



City of Pataskala, Ohio

POPULAR ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2019



Dear Citizens of the City of Pataskala:



The City of Pataskala's Finance Department is pleased to present the City's fourth Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2019. 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 2019 and what to look forward to this year.

The financial information for this report has been taken from the 2019 City of Pataskala Comprehensive Annual Financial Report (CAFR). The CAFR consists of approximately 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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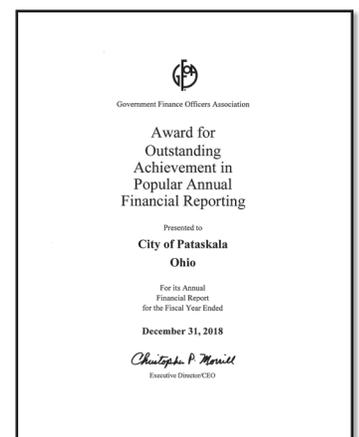
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Awards & Accomplishments

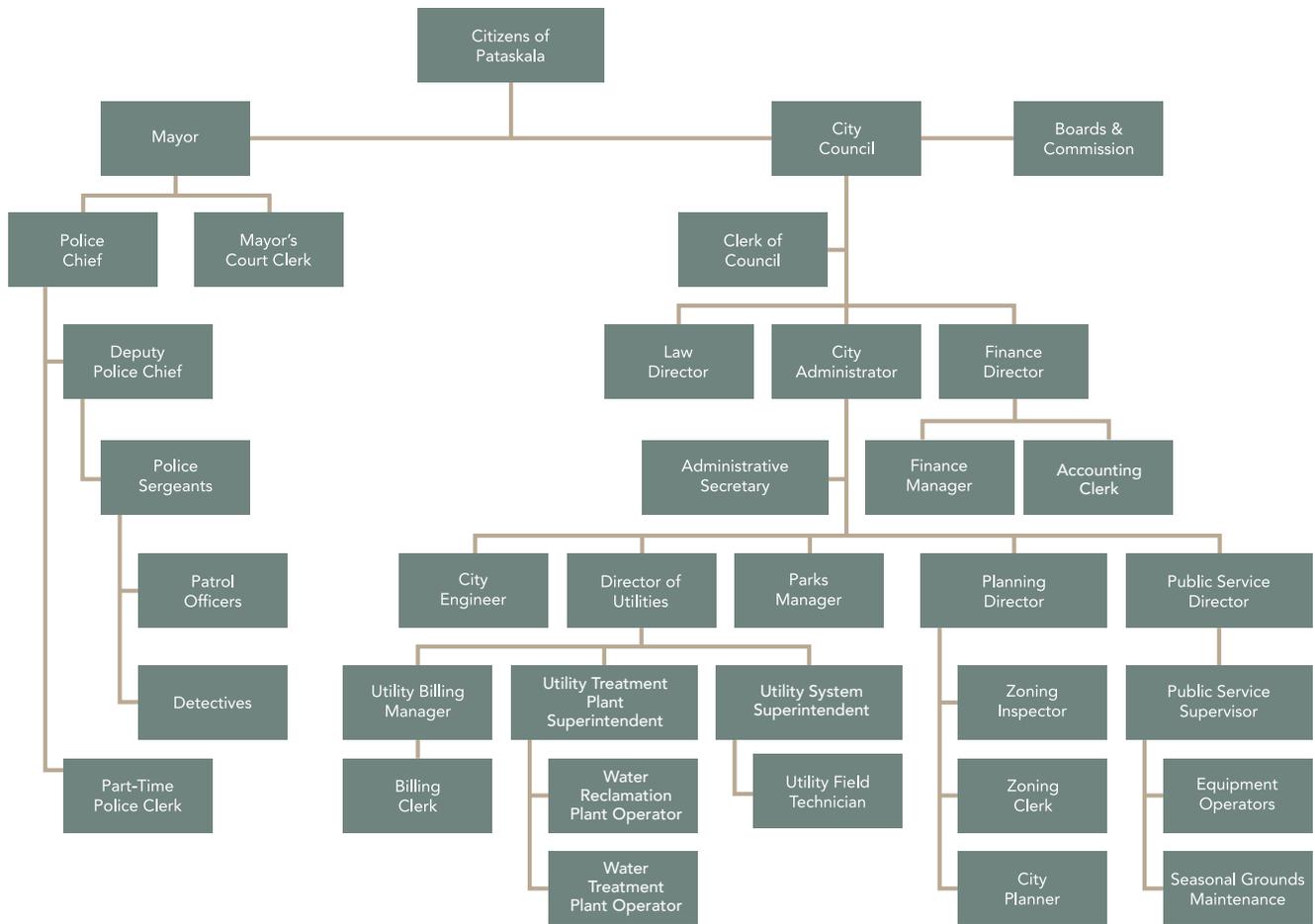
The City received the GFOA Award for Outstanding Achievement in Popular Annual Financial Report for 2018.

