

**CITY OF PATASKALA  
LICKING COUNTY, OHIO**

*SUPPLEMENTAL REPORT*

FOR THE YEAR ENDED  
DECEMBER 31, 2016

**JAMES M. NICHOLSON, FINANCE DIRECTOR**





# Dave Yost • Auditor of State

City Council  
City of Pataskala  
621 W. Broad Street  
Suite 2B  
Pataskala, Ohio 43062

We have reviewed the *Independent Auditor's Report* of the City of Pataskala, Licking County, prepared by Julian & Grube, Inc., for the audit period January 1, 2016 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Pataskala is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

July 25, 2017

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**CITY OF PATASKALA  
LICKING COUNTY, OHIO**

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**CITY OF PATASKALA  
LICKING COUNTY, OHIO**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Pass Through Grant Number	Federal CFDA Number	(A)(B) Disbursements
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<i>Passed Through Ohio Department of Transportation</i>			
Highway Planning and Construction	95233	20.205	\$ 146,993
Highway Planning and Construction	92976	20.205	698,484
<b>Total Highway Planning and Construction</b>			<u>845,477</u>
<b>Total U. S. Department of Transportation</b>			<u>845,477</u>
<b>TOTAL</b>			<u>\$ 845,477</u>

*The accompanying notes are an integral part of this schedule.*

**Note A - Significant Accounting Policies**

The Schedule of Expenditures of Federal Awards reports the City of Pataskala's federal award programs' disbursements. The Schedule has been prepared on the cash basis of accounting.

**Note B - Matching Requirements**

Certain Federal programs require the City of Pataskala to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

**Note C - Indirect Cost Rate**

CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimus rate of 10% of modified total direct costs to indirect costs. The City has not elected to use the 10% de minimus indirect cost rate.

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## **Julian & Grube, Inc.**

*Serving Ohio Local Governments*

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

### **Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards***

City of Pataskala  
Licking County  
621 W. Broad Street, Suite 2B  
Pataskala, Ohio 43062

To the Members of Council and Mayor:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pataskala, Licking County, Ohio, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City of Pataskala's basic financial statements and have issued our report thereon dated June 6, 2017.

#### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the City of Pataskala's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City of Pataskala's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City of Pataskala's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Members of Council and Mayor  
City of Pataskala

***Compliance and Other Matters***

As part of reasonably assuring whether the City of Pataskala's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City of Pataskala's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City of Pataskala's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.  
June 6, 2017



**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

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

**Independent Auditor's Report On Compliance With Requirements Applicable to  
The Major Federal Program and on Internal Control Over Compliance and the  
Schedule of Expenditures of Federal Awards Required by the *Uniform Guidance***

City of Pataskala  
Licking County  
621 W. Broad Street, Suite 2B  
Pataskala, Ohio 43062

To the Members of Council and Mayor:

***Report on Compliance for the Major Federal Program***

We have audited the City of Pataskala's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the City of Pataskala's major federal program for the year ended December 31, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City of Pataskala's major federal program.

***Management's Responsibility***

The City of Pataskala's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

***Auditor's Responsibility***

Our responsibility is to opine on the City of Pataskala's compliance for the City of Pataskala's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Pataskala's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the City of Pataskala's major program. However, our audit does not provide a legal determination of the City of Pataskala's compliance.

Members of Council and Mayor  
City of Pataskala

***Opinion on the Major Federal Program***

In our opinion, the City of Pataskala complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2016.

***Report on Internal Control Over Compliance***

The City of Pataskala's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City of Pataskala's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City of Pataskala's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Members of Council and Mayor  
City of Pataskala

***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Pataskala as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City of Pataskala's basic financial statements. We issued our unmodified report thereon dated June 6, 2017. We conducted our audit to opine on the City of Pataskala's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Julian & Grube, Inc.  
June 6, 2017

**CITY OF PATASKALA  
PATASKALA COUNTY, OHIO**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2016**

<b>1. SUMMARY OF AUDITORS' RESULTS</b>		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR § 200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program:</i>	Highway Planning and Construction, CFDA #20.205
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	No

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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None

<b>3. FINDINGS FOR FEDERAL AWARDS AND QUESTIONED COSTS</b>
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None



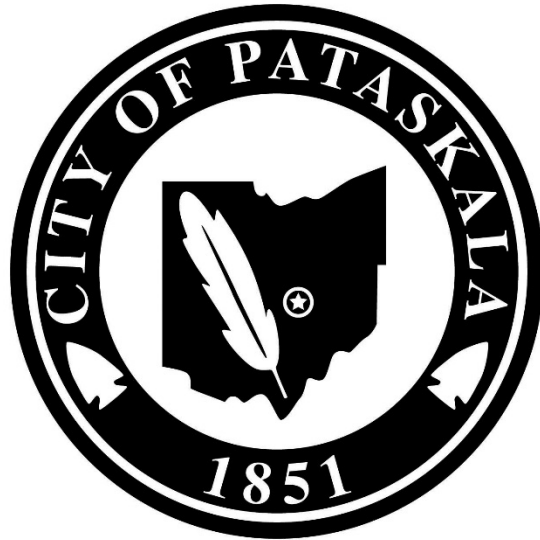
**City of Pataskala, Ohio  
Comprehensive Annual  
Financial Report**

*For the Year Ended  
December 31, 2016*









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**City of Pataskala, Ohio**  
**Comprehensive Annual**  
**Financial Report**

*For the Year Ended*  
*December 31, 2016*

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**James M. Nicholson**  
**Finance Director**





# Introductory Section

## City of Pataskala | CAFR





CITY OF PATASKALA, OHIO

2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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*Finance Department*

James M. Nicholson  
Finance Director

Janice A. Smith  
Finance Manager

June 6, 2017

The Honorable Mayor, Members of City Council, and  
The Citizens of the City of Pataskala, Ohio:

The Comprehensive Annual Financial Report (CAFR) of the City of Pataskala, Licking County, Ohio (the “City”) is hereby presented. This CAFR represents the official report of the City's operations and financial position for the year ended December 31, 2016, and has been developed to accurately detail the status of City finances to its more than fifteen thousand residents, elected officials, investment banks, underwriters and all other interested parties. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) set forth by the Governmental Accounting Standards Board (GASB).

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

State statutes require the City to be subjected to an examination by the Auditor of State of Ohio. Upon the approval of the Auditor of State of Ohio, the City may select an independent public accountant to perform this annual examination and the City has accordingly selected the firm of Julian & Grube, Inc. Based on the results of their audit, an unmodified opinion was rendered on the City's basic financial statements and the Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditor's Report.

## **REPORTING ENTITY AND SERVICES PROVIDED**

The City's reporting entity is comprised of the primary government and other organizations which are included to ensure that the financial statements are not misleading. The reporting entity has been defined in accordance with the principles established by the Governmental Accounting Standards Board (GASB) in Statement No. 14, “The Financial Reporting Entity”, in GASB Statement No. 39, “Determining Whether Certain Organizations are Component Units” and GASB Statement No. 61, “The Financial Reporting Entity: Omnibus”.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and: (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization.

Component units also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes. No potential component units met these criteria. The following potential component units have been excluded from the City's financial statements because the City is not financially accountable for them, nor are the entities fiscally dependent upon the City:

- Southwest Licking Local School District
- Licking Heights Local School District
- Pataskala Public Library

The City is associated with six jointly-governed organizations, and one insurance purchasing pool. These organizations are the: (1) Mid-Ohio Regional Planning Commission (MORPC); (2) Southwest Licking Community Water & Sewer District; (3) West Licking Joint Fire District; (4) Pataskala Corporate Park Joint Economic Development District (JEDD); (5) Regional Income Tax Agency (RITA); (6) Ohio Public Entity Healthcare Consortium (OPEC-HC); and (7) GROW Licking Community Improvement Corporation (CIC).

The Municipal Charter, which was initially adopted in 1996, became effective January 1, 1996. The Charter is subject to period amendment by the electorate, and was most recently amended in 2016. This Charter provides for the Mayor-Council-Administrator form of government, whereby the legislative powers of the City are vested in a seven-member City Council. Three members are elected at large for a four-year term each biennium, and the remaining four are elected at-large for a four-year term the following biennium. Council concurs on the Mayor's appointment of the City Administrator, Law Director, Finance Director, and City Engineer. Council also makes citizen appointments to several boards and commissions. There are nine standing Council Committees that Council appoints, and include the following: Agriculture, Finance, Buildings & Grounds, Safety, Street, Utilities, Parks Advisory, Technology and Development. Council sets the compensation guidelines for City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, appropriations, indebtedness, building permits and licenses and other municipal purposes.

The Mayor, who is elected by popular vote, performs ceremonial functions, recommends appointment of and acts as supervisor of the City Administrator, is the presiding officer of Council and is an ex-officio member of all Council Committees.

The City Administrator, who is the chief administrator and operational manager of the City, is appointed by the Mayor with concurrence of Council, and is responsible for the day-to day operations of the municipality and municipal employees, and appoints all department heads and hires all employees not otherwise appointed by Council.

The Finance Director is the chief fiscal and accounting officer of the City. The responsibilities of this office include: assisting the City Administrator in the preparation and management of the capital and operating budgets; managing the debt and treasury programs of the City; managing the City's procurement and risk management processes; and overall responsibility for the City financial and accounting records.

The Law Director is the primary legal advisor, and also serves as prosecuting attorney and counsel for the City. The Director is subject to the direction of Council, and shall represent the City in all proceedings in Court or before any administrative board or body. The City has retained the services of the law firm, Isaac Wiles, to serve in this capacity.

The City has engaged the services of an independent engineering firm for the provision of fundamental services, including plan review, project engineering, RFP document development and utility plan reviews. In addition, the City has developed an internal database of pre-qualified engineering firms which meet the City's stringent qualifications that can be retained for special project needs on an ad hoc basis.

The City provides the following services: public safety, operation of water and sewer utilities, parks and recreational programming, and a planning and zoning department. Fire protection services are provided by the West Licking Joint Fire District, in which the City participates and has an appointed seat on its board. Solid waste collection services in the City are awarded on a contract basis every three years. The City also contracts with the Licking County Board of Health for Health Department services. In 2008, the City elected to eliminate all parks and recreation programs as a cost-saving measure. In response, members of the community created several 501(c)(3) organizations in order to continue the youth soccer and softball programs. These organizations are governed by a Parks and Recreation Advisory Committee. This Committee then reports to the City Administrator for direction and guidance. In 2016, the City began transitioning recreational programming back to the City, and, with the exception of the municipal swimming pool, now have full responsibility and authority over recreational programming.

The annual budget serves as the foundation for the City's financial planning and control. The City complies with the requirements of the Ohio Revised Code in the adoption of the budget. Appropriations for the operation of various City departments are established through the passage of an ordinance by City Council. Budgetary control is facilitated through the maintenance of an encumbrance system for requisitions and purchase orders, and through the use of the City's automated financial accounting and budgetary control system. All City departments are required to submit requests for appropriation to the Finance Director on an annual basis. The Finance Director uses these requests as the starting point for developing a proposed budget.

The Finance Director presents the proposed estimated revenue budget for the City Administrator's review and approval, and proposed appropriations are then finalized. The City Administrator and the Finance Director then present the proposed budget to the City Council for review before the end of the current year. Council may elect to hold public hearings on the proposed budget and to adopt the budget by no later than December 31, the close of the City's fiscal year. State law provides that municipalities may adopt a temporary budget if the governing body is unable to adopt a permanent budget prior to January 1<sup>st</sup>. If a governing body adopts a temporary budget, a permanent budget must be adopted and sent to the County Auditor no later than April 1<sup>st</sup> of that year.

A jurisdiction's 'basis of budgeting' refers to when revenues and expenditures are recognized in the accounts. The City's budget basis is a cash/encumbrance basis, wherein transactions are recorded when cash is received or disbursed, or when a commitment has been recorded as an encumbrance against and applicable appropriation. All annual appropriations lapse at year-end to the extent that they have not been expended or lawfully encumbered. Fund balances are shown as unencumbered fund balances. This basis is used for all interim financial statements during the year.

