



# *City of Pataskala, Ohio*

## POPULAR ANNUAL FINANCIAL REPORT

### FOR THE YEAR ENDED DECEMBER 31, 2018



## Dear Citizens of the City of Pataskala:



The City of Pataskala's Finance Department is pleased to present the City's third Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2018. This report provides transparency as to where the City revenues come from and where those dollars are going for residents that may not have finance or accounting backgrounds. Additionally, we highlighted some of the economic development activity and capital improvements that took place in 2018 and what we can expect in 2019.

The financial information for this report has been taken from the 2018 City of Pataskala Comprehensive Annual Financial Report (CAFR). The CAFR consists of 250 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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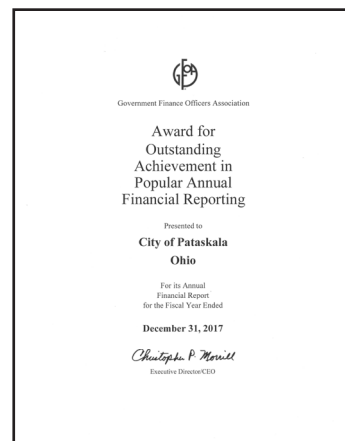
## Awards & Accomplishments

The City received the GFOA Award for Outstanding Achievement in Popular Annual Financial Report for 2017. This was the 2nd consecutive year the City has received this award.

The City has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the past nine years (2009-2017) and has applied for the same award for 2018.

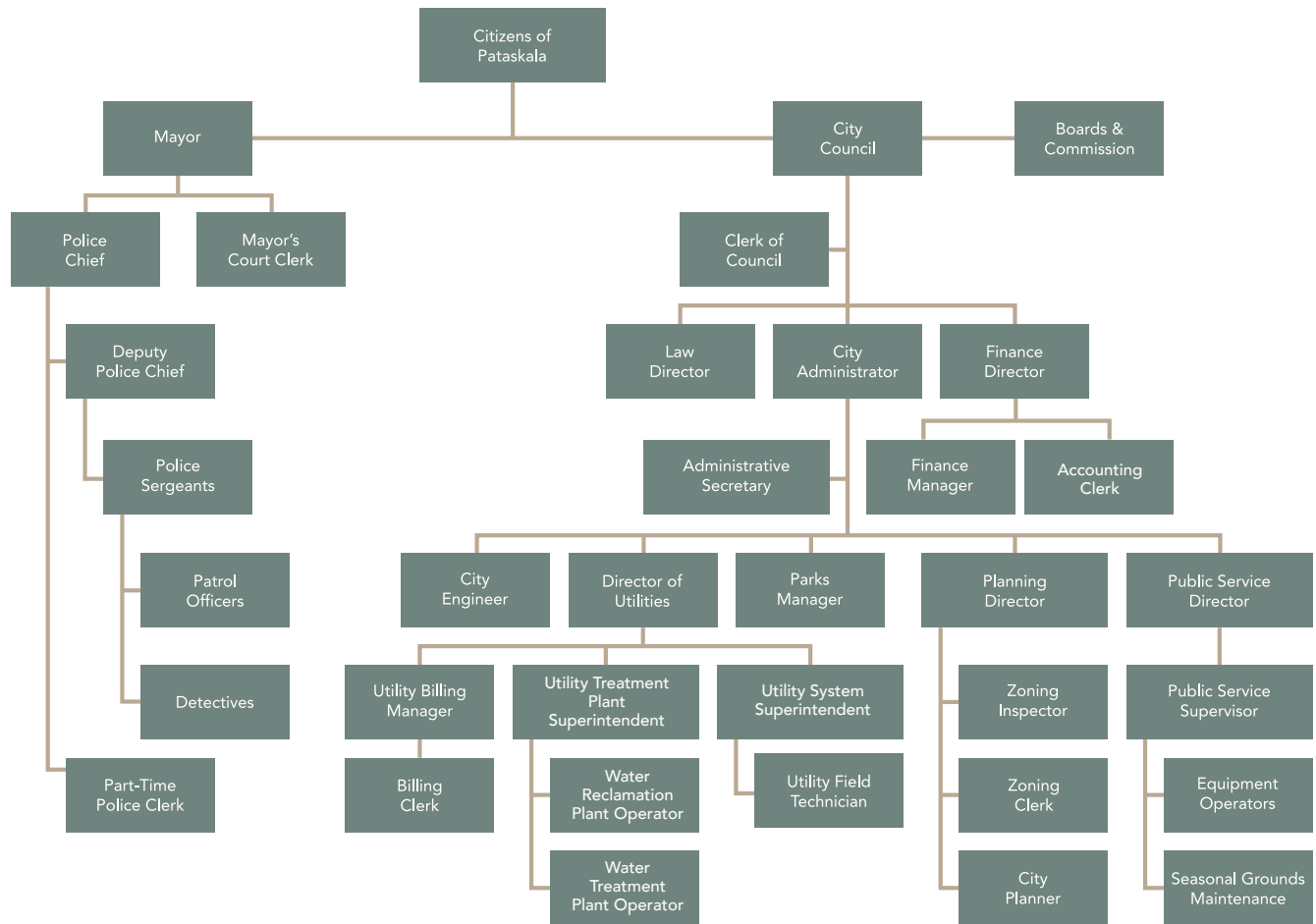
The City received the GFOA Distinguished Budget Award for 2018 and has applied for the same award for 2019. This was the 2nd consecutive year the City has received this award.

