



City of Pataskala, Ohio

POPULAR ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2016



Dear Citizens of the City of Pataskala:



The City of Pataskala's Finance Department is pleased to present the City's first Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2016. This report provides transparency of where the City revenues come from and where those dollars are going for residents that may not have finance or accounting backgrounds. Additionally, we have highlighted some of the economic development activity and capital improvements that we saw during 2016 and what to look forward to this year.

The financial information for this report has been taken from the 2016 City of Pataskala Comprehensive Annual Financial Report (CAFR). The CAFR consists of 230 pages of detailed financial statements, notes and schedules as well as very detailed statistical information. The CAFR was prepared in accordance with Accounting Principles Generally Accepted in the United States of America (GAAP) and audited by Julian & Grube, Inc., a CPA firm in Westerville, Ohio. The City once again received an unmodified opinion on the audit, which means that no significant deficiencies were identified that required modification. The City's CAFR can be obtained on the City's website at <http://www.cityofpataskalaohio.gov/city-departments/finance/financial-reports/comprehensive-annual-financial-reports/>. The City of Pataskala's PAFR is unaudited and presented on a GAAP basis, unless otherwise noted.

The purpose of the PAFR is to provide our citizens with summarized financial data and as a means of increasing awareness and knowledge of the operations of the City. We feel that citizens deserve transparency when it comes to their tax dollars and this report is designed to help assist you in gaining a better understanding of the City's resources and how we put your tax dollars to use.

Sincerely,

James M. Nicholson
Finance Director

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Awards & Accomplishments

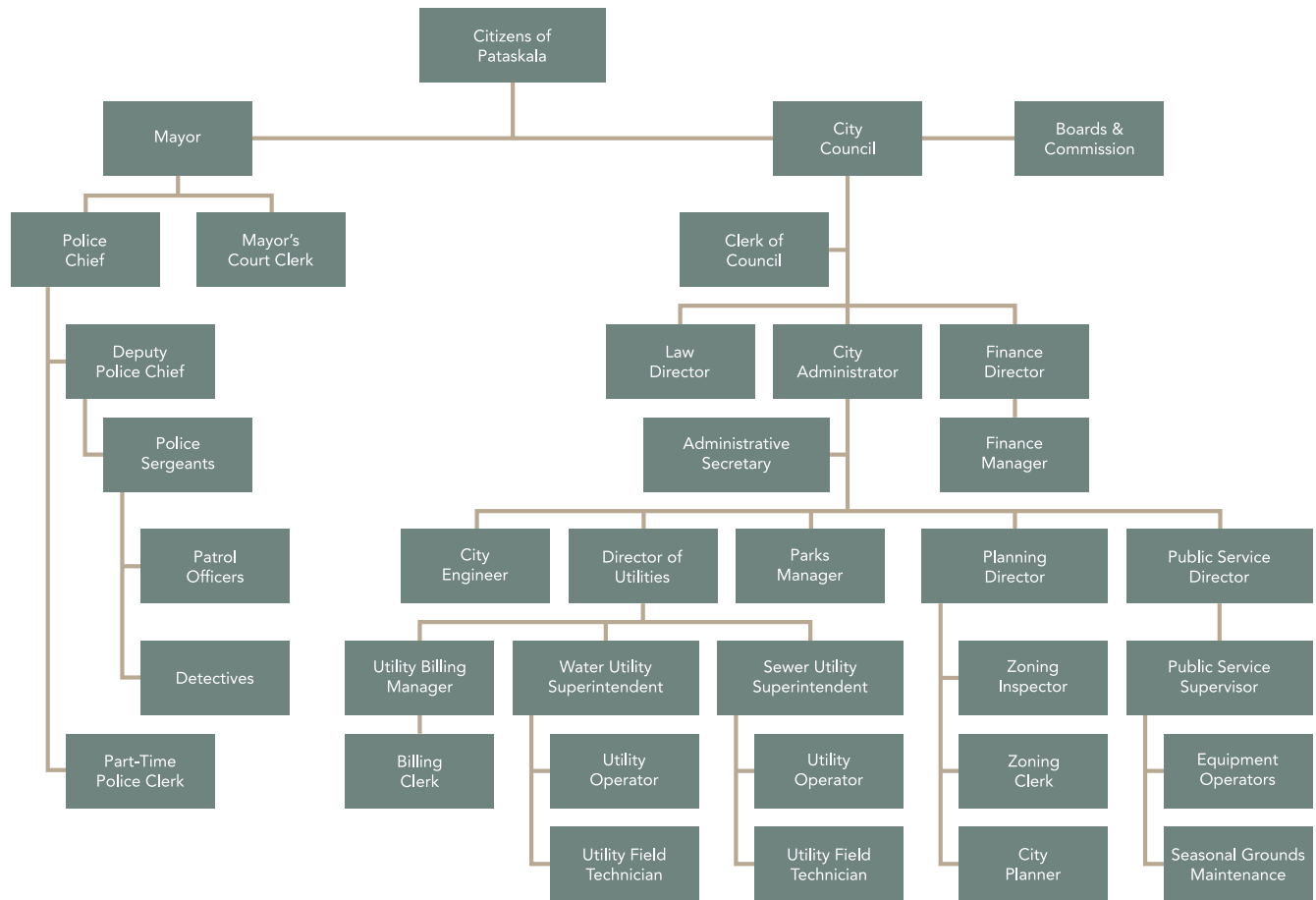
The City has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the past seven years (2009-2015) and has applied for the same award for 2016.