The City has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the past ten years (2009-2018) and has applied for the same award for 2019.

The City received the GFOA Distinguished Budget Award for 2019 and has applied for the same award for 2020.



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—Andrew W. Walther (2021)
- At-Large—Timothy O. Hickin (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

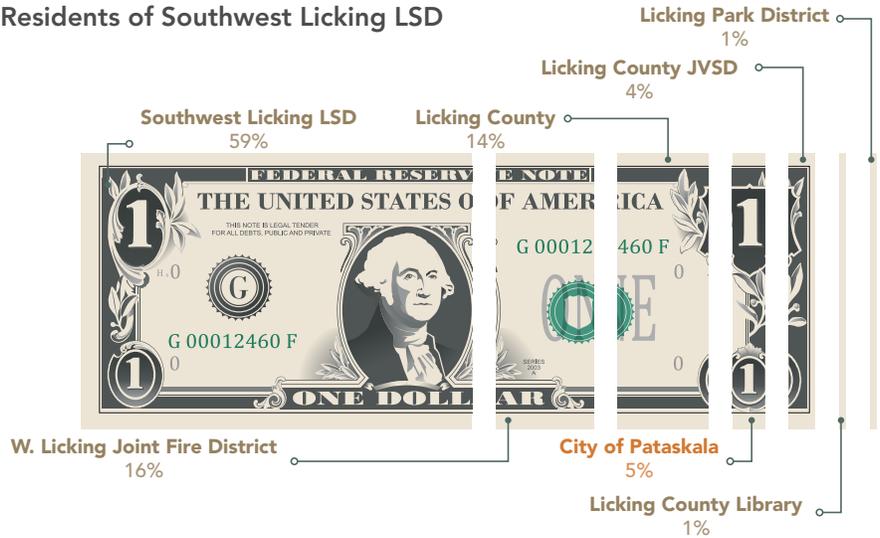
Only a small portion of your property taxes support City operations. The City's General Fund receives approximately \$0.04 - \$0.05 of every dollar of property tax paid. School districts, Licking County, and various other entities receive a portion of the taxes paid by the City of Pataskala residents.

Understanding Property Taxes

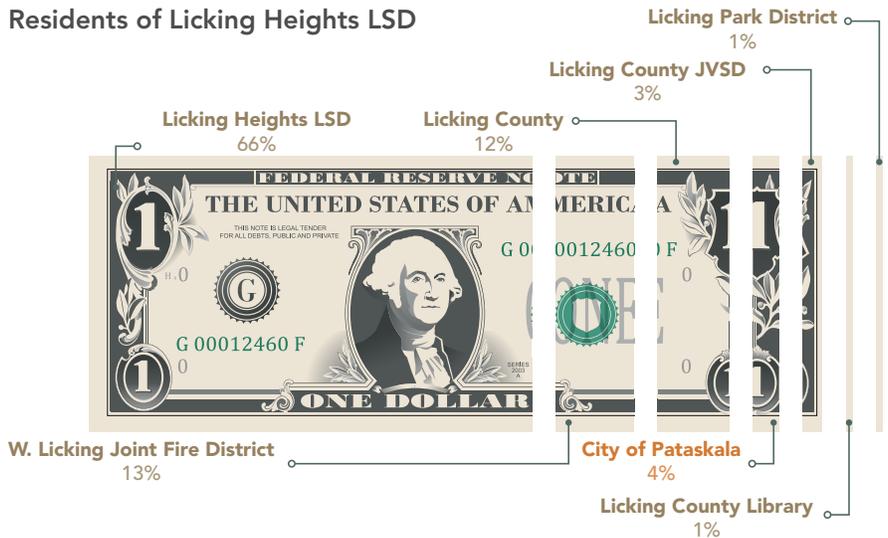
Property tax is based on the amount charged per \$1,000 worth of taxable property value, also known as 'millage'. Amounts collected for levies other than general operating must be used for those specific purposes. The County Auditor's office handles the administration of property taxes in the state of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