The City has also received the Ohio Auditor of State's Award with Distinction certificate for the past nine consecutive years (2009-2017).





## 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 – Todd W. Barstow (2021)

At-Large – Timothy O. Hickin (2021)

At-Large – Andrew W. Walther (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

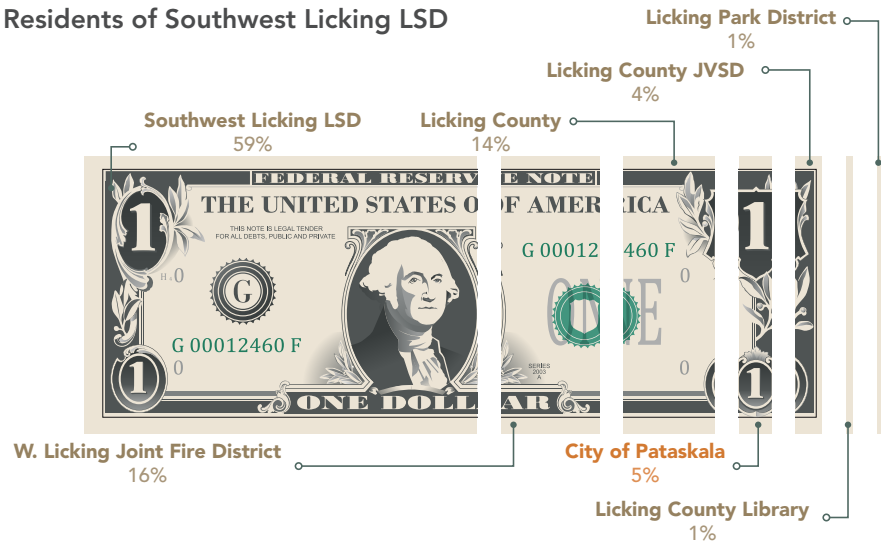
Only a small portion of your property taxes support City operations. The City's General Fund receives approximately \$0.04 - \$0.05 of every dollar of property tax paid. School districts, Licking County, and various other entities receive a portion of the taxes paid by the City of Pataskala residents.