The City has applied for the GFOA Distinguished Budget Award for 2017.

The City has also received the Ohio Auditor of State's Award with Distinction certificate for the past seven consecutive years (2009-2015) and hopes to receive the award for 2016 as well.

City Organization



City Council & Mayor

Although the City Administrator, BJ King, manages city operations on a day to day basis, an elected 7-member Council and Mayor provide oversight and direction to the Administration. Council members are elected to staggered 4-year terms. The current members and their term expirations are as follows:

Mayor Mike Compton (2017)

Council President Tim Hickin - At Large (2017)

Council Vice President Tommy Lee - Ward 1 (2019)

Todd Barstow - At Large (2017)

Melissa Carter - Ward 2 (2019)

Suzanne Hayes - Ward 4 (2019)

Michael Powell - Ward 3 (2019)

Andy Walther - At Large (2017)



Property Taxes

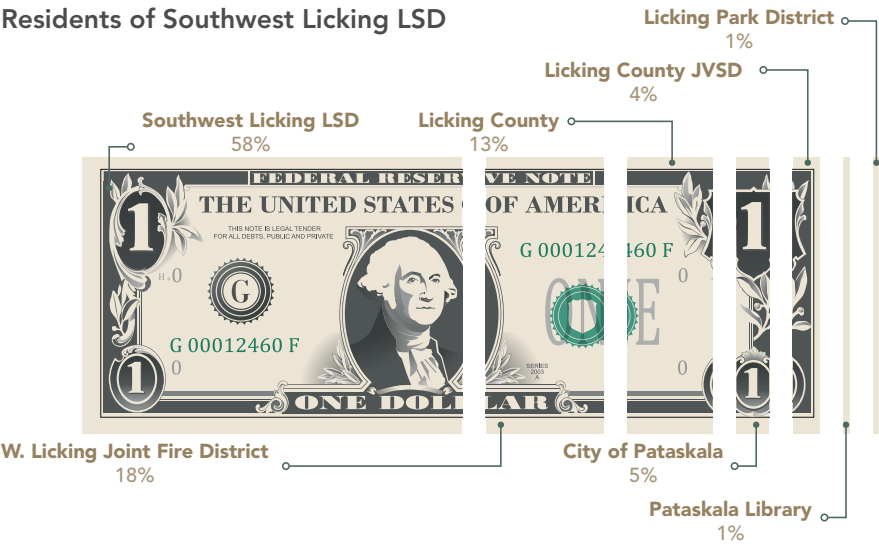
Only a small portion of your property taxes support City operations. The City’s General Fund only receives approximately \$0.04 of every dollar of property tax paid. School districts, Licking County, and various other entities receive a portion of the taxes paid by the City of Pataskala residents.

