



City of Pataskala, Ohio

POPULAR ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017



Dear Citizens of the City of Pataskala:



The City of Pataskala's Finance Department is pleased to present the City's second Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2017. 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 2017 and what to look forward to this year.

The financial information for this report has been taken from the 2017 City of Pataskala Comprehensive Annual Financial Report (CAFR). The CAFR consists of 236 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,

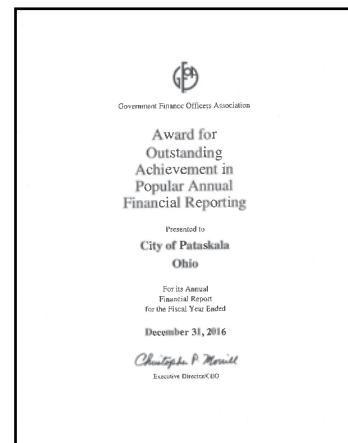
James M. Nicholson
Finance Director

Table of Contents

- 1 Table of Contents, Introductory Letter, Awards and Accomplishments
- 2 City Organization
- 3 Property and Income Taxes
- 4 Where the Money Comes From
- 5 Where the Money Goes
- 6 General Fund Analysis
- 7 Street Fund Analysis
- 8 Police Fund Analysis
- 9 City Utility Funds Analysis
- 10 Debt Obligations, Capital Improvements

Awards & Accomplishments

The City received the GFOA Award for Outstanding Achievement in Popular Annual Financial Report for 2016.

