



City of Pataskala Finance Department
James M. Nicholson, Finance Director
Finance Director's Report to Council

Current Projects & Issues

- **February 2019** – We successfully closed the books on February and the summary financial report was prepared and distributed. I am currently working on the monthly financial report and plan to distribute it to Council by the end of the week.
- **2018 Financial Reporting & Audit** – We have now completed the development of all the schedules and documents required to support the 2018 GAAP accrual-based financial statements for the city, including the annual update of the fixed asset inventory with all purchases and disposals during 2018. The final outstanding item is the first-half 2019 property tax settlement from Licking County. We should receive that sometime this month and once we've received that, we'll begin putting the final touches on the financial statements and begin the onsite audit processes.
- **Pataskala JEDD** – The 2018 financial statements for the Pataskala JEDD have been completed and filed with the Ohio Auditor of State's office. A copy of the report accompanies this document.
- **Utility Financial Support** – I continue to provide BJ, Chris and the Utility Committee with financial support for proposed rate increases over our current 5-year forecast. There have been numerous charts prepared, and it sounds like they are getting closer to being positioned to make a proposal.
- **Facility Cleaning Services** – As the construction of the Police station is nearly done, we have begun the process of identifying an appropriate cleaning service for the facility. Additionally, we believe that it is an excellent time to go through a similar process for the City Hall and old Town Hall buildings. Combining cleaning of all the facilities under a single contract will simplify the management of the services and potentially lead to some cost savings. We've begun drafting an RFP for cleaning services which has been reviewed by the Law Director. We are developing the cleaning requirements, scheduling, etc. for each of the facilities. Once that has been completed, we'll advertise and go through a formal bid evaluation process.
- **GFOA Executive Board** – From March 6-8, I attended the GFOA Executive Board's winter meeting. It was a very productive meeting, with a number of 'Best Practices' and the organization's proposed Code of Ethics to be reviewed and approved by the Board.
- **Finance Director Vacation** – I will be on vacation from March 25-29, and Finance Manager Janice Smith will be Acting Finance Director during my absence.

**PATASKALA CORPORATE PARK
JOINT ECONOMIC DEVELOPMENT DISTRICT
LICKING COUNTY, OHIO**

FINANCIAL STATEMENTS

***FOR THE YEAR ENDED
DECEMBER 31, 2018***

**PATASKALA CORPORATE PARK
JOINT ECONOMIC DEVELOPMENT DISTRICT
LICKING COUNTY, OHIO**

TABLE OF CONTENTS

Table of Contents.....	1
Accountant’s Compilation Report	2
Financial Statements:	
Statement of Receipts, Disbursements, and Change in Fund Balance (Cash Basis) - All Governmental Fund Types For the Year Ended December 31, 2018	3
Notes to the Financial Statements	5 - 8



Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Accountant's Compilation Report

To the Board of Trustees
Licking County, Ohio

Management is responsible for the accompanying basic financial statements of the Pataskala Corporate Park Joint Economic Development District, which comprise the statements listed in the table of contents as of December 31, 2018, and for the year then ended, and the related notes to the financial statements in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on the financial statements.

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is an accounting basis other than accounting principles generally accepted in the United States of America.

Julian & Grube, Inc.

Westerville, Ohio
February 19, 2019

**PATASKALA CORPORATE PARK
JOINT ECONOMIC DEVELOPMENT DISTRICT
LICKING COUNTY, OHIO**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND BALANCE (CASH-BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018
(SEE ACCOUNTANT'S COMPILATION REPORT)

	General	Special Revenue	Total (Memorandum Only)
Cash receipts:			
Income taxes	\$ -	\$ 3,515	\$ 3,515
Total cash receipts	-	3,515	3,515
Cash disbursements:			
Current disbursements:			
General government:			
Professional services	400	-	400
Income tax:			
Distribution of income taxes - improvements account	-	370	370
Distribution of income taxes - joint distribution	-	688	688
Total cash disbursements	400	1,058	1,458
Net change in fund cash balance	(400)	2,457	2,057
Fund cash balance, January 1	7,228	1,097	8,325
Fund cash balance, December 31:			
Committed for:			
Improvements account distribution	-	1,207	1,207
Joint distribution	-	2,242	2,242
Refund escrow account	-	105	105
Unassigned	6,828	-	6,828
Fund cash balance, December 31	\$ 6,828	\$ 3,554	\$ 10,382

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

THIS PAGE IS INTENTIONALLY LEFT BLANK

**PATASKALA CORPORATE PARK
JOINT ECONOMIC DEVELOPMENT DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(SEE ACCOUTANT'S COMPILATION REPORT)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Pataskala Corporate Park Joint Economic Development District, Licking County (the "District") is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District was formed in accordance with Ohio Revised Code (ORC) Sections 715.72 through 715.81 as a result of an agreement between the City of Pataskala, Harrison Township, Licking County, and the City of Newark on December 22, 2009. The District is directed by a five-member Board of Trustees. The District's purpose is to promote and facilitate economic development that will create jobs and employment opportunities and improve the economic welfare of the people in the State, the County, the City, the City of Newark, Harrison Township, and the District. Such area is located in the City of Pataskala corporate limits and the primary source of revenue is a tax on earned income in the District.

