



City of Pataskala, Ohio **POPULAR ANNUAL FINANCIAL REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2022

Dear Citizens of the City of Pataskala:



The City of Pataskala's Finance Department is pleased to present the City's sixth Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2022. 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 2022 and what to look forward to this year.

The financial information for this report has been taken from the 2022 City of Pataskala Annual Comprehensive Financial Report (ACFR). The Annual Report consists of approximately 250 pages of detailed financial statements, notes and schedules as well as very detailed statistical information. The ACFR 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 ACFR 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 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 2021.

The City has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the past 13 years (2009-2021) and has applied for the same award for 2022.



Government Finance Officers Association

**Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting**

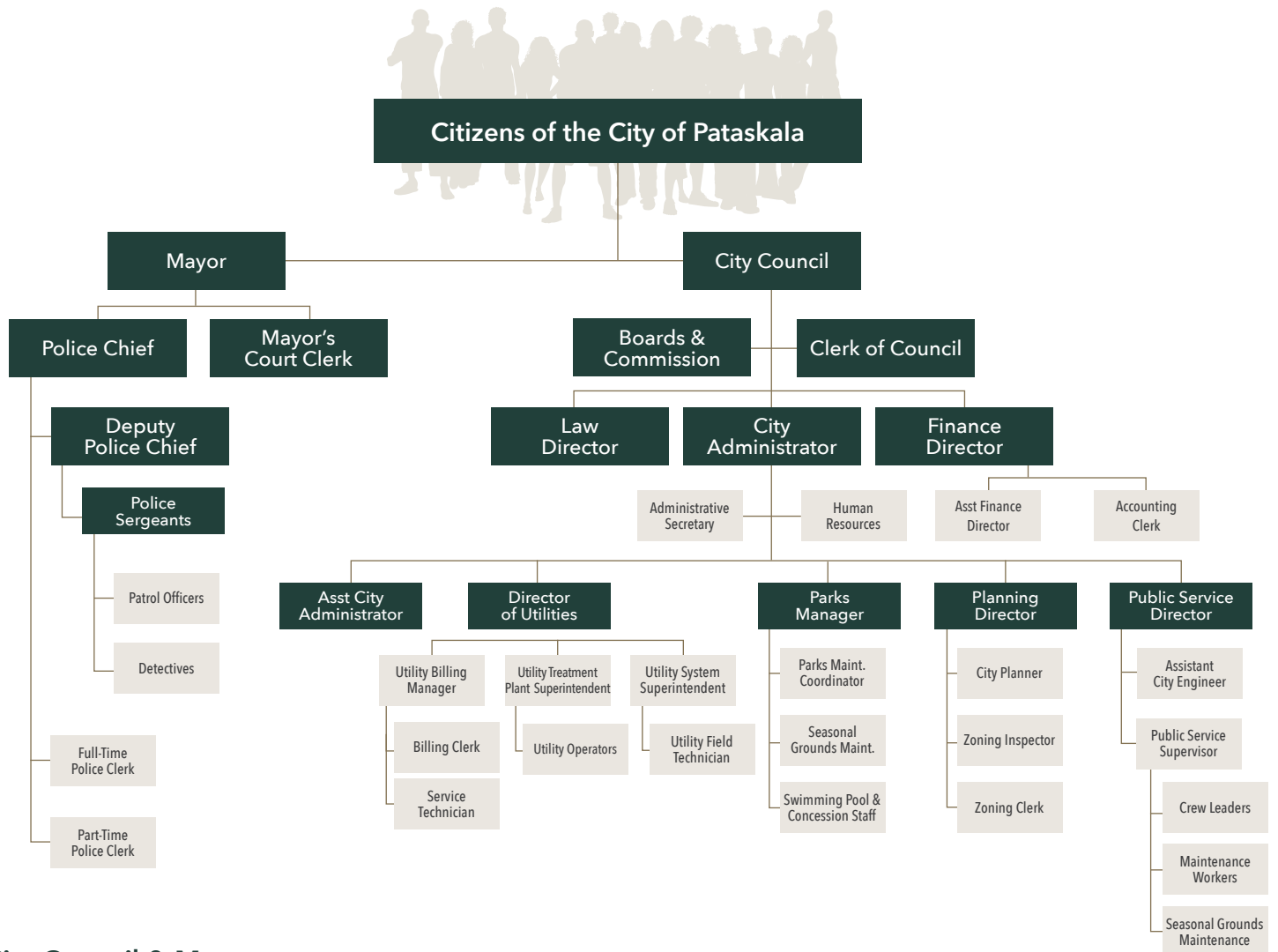
Presented to

**City of Pataskala
Ohio**

For its Annual Financial Report
For the Fiscal Year Ended

December 31, 2021

City Organization



City Council & Mayor

Although the City Administrator, Tim Hickin, 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 (2025)

Council President At-Large Andrew W. Walther (2025)

At-Large Dustin Epperson (2025)

At-Large Jude Hampshire (2025)

Ward 1 Thomas H. Lee (2023)

Ward 2 Mary Hite (2023)

Ward 3 Amy Dandurand (2023)

Ward 4 Brandon Galik (2023)



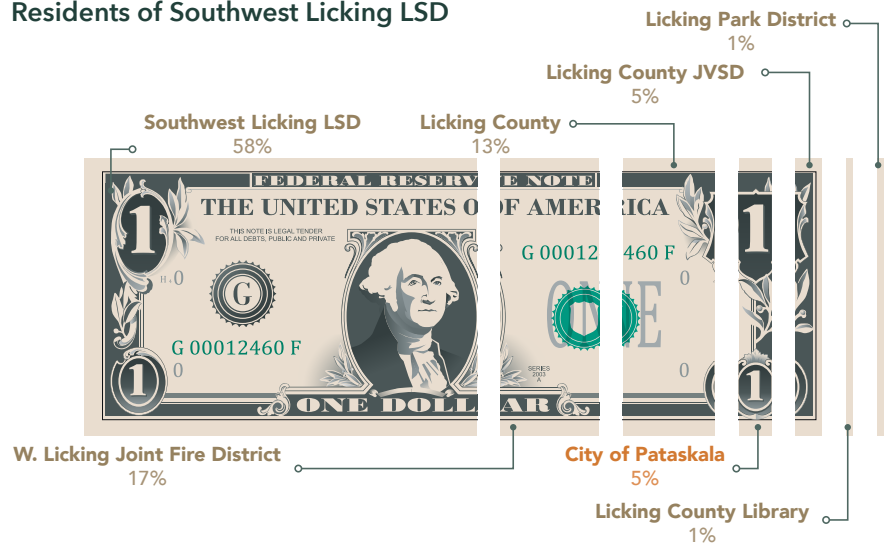
Property Taxes

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.

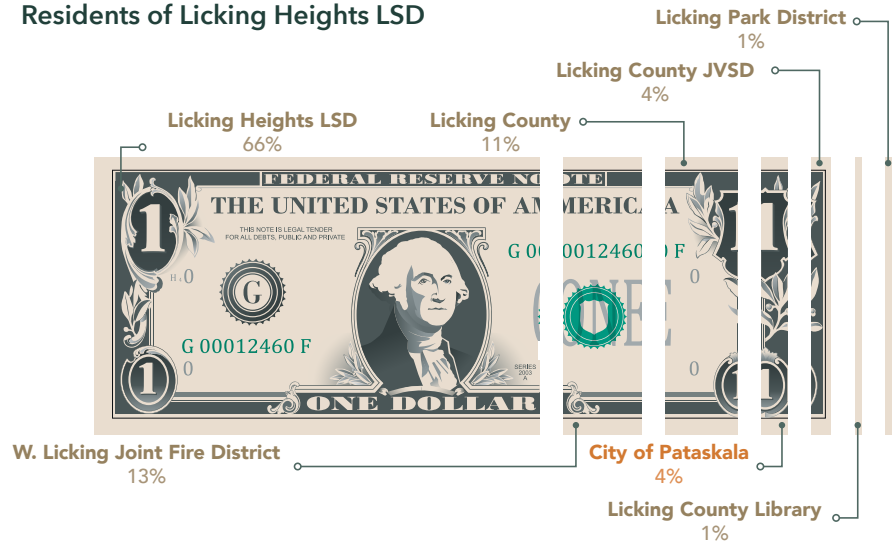
Understanding Property Taxes

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 operating 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:

	2022	2021	2020	2019
Street fund	44.10%	32.90%	29.95%	33.00%
Police fund	45.00%	55.00%	53.88%	51.50%
Capital improvements fund	1.50%	1.50%	1.75%	6.00%
Debt service fund	9.40%	10.60%	14.42%	9.50%

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

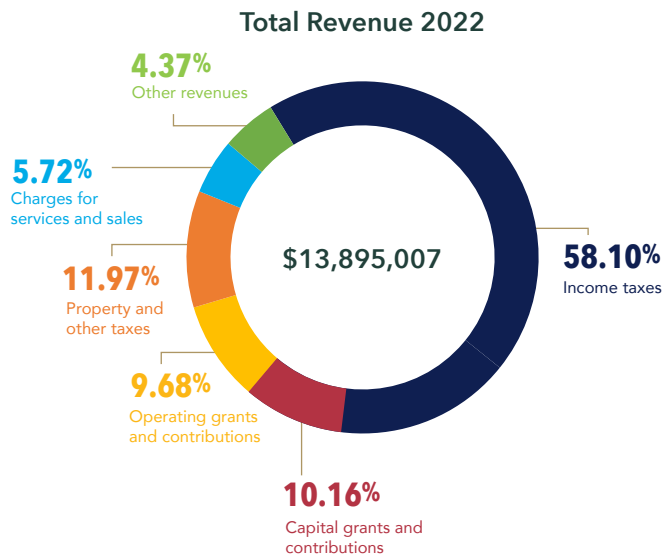
City of Columbus	2.50%
City of Newark	1.75%
City of Reynoldsburg	2.50%
City of Gahanna	2.50%
Village of Granville	1.50%
City of Johnstown	1.00%
City of Pataskala	1.00%

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 2022. The significance of income taxes is clearly evident as they make up 58.10% 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 decrease in capital grants and contributions was the result of less donated infrastructure to the City from completed construction projects compared to last year. The decrease in other revenues is the result of a decrease in investment income compared to last year.



Total Revenue By Department/Function

	2022	2021	2020
Income taxes	\$8,072,940	\$6,793,034	\$6,271,030
Capital grants and contributions	\$1,412,117	\$3,874,341	\$2,458,870
Operating grants and contributions	\$1,345,021	\$1,411,305	\$2,297,068
Property and other taxes	\$1,663,837	\$1,634,662	\$1,414,175
Charges for services and sales	\$794,180	\$773,879	\$624,338
Other revenues	\$606,912	\$771,340	\$955,428
Total Governmental Activities Revenues	\$13,895,007	\$15,258,561	\$14,020,909

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 for 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

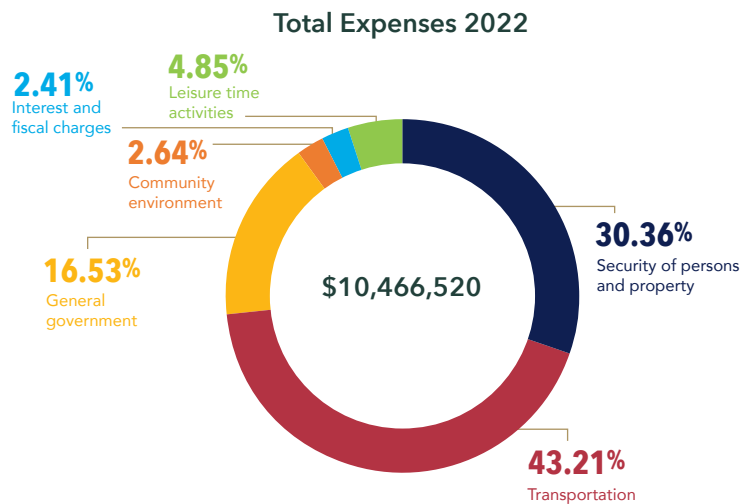
This expense accounts for the operations of the City's parks and recreation department.