Understanding Property Taxes

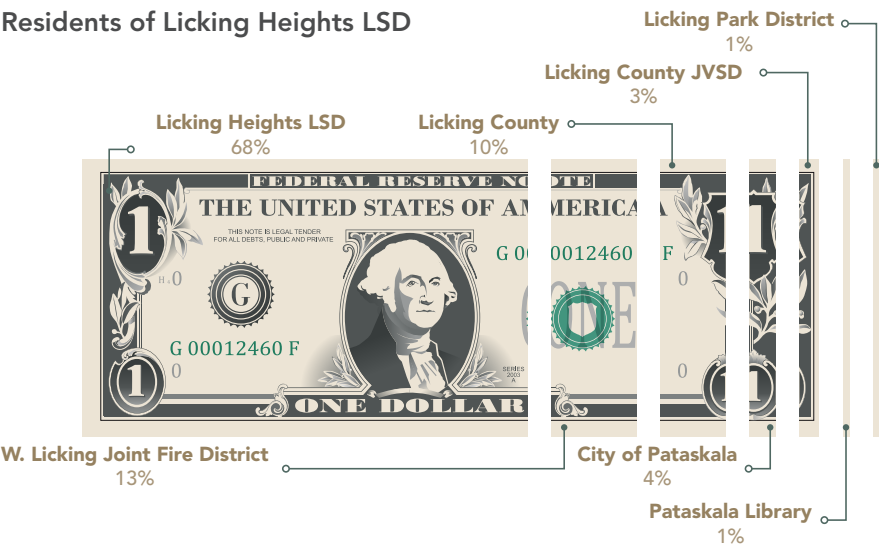
Property tax is based on the amount charged per \$1,000 worth of taxable property value, also known as ‘millage’. Amounts collected for levies other than general operating must be used for those specific purposes. The County Auditor’s office handles the administration of property taxes in the state of Ohio by collecting and distributing the taxes paid to the appropriate jurisdiction.

The City has no voted levies outstanding and only receives 2.9 mill of ‘inside’ or unvoted millage.

Residents of Southwest Licking LSD



Residents of Licking Heights LSD



Income Taxes

Income taxes represent the largest source of revenue for the City, and are collected by the Regional Income Tax Agency (RITA). Income tax collections are comprised of three sources: taxes withheld from employees working in the City, taxes from individual residents, and taxes on net profits of businesses working in the City. Since 2011, the City has levied a 1.00% income tax and has allocated the amount to four City funds. The City adjusts the income tax allocations each year based on the needs of the City.

Where your income taxes go by fund:

	2016	2015	2014	2013
Steet Fund	35.65%	33.30%	46.50%	32.00%
Police Fund	53.00%	54.10%	41.50%	58.50%
Capital Improvements Fund	2.15%	0.00%	7.00%	6.75%
Debt Service Fund	9.20%	12.60%	5.00%	2.75%

The chart below shows how Pataskala compares to other neighboring communities in their income tax rate.

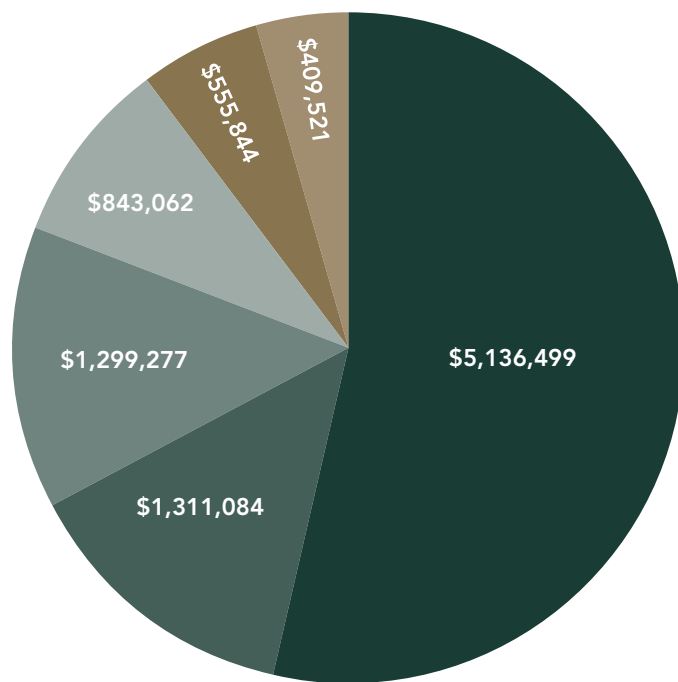
City of Columbus	2.50%
City of Newark	1.75%
City of Reynoldsburg	1.50%
City of Gahanna	1.50%
Village of Granville	1.50%
Village of Johnstown	1.00%
City of Pataskala	1.00%



Where the Money Comes From

Revenues - Governmental Activities

The funding the City receives in order to provide services to citizens and the community as a whole comes from a variety of sources at the local, state and federal levels. The chart below presents a summary of governmental activities revenue by primary type for 2016. The significance of income taxes is clearly evident as they make up 53.76% of governmental activities revenue. This indicates the importance for the need of a strong local economic base to keep this revenue stream strong.