Ohio Revised Code (ORC) §5705.38(c) requires each municipality to present their annual operating budget to their legislative authority, at minimum, at the level of fund, department, and within department,

identifying personal services and other expenditures. The City adopts its annual budget in the format of fund, function to categories such as personal services, contractual services, materials and supplies and capital outlay. *Fund* is the individual fund number and description established by the authority to separate and control expenditures of specific monies. While all governmental and utility funds are included in the annual appropriation ordinance, agency and fiduciary funds are not subject to Council approval. *Program/Function* represents groupings of functionally similar tasks performed by the jurisdiction and is the local equivalent of the ORC-required department. There are twelve major programs/functions identified by the City Finance Director, and include the following:

- 100 – General Government
- 150 – Executive & Legislative
- 200 – Legal & Court
- 300 – Public Service
- 400 – Police
- 500 – Finance
- 600 – Lands, Buildings & Facilities
- 650 – Recreational Programming
- 700 – Debt Service
- 800 – Water Utility
- 850 – Sewer Utility
- 900 – Transfers & Advances

The final ORC required component is *Object*. The object code is the lowest level of control provided for in the appropriation legislation. The current format provides the level of detail required by the ORC while not unduly restricting the ability of the Finance Director to manage the budget without submitting numerous supplemental appropriations to provide for minor budget transfers. In this budget structure, similar types of account numbers are grouped together into higher-level summary accounts. These summary groups include:

- 52 – Salary & Related
- 53 – Contractual Services
- 54 – General Operating
- 55 – Capital Outlay
- 57 – Debt Service
- 59 – Transfers & Advances

Amendments to authorized appropriations at the legal level of control may be made periodically as changing circumstances dictate. These will be recommended to City Council by either the City Administrator or the Director of Finance, along with the rationale supporting the requests. Such budget amendments must be formally approved by ordinance of Council. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted.

## **PROFILE OF THE CITY**

The Pataskala area was settled in the 1800's and incorporated as a village in 1891. In the 1970's, the village added 240 acres to the east. A major part of this annexation was land along Blacks Road, the railroad tracks, and Township Road. A Newark Advocate article from 1971 described the site as the future location for single and multi-family residences, warehouses, light manufacturing, and commercial industry. The development was originally expected to be completed by 1976. Portions of the single-family, multi-family and light manufacturing components of the project have been completed.

The 1980's saw the Village of Pataskala grow by 404 acres. The territory located north and east of the village, was brought in through three annexations. This annexed territory was developed as the Bright

Waters subdivision on Township Road, and the Dehlendorf development (which includes commercial and office development).

From the 1800's until 1995, the former Village of Pataskala grew in all directions except south. In the 1960's, the village added territory north and south of State Route 16. One 627 acre annexation added several residential subdivisions to the village, plus some commercial development. The adjacent Lima Township had grown and developed over the last fifty years, as well. The 1980's were a time of moderate increases in land subdivision and construction activity. The average annual number of permits issued from 1980-1990 were 17.9 residential zoning permits and 13 subdivision permits.

Just prior to 1996, the Village of Pataskala was a small rural community situated on the borders of Lima Township and Harrison Township in southwest Licking County. The village had approximately 3,346 residents in 1990, while Lima Township had approximately 4,398 residents. Both the township and the village were experiencing rapid growth, influenced by the expansion of the cities of Reynoldsburg and Columbus directly to the west. Facing strong development pressures from these western municipalities, the Village of Pataskala and Lima Township determined they had three future interests in common. First, most citizens from both entities were satisfied with their community and did not want major change or expansion. Secondly, the citizens enjoyed the rural nature of their living environment. Finally, if changes had to occur within their community (such as increased industrial or residential development), the citizens wanted to have a voice in the manner of such expansion.



These common beliefs led the Village of Pataskala and Lima Township to propose a merger, which was approved by the voters on November 8<sup>th</sup>, 1994, and went into effect on January 1<sup>st</sup>, 1996. At that point in time, Lima Township ceased to exist; the resulting municipality was simply known as Pataskala.

The City has a population of 15,611 residents based on the 2017 annual population estimate by the Mid-Ohio Regional Planning Commission (MORPC), which makes the City the 2<sup>nd</sup> largest City in the county, and the 13<sup>th</sup> largest in the central Ohio region.

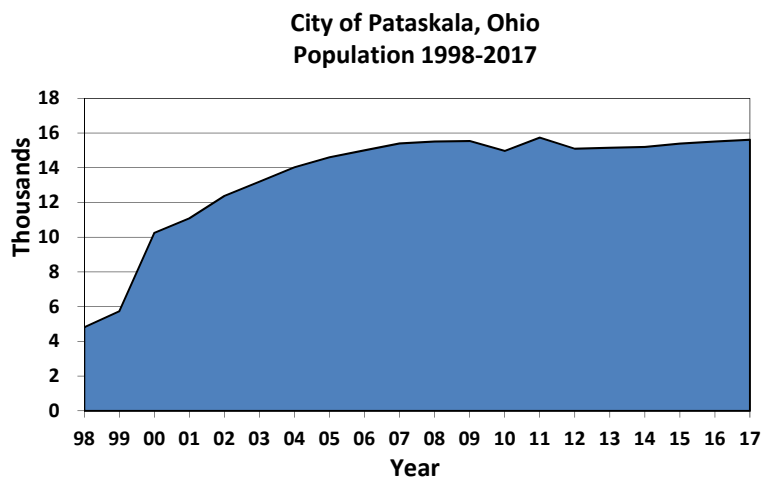
City residents have easy access to downtown Columbus and the entire central Ohio area via Interstate 270 and Interstate 70, U.S. Route 40 and State Routes 16 and 310. Commercial passenger air service is available at Port Columbus International Airport and Rickenbacker International Airport in the City 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.

The City is served by the Southwest Licking and Licking Heights Local School Districts, which are independent political subdivisions not under the control or supervision of the City in any respect. The geographic boundaries of the School Districts are different than those of the City. Both school districts estimate that between 95-96 percent of students in their school systems reside in the City.

## ECONOMIC CONDITION AND OUTLOOK

Growth and development within the City is expected to increase due to the City's strategic location between the Interstate 70 and State Route 161 corridors in the growing eastern gateway area of the Columbus Region. The United States Census Bureau officially counted population in the City in 2010 as 14,962, an increase of 4,713 (46%) since the 2000 Census count. It is projected that the current 2017 population exceeds 15,600. The main factor contributing to this growth over a sustained period has been increase in residential development that compliments the rural character of Pataskala, along with relatively close proximity to the region's core city, Columbus. In 2016, Columbus Business First magazine named Pataskala the fifth fastest growing city in the central Ohio region.

Within the past 17 years, the City has seen significant commercial development occurring within the eastern portion of the City along Broad Street with the development of a Kroger store, and adjacent strip retail center, the Hazelwood Shopping Center. In addition to the construction of Kroger in 2000, the first phase of the Hazelwood Shopping Center was also constructed with approximately 19 additional retail units ranging from 1,400 square feet to 4,800 square feet and totaling 28,800 square feet. These units are all full and provide retail and dining options for residents. In the years following, another small retail center was built to the east of the Kroger/Hazelwood Shopping Center on the opposite side of Corylus Drive. Along with the retail center there is a car wash and a two-story bank. There was also enough additional residential growth in the area that Kroger came back in 2006 to ask for approval to expand their existing store by approximately 22,000 square feet. In addition to this expansion, Phase II of the Hazelwood Shopping Center totaling 22,000 square feet was also completed. This development offers an additional 12 retail units ranging from 1,400 to 10,200 square feet.



The City also approved development plans for a mixed-use project along State Route 310 just south of the old Village area. This project has retail/office development located along the west and east frontages, along with a nursing facility on the west side which has space for 100 individual units with future plans of expansion. A retail center located on the west side of State Route 310 has three separate buildings totaling approximately 37,500 square feet for local retail business uses. A ten (10) year Tax Increment Financing district was established along the SR310 Corridor with the intent to generate payment in lieu of tax revenues for future infrastructure improvements in this development area.

In early 2016, the City rezoned property located at the northeast corner of State Route 310 and Refugee Road for another mixed use project with approximately 30 acres each of commercial (one big box retailer spot and additional outparcel options), single-family residential, and assisted living units. This action is consistent with the Comprehensive Plan for the City and will allow commercial development to occur in areas planned for such development. When developed this area will provide new jobs and income tax revenue to the City.

In late 2006, the Ohio Department of Development designated an approximately 521 acre site in the City as eligible for \$3.4 million in Job Ready Sites (JRS) funding to construct an access road to open up the site, known as the Pataskala Corporate Park, for development. As such, this JRS 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. This new road, linking State Route 16 (Broad Street) and U.S. 40 (The National Road), and providing improved access to Interstate 70 offers unparalleled access for commerce. The roadway was one of the initial projects funded under Ohio's Job Ready Sites (JRS) program, and is critical to the City for the creation of jobs and investment in the Park. Phase I of this development was a two-lane roadway, with a future Phase II to add an additional 3rd and 4th lane, as well as other associated infrastructure improvements. The total cost of Phase I of the project was approximately \$5 million. Phase II of the project is anticipated to cost an additional \$6.3 million. The Phase I roadway was completed in late 2011 and the City has been actively marketing the Pataskala Corporate Park to attract advanced manufacturing, logistics, research & development, and corporate headquarters facility uses. In 2016, the City attracted the first development to the Pataskala Corporate Park. An American Electric Power (AEP) regional distribution center was approved to be constructed on 100 acres located in the northern portion of the Park. Ground will be broken for this development in the summer of 2017.



Ground will be broken for this development in the summer of 2017.

In 2008, the City, Licking County, City of Newark, Harrison Township and property owners/Development Corporation (Red Chip Farms, Inc.) agreed to a partnership agreement setting the stage for development of the JRS Roadway, and establishment of a Joint Economic Development District (JEDD) overlaying the Pataskala Corporate Park.

The strategy for the partnership and job creation is a multifaceted approach combining four key economic development tools consisting of: (1) the creation of the JEDD; (2) utilization of grant funding from the Department of Development's (ODOD) JRS program; (3) utilization of Community Reinvestment Area (CRA) property tax exemptions; and (4) utilization of an existing Tax Increment Financing (TIF) area, in order to attract hundreds of jobs and millions of dollars in new investment.

In 2011, the City formally accepted the Etna Parkway Job Ready Site Parkway extending from Broad Street to Refugee Road, or the portion within the corporate limits. Etna Township, which borders the City, also accepted their portion of the roadway thus opening the roadway from Broad Street to State Route 40 and the Etna Corporate Park. This Etna Parkway Extension Project (Phases I & II) will hopefully provide a tremendous stimulus for growth in Central Ohio.

The City has also experienced the opening of several local based shops in recent years. Several retail shops, ranging from antiques to children's clothing, have opened. A small coffee shop opened in late 2016 in addition to a café style restaurant and a deli.

Residential development construction has also increased in the city. Subdivisions that have recently been approved or are under construction include: Broadmoore Commons (274 lots); Legacy Estates Phase III

(35 lots); The Settlement phases III and IV (32 total lots); and The Ravines at Hazelwood phase III (40 lots). Additionally, in 2016 a property owner annexed land into the City for residential development. Once approved, the development will consist of approximately 250 lots for single-family residential development.

## **MAJOR INITIATIVES:**

### **Planning and Zoning Department/Economic Development**

The Planning and Zoning Department has developed a mission statement which works to enhance the quality of life offered to those who live or work in the City through long range comprehensive land use planning and management. The department's guiding principles are:

1. Public engagement in planning discussions;
2. Achievement of a balance of land uses that sustain the City;
3. Enhancement of pedestrian connections to parks, schools, government, commercial, industrial and residential designations;
4. Protection of the environment;
5. Revitalization of the historic village centers; and
6. Maintaining the City's identity with its agrarian and rail heritage.

The Department is comprised of a Director of Planning, City Planner, Zoning Inspector, and a Zoning Clerk who are responsible for operation of the Department. The Department also provides staff support to the Board of Zoning Appeals and the Planning and Zoning Commission, composed of 5 and 7 citizen members, respectively. The Director of Planning compiles business and industry information and data for the City, and assists the City in preparing information packets for businesses looking for sites for major expansions as well as assisting entrepreneurs in navigating the requirements for zoning, signage and land development.

In August of 2016, the Planning and Zoning Department hired a new City Planner to join the existing staff. This was a newly created position, and was necessary to assist with the increased development activity within the City. The new City Planner has been a welcome addition to the Planning and Zoning Department.

During 2016, the Planning and Zoning Department undertook several new initiatives that include, but are not limited to:

- Started the update of the Pataskala Subdivision Regulations;
- Started the update of the Pataskala Comprehensive Plan, which has not been updated in over 10 years;
- Established a formal code enforcement process and developed a more efficient way to track code violations;
- Started the digitization of over 10,000 zoning permits to be used in the City GIS system;
- A new residential construction checklist has been created and implemented which identifies the items necessary for a New Residential Construction Application, and which greatly improves the efficiency of issuing permits; and



- The Planning and Zoning Department has coordinated with the Pataskala Utility Department, the South West Community Water and Sewer District and the Licking County Health Department on Certificates of Compliance for new residential construction. This coordination of efforts ensures that Certificates of Compliance are completed, and that water and sanitary services are installed correctly.