### Understanding Property Taxes

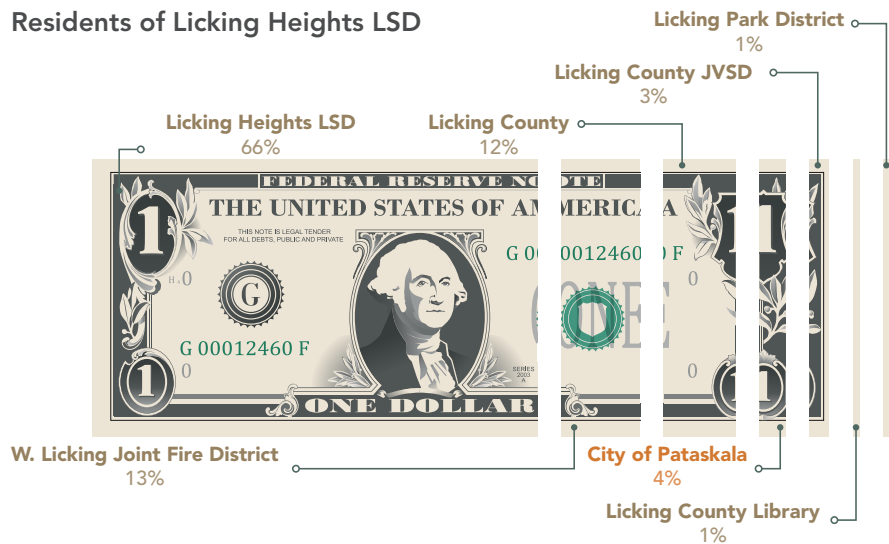
Property tax is based on the amount charged per \$1,000 worth of taxable property value, also known as 'millage'. Amounts collected for levies other than general operating must be used for those specific purposes. The County Auditor's office handles the administration of property taxes in the state of 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 mid-2010, 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:

	2018	2017	2016	2015
Steet Fund	32.10%	32.10%	35.65%	33.30%
Police Fund	52.00%	52.00%	53.00%	54.10%
Capital Improvements Fund	2.00%	2.00%	2.15%	0.00%
Debt Service Fund	13.90%	13.90%	9.20%	12.60%

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

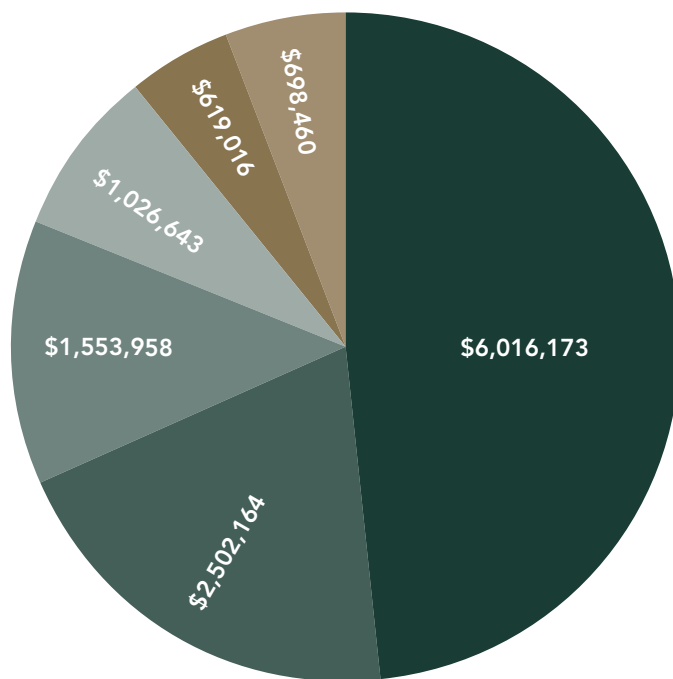
City of Columbus	2.50%
City of Newark	1.75%
City of Reynoldsburg	2.50%
City of Gahanna	2.50%
Village of Granville	1.50%
Village of Johnstown	1.00%
City of Pataskala	1.00%



## Where the Money Comes From

### Revenues - Governmental Activities

The funding the City receives in order to provide services to its 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 2018. The significance of income taxes is clearly evident as it makes up 48.45% of governmental activities revenue. This indicates the importance for the need of a strong local economic base to keep this revenue stream strong. The increase in income tax was the result of an improved economy and more business within the City. The increase in capital grants and contributions was the result of donated infrastructure to the City from completed construction projects.