	2019	2018	2017	2016
Street Fund	33.00%	32.10%	32.10%	35.65%
Police Fund	51.50%	52.00%	52.00%	53.00%
Capital Improvements Fund	9.50%	2.00%	2.00%	2.15%
Debt Service Fund	6.00%	13.90%	13.90%	9.20%

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

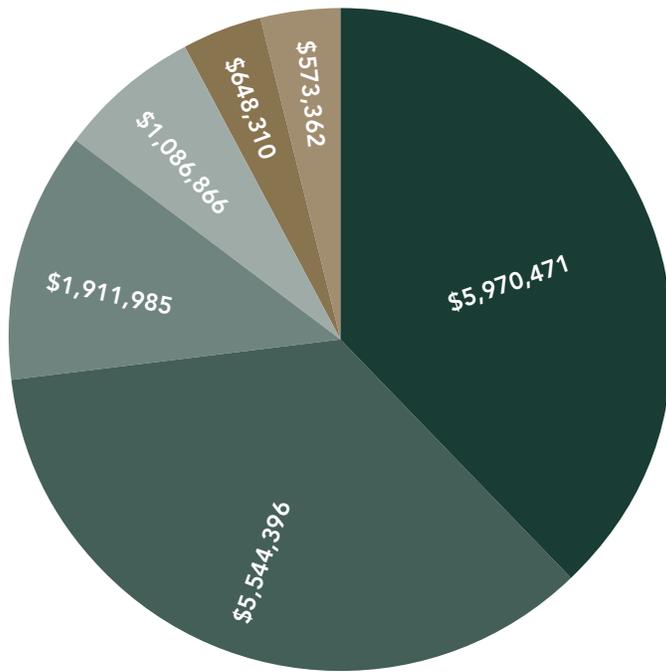
City of Columbus	2.50%
City of Newark	1.75%
City of Reynoldsburg	2.50%
City of Gahanna	2.50%
Village of Granville	1.50%
Village of Johnstown	1.00%
City of Pataskala	1.00%



Where the Money Comes From

Revenues - Governmental Activities

The funding the City receives in order to provide services to 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 2019. The significance of income taxes is clearly evident as they make up 37.94% 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 a better 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

	2019	2018	2017
Income Taxes	\$ 5,970,471	\$ 5,579,836	\$ 5,136,499
Capital Grants and Contributions	\$ 5,544,396	\$ 243,847	\$ 1,311,084
Operating Grants and Contributions	\$ 1,911,985	\$ 1,353,608	\$ 1,299,277
Property Taxes	\$ 1,086,866	\$ 901,169	\$ 843,062
Charges for Services and Sales	\$ 648,310	\$ 667,195	\$ 555,844
Other Revenues	\$ 573,362	\$ 515,740	\$ 409,521
Total Governmental Activities Revenues	\$ 15,735,390	\$ 9,261,395	\$ 9,555,287

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

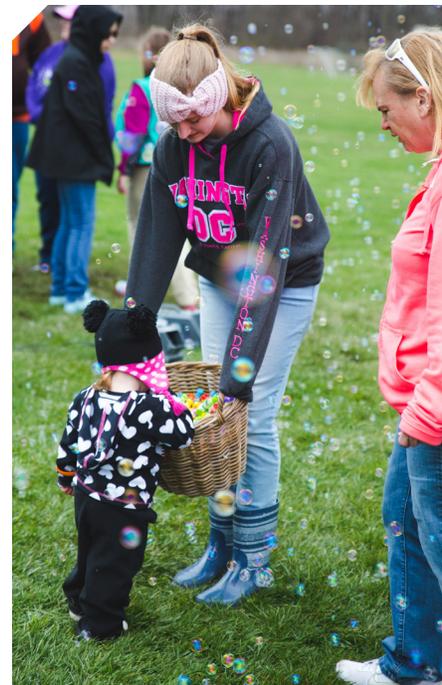
Revenues received from the City's portion of the taxes due on real property and public utility. The City assesses a property tax rate of \$2.90 per \$1,000 of assessed valuation.