Many of the changes that were completed in 2016 have shown immediate results and garnered support from residents and businesses alike. The Planning and Zoning Department seeks to continue and build on successes well into 2017 and beyond.

### **Police Department**

The Police Department takes every opportunity to interact with our community. We enjoy the time we get to spend with our residents. So much so, that the department sponsors an event called “Cookout with the Cops” every summer. We also participate in activities like Safety Days, Independence Day Fireworks, the Licking Memorial Mini-Triathlon and the Pataskala Street Fair. They foster a strong relationship with the public so they feel more comfortable in sharing information that helps us by having situations brought to our attention. This allows us to take a more proactive role in the safety and well-being of our city.

We are excited that our new police facility has been designed, and is working its way through the building and permitting processes. A new police station will allow us to better serve our community as well. Having our home next to the rest of the city offices will create a City complex that will make things less confusing and more convenient for those doing business with the City. The new location is also more centrally located which will make it easier to reach for the residents on the west side of the city. With the new location being more centrally located, it will make things more convenient for our residents from the western half of the community. We are also excited for the facility be located next to Karr Park, which we hope will make visits to the station more enjoyable.



We are proud to be working with community leaders to fight the continuing drug epidemic that all communities battle. We are working with the Drug Free Clubs of America to reinforce the message of eradicating illegal drug use with high school students. We are also proud to have one of the original drug drop-off locations in the county. We accept citizens unused prescription medications to keep them from falling into the wrong hands, or being disposed of via the City’s sanitary sewer system. We also participate in ‘Drug Take Back Days’ to help with this.

We also use other tools and partnerships to fight the drug epidemic. We use our K-9 officers to look for and detect illegal drugs to help get them off the streets. We are also members of The Central Ohio Drug Enforcement Task Force. Their focus is arresting drug dealers to help make our area safer.

We are teaming up with the Licking County Sheriff’s Office to join Project Life Saver. The program provides a tracking system for people that are prone to confusion, or memory impairment. If a recipient of a tracker happens to wander off and become lost, we will have the ability to track and locate the individual.

The Police Department continues to look for new and effective approaches to help ensure that Pataskala continues to be a fun and safe place to live and visit.

### **Public Service Department**

The Public Service Department's primary source of funding is the City income tax, and in 2016, approximately 35% of the income tax revenue collected was dedicated to public service operations. With prior years Capital Improvements Program (CIP) projects in various stages of completion, the City elected not to take on any additional large scale improvement projects in 2016. Instead the City focused its resources on maintaining and expanding the department's equipment, procuring materials, and employing staff to complete various roadway, storm system, traffic control, and other public infrastructure maintenance and improvement projects.

While the City did not undertake any new significant construction projects during 2016, there was still substantial effort expended on existing projects from the previous few years that were still in progress. Two of these, the Main Street Improvements project, and the Mink and Broad Street Intersection Improvements project were still under construction due to unforeseen delays. Other projects including the Mink Street Phase II project, the Taylor Road/Cleveland Avenue Trail and Sidewalk project, and the Columbia Road Bridge Replacement project were in various stages of design, and were being coordinated for construction in the 2017 and 2018 construction seasons.

The 2016 streets program addressed three different areas within the City, each of which has a different use, and received a different improvement type. The first area was on Hollow Road, which is a 1.8-mile section of Old Township Road that has been in ill repair for several years. This roadway, which had previously received only chip seal over top of gravel; received base repairs, a leveling course of asphalt, a surface course of asphalt, and then a top coat of chip seal. The City also employed Public Service Department personnel to complete drainage improvements along this road; including ditch cleanout, culvert replacement, and berm grading, as many of the deficiencies were drainage related. The second area was Cypress Street and Klema Drive. These two streets are in an industrial area, where the road sees heavy truck traffic, and was significantly worn. Several areas on these roads received base repair, some drainage work was completed, and the streets were overlaid with 3" of new asphalt. The final area was within the Settlement of Pataskala subdivision where 3 streets, Andrew Beem Street, Enos Loomis Road, and Isaac Tharpe Street were milled and repaved. Each of these streets received 3" of new pavement in an effort to prevent critical pavement failures that would be more costly for the City to repair if not completed.

With the remainder of the budget, the Public Service Department was able to focus on paying down debt service, making improvements to facilities, and acquiring equipment to increase in-house capabilities and safety. New equipment included a front-end loader to aid in moving dirt and loading salt trucks, a new mower to keep right-of-way's in good condition, and an emulsion tank to allow on-site storage, thereby increasing efficiency. Message boards were also purchased with the goal of improving public outreach and safety through on-site notification.

To complete small scale infrastructure and maintenance projects, the City relies on the capabilities of its Public Service Department Staff. The following list highlights efforts that were completed by the Departments eight full-time employees and one part-time grounds maintenance employee in 2016:

- Over 10,000 feet of roadside ditch cleaning and restoration.
- Over 500 feet of storm sewer/culverts replaced/installed.

- Approximately 10 tons of crack seal material applied to roadways throughout the City.
- Roughly 4800 gallons of emulsion and 300 tons of gravel used to dura-patch City roads.
- Patching potholes and asphalt repairs, using approximately of 460 tons of asphalt.
- Repair of over 100 street lights.
- Replacement/upgrade of over 600 street and traffic signs.
- 20 traffic signal repairs/bulb replacements.
- Over 1,000 man hours mowing public right-of-way

Other work items include snow removal, tree removal, continuous berm improvement efforts, OUPS locates, and all facility and grounds maintenance. The Department is responsible for maintaining approximately 280 lane miles of roadway, 17 bridges, and all non-utility related public infrastructure.

### **Utilities Department**

The City continued to implement a number of the recommendations set forth within the 2010 Utility Study, including the items listed below.

### ***Wastewater Department***

The Wastewater Collection System consists of 7 Lift Stations, 774 manholes, and 35 miles of sewer main pipe line. The 2016 calendar year for the Utility Department was productive and successful in our daily mission of clean water. We made efforts in equipment replacement and equipment revitalization was accomplished through maintenance efforts. Maintenance efforts include numerous hours in plant operation duties, preventative maintenance duties at our facilities, and duties in the collection system

- **2016 Biosolids Storage Building** - The Biosolids Management Program resulted in 123 dry tons, or 1,740,000 pounds of product for agricultural beneficial reuse. We are working with local farmers to incorporate our product to improve soil conditions and to reduce the use of commercial fertilizers. Our efforts result in an annual cost savings of \$65,000. We are diligent in all our testing, agronomic rate calculations and applications to ensure proper nutrient use on crops.
- **2016 GIS System Project** - The Utility department took great strides in developing our GIS system for our underground infrastructure. We worked with a consultant to build and update our systems to streamline our efforts in infrastructure management. We completed the transition to a web accessible platform for field staff which allows for remote access and data recall in the field through the use of smart phones/tablets. The devices can also be used for field editing.
- **Sanitary Sewer Main Line Cleaning and Televising.** A total of 60 thousand feet of sanitary sewer main line, or approximately 56% of our main line inventory, was preventively cleaned and televised. Efforts were taken to reduce the potential for sewer back up-related issues. The main lines were also televised to gauge the overall health of the sewers and to prioritize for more frequent cleaning efforts or future replacement.
- **River Forest Lift Station Rehabilitation Project** - At the time of this report we are under contract for this project. 2016 saw the completion of the design, property acquisition, and bidding

process. The goal of this project is to update the pumping system to submersible pumps, upgrade electrical controls, and expansion for potential growth.

### *Water Department*

- **Lead and Copper Drinking Water Quality Assurance Program** – The Utility Department was on the front line responding to nationwide dialog regarding lead and copper. We opened up our OEPA triennial testing program to any customers concerned about the levels in their drinking water. The 2016 test levels through all participants were below the OEPA action levels.
- **2016 GIS System Project** – The Utility Department took great strides in developing our GIS system for our underground infrastructure. We worked with our consultant to build and update our systems to stream line our department efforts in infrastructure management. We completed the transition to a web accessible platform for field staff. This allows for remote access and data recall in the field through the use of smart phones or tablets. The tablets can also be used for field editing.
- **System Maintenance** – During 2016, the Water Department completed the following repairs and improvements to the water system:
  - 3 water main and/or valve repair jobs
  - 39 service line repair jobs
  - 3 hydrants replaced
  - 27 hydrants repaired
  - 54 service valves repaired
  - All 650 hydrants flushed during the annual hydrant flushing program
  - 354 main line valves were exercised
  - Over 4,000 laboratory tests to ensure OEPA compliance
  - 2,391 OUPS locate requests fulfilled by staff, a 15% increase from 2015

### *Utility Billing Department*

The Billing Department ensures timely delivery of service to our customers, and is diligent in providing the outstanding customer service every day of the year. This includes keeping the meter reading on a schedule month to month, ensuring that customer invoices go out on time, and attentiveness to customer service order requests. During 2016, the department processed approximately \$4.1 million in service charge revenues.

- **Information and Outreach Efforts.** The Billing Department worked with the Director to make intentional education and outreach efforts on a monthly basis. The information pertained to Consumer Confidence Reports, Billing Informational Updates, Project Updates, and general tips and information to the customers. Additionally, the Billing Department sent out monthly notices to customers in our preventative sewer main line cleaning areas

### **Parks and Recreation Department**

In 2008, City Council decided to suspend the Parks and Recreation department due to funding concerns. Several non-profit organizations stepped up to continue to offer programs. The existing Parks Advisory Board took on more responsibilities to ensure that the parks were properly administered and maintained, as it became responsible for working with these non-profit organizations addressing operational and administrative needs - essentially serving as the City's Parks and Recreation department.

In 2016 City council elected to bring the Parks and Recreation Department back under City management and control, and authorized the hiring of a permanent full time Parks and Recreation Manager. This decision gives the control of the Parks back to the City, and provides for cost savings in utilizing existing City services, such as the Public Service department for mowing and property maintenance. The Park Advisory Board, however, continues to monitor and serve as a ‘sounding board’ for the activities, development, and overall direction of the Parks.

The City’s parks system has six parks within its corporation limits, totaling more than 138 acres of passive and active parkland, and include the following:



Foundation Park (Active) has 3 softball diamonds, 11 rec soccer fields, 6 traveling team soccer fields, picnic shelter, a softball garage, a soccer garage/concession stand, a maintenance garage, and a walking path. Foundation hosts the assembly of floats for the annual Fourth of July parade, the Easter egg hunt sponsored by the Lions Club, the Antique Power Show (includes tractor pull events, live music and other community events). The park also has a small pond.

Municipal Park (Active) has a baseball diamond, a swimming pool, 2 soccer fields, a basketball court, a sand volleyball court, shelter house, and a playground for children. It also has a walking trail that connects two large subdivisions.

Freedom Park (Active) has 2 soccer fields, a playground for children, and a shelter house.

Liberty Park (Passive) has a large pond, a walking path and a large open field.

Citizens Park (Passive) has a children’s playground, and a large pond.

Karr Park (Active) has two shelter houses, a children’s playground, a volleyball court and walking paths.

LEADS Park (Future) is currently planned to have two baseball fields, a shelter house and a soccer field. The City’s largest, Foundation Park, provides softball diamonds, soccer fields, picnic shelters, and a walking trail along a stream and in September boasts the annual Antique Power Show, which includes tractor pulls, and antique equipment demonstrations.



The City continues to invest its’ resources in their parks facilities. Planned projects for 2017 which have been funded in the budget include the following:

- Conaway trail improvements in Foundation Park
- Foundation Park drainage
- Pond maintenance
- Shelter house roof repair

- Dead tree removal
- Municipal Park baseball diamond improvements
- Karr Park shelter inspection
- Citizen's Park parking lot improvement
- Park master planning/survey property pins

The Parks and Recreation Department looks to the future to enhance City Programs to offer the citizens of Pataskala more diverse sports programs. In addition, it will concentrate on repairing existing buildings as well as maintaining and enhancing the grounds at all the parks.

### **Land and Buildings**

The Lands and Buildings Department is primarily funded by the General Fund, and expenditures included improvements to the Old Town Hall (which also serves as the Police Department Headquarters), Municipal Building, Street Department, and park facilities. In 2007, the City purchased an existing office building located on Broad Street to serve as its Municipal Headquarters, with the intention of leasing any excess space. Improvements to the building since 2007 have included a new parking lot, new roof, as well as technology upgrades completed in 2012. In 2014, the note on the Municipal Building was paid in full, resulting in the City's complete ownership of the facility.