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

	2018	2017	2016
Income Taxes	\$ 6,016,173	\$ 5,579,836	\$ 5,136,499
Capital Grants and Contributions	\$ 2,502,164	\$ 243,847	\$ 1,311,084
Operating Grants and Contributions	\$ 1,553,958	\$ 1,353,608	\$ 1,299,277
Property Taxes	\$ 1,026,643	\$ 901,169	\$ 843,062
Charges for Services and Sales	\$ 619,016	\$ 667,195	\$ 555,844
Other Revenues	\$ 698,460	\$ 515,740	\$ 409,521
<b>Total Governmental Activities Revenues</b>	<b>\$ 12,416,414</b>	<b>\$ 9,261,395</b>	<b>\$ 9,555,287</b>

## 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

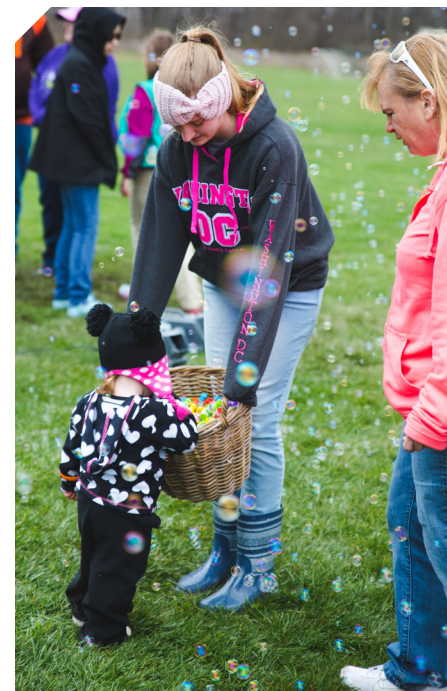
Revenues received from the City's portion of the taxes due on real property and public utility. The City assesses a property tax rate of \$2.90 per \$1,000 of assessed valuation.

### 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.

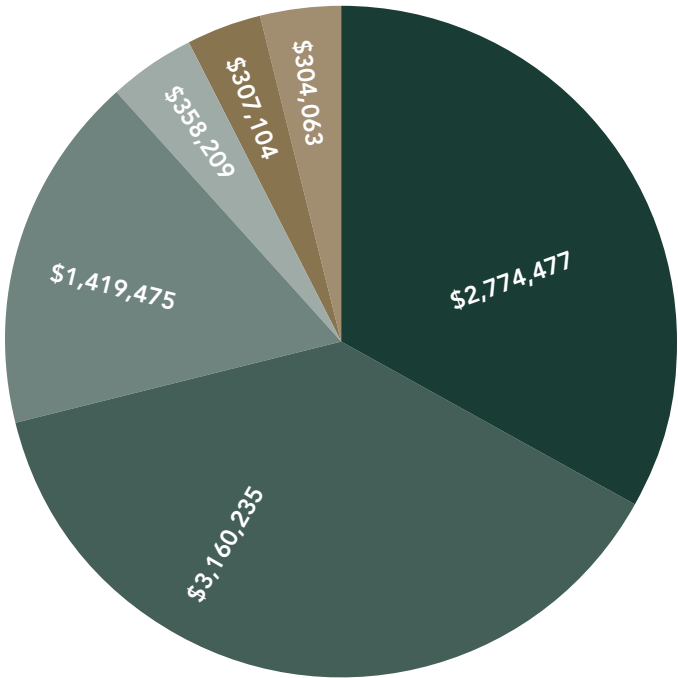
**Leisure Time Activities**  
This expense accounts for the operations of the City's parks and recreation department.



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. The City's expenses are reported at the function level which describes the primary purpose of the expense. Within each function the expenses of one or more City departments or offices are reported. The increase in transportation is primarily the result of depreciation on City roads and additional costs paid from the City's Street fund.