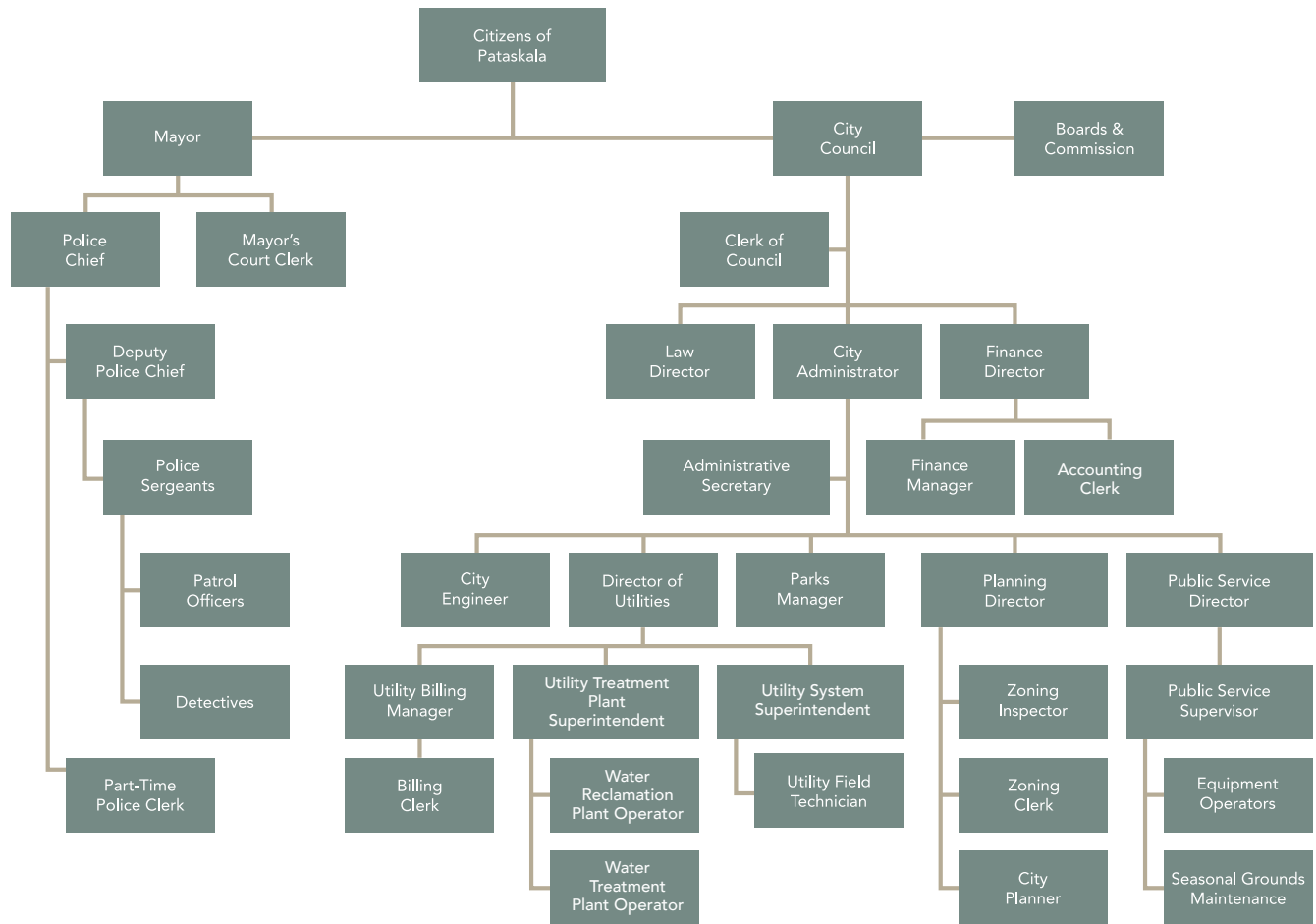


The City has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the past eight years (2009-2016) and has applied for the same award for 2017.

The City received the GFOA Distinguished Budget Award for 2017 and has applied for the same award for 2018.

The City has also received the Ohio Auditor of State's Award with Distinction certificate for the past eight consecutive years (2009-2016) and hopes to receive the award for 2017 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 - Michael W. Compton (2021)

Council President – Timothy O. Hickin (2021)

At-Large – Andrew W. Walther (2021)

At-Large – Todd W. Barstow (2021)

Ward 1 – Thomas H. Lee (2019)

Ward 2 – Melissa A. Carter (2019)

Ward 3 – Michael C. Powell (2019)

Ward 4 – Suzanne M. Hayes (2019)



Property Taxes

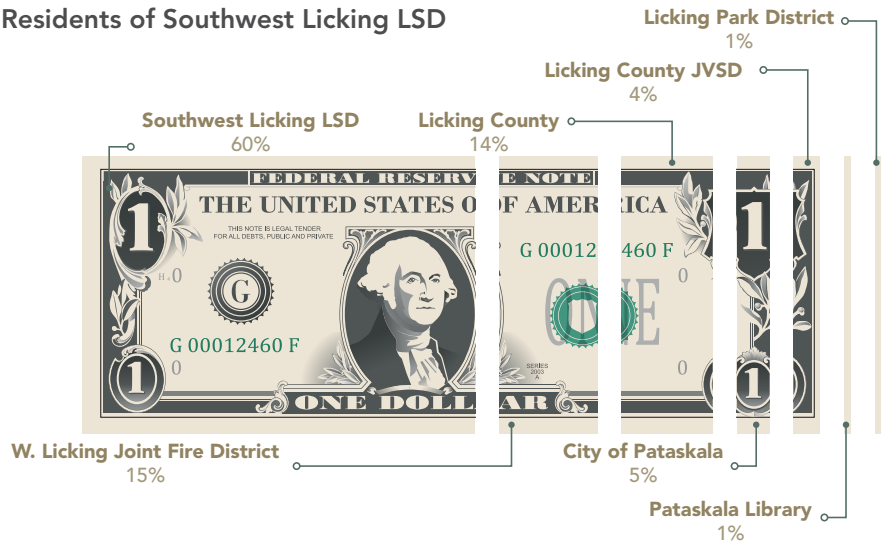
Only a small portion of your property taxes support City operations. The City’s General Fund only receives approximately \$0.04 - \$0.05 of every dollar of property tax paid. School districts, Licking County, and various other entities receive a portion of the taxes paid by the City of Pataskala residents.