Specific to the Old Town Hall, in 2008 City Council determined it was in the best interest of the City, businesses, and residents to make necessary improvements and repairs to the Old Town Hall, designated as a historic site by the Ohio Historical Society, rather than sell the building and find another location for the City's Police Department. These discussions were a result of the deteriorating condition the building was in and necessary improvements needed. On the second floor of the Old Town Hall is the "Sterling Theatre" which was used as a movie theatre and gathering area for residents when constructed in 1910. This space was also used as Council Chambers for several years until the space became unusable. In an effort to make necessary improvements to the building as a whole, a non-profit group, the Historic Town Hall Inc. collected monetary donations, as well as donated labor, to improve the Sterling Theatre. Donations by the non-profit group have been used for the installation of new windows, cleaning, and other miscellaneous improvements. City Council also elected to spend \$250,000 on the Old Town Hall for specific Police Department operations, including facade improvements, windows, electrical improvements, HVAC improvements, and plumbing improvements which was completed in early-2013.



In 2016, City Council authorized the Administration to enter into a contract with an architectural firm, Horne & King, for planning, architectural design and construction administration services related to the construction of a new Police Station. Police department operations are currently run out of the Town Hall building, a facility that was never designed to serve in such a capacity. Funding for the project, bidding and construction are projected to commence during 2017.

### **Finance Department**

The Finance Department, which consists of 2 full-time employees, is responsible for the following functions: payroll, budgetary compliance, accounts payable/receivable, income tax collection, human resources, payroll, capital asset accounting, investment of public funds, and ensuring compliance with Bureau of Worker's Compensation guidelines.

The department provides timely financial information to the Mayor and members of City Council, employees, and residents. This information includes monthly financial and budgetary reports which are posted to the City's website, a 5-year forecast for all of the City's funds, outlining expected revenues, expenditures and cash position, and also updates regarding the City's budget. Policies and procedures are continuously updated and reviewed ensuring proper internal controls are in place.

During 2016, the City managed a single debt issuance, a \$500,000 note issued for the design and construction management of a new Police Station, which matures in May, 2017. In 2017, the City is anticipating the issuance of approximately \$5.2 million for construction funding for the Police station project, including refunding of the 2016 notes. The City's Aa3 rating was recently reaffirmed by Moody's Investors Service. Assignment of this rating was based upon the City's modest tax base located near the state capital of Columbus; satisfactory financial operations; healthy reserve levels for the City's small budget; and manageable debt position with moderate near term borrowing plans.

This year will mark the twenty-third consecutive year of filing financial statements according to accounting principles generally accepted in the United States of America (GAAP), and the eighth consecutive year that the City has submitted a Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers Association for their Certificate of Achievement Program.

### **LONG-TERM FINANCIAL PLANNING**

A 1.0% income tax was enacted by the voters in May, 2010, and became effective July 1, 2010. The tax provides funding for Police protection and for investment in maintenance and improvements of the City's roadway infrastructure. Initially, City Council initially earmarked 75% of the revenue for police and 25% for street maintenance and repair through December 2011. Based upon 2011 and 2012 collections being significantly higher than originally estimated, the City was able to allocate additional income tax revenues in 2012 toward the City's infrastructure needs. For 2016, City Council directed that the income tax collections were to be allocated as follows: Police (53.0%), Street (35.65%), Capital Improvement (2.15%), and Debt Service (9.2%).

Pataskala is considered to be a bedroom community, with a significant portion of its approximately 15,600 residents working outside the corporate limits, including the cities of Columbus, Pickerington, Reynoldsburg, Whitehall, and Newark. Licking County's unemployment rate improved from the December 2015 rate of 4.1% to December 2016's rate of 4.0%, and is somewhat better than the State of Ohio's December 2016 rate of 4.9% for the same time period. This is a welcome improvement over Licking County's 11.0% rate in January 2010. The City also monitors and utilizes unemployment rates in surrounding counties forecasting future income tax collections.

The Pataskala City Council and the Parks Advisory Board have begun discussions about potentially placing a 0.75-mill levy on a ballot in the near future to provide additional funding for the parks department. Currently, the parks department is funded through general fund revenue. The collection of funds from a parks levy would reduce the need to fund the parks department operations and registration fees entirely from general fund revenue.

In consultation with City Council, the City Administrator has primary responsibility for developing the short- and long-term goals and objectives for the city. The City Administrator, Benjamin J. King, who became Administrator in July, 2014 has compiled a list of six planning topics, which include: attracting jobs to the City; improving the City's roads; and completing a vision of how residents want the City to look in coming years.

Please find below an outline of Goals & Projects for 2016. The Administration prepared this plan in order to focus our planning and align our action steps consistent with these goals in order to achieve maximum efficiencies and results for the citizens of Pataskala.

### 1) Economic Development

- **Corporate Park:** Continue efforts to market the Pataskala Corporate Park location with collaboration from our partners from Licking County. In late 2016, the City attracted the first tenant to the Corporate Park when AEP purchased 100-acres for a distribution and equipment storage facility.
- **Community Reinvestment Areas (CRA's):** Improve marking of the city's four CRA districts. Create informational materials to inform business and residents about the CRA program. Consider expansion of the City's three non-Corporate Park CRA's to make additional land along our main corridors more attractive to investors.
- **Local School Districts:** Work with both local school districts to implement a revenue sharing agreement for the Corporate Park CRA. Will benefit expediency of future development of the Park.
- **SR310 TIF:** File additional parcels within the designated SR310 North and South TIF Districts to capitalize on developments.
- **Organizational Relationships:** Strengthen our partnerships with regional organizations, entities, and neighbors to enhance marketing and coordination:
  - Columbus 2020
  - Grow Licking County CIC
  - Mid-Ohio Regional Planning Commission (MORPC)
  - Etna, Harrison, St. Albans, Jersey and Jefferson townships
  - Pataskala Area Chamber of Commerce
  - Franklin & Licking counties
  - Jobs Ohio
  - Pataskala Corporate Park JEDD
  - Ohio Development Services Agency
  - Southwest Licking & Licking Heights School Districts
  - Central Ohio Technical College/C-TEC
  - Mid-Ohio Development Exchange (MODE)
  - Mink Street Consortium
  - Southwest Licking Consolidated Water & Sewer District
  - Cities of Columbus & Reynoldsburg

### 2) Infrastructure Improvements / CIP Implementation – “Investment in Our Future”

- **Mink Street Reconstruction Phase II:** Complete design, engineering and construction of the second phase of roadway improvements to Mink Street. Right-of-way acquisition occurring in 2016 and 2017. Construction scheduled to occur in 2018.



- **Street & Road Infrastructure:** Implementation of the Roadway Asset Management Plan (RAMP), including repaving/reconstruction of identified roadways. City continues aggressive budgeting each year toward our annual roadway improvements program.
- **Taylor Road Pedestrian & Bicycle Path:** Provide safety, connectivity and access to residents in Brookside and Taylor Glen with path linking these subdivisions with Freedom Park – Path from Freedom Park to Lockmead & Woodington Drives. Grant funding opportunity now available through the Clean Ohio Fund (State of Ohio) & Recreational Trails Program (US DOT/FHA).
- **Municipal Bridge Program (ODOT):** The city was awarded grant funding to replace the Columbia Road Bridge north of Broad Street. Construction to occur in 2017.
- **Columbia Road culvert replacement (OPWC Grant):** In 2016, the City was awarded an OPWC grant in the amount of \$218,023 for the replacement of a culvert, and related road widening, on Columbia Road. The City's local share for this project is estimated to be \$11,501.

### 3) Public Service & Engineering

- **Public Service Department – Core Services:** Continue to provide basic and enhanced services to the residents and businesses, including:
  - Roadway berm replacement
  - Urban forest management plan (city-owned trees only)
  - Roadway striping
  - Pothole repair and repaving
  - Ditch cleaning and culvert repair
  - Main Street corridor and right of-way mowing
  - Stream blockage removal
  - Street light repair and maintenance
  - Snow and ice removal program
  - City gateway maintenance
  - Street signage repair and replacement
  - Weekly park maintenance efforts
  - Guardrail maintenance
  - Roadside vegetation spraying/removal – signage visibility
  - Road sweeping/alley maintenance
  - Mosquito control program
- **Storm Sewer Maintenance:** Targeted use of jet truck to maintain and clean-out lines. Inspect all drains and catch basins throughout the City to identify areas in the storm water system that need to be cleaned.
- **NPDES/MS4 Permit:** Improved communication with the EPA and staff efforts to improve compliance with requirements of NPDES/MS4 program.

### 4) Land Use, Planning & Zoning / Grant Funding, Parks & Recreation:

- **Economic Development:** Continue responding to leads, mapping projects/GIS, etc.
- **Code Review:** Proactive review by staff identifying areas of the code not working as intended – suggestions for code modifications, if needed, should be anticipated in 2016.
- **Property Maintenance Enforcement:** Continued prioritization of enforcement issues within the Department – trash, junk vehicles, tall grass and weeds, along with chronic property maintenance-

related properties.

- **Planning & Zoning:** Modify existing permit forms and fee schedule to provide more streamlined submittal process.
- **Park Facilities and Programs:** City sponsored recreation programs to continue. Almost 500 youth involved in spring soccer program. Implementation of additional recreation programming opportunities. Identification and planning for park facility improvements.
- **Park Master Plans:** Work in conjunction with Parks Advisory Board for master planning for all city parks.
- **Comprehensive Land Use Plan:** In 2016, the Planning Department emphasized the need for the City's Comprehensive Land Use Plan to be updated. Anticipate process of updating will begin in 2017.

#### 5) Utilities – “Safety, Reliability, Excellence!”

- **Source Water Pollution Prevention:** Significant outreach, education, and awareness initiatives to customers on SWPP, FOG, Backflow, Water Conservation Efforts, virtual tours of treatment plants on line, rain barrel initiatives, and rain garden initiatives.
- **Sewer Line Maintenance:** Increased efforts in sewer main preventative maintenance cleaning efforts. Goal to clean 50% of our main line inventory.
- Perform annual sewer main and manhole relining and repair efforts.
- Annual water line, valve, and hydrant replacement and repair efforts.
- Ongoing efforts to implement the Water Department portion of the Radio Read Project
- Study and design work for repair and optimization of the Southeast Water Tower which is currently off line.
- GIS integration work.
- Implementation and efforts in the Source Water Protection Task Force. Practical community events to protect the water supply. Heavy focus on the SWPP.
- Construction of larger sludge storage pad at WRF. Establish program to provide sludge to local farms for field application.

#### 6) Facility & Fleet Management / Community Services

- **Municipal Facilities Inventory:** Investigate potential new uses for all city facilities. What is the most productive use of all city facilities?
- **Pataskala Police Station:** Begin construction design for a new Police Station. Architectural and construction design to begin in 2016 and continue into 2017. Construction of new station scheduled to begin in summer of 2017.

#### 7) Communications / Public Outreach

- **Community Outreach:** Improve regularity of the city's e-newsletter distribution. Increase the number of registrants for the e-newsletter. Improve use of social media (Facebook, Twitter) and increase the number of registrants to each. Utilize these systems to keep community updated on events and news. Continue distribution of print copy quarterly newsletter.

## **RELEVANT FINANCIAL POLICIES**

By ordinance, City Council adopted a comprehensive *Employee Handbook & Policy Manual* which, in addition to providing employees guidance on employment practices and policies, also provides a tool for the City to better manage and streamline the City's purchasing procedures, budgeting and financial planning, debt management, and investment and deposit of funds to ensure the minimal City resources are utilized to their fullest. A summary of the significant components of the financial policy section are as follows:

***Purchasing Procedures*** - Clarification and direction was provided to all employees governing the use of requisitions, certification of funds, establishing communication channels between departments receiving goods and the authorization for payment, competitive bidding process, and finally establishing overall standards and ethics.

***Budgeting and Financial Planning*** – The purpose is to identify the major elements of the budgeting/financial planning process to ensure the long-term objectives of the City are met and to recognize that prudent financial planning considers multi-year implications of short-term financial decisions. The major financial planning elements include:

1. Capital Improvement Plan – This document establishes a policy framework to guide the expansion of the City and future development and necessary infrastructure and capital equipment needs.
2. Five-Year Forecast – This plan projects the expected fund balances of the City's General Fund, or main operating fund, and considers the expected funding needs, essential funding sources, and may expand upon the Capital Improvement Plan by estimating the costs and funding for projects and programs that accomplish the long-term goals for the City.
3. Annual Operating and Capital Budgets – This annual financial plan is prepared by the City Administrator with assistance from the Finance Department and approved by Council. These budgets may be changed throughout the year based upon departmental needs and changes in estimated revenues.