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

	2018	2017	2016
Security of Persons and Property	\$ 2,774,477	\$ 2,669,556	\$ 2,495,690
Transportation	\$ 3,160,235	\$ 2,251,881	\$ 2,193,530
General Government	\$ 1,419,475	\$ 1,974,894	\$ 1,805,720
Community Environment	\$ 358,209	\$ 385,940	\$ 296,206
Interest and Fiscal Charges	\$ 307,104	\$ 204,778	\$ 220,459
Leisure Time Activities	\$ 304,063	\$ 208,044	\$ 186,728
Total Governmental Activities Expenses	\$ 8,323,563	\$ 7,695,093	\$ 7,198,333

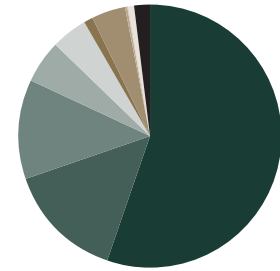
## General Fund Analysis

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 revenue received from the state 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 and Other Financing Sources

	2018	2017	2016
Property Taxes	\$ 1,008,111	\$ 880,675	\$ 853,298
Licenses and Permits	\$ 264,336	\$ 243,503	\$ 228,663
Intergovernmental	\$ 220,884	\$ 192,814	\$ 182,707
Fines and Forfeitures	\$ 96,145	\$ 126,841	\$ 136,246
Charges for Services	\$ 81,295	\$ 72,332	\$ 38,370
Investment Income	\$ 19,315	\$ 13,150	\$ 12,337
Other Revenues	\$ 80,556	\$ 32,655	\$ 10,078
Rental Income	\$ 2,760	\$ 4,055	\$ 8,666
Special Assessments	\$ 1,305	\$ -	\$ 2,440
Contributions and Donations	\$ 13,191	\$ 1,205	\$ 700
Inception of Capital Lease	\$ 33,614	\$ -	\$ -
<b>Total General Fund Revenues</b>	<b>\$ 1,821,512</b>	<b>\$ 1,567,230</b>	<b>\$ 1,473,505</b>

2018 Revenue Amounts

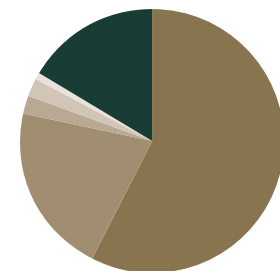


- Property Taxes
- Licenses and Permits
- Intergovernmental
- Fines and Forfeitures
- Charges for Services
- Investment Income
- Other Revenues
- Rental Income
- Special Assessments
- Contributions and Donations
- Inception of Capital Lease

### Expenditures and Other Financing Uses

	2018	2017	2016
General Government	\$ 888,186	\$ 847,352	\$ 784,156
Community Environment	\$ 325,272	\$ 336,947	\$ 271,871
Leisure Time Activities	\$ 252,047	\$ 161,560	\$ 148,765
Capital Outlay	\$ 33,614	\$ -	\$ -
Debt Service	\$ 13,074	\$ 951	\$ 6,772
Transfers Out	\$ 250,000	\$ 56,500	\$ -
<b>Total General Fund Expenditures and Other Financing Uses</b>	<b>\$ 1,762,193</b>	<b>\$ 1,403,310</b>	<b>\$ 1,211,564</b>

2018 Expenditure Amounts



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



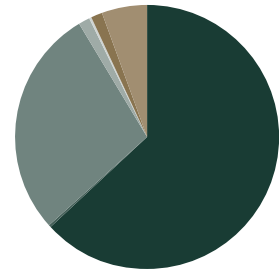
## Street Fund Analysis

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 and benefits, materials and equipment used by the Public Service department as well as to maintain local roads and related infrastructure of the City.

### Revenues and Other Financing Sources

	2018	2017	2016
Income Taxes	\$ 1,851,162	\$ 1,913,673	\$ 1,829,902
Charges for Services	\$ 10,804	\$ -	\$ -
Intergovernmental	\$ 824,676	\$ 747,953	\$ 717,667
Investment Income	\$ 42,815	\$ 27,009	\$ 23,074
Contributions and Donations	\$ 2,200	\$ -	\$ -
Other Revenues	\$ 47,138	\$ 43,502	\$ 47,307
Inception of Capital Lease	\$ 155,000	\$ -	\$ 260,000
Transfer In	\$ -	\$ -	\$ 9
<b>Total Street Fund Revenues and Other Financing Sources</b>	<b>\$ 2,933,795</b>	<b>\$ 2,732,137</b>	<b>\$ 2,877,959</b>