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 overall increase in expenses was related to a change in other postemployment benefits (OPEB) provided by the Ohio Public Employees Retirement System (OPERS) that occurred in 2021 that impacted OPEB expenses. These amounts were more consistent with 2020.



Total Expenses By Department/Function

	2022	2021	2020
Security of persons and property	\$3,177,481	\$2,766,186	\$2,967,669
Transportation	\$4,523,039	\$3,038,305	\$3,179,013
General government	\$1,729,596	\$2,036,758	\$2,249,518
Community environment	\$276,821	\$67,332	\$407,761
Interest and fiscal charges	\$252,020	\$266,232	\$282,867
Leisure time activities	\$507,563	\$307,058	\$446,534
Total Governmental Activities Expenses	\$10,466,520	\$8,481,871	\$9,533,362



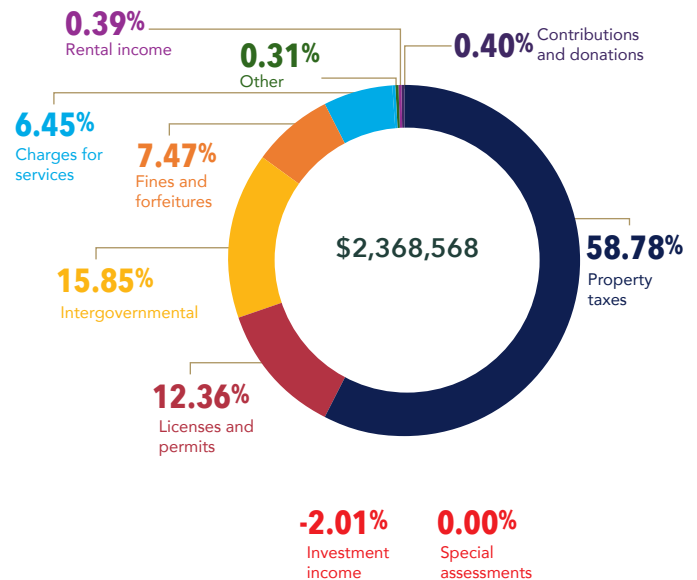
General Fund Analysis

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. For general fund revenues, property taxes have shown growth over the past few years due to additional homes being constructed as well as a revaluation of property taxes within the County. Fines and forfeitures have increased due to additional Mayor's Court activity. Investment income has decreased due to interest rates on investments being below market value interest rates. Expenditures have increased due to employee raises and increased spending in the general fund due to inflation.

Revenues and Other Financing Sources

	2022	2021	2020
Property taxes	\$1,392,302	\$1,329,840	\$1,116,937
Licenses and permits	\$292,679	\$337,541	\$293,662
Intergovernmental	\$375,360	\$398,743	\$286,328
Fines and forfeitures	\$176,989	\$73,540	\$59,868
Charges for services	\$152,850	\$136,704	\$75,528
Investment income	\$(47,719)	\$(11,495)	\$48,467
Other	\$7,265	\$102,504	\$345,771
Rental income	\$9,291	\$-	\$4,905
Special assessments	\$30	\$5,855	\$460
Contributions and donations	\$9,521	\$36,602	\$10,155
Total General Fund Revenues	\$2,368,568	\$2,409,834	\$2,242,081

