total Outstanding Debt Ratio Analysis
2008 - 2017



Outstanding Debt Per Capita by Type
2008 - 2017



Source: City financial reports

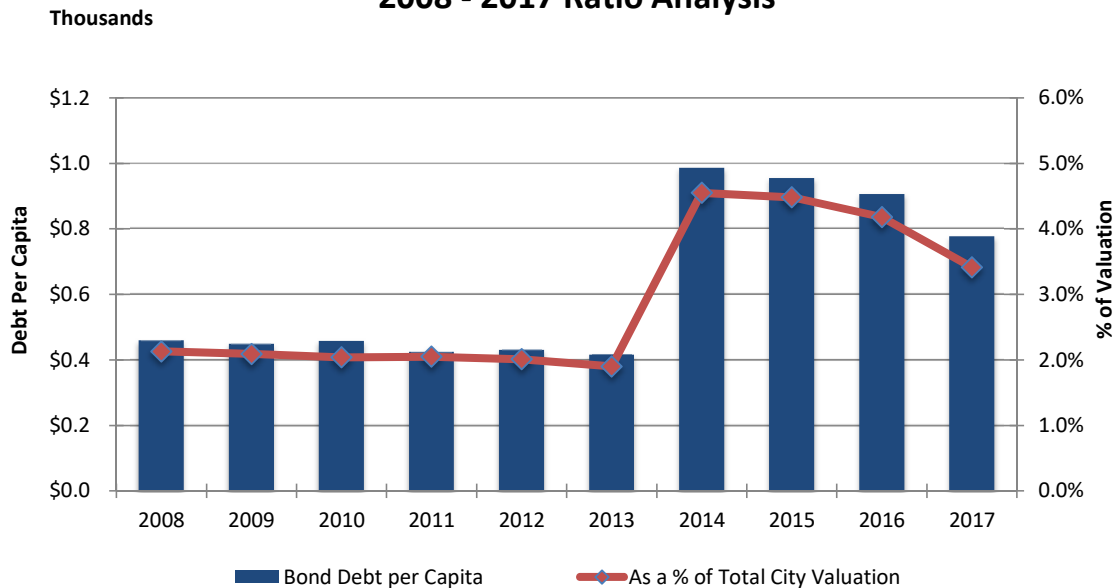
CITY OF PATASKALA, OHIO

**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 Governmental and Business-Type Activities	Total	Less: Restricted for Debt Service	Total Net General Bonded Debt Outstanding		
2017	\$13,760.0	\$13,760.0	\$421.5	\$13,338.5	3.41%	\$776.62
2016	14,475.1	14,475.1	410.1	14,065.0	4.18%	906.01
2015	15,120.1	15,120.1	429.1	14,691.0	4.48%	954.45
2014	15,555.1	15,555.1	489.7	15,065.4	4.55%	985.89
2013	6,300.0	6,300.0	0.0	6,300.0	1.90%	415.73
2012	6,485.0	6,485.0	0.0	6,485.0	2.01%	429.70
2011	6,670.0	6,670.0	0.0	6,670.0	2.05%	423.87
2010	6,840.0	6,840.0	0.0	6,840.0	2.04%	457.16
2009	6,990.0	6,990.0	0.0	6,990.0	2.09%	448.80
2008	7,130.0	7,130.0	0.0	7,130.0	2.13%	459.76