2018 Revenue Amounts

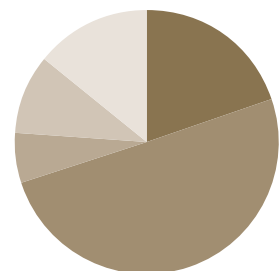


- Income Taxes
- Charges for Services
- Intergovernmental
- Investment Income
- Contributions and Donations
- Other Revenues
- Inception of Capital Lease
- Transfer In

### Expenditures and Other Financing Uses

	2018	2017	2016
General Government	\$ 505,109	\$ 493,241	\$ 423,529
Transportation	\$ 1,279,378	\$ 1,168,154	\$ 1,861,525
Capital Outlay	\$ 155,000	\$ -	\$ 260,000
Debt Service	\$ 249,621	\$ 216,175	\$ 216,174
Transfers Out	\$ 354,000	\$ 25,000	\$ -
<b>Total Street Fund Expenditures and Other Financing Uses</b>	<b>\$ 2,543,108</b>	<b>\$ 1,902,570</b>	<b>\$ 2,761,228</b>

2018 Expenditure Amounts



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



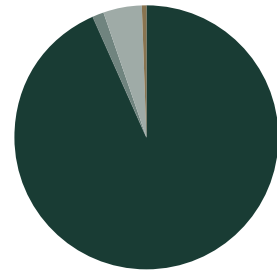
## Police Fund Analysis

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

	2018	2017	2016
Income Taxes	\$ 2,982,395	\$ 2,879,447	\$ 2,720,471
Fines and Forfeitures	\$ 1,954	\$ 1,623	\$ 490
Intergovernmental	\$ 40,549	\$ -	\$ -
Other Revenues	\$ 155,229	\$ 82,995	\$ 111,785
Sale of Capital Assets	\$ -	\$ 15,326	\$ -
Inception of Capital Lease	\$ 10,535	\$ -	\$ -
<b>Total Police Fund Revenues and Other Financing Sources</b>	<b>\$ 3,190,662</b>	<b>\$ 2,979,391</b>	<b>\$ 2,832,746</b>

2018 Revenue Amounts

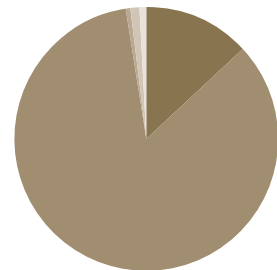


- Income Taxes
- Fines and Forfeitures
- Intergovernmental
- Other Revenues
- Sale of Capital Assets
- Inception of Capital Lease

### Expenditures and Other Financing Uses

	2018	2017	2016
General Government	\$ 357,411	\$ 364,582	\$ 318,004
Security of Persons and Property	\$ 2,299,122	\$ 2,357,524	\$ 2,230,994
Capital Outlay	\$ 10,535	\$ -	\$ -
Debt Service	\$ 28,249	\$ 26,787	\$ 26,787
Transfers Out	\$ 22,500	\$ 17,429	\$ 417,429
<b>Total Police Fund Expenditures and Other Financing Uses</b>	<b>\$ 2,717,817</b>	<b>\$ 2,766,322</b>	<b>\$ 2,993,214</b>

2018 Expenditure Amounts



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



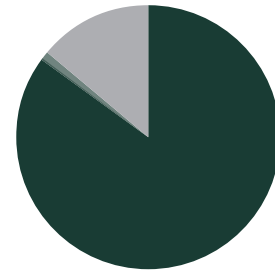
## City Utility Funds Analysis

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

	2018	2017	2016
Charges for Services	\$ 4,355,443	\$ 3,911,276	\$ 4,163,319
Special Assessments	\$ 9,909	\$ 9,667	\$ 11,438
Other Revenues	\$ 48,002	\$ 33,064	\$ 64,094
Interest Income	\$ -	\$ 37,836	\$ 40,778
Capital Contributions	\$ 708,879	\$ -	\$ -
<b>Total Utility Funds Revenues</b>	<b>\$ 5,122,233</b>	<b>\$ 3,991,843</b>	<b>\$ 4,279,629</b>