The City will budget target cash fund balances for various operating funds to provide reserves for unforeseen emergencies or revenue shortfalls and to eliminate the need for short-term borrowings.

***Debt Management*** - Debt will only be used to fund capital projects or the purchase of capital assets that will continue to benefit the community and will not be used to finance operating expenditures. The City will work to obtain and maintain assigned credit from a rating agency consistent with the City's financing objectives. Finally, the City will strive to retire short-term borrowings as considered beneficial to the City in relation to overall cost savings and interest rates.

***Investments and Deposits of Funds*** – City Council adopted an amended investment policy in 2013 which expanded the number of approved investment options, and emphasizes safety, preservation of principal, liquidity and yield. All idle funds are to be invested in accordance with the City's investment policy.

## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City of Pataskala for its Comprehensive Annual Financial Report for the year ended December 31, 2015. This was the seventh consecutive year that the City of Pataskala has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City has been awarded the Ohio Auditor of State's *Award With Distinction* certificate (formerly known as the "Making Your Tax Dollars Count" award) for the past seven consecutive years (2009-2015), based upon the submission of a Comprehensive Annual Financial Report, and the auditor's finding that no material noncompliance or internal control weaknesses were identified as a result of these audits.

The preparation of this Comprehensive Annual Financial Report was made possible by the dedicated service of the City's Finance staff, department heads and to all other City employees who have contributed or assisted in its preparation.

Respectfully submitted,



James M. Nicholson  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Pataskala  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2015**

Executive Director/CEO

**City of Pataskala, Ohio**  
**Elected & Appointed Officials**  
**As of December 31, 2016**

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**Elected Officials\***

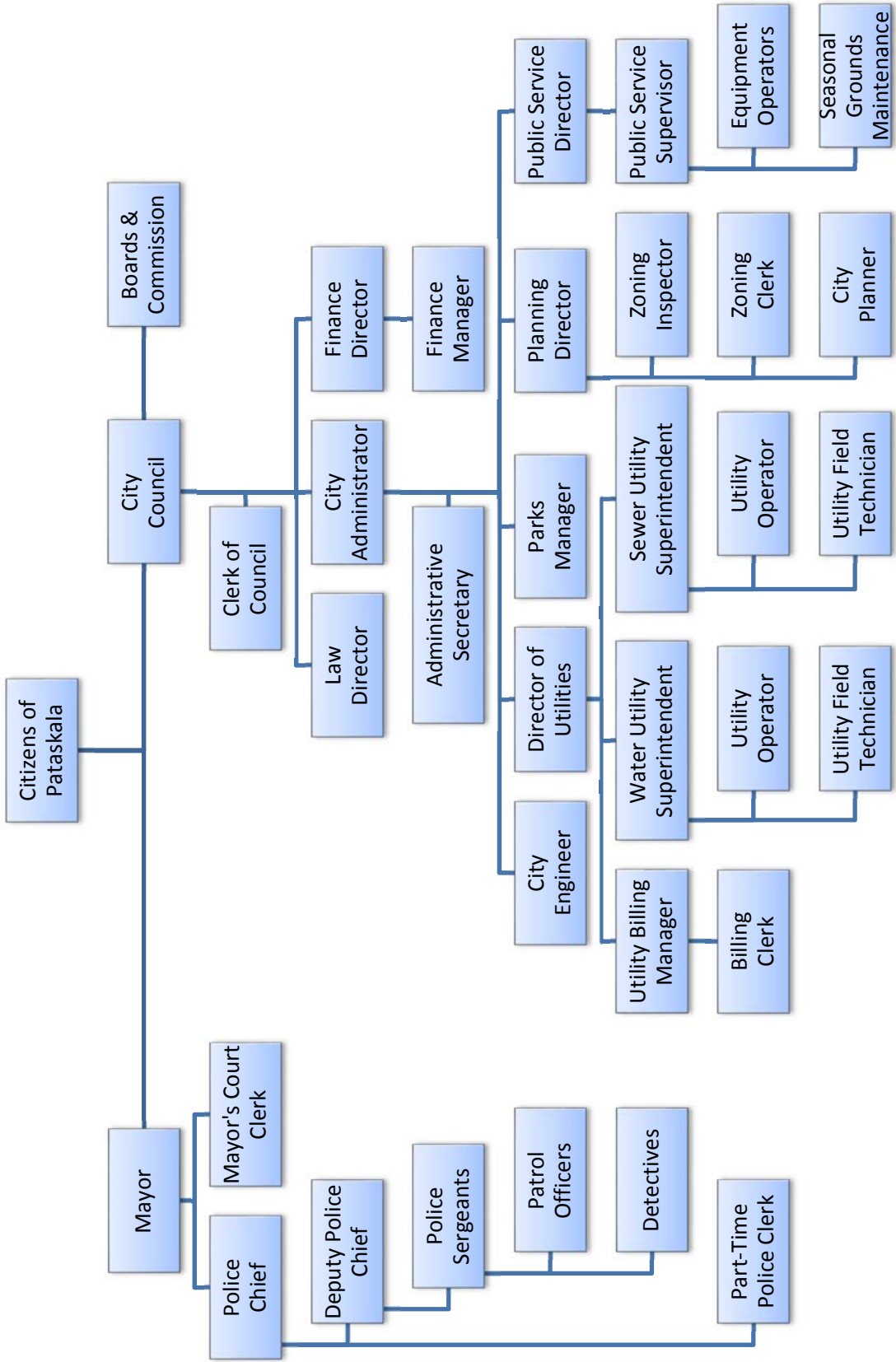
Mayor	Michael W. Compton (2017)
Council President	Ward 2 – Melissa A. Carter (2019)
Council Members	At-Large – Andrew W. Walther (2017) At-Large – Todd W. Barstow (2017) At-Large – Timothy O. Hickin (2017) Ward 1 – Thomas H. Lee (2019) Ward 3 – Michael C. Powell (2019) Ward 4 – Suzanne M. Hayes (2019)

**Appointed Officials:**

City Administrator	Benjamin J. King
Director of Finance	James M. Nicholson, MBA, CPFM
Law Director	Brian M. Zets, Esq.
Planning Director	Scott C. Fulton
Public Service Director	Alan W. Haines, P.E.
Chief of Police	Bruce Brooks
Utilities Director	Nathan W. Coey

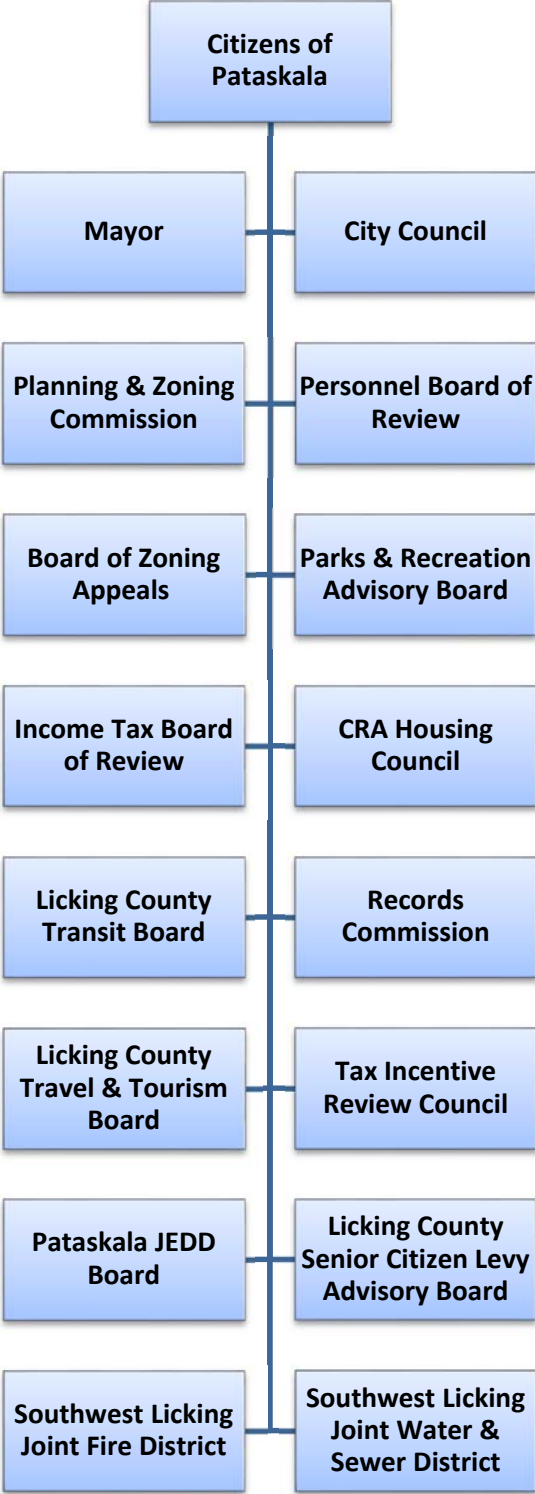
\* Elected officials terms of office listed in parentheses.

# City of Pataskala, Ohio Organizational Chart



**City of Pataskala, Ohio  
Boards & Commissions**

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# Financial Section

## City of Pataskala | CAFR







## **Julian & Grube, Inc.**

*Serving Ohio Local Governments*

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

### Independent Auditor's Report

City of Pataskala  
Licking County  
621 W. Broad Street, Suite 2B  
Pataskala, Ohio 43062

To the Members of Council and Mayor:

#### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pataskala, Licking County, Ohio, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City of Pataskala's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City of Pataskala's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City of Pataskala's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Independent Auditor's Report  
City of Pataskala

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pataskala, Licking County, Ohio, as of December 31, 2016, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund, Street Fund and Police Fund, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and schedules of net pension liability/net pension asset and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

*Supplementary and Other Information*

Our audit was conducted to opine on the City of Pataskala's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Independent Auditor's Report  
City of Pataskala

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2017, on our consideration of the City of Pataskala's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Pataskala's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.  
June 6, 2017



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## CITY OF PATASKALA, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016

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The management's discussion and analysis of the City of Pataskala's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2016. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

#### Financial Highlights

Key financial highlights for 2016 are as follows:

- The total net position of the City increased \$3,262,265. Net position of governmental activities increased \$2,356,954 or 10.22% from 2015's net position. Net position of business-type activities increased \$905,311 or 16.45% from 2015's net position.
- General revenues accounted for \$6,389,082 or 66.86% of total governmental activities revenue. Program-specific revenues accounted for \$3,166,205 or 33.14% of total governmental activities revenue.
- The City had \$7,198,333 in expenses related to governmental activities; \$3,166,205 of these expenses were offset by program specific charges for services, grants or contributions.
- The general fund had revenues of \$1,473,505 in 2016. This represents an increase of \$32,964 from 2015 revenues. The expenditures of the general fund, which totaled \$1,211,564 in 2016 decreased \$234,997 from 2015. The net increase in fund balance for the general fund was \$261,941 or 26.46%.
- The street fund had revenues and other financing sources of \$2,877,959 in 2016, which is a decrease of \$38,116 from 2015 revenues. The expenditures in the street fund totaled \$2,761,228 in 2016, which decreased \$15,454 from 2015. The net increase in fund balance was \$116,731 or 4.60%.
- The police fund had revenues of \$2,832,746 in 2016, which is an increase of \$87,673 from 2015 revenues. The expenditures and other financing uses in the police fund totaled \$2,993,214 in 2016, which increased \$601,392 from 2015. The net decrease in fund balance was \$160,468 or 9.71%.
- The Issue II fund had revenues of \$197,385 and expenditures of \$1,222,650 in 2016. The fund balance of the Issue II fund decreased \$1,025,265 or 80.65%.
- The capital improvements fund had revenues of \$1,223,946 in 2016. The capital improvements fund had expenditures of \$1,833,354 in 2016. The fund balance of the capital improvements funds decreased \$609,408 or 34.77%.
- Net position for the business-type activities, which are made up of the water and sewer enterprise funds, increased in 2016 by \$905,311.
- In the general fund, the actual revenues and other financing sources came in \$32 lower than they were in the final budget. Actual expenditures were \$264,338 less than the amount in the final budget. These variances are the result of the City's conservative budgeting process.

## CITY OF PATASKALA, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016

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#### Using This Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to these statements. These statements are organized so the reader can understand the City as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the City as a whole, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

#### Reporting the City as a Whole

##### *Statement of Net Position and the Statement of Activities*

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2016?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's net position and changes in net position. This change in net position is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, variations of economic conditions, required community programs and other factors.