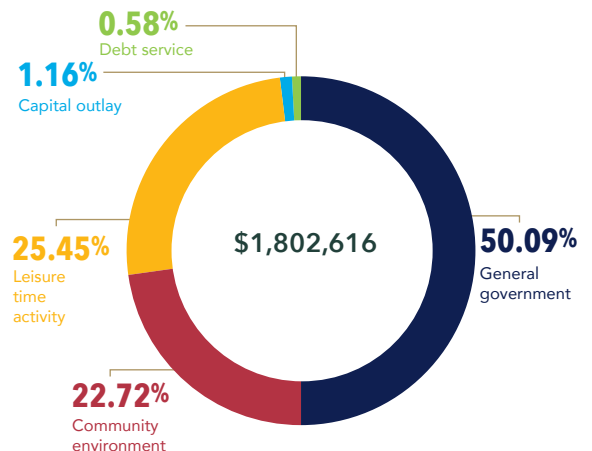
2022 Revenue Amounts



Expenditures and Other Financing Uses

	2022	2021	2020
General government	\$902,739	\$956,052	\$820,139
Community environment	\$409,598	\$345,490	\$368,621
Leisure time activity	\$458,855	\$318,755	\$359,112
Capital outlay	\$20,968	\$-	\$-
Debt service	\$10,456	\$4,541	\$9,341
Total General Fund Expenditures	\$1,802,616	\$1,624,838	\$1,557,213

2022 Expenditure Amounts



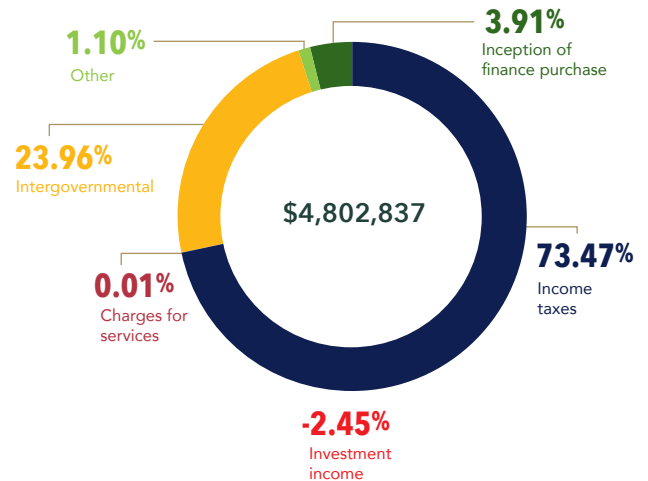
Street Fund Analysis

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. The Street Fund's revenues have increased primarily due to a reallocation of income tax money which diverted more to this fund to be used on road projects and maintenance in the future. Investment income has decreased due to interest rates on investments being below market value interest rates.

Revenues and Other Financing Sources

	2022	2021	2020
Income taxes	\$3,528,198	\$2,462,404	\$1,834,983
Charges for services	\$505	\$900	\$765
Intergovernmental	\$1,150,944	\$1,164,837	\$1,057,611
Investment income	\$(117,582)	\$(14,000)	\$65,493
Other	\$53,050	\$18,421	\$43,715
Inception of capital lease/finance purchase	\$187,722	\$193,100	\$180,000
Total Street Fund Revenues	\$4,802,837	\$3,825,662	\$3,182,567