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

**Total General Bonded Debt Outstanding
2008 - 2017 Ratio Analysis**



Source: City financial reports

CITY OF PATASKALA, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT

As of December 31, 2017

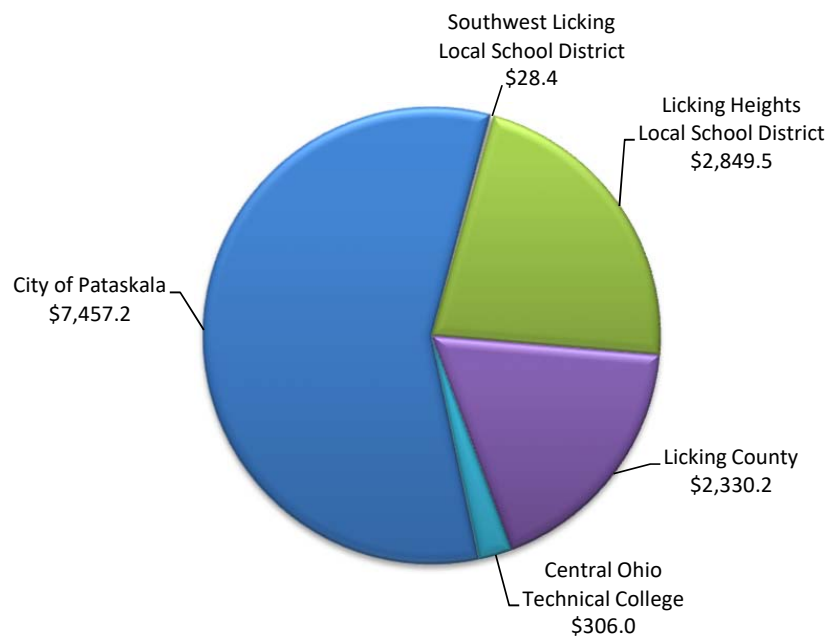
(\$000's omitted)

Governmental Unit	Total Debt Outstanding	Percent Applicable to City ⁽¹⁾	Amount Applicable to City
<u>Direct</u>			
City of Pataskala	\$7,457.2	100.00%	\$7,457.2
<u>Overlapping</u>			
Southwest Licking Local School District	\$115.0	24.67%	\$28.4
Licking Heights Local School District	8,020.0	35.53%	2,849.5
Licking County	26,246.1	8.88%	2,330.2
Central Ohio Technical College	<u>3,560.0</u>	<u>8.60%</u>	<u>306.0</u>
Total Overlapping Debt	<u>\$37,941.1</u>		<u>\$5,514.1</u>
Total Direct & Overlapping Debt	<u>\$45,398.2</u>		<u>\$12,971.3</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

(\$000)



Source: Licking County, Ohio; County Auditor

CITY OF PATASKALA, OHIO

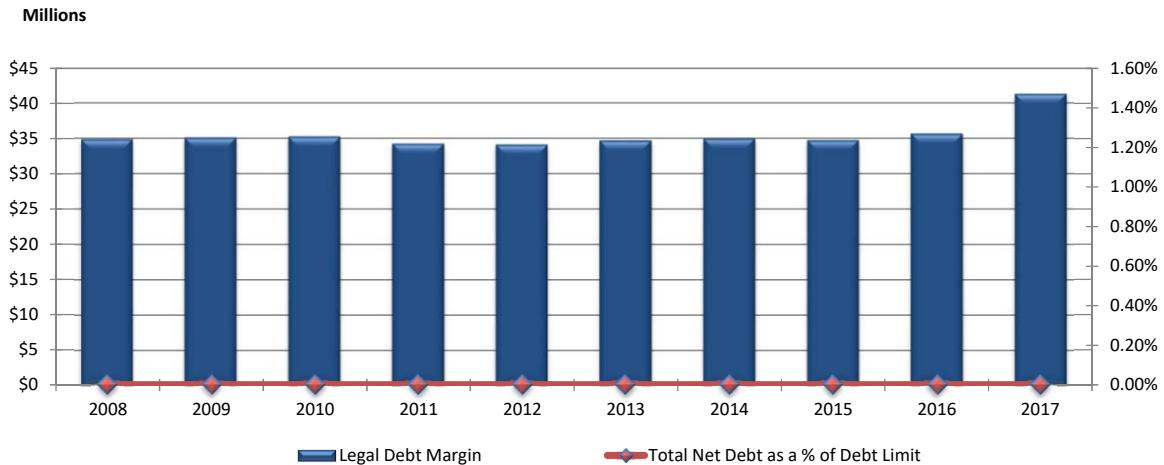
**LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS**

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
2017	\$391,196,942	\$41,075,679	\$0	\$204,382	\$41,280,061	\$21,515,832	0.00%
2016	336,668,177	35,350,159	0	291,462	35,641,621	18,516,750	0.00%
2015	328,075,440	34,447,921	0	305,305	34,753,226	18,044,149	0.00%
2014	330,147,160	34,665,452	0	272,626	34,938,078	18,430,720	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%

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
2008 - 2017**



Source: City financial reports

CITY OF PATASKALA, OHIO

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

SEWER OWDA LOANS:

Year	Operating Revenue	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements (2)			Coverage Ratio
				Principal	Interest	Total	
2017	\$ 1,923,103	\$ 1,073,863	\$ 849,240	\$ 198,848	\$ 95,430	\$ 294,278	2.89
2016	2,064,289	1,074,020	990,269	193,597	100,683	294,280	3.37
2015	2,003,493	1,096,880	906,613	188,483	105,796	294,279	3.08
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

WATER OWDA LOANS:

Year	Operating Revenue	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements (2)			Coverage Ratio
				Principal	Interest	Total	
2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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

(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⁾
2017	17,175	\$ 69,574	\$ 523,631,400	\$ 30,488	37.5	8,612	3.8%
2016	15,524	68,361	461,481,948	29,727	36.3	8,247	4.0%
2015	15,392	67,880	441,196,288	28,664	36.3	7,889	4.1%
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%

OTHER MISCELLANEOUS INFORMATION ⁽⁵⁾

Date of Incorporation 1891
Form of Government Charter City
Population ⁽¹⁾ 17,175

Area in square miles 28.19

<u>City Acreage by class:</u>	<u>Total</u>	<u>Percent</u>
Agricultural	10,539	58.4%
Residential	5,703	31.6%
Office/Commercial/Industrial	1,153	6.4%
Roadways, utilities, other	<u>647</u>	<u>3.6%</u>
Total City Acreage	18,042	100.0%

Facilities & Services

Miles of streets 135
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 SEVEN YEARS AGO**

Employer	2017		2010	
	Percent of Total Withholding Taxes Paid	Rank	Percent of Total Withholding Taxes Paid	Rank
Licking Heights Local School District	6.88%	1	8.89%	1
West Licking Joint Fire District	2.01%	2	4.10%	3
Southwest Licking Local School District	1.92%	3	4.94%	2
Thayer Power and Communication	1.78%	4		
American Electric Power Service Corp.	1.87%	5	1.93%	6
Kroger	1.69%	6	3.71%	5
City of Pataskala	1.13%	7	1.52%	9
Licking Memorial Professional	1.02%	8		
Buckeye Ready Mix	0.97%	9	1.41%	10
Dimensional Metals Inc.	0.97%	10		
Pataskala Oaks Care Center			3.98%	4
Mulch Manufacturing			1.77%	7
Craft Wholesalers			1.70%	8
Total of Top Ten	<u>20.23%</u>		<u>33.95%</u>	
Total Withholdings - All Employers	<u>\$2,579,382</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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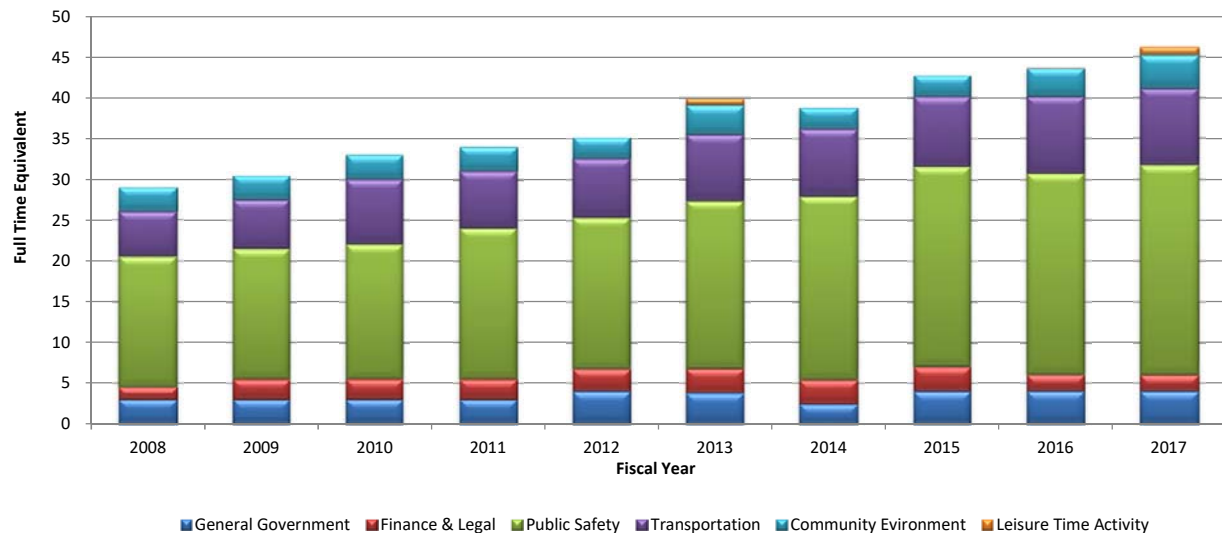
CITY OF PATASKALA, OHIO