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

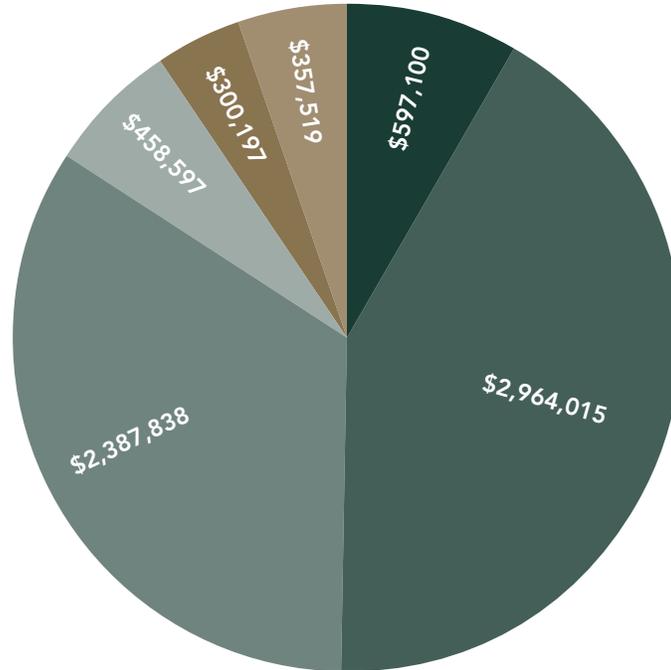
This expense accounts for the operations of the City's parks and recreation department.



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 expense of one or more City departments or offices are reported. The decrease in security of persons and property is related to a decrease in OPEB expenses related to the Ohio Police & Fire (OP&F) pension system.



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

	2019	2018	2017
Security of Persons and Property	\$ 597,100	\$ 2,774,477	\$ 2,669,556
Transportation	\$ 2,964,015	\$ 3,160,235	\$ 2,251,881
General Government	\$ 2,387,838	\$ 1,419,475	\$ 1,974,894
Community Environment	\$ 458,597	\$ 358,209	\$ 385,940
Interest and Fiscal Charges	\$ 300,197	\$ 307,104	\$ 204,778
Leisure Time Activities	\$ 357,519	\$ 304,063	\$ 208,044
Total Governmental Activities Expenses	\$ 7,065,266	\$ 8,323,563	\$ 7,695,093

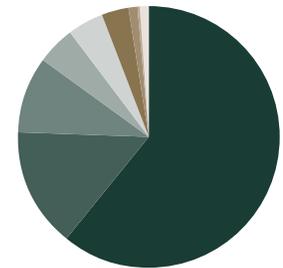
General Fund Analysis

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

	2019	2018	2017
Property taxes	\$ 1,127,029	\$ 1,008,111	\$ 880,675
Licenses and permits	\$ 274,890	\$ 264,336	\$ 243,503
Intergovernmental	\$ 175,056	\$ 220,884	\$ 192,814
Fines and forfeitures	\$ 84,836	\$ 96,145	\$ 126,841
Charges for services	\$ 83,319	\$ 81,295	\$ 72,332
Investment income	\$ 63,097	\$ 19,315	\$ 13,150
Other	\$ 17,538	\$ 80,556	\$ 32,655
Rental income	\$ 6,776	\$ 2,760	\$ 4,055
Special assessments	\$ 239	\$ 1,305	\$ —
Contributions and donations	\$ 16,856	\$ 13,191	\$ 1,205
Inception of capital lease	\$ —	\$ 33,614	\$ —
Total General Fund Revenues	\$ 1,849,636	\$ 1,821,512	\$ 1,567,230

2019 Revenue Amounts

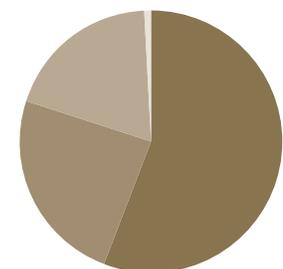


- Property Taxes
- Licenses and Permits
- Intergovernmental
- Fines and Forfeitures
- Charges for Services
- Investment Income
- Other Revenues
- Rental Income
- Special Assessments
- Contributions and Donations

Expenditures and Other Financing Uses

	2019	2018	2017
General government	\$ 889,154	\$ 888,186	\$ 847,352
Community environment	\$ 384,949	\$ 325,272	\$ 336,947
Leisure time activity	\$ 304,184	\$ 252,047	\$ 161,560
Capital outlay	\$ —	\$ 33,614	\$ —
Debt service	\$ 9,342	\$ 13,074	\$ 951
Transfers out	\$ —	\$ 250,000	\$ 56,500
Total General Fund Expenditures	\$ 1,587,629	\$ 1,762,193	\$ 1,403,310