- Income Taxes
- Property Taxes
- Capital Grants & Contributions
- Charges for Services and Sales
- Operating Grants & Contributions
- Other Revenues

	2016	2015
Income Taxes	\$ 5,136,499	\$ 4,470,343
Capital grants and Contributions	\$ 1,311,084	\$ 274,739
Operating grants and Contributions	\$ 1,299,277	\$ 1,237,885
Property Taxes	\$ 843,062	\$ 827,781
Charges for Services and Sales	\$ 555,844	\$ 535,264
Other Revenues	\$ 409,521	\$ 363,756
Total Governmental Activities Revenues	\$ 9,555,287	\$ 7,709,768

Definitions

Income Taxes

The City levies a 1.00% income tax on substantially all income earned within the City by residents and City businesses.

Capital Grants and Contributions

Revenues received from various sources that are restricted for capital projects. These include amounts received from the State of Ohio and the Ohio Department of Transportation (ODOT) for road projects.

Operating Grants and Contributions

Revenues received from intergovernmental sources that are restricted for operations. These include amounts received related to gas tax and motor vehicle license fees.

Property Taxes

Revenues received from the City's portion of the taxes due on real property and public utility. The City assesses a property tax rate of \$2.90 per \$1,000 of assessed valuation.

Charges for Services and Sales

Revenues received related to charges billed to users. These can include fines and forfeitures, cable franchise fees, building permits and rent.

Other Revenues

These include amounts consisting of payments in lieu of taxes, unrestricted intergovernmental grants like local government support, and investment income.



Definitions

Security of Persons and Property
This expense accounts of the operations of the City's police department .

Transportation
This expense accounts for the operations of the City's Public Service department.

General Government
This expense accounts for the operations of the City Administrator, Finance, City Council, Mayor's Office, Mayor's Court and Law Director.

Community Environment
This expense accounts for the operations of the City's planning and zoning department.

Interest and Fiscal Charges
This expense accounts for interest and other fees charged on the City's debt.

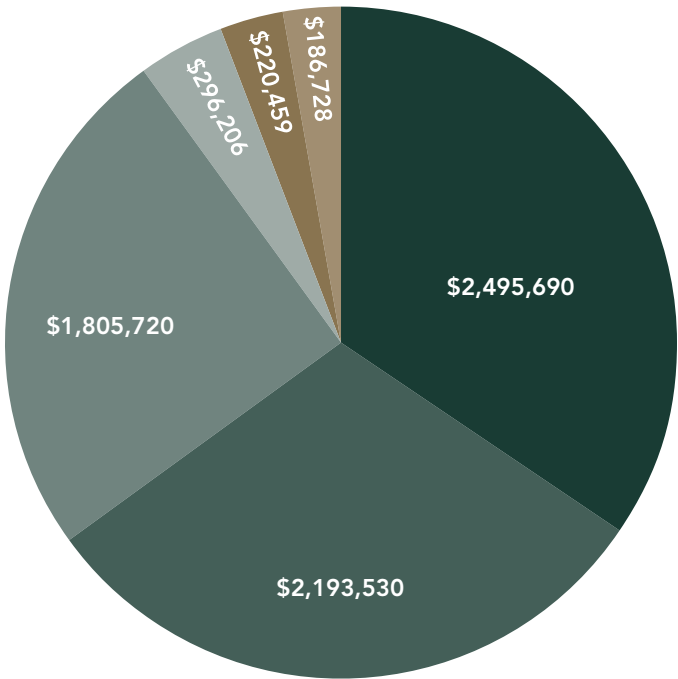
Leisure Time Activities
This expense accounts for the operations of the City's parks and recreation department.



Where the Money Goes To

Expenses - Governmental Activities

The City's governmental activities account for much of the basic services provided by the City's various departments and offices with the exception of utilities. The City's expenses are reported at the function level, which describes the primary purpose of the expense. Within each function the expense of one or more City departments or offices are reported.