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

Function/Program	2017	2016	2015	2014
General Government	4.01	4.03	4.01	2.43
Clerk of Council	1.00	1.00	1.00	1.00
Mayor's Court	1.02	1.02	1.01	0.99
City Administrator	1.99	2.01	2.00	0.44
Finance & Legal	2.00	2.00	3.00	3.00
Finance	2.00	2.00	2.00	2.00
Law	-	-	1.00	1.00
Public Safety	25.69	24.67	24.55	22.47
Police/Clerk	25.69	24.67	24.55	22.47
Transportation	9.39	9.45	8.62	8.28
Public Service	9.39	9.45	8.62	8.28
Community Environment	4.10	3.49	2.63	2.63
Planning & Zoning	4.10	3.49	2.63	2.63
Leisure Time Activity	1.00	0.02	-	-
Parks Administration	1.00	0.02	-	-
Parks Maintenance	-	-	-	-
Utility Services	9.46	10.20	10.47	10.02
Water	7.33	7.27	6.84	6.42
Sewer	2.13	2.93	3.63	3.60
Total Full-Time Equivalent (FTE)	55.66	53.86	53.28	48.83

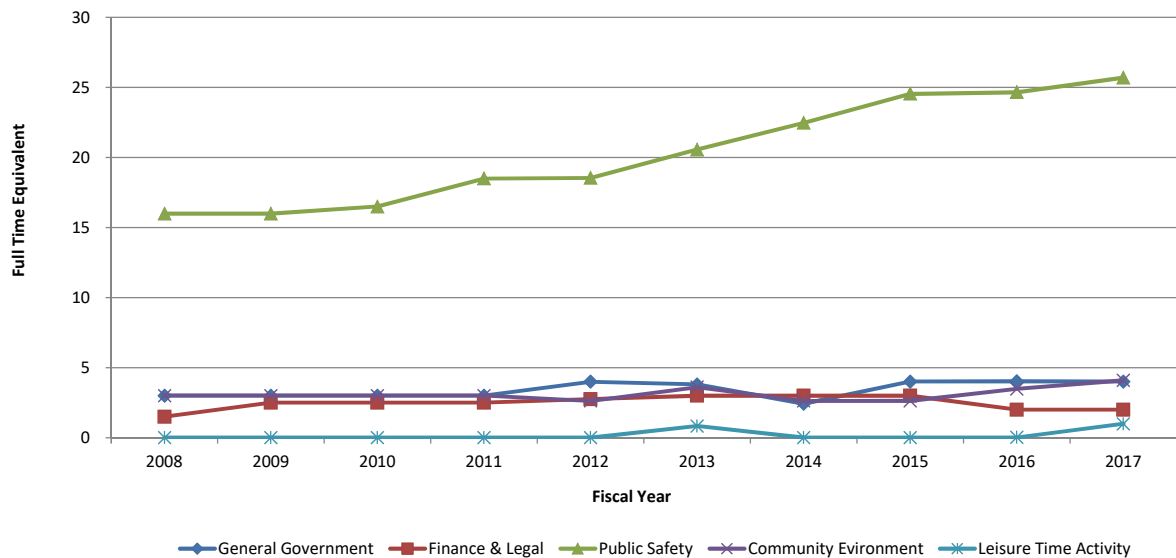
Source: City payroll systems

**Full-Time Equivalent Employees
By Function 2008 - 2017**



2013	2012	2011	2010	2009	2008
3.80	4.00	3.00	3.00	3.00	3.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
3.00	2.75	2.50	2.50	2.50	1.50
2.00	1.75	1.50	1.50	1.50	1.50
1.00	1.00	1.00	1.00	1.00	-
20.56	18.54	18.50	16.50	16.00	16.00
20.56	18.54	18.50	16.50	16.00	16.00
8.15	7.25	7.00	8.00	6.00	5.50
8.15	7.25	7.00	8.00	6.00	5.50
3.61	2.63	3.00	3.00	3.00	3.00
3.61	2.63	3.00	3.00	3.00	3.00
0.83	-	-	-	-	-
0.83	-	-	-	-	-
-	-	-	-	-	-
9.49	9.15	9.00	8.00	8.00	7.50
6.35	3.45	4.50	4.00	4.00	3.50
3.14	5.70	4.50	4.00	4.00	4.00
49.44	44.32	43.00	41.00	38.50	36.50