2019 Expenditure Amounts



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

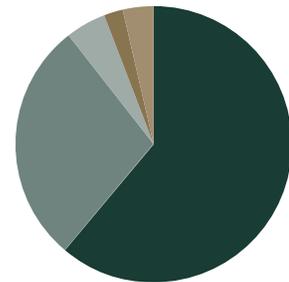
Street Fund Analysis

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 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

	2019	2018	2017
Income taxes	\$ 1,927,210	\$ 1,851,162	\$ 1,913,673
Charges for services	\$ 705	\$ 10,804	\$ —
Intergovernmental	\$ 892,341	\$ 824,676	\$ 747,953
Investment income	\$ 152,607	\$ 42,815	\$ 27,009
Contributions and donations	\$ —	\$ 2,200	\$ —
Other	\$ 74,145	\$ 47,138	\$ 43,502
Inception of capital lease	\$ 106,000	\$ 155,000	\$ —
Total Street Fund Revenues	\$ 3,153,008	\$ 2,933,795	\$ 2,732,137

2019 Revenue Amounts

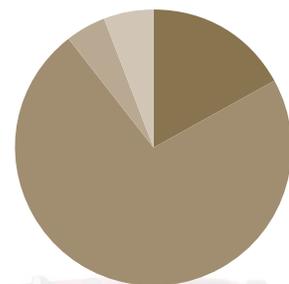


- Income Taxes
- Charges for Services
- Intergovernmental
- Investment Income
- Other Revenues
- Inception of Capital Lease
- Transfer In

Expenditures and Other Financing Uses

	2019	2018	2017
General government	\$ 631,691	\$ 505,109	\$ 493,241
Transportation	\$ 2,694,114	\$ 1,279,378	\$ 1,168,154
Capital outlay	\$ 169,341	\$ 155,000	\$ —
Debt service	\$ 216,464	\$ 249,621	\$ 216,175
Transfers out	\$ —	\$ 354,000	\$ 25,000
Total Street Fund Expenditures	\$ 3,711,610	\$ 2,543,108	\$ 1,902,570

2019 Expenditure Amounts



- General Government
- Transportation
- Capital Outlay
- Debt Service

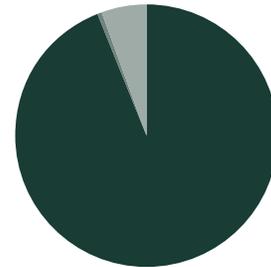
Police Fund Analysis

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

	2019	2018	2017
Income Taxes	\$ 3,069,544	\$ 2,982,395	\$ 2,879,447
Fines and forfeitures	\$ 1,439	\$ 1,954	\$ 1,623
Intergovernmental	\$ 16,986	\$ 40,549	\$ —
Other	\$ 179,198	\$ 155,229	\$ 82,995
Sale of capital assets	\$ —	\$ —	\$ 15,326
Inception of capital lease	\$ —	\$ 10,535	\$ —