- Security of Persons and Property
- Transportation
- General Government
- Community Environment
- Interest and Fiscal Charges
- Leisure Time Activities

	2016	2015
Security of Persons and Property	\$ 2,495,690	\$ 2,134,698
Transportation	\$ 2,193,530	\$ 1,762,282
General Government	\$ 1,805,720	\$ 1,919,562
Community Environment	\$ 296,206	\$ 246,113
Interest and Fiscal Charges	\$ 220,459	\$ 211,259
Leisure Time Activities	\$ 186,728	\$ 67,486
Total Governmental Activities Expenses	\$ 7,198,333	\$ 6,341,400

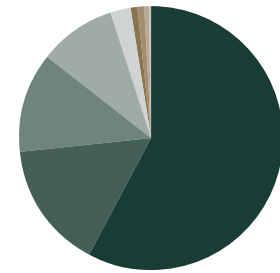
General Fund Analysis

The General Fund is the main operating fund of the City and accounts for all financial resources not accounted for and reported in other City funds. The General Fund is primarily supported by property taxes assessed on property owners; licenses and permits; intergovernmental revenues like homestead and rollback and local government support; and fines and forfeitures. The General Fund spends those resources on salaries and wages, contractual services and materials and supplies for the City Administrator, Planning and Zoning, City Council, the Mayor's Office, Mayor's Court, Finance and Parks.

Revenues

	2016	2015	2014
Property Taxes	\$ 853,298	\$ 832,535	\$ 819,665
Licenses and Permits	\$ 228,663	\$ 249,575	\$ 270,812
Intergovernmental	\$ 182,707	\$ 183,477	\$ 189,359
Fines and Forfeitures	\$ 136,246	\$ 148,190	\$ 168,540
Charges for Services	\$ 38,370	\$ -	\$ -
Investment Income	\$ 12,337	\$ 8,262	\$ 4,662
Other Revenues	\$ 10,078	\$ 9,491	\$ 169,727
Rental Income	\$ 8,666	\$ 3,420	\$ 121,059
Special Assessments	\$ 2,440	\$ 5,591	\$ 4,169
Contributions and Donations	\$ 700	\$ -	\$ 2,141
Total General Fund Revenues	\$ 1,473,505	\$ 1,440,541	\$ 1,750,134

2016 Revenue Amounts

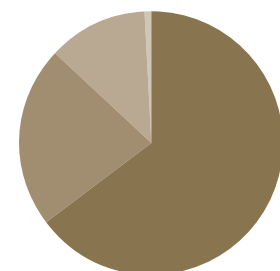


- Property Taxes
- Licenses and Permits
- Intergovernmental
- Fines and Forfeitures
- Charges for Services
- Investment Income
- Other
- Rental Income
- Special Assessments
- Contributions and Donations

Expenditures and Other Financing Uses

	2016	2015	2014
General Government	\$ 784,156	\$ 940,050	\$ 928,889
Community Environment	\$ 271,871	\$ 256,706	\$ 191,308
Leisure Time Activities	\$ 148,765	\$ 43,033	\$ 77,118
Debt Service	\$ 6,772	\$ 6,772	\$ 6,772
Transfers Out	\$ -	\$ 200,000	\$ 242,413
Total General Fund Expenditures and Other Financing Uses	\$ 1,211,564	\$ 1,446,561	\$ 1,446,500

2016 Expenditure Amounts



- General Government
- Community Environment
- Leisure Time Activities
- Debt Service

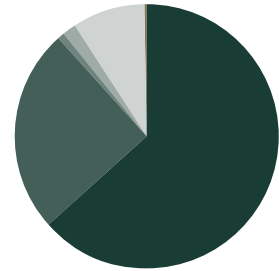
Street Fund Analysis

The Street Fund is funded by a portion of the City's income tax collections as well as motor vehicle license and gas tax fees. The Street fund uses those sources to fund employee wages, benefits, materials and equipment used by the Public Service department as well as maintain local roads and related infrastructure of the City.

Revenues and Other Financing Sources

	2016	2015	2014
Income Taxes	\$ 1,829,902	\$ 1,665,260	\$ 2,111,631
Intergovernmental	\$ 717,667	\$ 664,425	\$ 667,365
Investment Income	\$ 23,074	\$ 17,977	\$ 10,227
Other Revenues	\$ 47,307	\$ 18,413	\$ 27,407
Inception of Capital Lease	\$ 260,000	\$ 500,000	\$ 267,774
Transfer In	\$ 9	\$ 50,000	\$ -
Total Street Fund Revenues and Other Financing Sources	\$ 2,877,959	\$ 2,916,075	\$ 3,084,404