In the statement of net position and the statement of activities, the City is divided into two distinct kinds of activities:

*Governmental activities* - Most of the City's programs and services are reported here including police, street maintenance, capital improvements and general administration. These services are funded primarily by property taxes, income taxes, and intergovernmental revenues including Federal and State grants and other shared revenues.

*Business-type activities* - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The City's water and sewer operations are reported here.

The City's statement of net position and statement of activities can be found on pages 55-57 of this report.

#### Reporting the City's Most Significant Funds

##### *Fund Financial Statements*

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.



## CITY OF PATASKALA, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016

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Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focuses on the City's most significant funds. The analysis of the City's major governmental and proprietary funds begins on page 46.

#### ***Governmental Funds***

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund, street fund, police fund, Issue II fund and capital improvements fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 58-67 of this report.

#### ***Proprietary Funds***

The City maintains one type of proprietary fund, enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations. Both of the City's enterprise funds are considered major funds. The basic proprietary fund financial statements can be found on pages 68-71 of this report.

#### ***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City's fiduciary fund is an agency fund. The basic fiduciary fund financial statement can be found on page 72 of this report.

#### ***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 73-121 of this report.

**CITY OF PATASKALA, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2016

***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension liability. The required supplementary information can be found on pages 124-130 of this report.

**Government-Wide Financial Analysis**

The table below provides a summary of the City's assets, deferred inflows of resources, liabilities, deferred outflows of resources and net position at December 31, 2016 and 2015.

	<b>Net Position</b>					
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b><u>Assets</u></b>						
Current and other assets	\$ 13,529,289	\$ 13,390,308	\$ 5,841,381	\$ 5,496,233	\$ 19,370,670	\$ 18,886,541
Capital assets, net	25,576,613	22,345,241	13,774,840	14,102,914	39,351,453	36,448,155
<b>Total assets</b>	<b>39,105,902</b>	<b>35,735,549</b>	<b>19,616,221</b>	<b>19,599,147</b>	<b>58,722,123</b>	<b>55,334,696</b>
<b><u>Deferred outflows of resources</u></b>						
Unamortized						
deferred charges	-	-	321,742	337,429	321,742	337,429
Pension	1,407,034	470,684	356,019	112,117	1,763,053	582,801
<b>Total deferred outflows</b>	<b>1,407,034</b>	<b>470,684</b>	<b>677,761</b>	<b>449,546</b>	<b>2,084,795</b>	<b>920,230</b>
<b><u>Liabilities</u></b>						
Current liabilities	1,080,972	564,082	116,518	352,216	1,197,490	916,298
Long-term liabilities:						
Due within one year	771,031	697,758	692,852	693,123	1,463,883	1,390,881
Net pension liability	4,308,165	3,048,031	793,041	531,060	5,101,206	3,579,091
Other amounts	7,818,871	7,813,354	12,262,565	12,955,397	20,081,436	20,768,751
<b>Total liabilities</b>	<b>13,979,039</b>	<b>12,123,225</b>	<b>13,864,976</b>	<b>14,531,796</b>	<b>27,844,015</b>	<b>26,655,021</b>
<b><u>Deferred inflows of resources</u></b>						
Property taxes						
and PILOTs	1,064,910	992,822	-	-	1,064,910	992,822
Pension	40,673	18,826	20,417	13,619	61,090	32,445
<b>Total deferred inflows</b>	<b>1,105,583</b>	<b>1,011,648</b>	<b>20,417</b>	<b>13,619</b>	<b>1,126,000</b>	<b>1,025,267</b>
<b><u>Net Position</u></b>						
Net investment in						
capital assets	17,637,386	14,059,671	1,163,737	934,760	18,801,123	14,994,431
Restricted	6,037,115	7,944,339	-	-	6,037,115	7,944,339
Unrestricted	1,753,813	1,067,350	5,244,852	4,568,518	6,998,665	5,635,868
<b>Total net position</b>	<b>\$ 25,428,314</b>	<b>\$ 23,071,360</b>	<b>\$ 6,408,589</b>	<b>\$ 5,503,278</b>	<b>\$ 31,836,903</b>	<b>\$ 28,574,638</b>

## CITY OF PATASKALA, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016

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During a previous year, the City adopted Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and GASB Statement 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68" which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

**CITY OF PATASKALA, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

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As a result of implementing GASB 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2016, the City's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$31,836,903. At year end, net positions were \$25,428,314 and \$6,408,589 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's net position. At year-end, capital assets represented 67.01% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, equipment, vehicles and infrastructure. Net investment in capital assets at December 31, 2016, were \$17,637,386 and \$1,163,737 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's net position, \$6,037,115, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net position is \$1,753,813.

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**CITY OF PATASKALA, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

The following table shows the changes in net position for 2016 and 2015.

	<u>Governmental Activities</u>		<u>Change in Net Position Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Revenues</b>						
<u>Program revenues:</u>						
Charges for services and sales	\$ 555,844	\$ 535,264	\$ 4,174,757	\$ 3,883,291	\$ 4,730,601	\$ 4,418,555
Operating grants and contributions	1,299,277	1,237,885	-	-	1,299,277	1,237,885
Capital grants and contributions	1,311,084	274,739	-	-	1,311,084	274,739
<u>General revenues:</u>						
Property taxes	843,062	827,781	-	-	843,062	827,781
Income taxes	5,136,499	4,470,343	-	-	5,136,499	4,470,343
Payments in lieu of taxes	190,126	153,835	-	-	190,126	153,835
Unrestricted grants	188,862	189,381	-	-	188,862	189,381
Interest	17,188	11,049	40,778	30,006	57,966	41,055
Other	13,345	9,491	64,094	2,296	77,439	11,787
<b>Total Revenues</b>	<b>9,555,287</b>	<b>7,709,768</b>	<b>4,279,629</b>	<b>3,915,593</b>	<b>13,834,916</b>	<b>11,625,361</b>
<b>Expenses:</b>						
General government	1,805,720	1,919,562	-	-	1,805,720	1,919,562
Security of persons and property	2,495,690	2,134,698	-	-	2,495,690	2,134,698
Transportation	2,193,530	1,762,282	-	-	2,193,530	1,762,282
Community environment	296,206	246,113	-	-	296,206	246,113
Leisure time activity	186,728	67,486	-	-	186,728	67,486
Interest and fiscal charges	220,459	211,259	-	-	220,459	211,259
Water	-	-	1,809,143	1,798,346	1,809,143	1,798,346
Sewer	-	-	1,565,175	1,594,905	1,565,175	1,594,905
<b>Total Expenses</b>	<b>7,198,333</b>	<b>6,341,400</b>	<b>3,374,318</b>	<b>3,393,251</b>	<b>10,572,651</b>	<b>9,734,651</b>
<b>Change in Net Position</b>	<b>2,356,954</b>	<b>1,368,368</b>	<b>905,311</b>	<b>522,342</b>	<b>3,262,265</b>	<b>1,890,710</b>
Net position at beginning of year	23,071,360	21,702,992	5,503,278	4,980,936	28,574,638	N/A
<b>Net Position at End of Year</b>	<b>\$ 25,428,314</b>	<b>\$ 23,071,360</b>	<b>\$ 6,408,589</b>	<b>\$ 5,503,278</b>	<b>\$ 31,836,903</b>	<b>\$ 1,890,710</b>

**Governmental Activities**

Governmental activities net position increased \$2,356,954 in 2016.

Security of persons and property, which primarily supports the operations of the police department, had expenses of \$2,495,690 which accounted for 34.67% of the governmental expenses of the City. These expenses were partially funded by \$145,307 in direct charges to users of the services and \$83,386 in operating grants and contributions. Transportation, which primarily supports street construction and maintenance projects, had expenses of \$2,193,530 which accounted for 30.47% of the governmental expenses of the City. These expenses were funded by \$1,056,635 in operating grants and contributions and \$1,311,084 in capital grants and contributions. General government expenses totaled \$1,805,720 which was partially funded by \$271,868 in direct charges to users of the services and \$159,256 in operating grants and contributions.

**CITY OF PATASKALA, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

The State and Federal government contributed to the City a total of \$1,299,277 in operating grants and contributions. These revenues are restricted to a particular program or purpose.

General revenues totaled \$6,389,082, and amounted to 66.86% of total governmental revenues. These revenues primarily consist of property tax revenue and income tax revenue making up \$5,979,561 which is 93.59% of general revenues or 62.58% of all revenues. Income tax revenue increased due to a better than expected tax collections throughout the City.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. As can be seen in the table below, the City is highly dependent upon property taxes as well as unrestricted grants and entitlements to support its governmental activities.

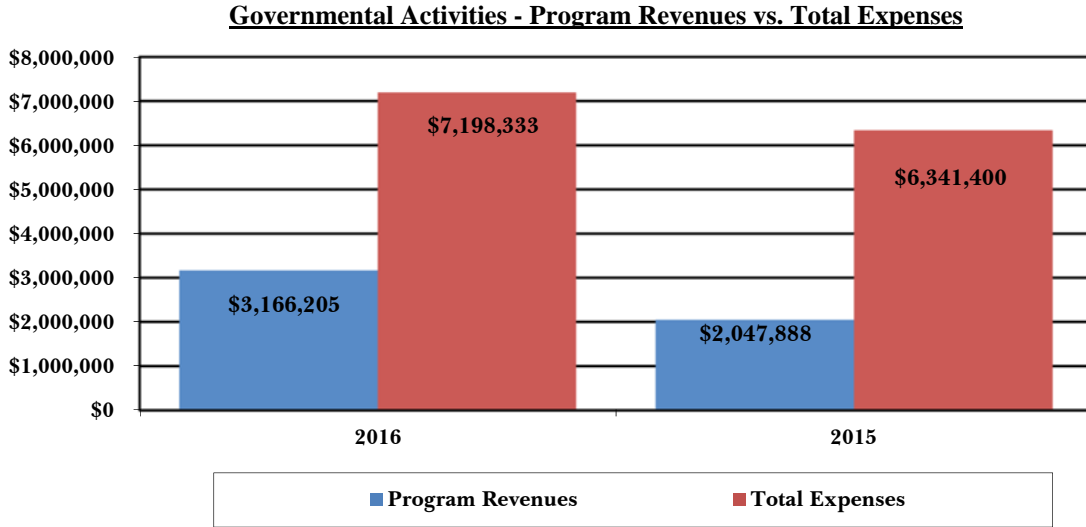
	<b>Governmental Activities</b>			
	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>
<b><u>Program expenses:</u></b>				
General government	\$ 1,805,720	\$ 1,374,596	\$ 1,919,562	\$ 1,457,013
Security of persons and property	2,495,690	2,266,997	2,134,698	1,857,162
Transportation	2,193,530	(174,189)	1,762,282	541,138
Community environment	296,206	241,957	246,113	192,844
Leisure time activity	186,728	102,308	67,486	34,096
Interest and fiscal charges	220,459	220,459	211,259	211,259
<b>Total Expenses</b>	<b>\$ 7,198,333</b>	<b>\$ 4,032,128</b>	<b>\$ 6,341,400</b>	<b>\$ 4,293,512</b>

The dependence upon general revenues for governmental activities is apparent, with 56.01% in 2016 supported through taxes and other general revenues.

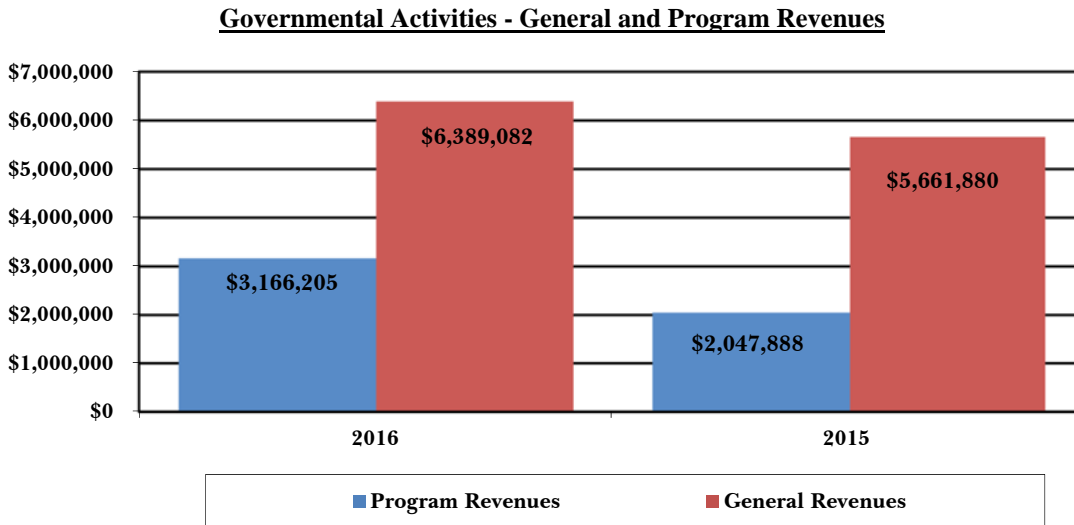
**CITY OF PATASKALA, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

The following graph illustrates governmental-activities program revenues and total expenses for years 2016 and 2015.