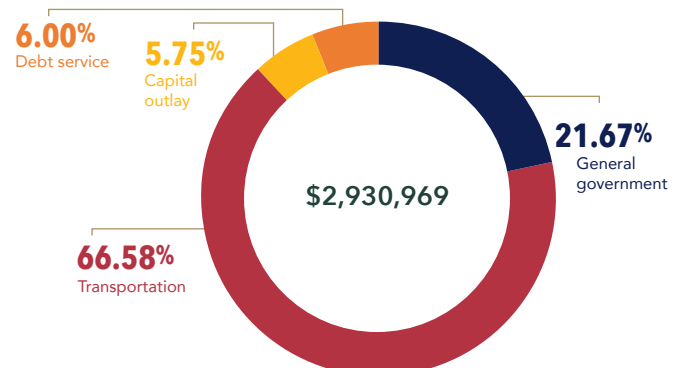
2022 Revenue Amounts



Expenditures and Other Financing Uses

	2022	2021	2020
General government	\$635,258	\$580,976	\$591,463
Transportation	\$1,951,224	\$2,051,198	\$2,115,703
Capital outlay	\$168,575	\$196,623	\$150,185
Debt service	\$175,912	\$135,823	\$149,769
Transfers out	\$-	\$-	\$45,000
Total Street Fund Expenditures	\$2,930,969	\$2,964,620	\$3,052,120

2022 Expenditure Amounts



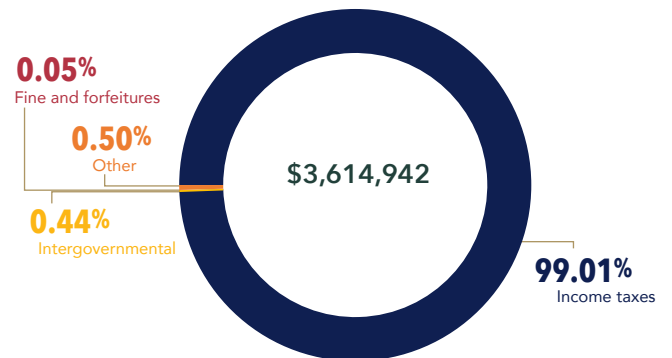
Police Fund Analysis

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 of the Police Fund decreased due to a slight decrease in income taxes diverted to this fund. Expenditures have increased due to increases in salaries and benefits paid to the City's police officers.

Revenues and Other Financing Sources

	2022	2021	2020
Income taxes	\$3,579,034	\$3,803,423	\$3,270,735
Fines and forfeitures	\$1,743	\$1,406	\$710
Intergovernmental	\$16,049	\$715	\$2,012
Other	\$18,116	\$17,032	\$160,072
Total Police Fund Revenues	\$3,614,942	\$3,822,576	\$3,433,529

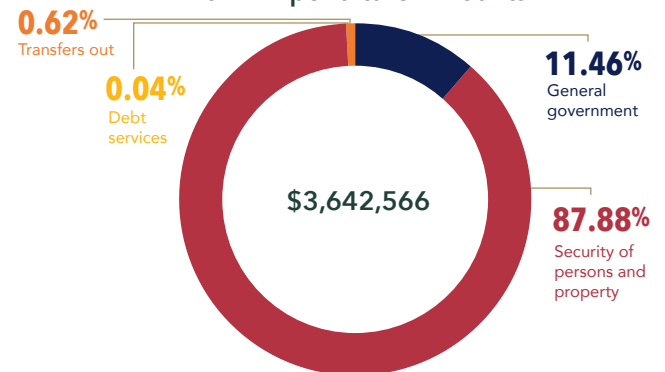
2022 Revenue Amounts



Expenditures and Other Financing Uses

	2022	2021	2020
General government	\$441,989	\$422,837	\$399,844
Security of persons and property	\$3,176,616	\$2,534,635	\$1,974,144
Debt service	\$1,461	\$2,924	\$2,924
Transfers out	\$22,500	\$22,500	\$52,500
Total Police Fund Expenditures	\$3,642,566	\$2,982,896	\$2,429,412