Understanding Property Taxes

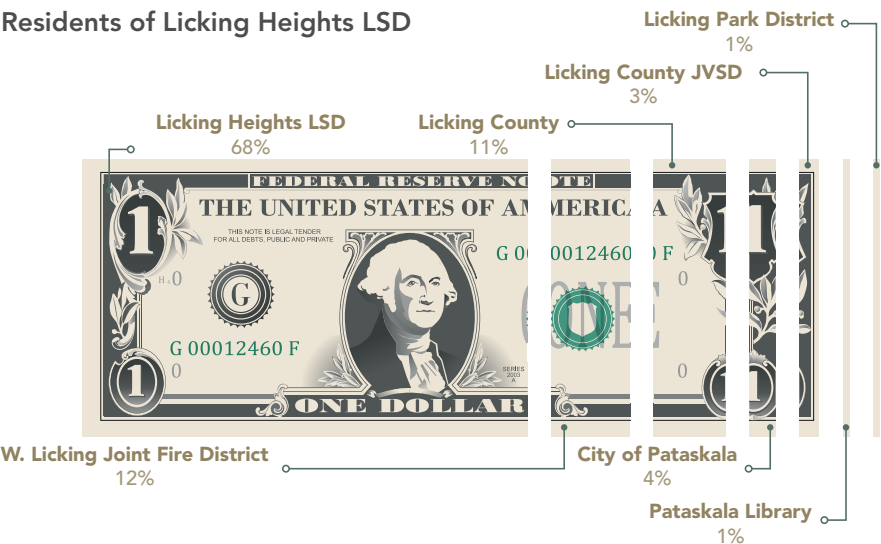
Property tax is based on the amount charged per \$1,000 worth of taxable property value, also known as ‘millage’. Amounts collected for levies other than general operating must be used for those specific purposes. The County Auditor’s office handles the administration of property taxes in the state of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

	2017	2016	2015	2014
Steet Fund	32.10%	35.65%	33.30%	46.50%
Police Fund	52.00%	53.00%	54.10%	41.50%
Capital Improvements Fund	2.00%	2.15%	0.00%	7.00%
Debt Service Fund	13.90%	9.20%	12.60%	5.00%

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

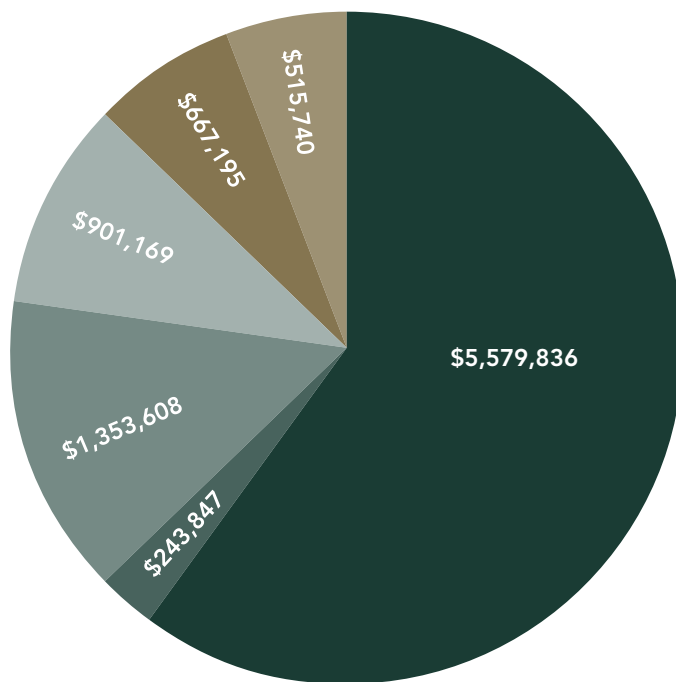
City of Columbus	2.50%
City of Newark	1.75%
City of Reynoldsburg	2.50%
City of Gahanna	1.50%
Village of Granville	1.50%
Village of Johnstown	1.00%
City of Pataskala	1.00%



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 2017. The significance of income taxes is clearly evident as they make up 60.25% 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
- Capital Grants and Contributions
- Operating Grants and Contributions
- Property Taxes
- Charges for Services and Sales
- Other Revenues

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.

	2017	2016	2015
Income Taxes	\$ 5,579,836	\$ 5,136,499	\$ 4,470,343
Capital Grants and Contributions	\$ 243,847	\$ 1,311,084	\$ 274,739
Operating Grants and Contributions	\$ 1,353,608	\$ 1,299,277	\$ 1,237,885
Property Taxes	\$ 901,169	\$ 843,062	\$ 827,781
Charges for Services and Sales	\$ 667,195	\$ 555,844	\$ 535,264
Other Revenues	\$ 515,740	\$ 409,521	\$ 363,756
Total Governmental Activities Revenues	\$ 9,261,395	\$ 9,555,287	\$ 7,709,768



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.