2019 Revenue Amounts

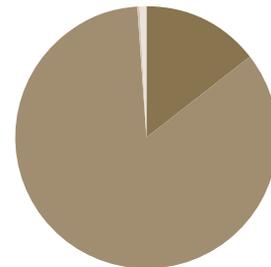


- Income Taxes
- Fines and Forfeitures
- Intergovernmental
- Other Revenues

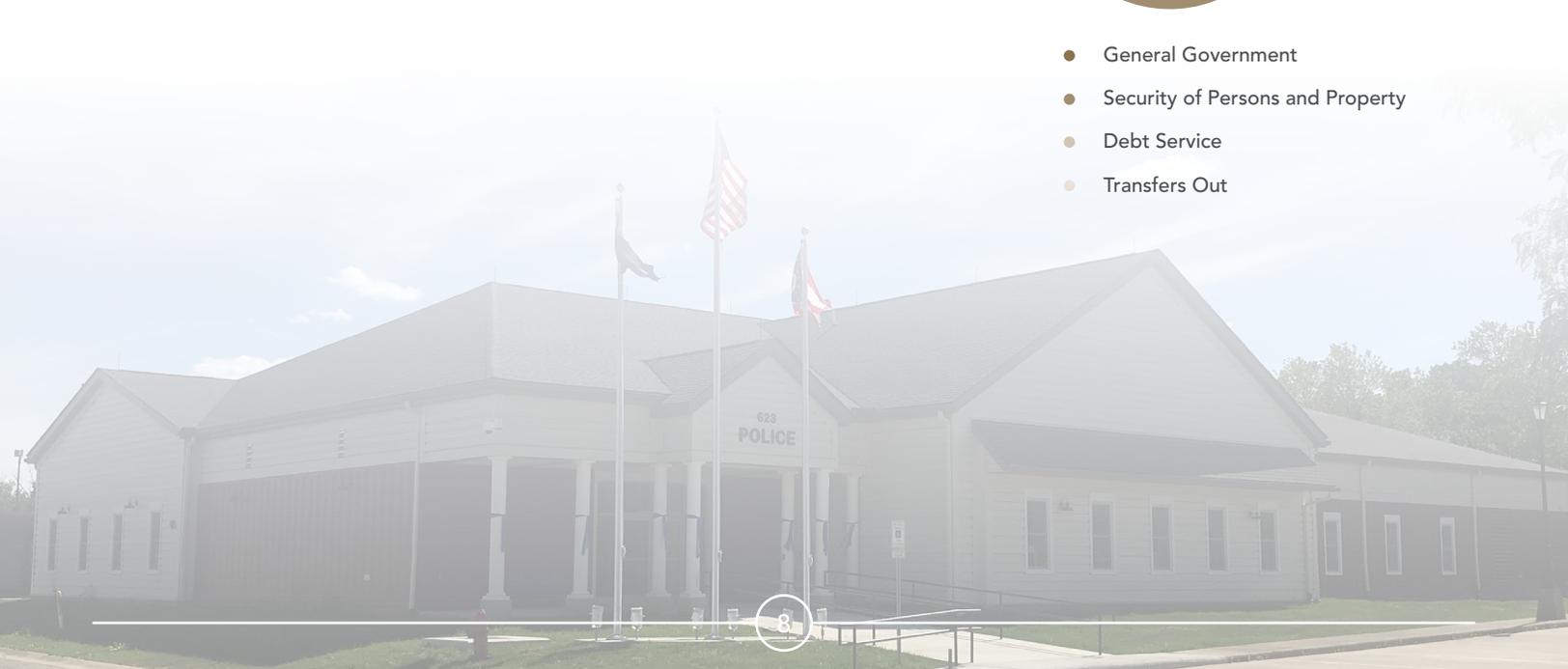
Expenditures and Other Financing Uses

	2019	2018	2017
General government	\$ 403,055	\$ 357,411	\$ 364,582
Security of persons and property	\$ 2,361,208	\$ 2,299,122	\$ 2,357,524
Capital outlay	\$ —	\$ 10,535	\$ —
Debt service	\$ 2,923	\$ 28,249	\$ 26,787
Transfers out	\$ 22,500	\$ 22,500	\$ 17,429
Total Police Fund Expenditures	\$ 2,789,686	\$ 2,717,817	\$ 2,766,322

2019 Expenditure Amounts



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



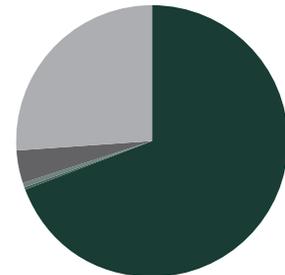
City Utility Funds Analysis

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

	2019	2018	2017
Charges for services	\$ 4,615,138	\$ 4,355,443	\$ 3,911,276
Special assessments	\$ 9,491	\$ 9,909	\$ 9,667
Other	\$ 32,935	\$ 48,002	\$ 33,064
Interest income	\$ 259,932	\$ —	\$ 37,836
Capital contributions	\$ 1,730,712	\$ 708,879	\$ —
Total Utility Funds Revenues	\$ 6,648,208	\$ 5,122,233	\$ 3,991,843

2019 Revenue Amounts

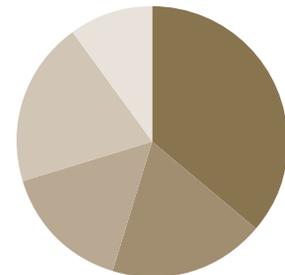


- Charges for Services
- Special Assessments
- Other Revenues
- Interest Income
- Capital Contributions