2022 Expenditure Amounts

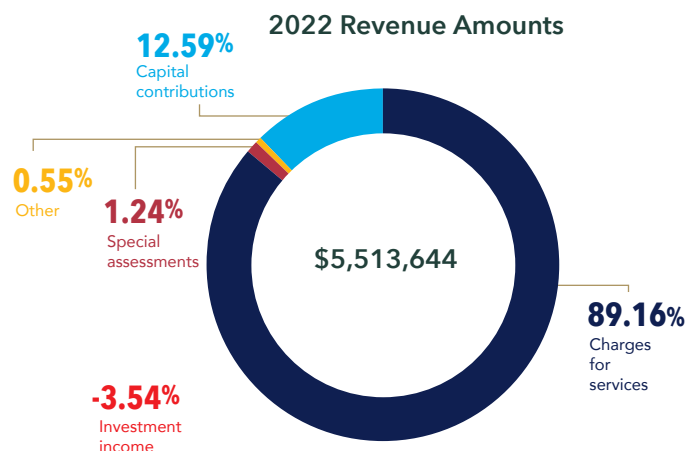


City Utility Funds Analysis

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. Charges for services have increased due to an increase in rates charged to water and sewer customers. Capital contributions have increased due to donated water and sewer lines from completed housing developments and other building projects. Expenses have increase due to an increase in pension and OPEB expenses compared to 2021 as well as an increase in general operating costs.

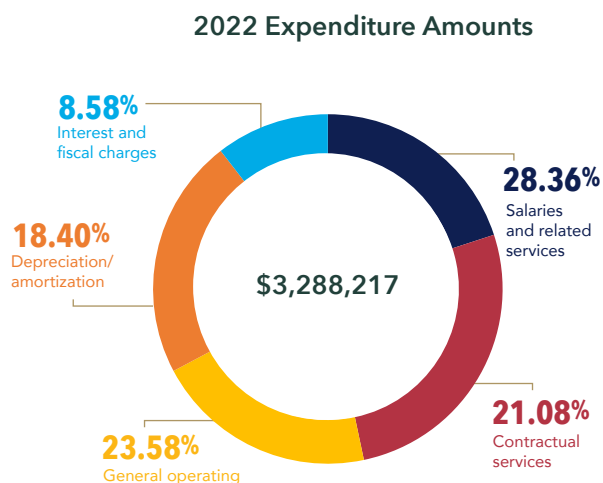
Operating and Non-Operating Revenues

	2022	2021	2020
Charges for services	\$4,915,419	\$4,867,264	\$4,923,332
Special assessments	\$68,601	\$9,192	\$8,539
Other	\$30,484	\$2,158	\$34,316
Interest income	\$(195,196)	\$(68,806)	\$162,522
Capital contributions	\$694,336	\$847,989	\$403,730
Total Utility Fund Revenues	\$5,513,644	\$5,657,797	\$5,532,439



Operating and Non-Operating Expenses

	2022	2021	2020
Salaries and related services	\$932,137	\$567,310	\$1,186,419
Contractual services	\$693,220	\$758,113	\$704,388
General operating	\$775,374	\$583,131	\$841,338
Depreciation/amortization	\$605,196	\$632,207	\$660,594
Interest and fiscal charges	\$282,290	\$298,164	\$312,515
Total Utility Fund Expenditures	\$3,288,217	\$2,838,925	\$3,705,254



Water and Sewer Rates per 1,000 Gallons

	In-Town		Out-Of-Town		
	Water	Sewer	Water	Sewer	CIP
2022	\$4.94	\$8.92	\$7.41	\$13.39	\$
2021	\$4.94	\$8.92	\$7.41	\$13.39	\$3.00
2020	\$4.70	\$8.26	\$7.06	\$12.40	\$3.00

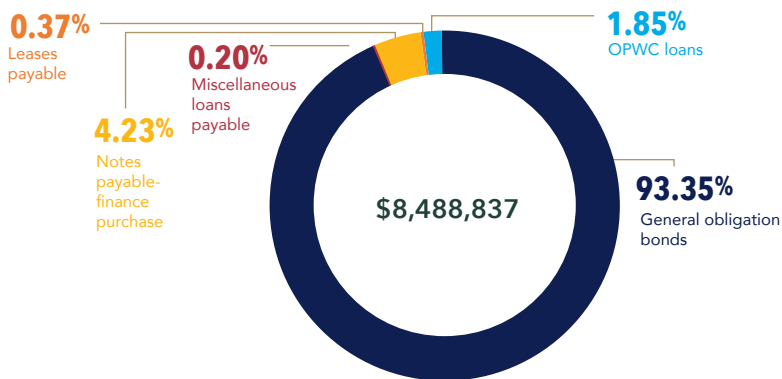


Debt Obligations

As of December 31, 2022, the City had \$18,172,631 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.