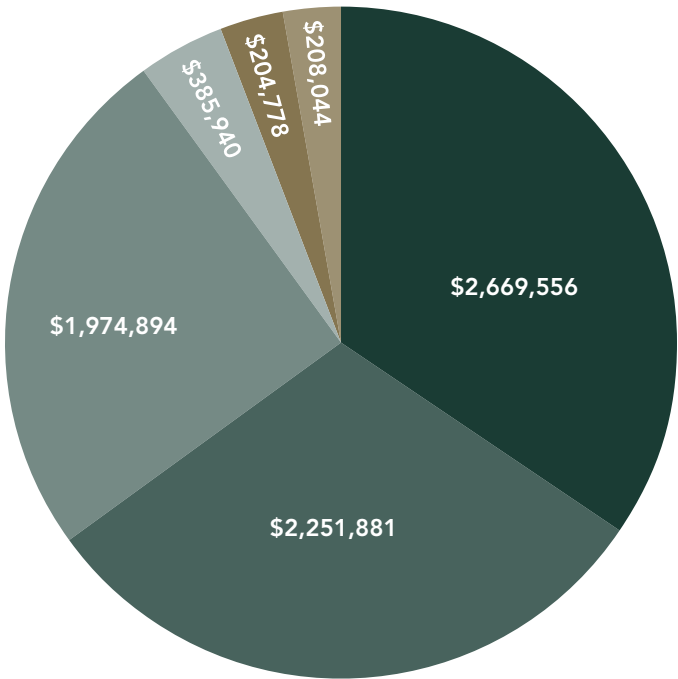
Leisure Time Activities
This expense accounts for the operations of the City's parks and recreation department.



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. 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

	2017	2016	2015
Security of Persons and Property	\$ 2,669,556	\$ 2,495,690	\$ 2,134,698
Transportation	\$ 2,251,881	\$ 2,193,530	\$ 1,762,282
General Government	\$ 1,974,894	\$ 1,805,720	\$ 1,919,562
Community Environment	\$ 385,940	\$ 296,206	\$ 246,113
Interest and Fiscal Charges	\$ 204,778	\$ 220,459	\$ 211,259
Leisure Time Activities	\$ 208,044	\$ 186,728	\$ 67,486
Total Governmental Activities Expenses	\$ 7,695,093	\$ 7,198,333	\$ 6,341,400

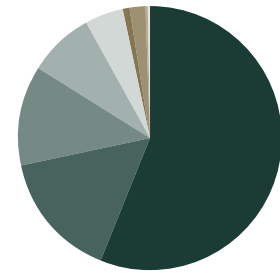
General Fund Analysis

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

	2017	2016	2015
Property Taxes	\$ 880,675	\$ 853,298	\$ 832,535
Licenses and Permits	\$ 243,503	\$ 228,663	\$ 249,575
Intergovernmental	\$ 192,814	\$ 182,707	\$ 183,477
Fines and Forfeitures	\$ 126,841	\$ 136,246	\$ 148,190
Charges for Services	\$ 72,332	\$ 38,370	\$ -
Investment Income	\$ 13,150	\$ 12,337	\$ 8,262
Other Revenues	\$ 32,655	\$ 10,078	\$ 9,491
Rental Income	\$ 4,055	\$ 8,666	\$ 3,420
Special Assessments	\$ -	\$ 2,440	\$ 5,591
Contributions and Donations	\$ 1,205	\$ 700	\$ -
Total General Fund Revenues	\$ 1,567,230	\$ 1,473,505	\$ 1,440,541

2017 Revenue Amounts

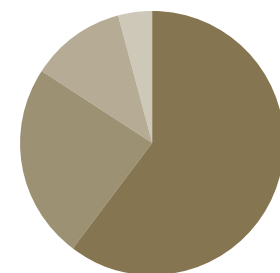


- Property Taxes
- Licenses and Permits
- Intergovernmental
- Fines and Forfeitures
- Charges for Services
- Investment Income
- Other Revenues
- Rental Income
- Special Assessments
- Contributions and Donations

Expenditures and Other Financing Uses

	2017	2016	2015
General Government	\$ 847,352	\$ 784,156	\$ 940,050
Community Environment	\$ 336,947	\$ 271,871	\$ 256,706
Leisure Time Activities	\$ 161,560	\$ 148,765	\$ 43,033
Debt Service	\$ 951	\$ 6,772	\$ 6,772
Transfers Out	\$ 56,500	\$ -	\$ 200,000
Total General Fund Expenditures and Other Financing Uses	\$ 1,403,310	\$ 1,211,564	\$ 1,446,561