The graph below shows governmental-activities general and program revenues for years 2016 and 2015.



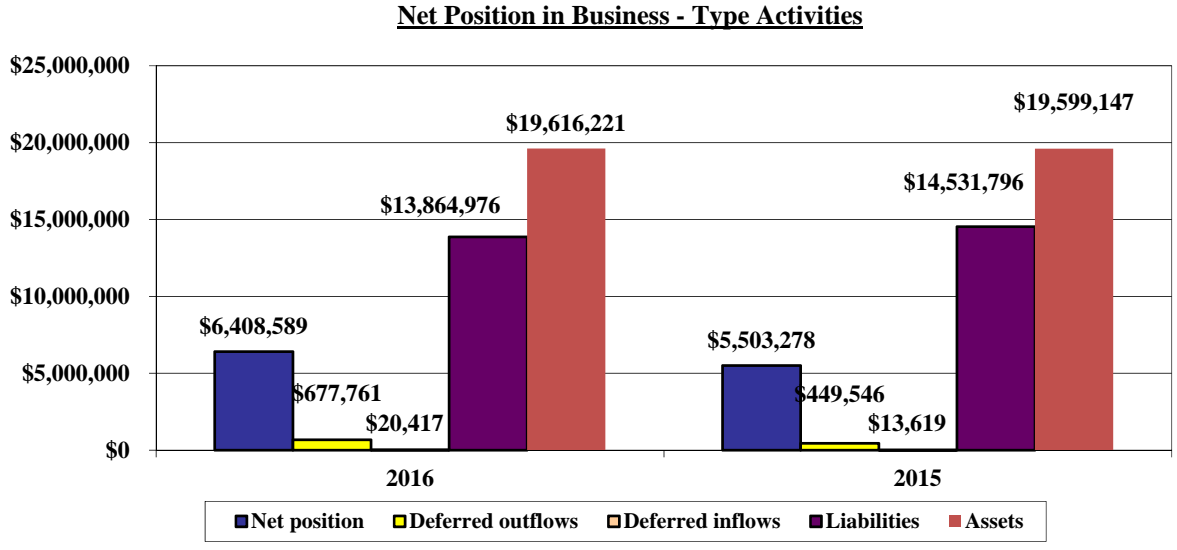
**Business-type Activities**

Business-type activities include the water and sewer enterprise funds. These programs had program revenues of \$4,174,757, general revenues of \$104,872, and expenses of \$3,374,318 for 2016.

**CITY OF PATASKALA, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

The following graph illustrates the business-type activities assets, deferred outflows, liabilities, deferred inflows and net position at December 31, 2016 and 2015.



The City's total assets for business-type activities increased due primarily to higher equity in pooled cash balances due primarily to water and sewer rate increases.

**Financial Analysis of the Government's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

***Governmental Funds***

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at year end.

The City's governmental funds reported a combined fund balance of \$9,436,410 which is \$447,799 lower than last year's total of \$9,884,209.



**CITY OF PATASKALA, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

The following schedule indicates the fund balances and the total change in fund balances as of December 31, 2016 and 2015 for all major and nonmajor governmental funds.

	<b>Fund Balances</b>	<b>Fund Balances</b>	<b>Change</b>
	<b>12/31/2016</b>	<b>12/31/2015</b>	
Major funds:			
General	\$ 1,251,863	\$ 989,922	\$ 261,941
Street	2,656,152	2,539,421	116,731
Police	1,492,343	1,652,811	(160,468)
Issue II	246,014	1,271,279	(1,025,265)
Capital improvements	1,143,356	1,752,764	(609,408)
Other nonmajor governmental funds	<u>2,646,682</u>	<u>1,678,012</u>	<u>968,670</u>
<b>Total</b>	<b><u>\$ 9,436,410</u></b>	<b><u>\$ 9,884,209</u></b>	<b><u>\$ (447,799)</u></b>

***General Fund***

The table that follows assists in illustrating the revenues of the general fund.

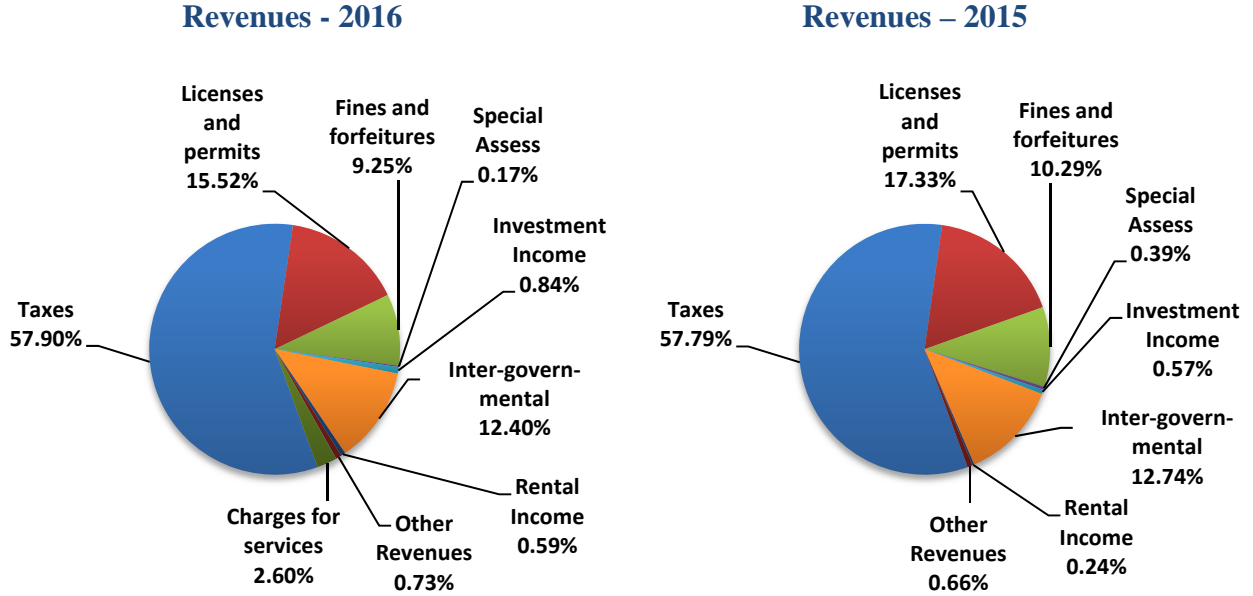
	<b>2016</b>	<b>2015</b>	<b>Percentage</b>
	<b>Amount</b>	<b>Amount</b>	<b>Change</b>
<b><u>Revenues</u></b>			
Taxes	\$ 853,298	\$ 832,535	2.49%
Charges for services	38,370	-	100.00%
Licenses and permits	228,663	249,575	(8.38%)
Fines and forfeitures	136,246	148,190	(8.06%)
Intergovernmental	182,707	183,477	(0.42%)
Special assessments	2,440	5,591	(56.36%)
Investment income	12,337	8,262	49.32%
Rental income	8,666	3,420	153.39%
Other	<u>10,778</u>	<u>9,491</u>	<u>13.56%</u>
<b>Total Revenues</b>	<b><u>\$ 1,473,505</u></b>	<b><u>\$ 1,440,541</u></b>	<b><u>2.29%</u></b>

Revenues of the general fund decreased \$32,964 or 2.29%. Tax revenue represents 57.91% of all general fund revenue. Taxes increased \$20,763 due to better than expected property tax collections. The City also began charging a recreation fee which increased charges for services. Investment income increased \$4,075 due to better interest rates and an increase in investments from the previous year.

**CITY OF PATASKALA, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

The following graphs illustrate the breakdown of the general fund's revenues for December 31, 2016 and 2015:



The table that follows assists in illustrating the expenditures of the general fund.

	<u>2016</u> <u>Amount</u>	<u>2015</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<b><u>Expenditures</u></b>			
General government	\$ 784,156	\$ 940,050	(16.58%)
Community environment	271,871	256,706	5.91%
Leisure time activity	148,765	43,033	245.70%
Debt service	6,772	6,772	0.00%
<b>Total Expenditures</b>	<b><u><u>\$ 1,211,564</u></u></b>	<b><u><u>\$ 1,246,561</u></u></b>	<b><u><u>(2.81%)</u></u></b>

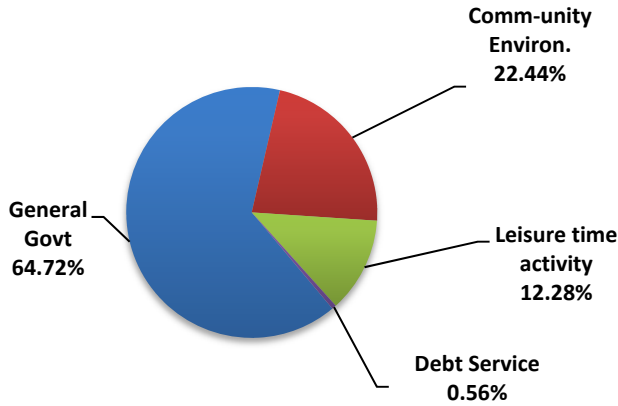
Expenditures of the general fund decreased \$34,997 or 2.81%. The decrease in general government was the result of decreased spending in the general government, court & legal, finance and parks, lands & municipal facilities departments within the general fund. These lower costs were countered by increased spending in community environment related to increased salaries and related costs and an increase in spending in the parks maintenance & administration departments within leisure time activity.

CITY OF PATASKALA, OHIO

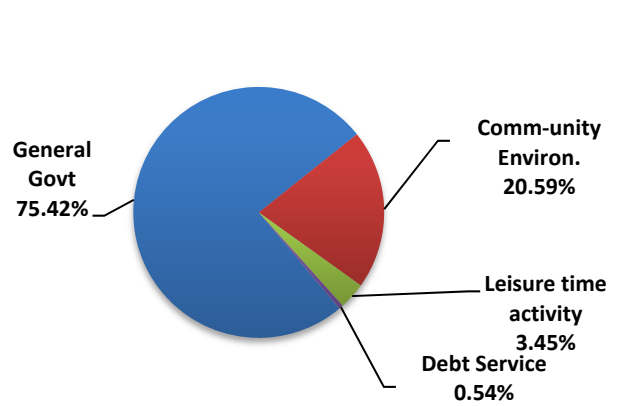
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2016

The graphs below show the general fund's expenditures for December 31, 2016 and 2015:

**Expenditures - 2016**



**Expenditures – 2015**



**Street Fund**

The street fund had revenues and other financing sources of \$2,877,959 in 2016, which is a decrease of \$38,116 from 2015 revenues. This decrease was primarily the result of a smaller capital lease being entered into during 2016 as well as lower transfers in during 2016. The expenditures in the street fund totaled \$2,761,228 in 2016, which decreased \$15,454 from 2015. Expenditures and other financing sources decreased primarily due to no transfers out that were made during 2016.

**Police Fund**

The police fund had revenues of \$2,832,746 in 2016, which is an increase of \$87,673 from 2015 revenues. This increase was primarily the result of more income taxes due to a change in the allocation of the City's 1.00% income tax rate. The expenditures and other financing uses in the police fund totaled \$2,993,214 in 2016, which increased \$601,392 from 2015. This increase is due primarily to an increase in spending in the police department as well as transfers out for a new police station that were made during 2016. The net decrease in fund balance was \$160,468 or 9.71%.

**Issue II Fund**

The Issue II fund had revenues of \$197,385 and expenditures of \$1,222,650 in 2016. The increase in expenditures were related to costs associated with Phase III of the Mink Street project.

**Capital Improvements Fund**

The capital improvements fund had revenues of \$1,223,946 and expenditures of \$1,833,354 in 2016. The primary source of revenues related to intergovernmental grants received from the Ohio Public Works Commission (OPWC) and the Ohio Department of Transportation (ODOT).

**CITY OF PATASKALA, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

***Budgeting Highlights***

The City's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially, the budget is the City's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the City's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity, then the appropriations can be adjusted accordingly.