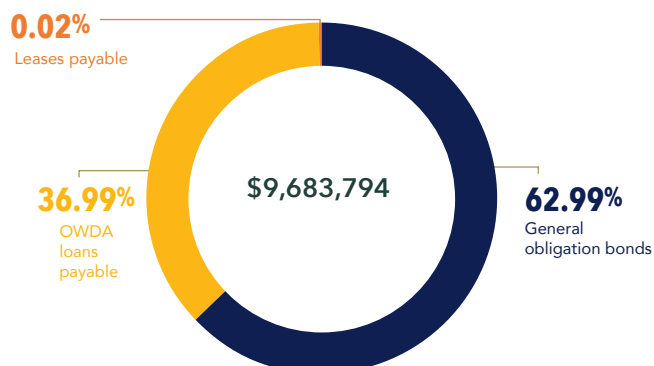
Governmental Activities

	2022	2021	2020
General obligation bonds	\$7,925,000	\$8,500,000	\$9,060,000
Miscellaneous loans payable	\$16,785	\$139,285	\$297,107
Notes payable - finance purchase	\$358,671	\$338,077	\$277,835
Leases payable	\$31,121	\$17,097	\$-
OPWC loans	\$157,260	\$172,228	\$187,196
Total Governmental Activities	\$8,488,837	\$9,166,687	\$9,822,138



Business-type Activities (Water & Sewer)

	2022	2021	2020
General obligation bonds	\$6,100,000	\$6,445,000	\$6,790,000
Miscellaneous loans payable	\$-	\$100,000	\$200,000
OWDA loans payable	\$3,581,844	\$3,989,792	\$3,423,637
Leases payable	\$1,950	\$4,114	\$-
Total Business-Type Activities	\$9,683,794	\$10,538,906	\$10,413,637



Capital Improvements

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

Utility Department

- **Jefferson St. Waterline Project** - Completion of the waterline project that included, replacing the old 6" cast iron watermain with a new 8" c900 watermain as well as new service taps for all the homes where the watermain was replaced.
- **2" Water line Replacement** - Completion of the waterline project that included, replacement of the 2" cast iron watermain with a new 6" c900 watermain as well as new service taps for all the homes where the mainline was replaced.
- **310 Interconnect** - The Pataskala Utility Department and the Southwest Licking Community Water and Sewer District completed a drinking water system interconnect in 2022. This interconnect will be used in emergency situations to avoid water service disruptions to both customer bases.
- **WRF Expansion** - The Utility Department began the process to expand its Water Reclamation Facility in anticipation of future growth to the area coming from the Intel project.

Public Service

- **Refugee Road** - 0.35 miles of repair and asphalt overlay.
- **Graham Road** - 1.81 miles of repair and asphalt overlay
- **Homesteads of the Border Place Subdivision, Phase 1** - 0.3 miles of milling and asphalt resurfacing
- **Summit Road** - 2.0 miles of repair and single chip seal.

Parks & Recreation

Foundation Park

- Security cameras were installed.
- Parking Lot improvements: Chip and sealed one of the five lots.
- The basketball court surface was resurfaced and lined.
- A wood and metal structure was installed to serve as the department's material and equipment holding area.

Municipal Park

- Bench dugouts were constructed near the baseball diamond.
- Security cameras were installed.

Liberty Park

- Aeration for the pond was installed.
- Freedom Park
- Security Cameras were Installed.



City of Pataskala

621 W. Broad Street Suite 1D
Pataskala, Ohio 43062
cityofpataskalaohio.gov

PRSRT MKTG MAIL
US POSTAGE PAID
PERMIT #74
NEWARK 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 18,276 residents based on the 2022 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 \$79,736, has an unemployment rate of 3.0% 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.