In late 2006, the Ohio Department of Development designated 520.786 acre site in the City of Pataskala as eligible for Job Ready Sites (JRS) funding. As such, this site, at the southeast corner of State Route 16 (Broad Street) and Mink Street, is recognized as one of the premier sites for manufacturing and industrial development in the State of Ohio. A roadway was constructed in 2010 and opened in 2011, links State Route 16 (Broad Street) and Refugee Road with the intention to ultimately link the access road to U.S. Route 40 (The National Road), improving the routing to Interstate 70 and offering unparalleled access for commerce. The site, known as the Pataskala Corporate Park, is located southeast of the intersection of State Route 16 (Broad Street) and Mink Street. In late 2006, the project received funding of approximately \$3.4 million to develop this roadway. It is considered one of the initial projects funded under Ohio's Job Ready Sites program, and is critical in order for the City to create jobs and investment.

The District's management believes these financial statements present all activities for which the District is financially accountable.

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposit and Investments

As the Ohio Revised Code permits, the City of Newark Treasurer holds District's deposits as the District's custodian. The City of Newark Treasurer holds the District's assets in its investment pool, valued at the Treasurer's reported carrying amount. All other amounts received by the District are deposited in a demand deposit account held in the District's name.

**PATASKALA CORPORATE PARK
JOINT ECONOMIC DEVELOPMENT DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Board are presented below:

General Fund - The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Board for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds - These funds account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditure for specified purposes other than debt service or capital projects. The Board had the following significant Special Revenue Funds:

Newark Tax Department Fund - This fund accounts for income taxes collected that are committed for improvement account distribution or joint distribution.

Refund Escrow Account Fund - This fund accounts for a portion of the income taxes collected that are held in escrow and are committed to refunds.

E. Budgetary Process

The District by-laws require that an annual budget be adopted by the Board of Trustees. A summary of 2018 budgetary activity as follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
Special Revenue	\$2,500	\$3,515	\$1,015
Total	\$2,500	\$3,515	\$1,015

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$7,500	\$400	\$7,100
Special Revenue	2,500	1,058	1,442
Total	\$10,000	\$1,458	\$8,542

F. Fund Cash Balance

For December 31, 2018, the fund cash balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources.

**PATASKALA CORPORATE PARK
JOINT ECONOMIC DEVELOPMENT DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The classifications are as follows:

1. Nonspendable

The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. The District had no nonspendable fund cash balance at December 31, 2018.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws of regulations of other governments; or is imposed by law through constitutional provisions. The District had no restricted fund cash balance at December 31, 2018.

3. Committed

The Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements. The District had committed fund cash balance at December 31, 2018 for amounts collected and available for distribution in accordance with provisions outlined in the District's formation contract adopted by all the members of the District.

4. Assigned

Assigned fund balances are intended for specific purposes, but do not meet the criteria to be classified as *restricted* or *committed*. In the general fund, *assigned* amounts represent intended uses established by the Board delegated that authority by resolution, or by State Statute. The District had assigned fund cash balance for encumbrances at December 31, 2018.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in other classifications.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund cash balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund cash balance classifications could be used.

NOTE 2 - EQUITY IN CASH

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31, 2018 was \$10,382 and was insured by the Federal Depository Insurance Corporation.

**PATASKALA CORPORATE PARK
JOINT ECONOMIC DEVELOPMENT DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(SEE ACCOUTANT’S COMPILATION REPORT)

NOTE 3 - LOCAL INCOME TAX

The Board of Trustees adopted a resolution levying an income tax at a rate of 1.75 percent on income earned by persons working in the District and on the net profits of businesses located in the District. The income tax shall follow the provisions of Chapter 718 of the Ohio Revised Code.

Income tax revenues are collected by the City of Newark Treasurer and deposited quarterly in the Pataskala Corporate Park JEDD Fund, or its General Fund. Monies deposited to the JEDD Fund shall be allocated to the JEDD Improvement Account for future infrastructure improvements and to the Joint Distribution Account for future distributions to governmental entities subject to the tax sharing agreement.

Income tax collections recorded within the Joint Distribution Account shall be allocated as follows:

<u>Government</u>	<u>Percentage</u>	<u>Use of funds</u>
Harrison Township	1.0%	General purposes/JEDD general advisory services
Licking County	2.5%	Economic development
Licking County JVS	1.0%	General education purposes
City of Pataskala	51.5%	General municipal services
West Licking Fire District	2.0%	Fire protection services
City of Newark	4.5%	Income tax administration
City of Newark	2.5%	General advisory services

Distributions shall be made at least quarterly, no later than fifteen (15) days after the end of each calendar quarter based on the total income tax deposited into the JEDD Fund at the end of such calendar quarter. Income tax collections totaled \$3,515 for the year ended December 31, 2018 which is subject to distribution to an improvement account and to participating governments pursuant to the tax sharing agreement. \$370 of the income tax collections were distributed to the improvements account and \$688 were distributed to the above participating governments based on participation.