2017 Expenditure Amounts



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

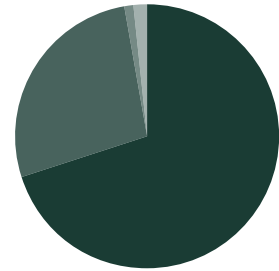
Street Fund Analysis

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

	2017	2016	2015
Income Taxes	\$ 1,913,673	\$ 1,829,902	\$ 1,665,260
Intergovernmental	\$ 747,953	\$ 717,667	\$ 664,425
Investment Income	\$ 27,009	\$ 23,074	\$ 17,977
Other Revenues	\$ 43,502	\$ 47,307	\$ 18,413
Inception of Capital Lease	\$ -	\$ 260,000	\$ 500,000
Transfer In	\$ -	\$ 9	\$ 50,000
Total Street Fund Revenues and Other Financing Sources	\$ 2,732,137	\$ 2,877,959	\$ 2,916,075

2017 Revenue Amounts

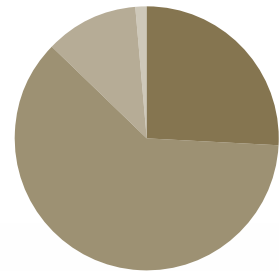


- Income Taxes
- Intergovernmental
- Investment Income
- Other Revenues
- Inception of Capital Lease
- Transfer In

Expenditures and Other Financing Uses

	2017	2016	2015
General Government	\$ 493,241	\$ 423,529	\$ 456,089
Transportation	\$ 1,168,154	\$ 1,861,525	\$ 1,494,035
Capital Outlay	\$ -	\$ 260,000	\$ 500,000
Debt Service	\$ 216,175	\$ 216,174	\$ 161,378
Transfers Out	\$ 25,000	\$ -	\$ 165,180
Total Street Fund Expenditures and Other Financing Uses	\$ 1,902,570	\$ 2,761,228	\$ 2,776,682

2017 Expenditure Amounts



- General Government
- Transportation
- Debt Service
- Transfers Out

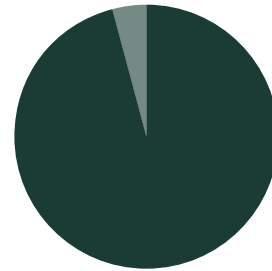
Police Fund Analysis

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

	2017	2016	2015
Income Taxes	\$ 2,879,447	\$ 2,720,471	\$ 2,668,648
Fines and Forfeitures	\$ 1,623	\$ 490	\$ 525
Other Revenues	\$ 82,995	\$ 111,785	\$ 63,814
Sale of Capital Assets	\$ 15,326	\$ -	\$ 12,086
Total Police Fund Revenues and Other Financing Sources	\$ 2,979,391	\$ 2,832,746	\$ 2,745,073

2017 Revenue Amounts

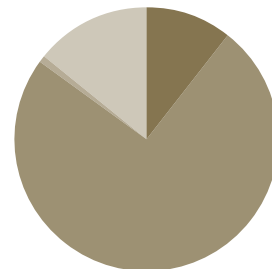


- Income Taxes
- Fines and Forfeitures
- Other Revenues
- Sale of Capital Assets

Expenditures and Other Financing Uses

	2017	2016	2015
General Government	\$ 364,582	\$ 318,004	\$ 318,408
Security of Persons and Property	\$ 2,357,524	\$ 2,230,994	\$ 2,029,127
Debt Service	\$ 26,787	\$ 26,787	\$ 26,787
Transfers Out	\$ 17,429	\$ 417,429	\$ 17,500
Total Police Fund Expenditures and Other Financing Uses	\$ 2,766,322	\$ 2,993,214	\$ 2,391,822

2017 Expenditure Amounts



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



Artist rendition of proposed new City Police Station

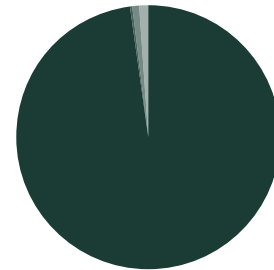
City Utility Funds Analysis

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

	2017	2016	2015
Charges for Services	\$ 3,911,276	\$ 4,163,319	\$ 3,873,473
Special Assessments	\$ 9,667	\$ 11,438	\$ 9,818
Other Revenues	\$ 33,064	\$ 64,094	\$ 2,296
Interest Income	\$ 37,836	\$ 40,778	\$ 30,006
Total Utility Funds Revenues	\$ 3,991,843	\$ 4,279,629	\$ 3,915,593