2016 Revenue Amounts

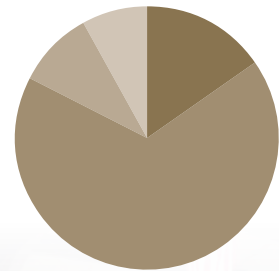


- Income Taxes
- Intergovernmental
- Investment Income
- Other Revenues
- Inception of Capital Lease
- Transfer In

Expenditures and Other Financing Uses

	2016	2015	2014
General Government	\$ 423,529	\$ 456,089	\$ 326,548
Transportation	\$ 1,861,525	\$ 1,494,035	\$ 1,363,575
Capital Outlay	\$ 260,000	\$ 500,000	\$ 267,774
Debt Service	\$ 216,174	\$ 161,378	\$ 56,200
Transfers Out	\$ -	\$ 165,180	\$ -
Total Street Fund Expenditures and Other Financing Uses	\$ 2,761,228	\$ 2,776,682	\$ 2,014,097

2016 Expenditure Amounts



- General Government
- Transportation
- Capital Outlay
- Debt Service
- Transfers Out

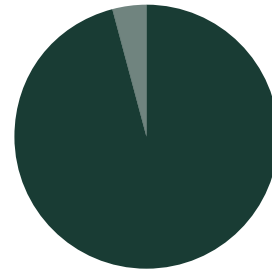
Police Fund Analysis

The Police Fund is funded primarily by a portion of the City's income tax collections. The Police fund uses those sources to fund the police department and pay the wages and benefits of police officers and equipment used to protect the City and its citizens.

Revenues and Other Financing Sources

	2016	2015	2014
Income Taxes	\$ 2,720,471	\$ 2,668,648	\$ 2,042,998
Fines and Forfeitures	\$ 490	\$ 525	\$ 32,188
Other Revenues	\$ 111,785	\$ 63,814	\$ 64,052
Sale of Capital Assets	\$ -	\$ 12,086	\$ 285
Issuance of Loan	\$ -	\$ -	\$ 174,285
Total Police Fund Revenues and Other Financing Sources	\$ 2,832,746	\$ 2,745,073	\$ 2,313,808

2016 Revenue Amounts

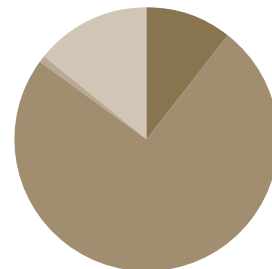


- Income Taxes
- Fines and Forfeitures
- Other Revenues

Expenditures and Other Financing Uses

	2016	2015	2014
General Government	\$ 318,004	\$ 318,408	\$ 316,994
Security of Persons and Property	\$ 2,230,994	\$ 2,029,127	\$ 2,087,675
Debt Service	\$ 26,787	\$ 26,787	\$ 29,617
Transfers Out	\$ 417,429	\$ 17,500	\$ -
Total Police Fund Expenditures and Other Financing Uses	\$ 2,993,214	\$ 2,391,822	\$ 2,434,286

2016 Expenditure Amounts



- General Government
- Security of Persons and Property
- Debt Service
- Transfers Out



Artist rendition of proposed new City Police Station

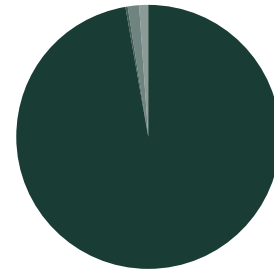
City Utility Funds Analysis

The Utility Funds account for the City's Water and Sewer operations. The funds are almost exclusively supported by water and sewer rates charged to over 3,200 customers. Resources are used to support salaries and wages and other costs to maintain the Water & Sewer plants and related infrastructure.

Operating and Non-Operating Revenues

	2016	2015	2014
Charges for Services	\$ 4,163,319	\$ 3,873,473	\$ 3,187,805
Special Assessments	\$ 11,438	\$ 9,818	\$ 11,155
Other Revenues	\$ 64,094	\$ 2,296	\$ 27,358
Interest Income	\$ 40,778	\$ 30,006	\$ 17,501
Total Utility Funds Revenues	\$ 4,279,629	\$ 3,915,593	\$ 3,243,819