Operating and Non-Operating Expenses

	2019	2018	2017
Salaries and related services	\$ 1,204,223	\$ 1,091,431	\$ 1,144,812
Contractual services	\$ 615,397	\$ 537,520	\$ 528,048
General operating	\$ 513,332	\$ 792,942	\$ 505,699
Depreciation	\$ 651,159	\$ 626,772	\$ 651,776
Interest and fiscal charges	\$ 330,328	\$ 348,121	\$ 357,173
Total Utility Fund Expenses	\$ 3,314,439	\$ 3,600,832	\$ 3,188,983

2019 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
	Water	Sewer	Water	Sewer	
2019	\$4.48	\$3.17	\$6.72	\$4.76	\$3.00
2018	\$4.48	\$3.17	\$6.72	\$4.76	\$3.00
2017	\$4.48	\$3.17	\$6.72	\$4.76	\$3.00

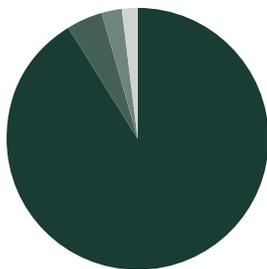
Debt Obligations

As of December 31, 2019, the City had \$21,090,391 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 in governmental activities general obligation bonds in 2018 was due to the City issuing bonds to pay for construction of the new City police station.

Governmental Activities

	2019	2018	2017
General obligation bonds	\$ 9,605,000	\$ 10,145,000	\$ 6,038,996
Miscellaneous loans payable	\$ 453,894	\$ 609,674	\$ 764,479
Capital leases	\$ 250,359	\$ 361,444	\$ 439,296
OPWC loans	\$ 202,164	\$ 211,000	\$ 214,414
Total Governmental Activities	\$ 10,511,417	\$ 11,327,118	\$ 7,457,185

2019 Amounts

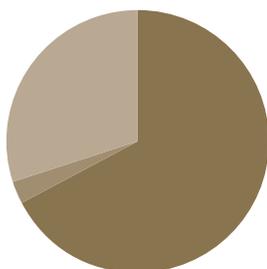


- General Obligation Bonds
- Miscellaneous Loans Payable
- Capital Leases
- Notes Payable
- OPWC Loans

Business-Type Activities (Water & Sewer)

	2019	2018	2017
General obligation bonds	\$ 7,130,000	\$ 7,530,000	\$ 8,362,945
Miscellaneous loans payable	\$ 300,000	\$ 400,000	\$ 500,000
OWDA loans payable	\$ 3,148,974	\$ 3,169,291	\$ 3,373,534
Total Business-Type Activities	\$ 10,578,974	\$ 11,099,291	\$ 12,236,479

2019 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:

- Headley's Mill Road—double chip seal surface treatment with full depth pavement repair from Morse Road to 0.5 miles south of Courter Road.
- Dixon Road—1 mile of asphalt leveling course and chip seal with spot full depth pavement repair.
- Park Street—600 feet of asphalt resurfacing.
- Mill Street—500 feet of asphalt resurfacing with sidewalk and curb replacement.
- Old Maids Lane—1.5 Miles of double chip seal surface treatment with spot surface and full depth pavement repair.
- Highland Court—Reconstruction of 300 ft of roadway.
- Taylor Road Trail—pathway connects Citizens Park on Cleveland Road with Freedom Park on Taylor Road with a 10' wide bike trail, including new sidewalks on the west side of Taylor Road.
- Oak Meadow—roadway and drainage improvements.
- Pataskala Safe Travel Plan—a multi-phase project to incorporate pedestrian facilities between major intersections along Broad Street, and include the following improvements: crosswalks, pedestrian count down timers, sidewalk, an expanded shoulder, and a new signal controller to accommodate the added equipment.
- WRF Upgrade Project Design—the project is being undertaken to reduce phosphorous in our effluent, and will involve several key components, including VFD's installed at the two influent pump stations to control flow into the WRF, installation of a jet aeration system in the oxidation ditch to improve dissolved oxygen concentrations, and a backup chemical feed system for phosphorous removal as needed, and various piping improvements. Design for this project was completed in 2019.



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 17,565 residents based on the 2019 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 \$72,370, has an unemployment rate of 3.4% 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.