**Full-Time Equivalent Employees
By Function 2008 - 2017**



CITY OF PATASKALA, OHIO

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN YEARS

Function/Program	2017	2016	2015	2014
General Government				
Positions Filled	4	4	5	9
Zoning Permits Issued	461	536	517	433
Zoning Inspections Performed	160	330	368	267
Ordinances & Resolutions	97	89	108	65
Public Safety				
Number of Arrests	567	375	538	524
Incidents/Police Reports Taken	1,639	1,479	1,577	1,383
Traffic Violations/Citations	973	1,095	1,231	1,370
Mayor's Court				
Misdemeanor Cases	112	107	107	102
O.V.I. Cases	18	14	10	10
Other Traffic/Misc Cases	734	864	966	1,280
Leisure Time Activities *				
Youth Soccer Participation	930	908	862	843
Select Soccer	170	170	126	114
Middle School Participation	96	106	128	113
High School Participation	25	82	91	82
Youth Softball Participation	-	-	165	175
Adult Softball Participation	170	182	168	256
Youth Baseball Participation	-	-	64	89
Porpoise Swim Team Members	252	232	223	212
Transportation				
Street Resurfacing (miles)	2.75	3.10	6.70	6.50
Tons of salt used	1,800	1,000	600	1,850
Bridges Replaced/Repaired	1	-	-	-
Water				
New Connections	46	51	48	34
Service Calls	699	802	1,202	924

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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
8	11	4	2	-	2
517	447	401	457	503	605
274	279	236	362	385	449
118	101	115	86	77	69
406	715	436	405	534	610
1,035	1,853	1,521	1,390	1,345	1,534
1,528	1,850	1,167	1,254	1,342	NA
108	123	142	151	NA	NA
1	1	14	15	NA	NA
1,325	1,557	1,583	1,402	NA	NA
825	452	833	802	788	820
122	216	108	190	112	90
80	43	84	20	NA	NA
75	44	54	20	NA	NA
142	135	115	145	426	183
256	120	NA	NA	NA	205
56	175	NA	NA	NA	NA
197	190	NA	NA	NA	NA
12.48	7.00	0.75	2.06	-	-
3,100	2,500	1,571	1,829	279	163
-	1	1	1	1	1
51	48	19	19	16	20
736	689	578	578	610	NA

CITY OF PATASKALA, OHIO

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

Function/Program	2017	2016	2015	2014
<u>Public Safety</u>				
Police:				
Stations	1	1	1	1
Cruisers/Patrol Vehicles	25	25	25	29
<u>Leisure Time Activities</u>				
Parks	6	6	6	6
Park Acreage	127	127	127	127
Swimming Pools	1	1	1	1
Wading Pools	1	1	1	1
Baseball Diamonds	1	3	3	3
Softball Fields	4	3	1	1
Soccer Fields	21	26	24	24
<u>Transportation</u>				
Lane Miles	280	280	280	280
<u>Water</u>				
Water Mains (linear feet)	294,492	294,492	293,547	291,100
<u>Sewer</u>				
Sewer Lines (linear feet)	184,788	184,788	183,478	181,923
Lift Stations	7	7	7	7
Manholes	767	767	767	762
Force Main Sewer Lines (linear feet)	15,365	15,365	15,365	15,365

Source: City of Pataskala Departments

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

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
1	1	1	1	1	1
23	20	19	18	24	32
6	6	6	6	6	6
127	200	200	200	200	200
1	1	1	1	1	1
1	1	1	1	1	1
3	3	3	4	4	4
1	1	NA	NA	NA	NA
23	NA	NA	NA	NA	NA
280	280	272	271	271	271
291,100	291,100	291,100	291,215	291,215	290,400
181,923	181,908	161,500	161,500	161,500	160,252
7	7	7	7	7	7
762	760	737	737	737	737
15,365	15,365	15,365	15,365	15,365	15,365



END OF REPORT



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