2017 Revenue Amounts

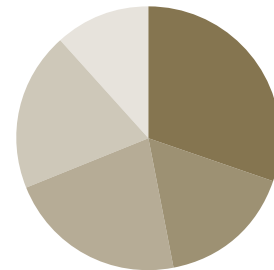


- Charges for Services
- Special Assessments
- Other Revenues
- Interest Income

Operating and Non-Operating Expenses

	2017	2016	2015
Salaries and Related Services	\$ 1,144,812	\$ 1,026,805	\$ 979,015
Contractual Services	\$ 528,048	\$ 566,336	\$ 525,334
General Operating	\$ 505,699	\$ 739,435	\$ 687,263
Depreciation	\$ 651,776	\$ 653,263	\$ 647,639
Interest and Fiscal Charges	\$ 357,173	\$ 388,479	\$ 554,000
Total Utility Funds Expenses	\$ 1,475	\$ -	\$ -
	\$ 3,188,983	\$ 3,374,318	\$ 3,393,251

2017 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
2017	\$ 4.48	\$ 6.72	\$ 3.00
2016	\$ 4.48	\$ 6.72	\$ 3.00
2015	\$ 4.39	\$ 6.59	\$ 1.50

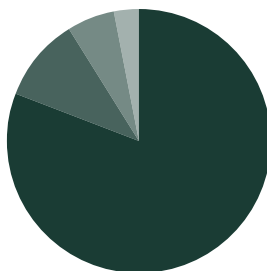
Debt Obligations

As of December 31, 2017, the City had \$19,693,663 in outstanding long term debt. The City maintains a credit rating of Aa3 from Moody's. A high credit rating benefits the City and citizens by lowering the interest rates charged on its debt.

Governmental Activities

	2017	2016	2015
General Obligation Bonds	\$ 6,038,996	\$ 6,326,350	\$ 6,608,704
Miscellaneous Loans Payable	\$ 764,478	\$ 918,334	\$ 1,065,645
Capital Leases	\$ 439,296	\$ 665,819	\$ 639,033
Notes Payable	\$ -	\$ 500,000	\$ -
OPWC Loans	\$ 214,414	\$ 38,839	\$ 86,611
Total Governmental Activities	\$ 7,457,184	\$ 8,449,342	\$ 8,399,993

2017 Amounts

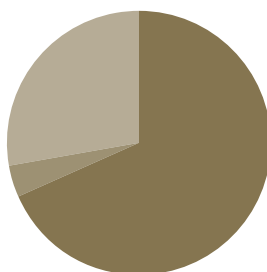


- General Obligation Bonds
- Miscellaneous Loans Payable
- Capital Leases
- Notes Payable
- OPWC Loans

Business-Type Activities (Water & Sewer)

	2017	2016	2015
General Obligation Bonds	\$ 8,362,945	\$ 8,760,463	\$ 9,157,981
Miscellaneous Loans Payable	\$ 500,000	\$ 600,000	\$ 700,000
OWDA Loans Payable	\$ 3,373,534	\$ 3,572,382	\$ 3,765,979
Total Business-Type Activities	\$ 12,236,479	\$ 12,932,845	\$ 13,623,960

2017 Amounts



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

Capital Improvements

Over the past several years, the City has undertaken many capital improvement projects to enhance various aspects of the City, including:

- Phase II of the Mink Road Reconstruction Project is currently underway, with completion anticipated in early-2019.
- Continued focus on the City's Roadway Asset Management Program (RAMP) which identifies and prioritizes those roadways in need of maintenance, repair and replacement.
- Improvements to Main Street downtown, including sidewalk, curbs and street lighting.
- Taylor Road/Cleveland Road pedestrian and bike path
- Replacement of the Columbia Road bridge
- Completion of the Shawnee and Refugee Water Reclamation facilities
- Construction of a new, \$4.3 million Police station is currently underway, with completion anticipated in Spring 2019.
- Rehabilitation of the River Forest lift station, including replacement of a 45-year old pump
- Construction of a biosolids facility, providing the City with an environmentally-friendly alternative to having waste processing byproducts simply being trucked away.





City of Pataskala
621 W. Broad Street
Pataskala, Ohio 43062
cityofpataskalaohio.gov

Presort First Class
U.S. Postage
PAID
Permit #400
Pataskala, OH



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 17,175 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. The City's median household income is \$69,574, has an unemployment rate of 3.8% and has a median housing value of \$162,900.

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.