2016 Revenue Amounts

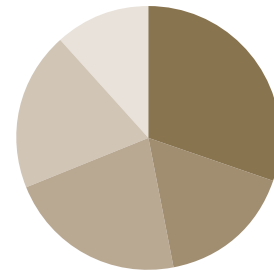


- Charges for Services
- Special Assessments
- Other Revenues
- Interest Income

Operating and Non-Operating Expenses

	2016	2015	2014
Salaries and Related Services	\$ 1,026,805	\$ 979,015	\$ 929,045
Contractual Services	\$ 566,336	\$ 525,334	\$ 408,096
General Operating	\$ 739,435	\$ 687,263	\$ 552,387
Depreciation	\$ 653,263	\$ 647,639	\$ 652,186
Interest and Fiscal Charges	\$ 388,479	\$ 554,000	\$ 461,701
Total Utility Funds Expenses	\$ 3,374,318	\$ 3,393,251	\$ 3,003,415

2016 Expenditure Amounts



- Salaries and Related Services
- Contractual Services
- General Operating
- Depreciation
- Interest and Fiscal Charges



Water and Sewer Rates per 1,000 Gallons

	In-Town	Out-of-Town	CIP
2016	\$ 4.48	\$ 6.72	\$ 3.00
2015	\$ 4.39	\$ 6.59	\$ 1.50
2014	\$ 4.31	\$ 6.47	\$ -

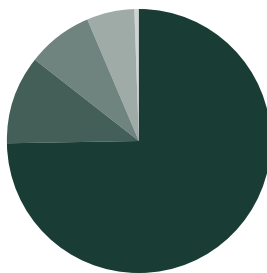
Debt Obligations

The City issues debt to pay for various projects and utility operations throughout the City. In governmental activities, the debt is typically paid back through income tax revenues deposited in the Debt Service Fund. In business-type activities, the debt is paid back through water and sewer charges. As of December 31, 2016, the City had \$21,382,187 in outstanding long-term debt.

Governmental Activities

	2016	2015	2014
General Obligation Bonds	\$ 6,326,350	\$ 6,608,704	\$ 6,876,058
Miscellaneous Loans Payable	\$ 918,334	\$ 1,065,645	\$ 400,813
Capital Leases	\$ 665,819	\$ 639,033	\$ 325,436
Notes Payable	\$ 500,000	\$ -	\$ 42,756
OPWC Loans	\$ 38,839	\$ 86,611	\$ 89,848
Total Governmental Activities	\$ 8,449,342	\$ 8,399,993	\$ 7,734,911

2016 Amounts

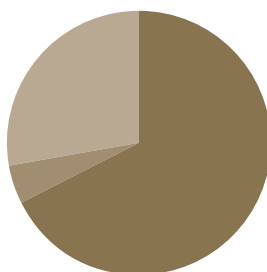


- General Obligation Bonds
- Miscellaneous Loans Payable
- Capital Leases
- Notes Payable
- OPWC Loans

Business-Type Activities (Water & Sewer)

	2016	2015	2014
General Obligation Bonds	\$ 8,760,463	\$ 9,157,981	\$ 9,039,186
Miscellaneous Loans Payable	\$ 600,000	\$ 700,000	\$ -
OWDA Loans Payable	\$ 3,572,382	\$ 3,765,979	\$ 3,954,462
Total Business-Type Activities	\$ 12,932,845	\$ 13,623,960	\$ 12,993,648

2016 Amounts



- General Obligation Bonds
- Miscellaneous Loans Payable
- OWDA Loans Payable

Capital Improvements

Over the past few years, the City has undertaken many capital improvement projects to better various aspects of the City:

- Mink Road Reconstruction - Phase III expected to start in 2018.
- Mink Street and Broad Street Intersection Improvements
- Implementation of the Roadway Asset Management Plan (RAMP) which included repaving/reconstruction of various roadways.
- Main Street Improvement Projects
- Taylor Road Pedestrian & Bike Path
- Replace the Columbia Road Bridge
- Completion of the Shawnee and Refugee Water Reclamation Facilities
- Constructing a new Biosolids Building
- Sanitary Sewer Main Line Cleaning and Televising
- Lead and Copper Drinking Water Quality Assurance Program

For the Future:

Among other on going/scheduled construction projects, the City has begun initial designs on a new City Police Station. The cost of the project will be roughly \$5 million with construction beginning in 2017.





City of Pataskala
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Pataskala, Ohio 43062
cityofpataskalaohio.gov

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Community Profile

Pataskala was settled in the 1800's and incorporated as a village in 1891. Through multiple annexations throughout the years and a merger with Lima Township effective January 1, 1996, the City of Pataskala was formed.

The City has a population of 15,611 residents based on the 2017 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.