2018 Revenue Amounts

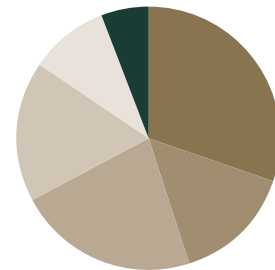


- Charges for Services
- Special Assessments
- Other Revenues
- Interest Income
- Capital Contributions

### Operating and Non-Operating Expenses

	2018	2017	2016
Salaries and Related Services	\$ 1,091,431	\$ 1,144,812	\$ 1,026,805
Contractual Services	\$ 537,520	\$ 528,048	\$ 566,336
General Operating	\$ 792,942	\$ 505,699	\$ 739,435
Depreciation	\$ 626,772	\$ 651,776	\$ 653,263
Interest and Fiscal Charges	\$ 348,121	\$ 357,173	\$ 388,479
Loss On Sale of Capital Assets	\$ 204,046	\$ 1,475	\$ -
<b>Total Utility Funds Expenses</b>	<b>\$ 3,600,832</b>	<b>\$ 3,188,983</b>	<b>\$ 3,374,318</b>

2018 Expenditure Amounts



- Salaries and Related Services
- Contractual Services
- General Operating
- Depreciation
- Interest and Fiscal Charges
- Loss On Sale of Capital Asset



### Water and Sewer Rates per 1,000 Gallons

	In-Town	Out-of-Town	CIP
2018	\$ 4.48	\$ 6.72	\$ 3.00
2017	\$ 4.48	\$ 6.72	\$ 3.00
2016	\$ 4.48	\$ 6.72	\$ 3.00

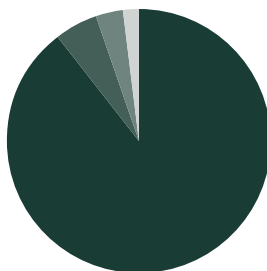
## Debt Obligations

As of December 31, 2018, the City had \$22,426,409 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. The increase governmental activities general obligation bonds was due to the City issuing bonds to pay for construction of the new City police station.

### Governmental Activities

	2018	2017	2016
General Obligation Bonds	\$ 10,145,000	\$ 6,038,996	\$ 6,326,350
Miscellaneous Loans Payable	\$ 609,674	\$ 764,478	\$ 918,334
Capital Leases	\$ 361,444	\$ 439,296	\$ 665,819
Notes Payable	\$ -	\$ -	\$ 500,000
OPWC Loans	\$ 211,000	\$ 214,414	\$ 38,839
<b>Total Governmental Activities</b>	<b>\$ 11,327,118</b>	<b>\$ 7,457,184</b>	<b>\$ 8,449,342</b>

2018 Amounts

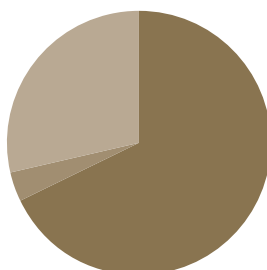


- General Obligation Bonds
- Miscellaneous Loans Payable
- Capital Leases
- Notes Payable
- OPWC Loans

### Business-Type Activities (Water & Sewer)

	2018	2017	2016
General Obligation Bonds	\$ 7,530,000	\$ 8,362,945	\$ 8,760,463
Miscellaneous Loans Payable	\$ 400,000	\$ 500,000	\$ 600,000
OWDA Loans Payable	\$ 3,169,291	\$ 3,373,534	\$ 3,572,382
<b>Total Business-Type Activities</b>	<b>\$ 11,099,291</b>	<b>\$ 12,236,479</b>	<b>\$ 12,932,845</b>

2018 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 mid-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.
- Taylor Road/Cleveland Road pedestrian and bike path.
- Replacement of the Columbia Road bridge.
- Oak Meadow roadway & drainage improvements.
- Completion of the Shawnee and Refugee Water Reclamation facilities.
- Constructed a new, \$4.6 million Police station which will accommodate future growth for the department.
- Rehabilitation of the River Forest lift station, including replacement of a 45-year old pump.
- Commence design of Water Reclamation Facility (WRF) upgrades.







City of Pataskala  
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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 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. The City's median household income is \$71,469, has an unemployment rate of 4.2% 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.