In the general fund, actual revenues and other financing sources came in \$68 higher than projected in the final budget. Actual expenditures and other financing uses were \$264,338 less than the amount in the approved final budget. These variances are the result of the City's conservative budgeting. The City continues to monitor the budget which further exemplifies the difference between total expenditures available to spend and actual expenditures which is evidenced by the \$264,338 positive variance.

***Proprietary Funds***

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. The only difference between the amounts reported as business-type activities and the amounts reported in the proprietary fund statements are interfund eliminations between proprietary funds and internal balances due to governmental activities for internal service activities. The only interfund activity reported in the government wide statements are those between business-type activities and governmental activities (reported as internal balances and transfers) whereas interfund amounts between various enterprise funds are reported in the proprietary fund statements. The City has no internal service funds and there was no internal balance outstanding at year end between the governmental and business-type activities.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of 2016, the City had \$39,351,453, net of accumulated depreciation, invested in land, construction in progress, land improvements, buildings and improvements, equipment, vehicles, and infrastructure. Of this total, \$25,576,613 was reported in governmental activities and \$13,774,840 was reported in business-type activities. The following table shows December 31, 2016 balances compared to December 31, 2015.

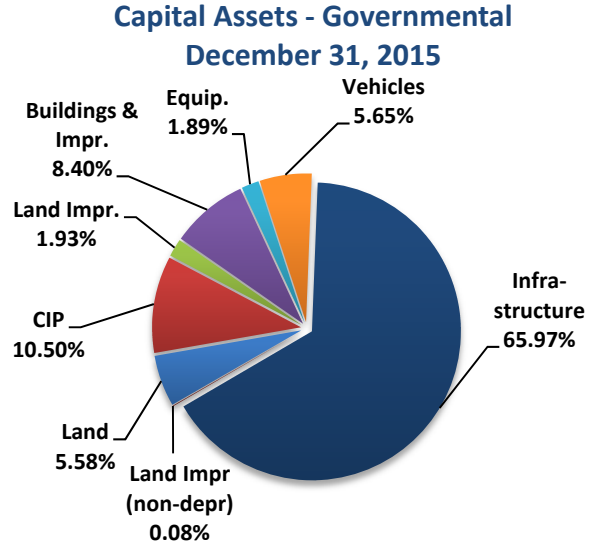
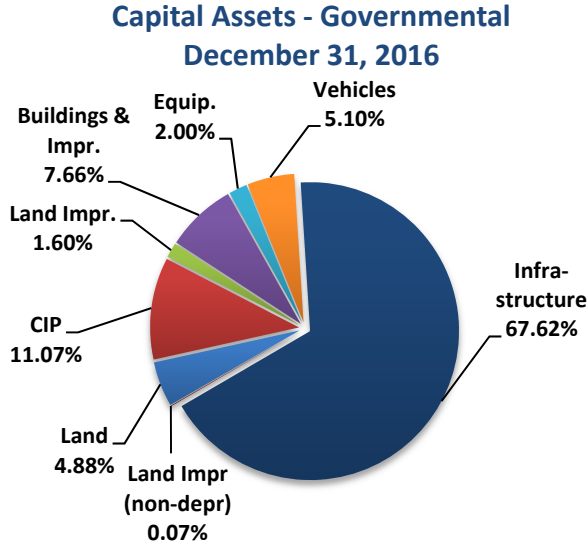
**Capital Assets at December 31  
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	\$ 1,247,232	\$ 1,247,232	\$ 654,893	\$ 654,893	\$ 1,902,125	\$ 1,902,125
Land improvements (non depr.)	17,077	17,077	-	-	17,077	17,077
Construction-in-progress	2,831,717	2,346,075	14,775	688,662	2,846,492	3,034,737
Land improvements	408,834	431,025	8,455,848	8,754,501	8,864,682	9,185,526
Buildings and improvements	1,959,806	1,876,625	970,407	744,074	2,930,213	2,620,699
Equipment	512,442	422,462	97,378	111,075	609,820	533,537
Vehicles	1,304,555	1,262,878	142,638	132,626	1,447,193	1,395,504
Infrastructure	17,294,950	14,741,867	3,438,901	3,017,083	20,733,851	17,758,950
<b>Totals</b>	<b>\$ 25,576,613</b>	<b>\$ 22,345,241</b>	<b>\$ 13,774,840</b>	<b>\$ 14,102,914</b>	<b>\$ 39,351,453</b>	<b>\$ 36,448,155</b>

**CITY OF PATASKALA, OHIO**

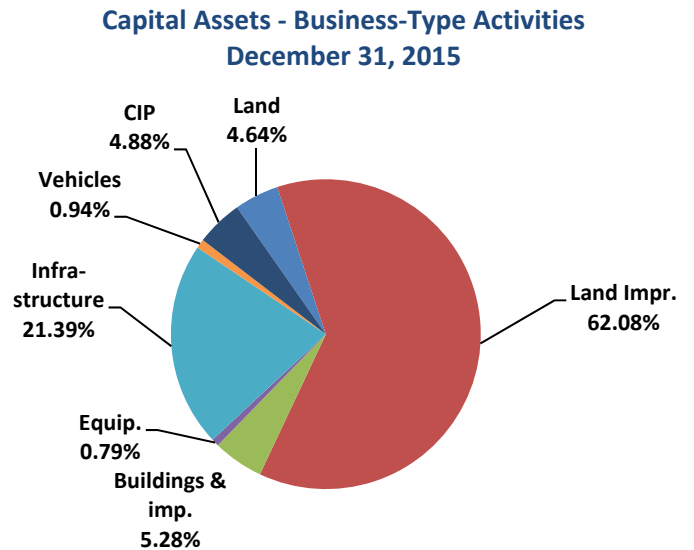
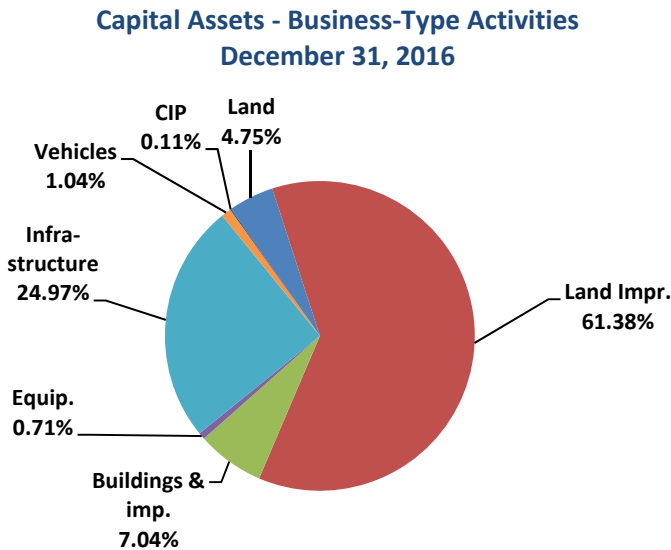
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

The following graphs show the breakdown of governmental capital assets by category for 2016 and 2015.



The City's largest capital asset category is infrastructure which includes roads, bridges, culverts, sidewalks and curbs. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant.

The following graphs show the breakdown of business-type capital assets by category for 2016 and 2015.



The City's largest business-type capital asset category was land improvements. The net book value of the City's land improvements (cost less accumulated depreciation) represents approximately 61.38% of the City's total business-type capital assets.

**CITY OF PATASKALA, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

See Note 10 to the basic financial statements for detail on the City's capital assets.

***Debt Administration***

The City had the following long-term obligations outstanding at December 31, 2016 and 2015:

	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2015</b>
SIB loan	\$ 166,549	\$ 196,985
Bond anticipation notes payable	500,000	-
Bonds	6,105,000	6,375,000
Capital lease obligation payable	665,819	639,033
Loans payable	751,785	868,660
OPWC loans	38,839	86,611
	<b>\$ 8,227,992</b>	<b>\$ 8,166,289</b>
	<b>Business-type Activities</b>	
	<b>2016</b>	<b>2015</b>
General obligation bonds	\$ 8,305,000	\$ 8,680,000
OWDA Loans	3,572,382	3,765,979
Loans payable	600,000	700,000
	<b>\$ 12,477,382</b>	<b>\$ 13,145,979</b>

During 2016, the City's governmental activities entered into a capital lease agreement for \$260,000 for various equipment as well as issuing \$500,000 bond anticipation note (maturity 5/23/17) to begin construction on a new police station.

See Note 13 to the basic financial statements for detail on the City's debt administration.

**Economic Conditions and Outlook**

In May 2010, the City of Pataskala passed a 1.0% tax on earned income and business net profits, with no credit given for taxes withheld and paid to neighboring communities. Initially, the revenue generated by the tax was allocated to the Police Fund (75%) and to Public Service/Street Fund (25%). City Council and management were cognizant of the fact that higher than expected income tax collections would provide for greater scrutiny regarding the use of taxpayer dollars, and therefore changed the allocation of income taxes to provide greater resources for the implementation of the City's Roadway Asset Management Plan (RAMP) which provided for improvements to the City's road infrastructure. The allocation percentages have changed every year since that time. During the 2016 budget development process, Council revised the allocation for 2016 to provide additional funding for Police and Public Service. For 2016, the allocation was as follows: 53.0% - Police; 35.65% - Public Service; 2.15% - Capital Improvements fund; and 9.2% - Debt Service fund; and in 2015 the allocation was: 54.1% - Police; 33.3% - Public Service; 0% - Capital Improvements fund; and 12.5% - Debt Service fund. This income tax allocation provided the framework for the City to begin addressing its infrastructure needs while providing sufficient funds for operations and accounting for debt service obligations.

## CITY OF PATASKALA, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016

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Based upon the year-end 2016 fund balances, estimates of 2017 collections and funding/debt service requirements, the allocation was amended by Council once again. For 2017, the allocation is as follows: 53.0% - Police; 35.65% - Public Service; 2.45% - Capital Improvements fund; and 8.9% - Debt Service fund. It is anticipated that Council will continue to modify the allocation on an annual basis, as funding requirements and the operating environment change. Management continues to closely monitor the income tax revenue projections, and maintains conservative budgeting practices, even though collections have significantly exceeded those estimates. The current 2017 budget estimates that income tax collections (cash-basis) will be approximately \$5.4 million.

The aforementioned Roadway Asset Management Plan (RAMP) is a management tool which is used to identify the current condition of the City's road infrastructure and the estimated improvement costs. Prior to 2011, the City lacked sufficient funding to adequately maintain its roads and infrastructure. As a result, many of its streets and related infrastructure fell into disrepair, requiring significant investment to return them to a satisfactory level. The plan estimated \$34 million in needed repairs over a 10-year period. Ordinance 2012-4064 authorized the City to proceed with implementing the necessary road repairs in 2012 and 2013 addressing critical roads within the City at an estimated cost of \$3.2 million, which would be financed by the issuance of \$2.25 million in bond anticipation notes, income taxes allocated to the capital improvements fund, and permissive license tax funds. In November 2014, the city refunded all of its existing BANs into long-term bonds. Included in this transaction, was the issuance of \$2.0 million in new debt to fund the local match on two major road infrastructure projects – the Main Street/State Route 310 improvements project and the Mink Street improvements project. During 2015 and 2016, the city spent a total of \$6.0 million on road and related infrastructure improvements. Future street programs, however, will become more modest once much of the repair backlog has been cleared.

In addition to the City's deteriorated road infrastructure, which the City has begun to address with the passage of the income tax, the infrastructure associated with the City's water and sewer utility operations was evaluated. This evaluation identified several areas in need of significant improvement and repair. In conjunction with the finalization of the \$4.2 million Wastewater Treatment Plant upgrade and OAKS Sanitary Sewer Special Assessment project, the City issued bond anticipation notes during 2012 totaling \$1.58 million for water system improvements and \$1.43 million for sewer system improvements. The City's utility funds do not receive income tax receipts or other funding from the general or other governmental funds, and are self-supporting through user charges. In 2012, the City implemented a new utility rate structure to address operations, needed capital improvements, and provide necessary funds to pay debt service-related charges. The rate schedule called for annual increases through 2016. Management will continue to closely monitor the revenue generated by the revised rate structures to ensure that adequate funding for debt service and operations is ensured. During 2015, the City advanced refunded its \$5.33 million in outstanding 2007 Water System Improvements bonds.

The City's corporate park is beginning to see signs of activity. American Electric Power (AEP) has acquired several parcels in the park, and is beginning to develop facilities and a power substation within the park. Although these will generate personal property tax revenues, the benefit will primarily accrue to the local school districts as the city no longer receives personal property taxes. We believe that by landing an anchor tenant in the park, it will be the catalyst to trigger future development in the park which will generate income tax revenues on the businesses payroll.

The City continues to see declines in funding support from the State of Ohio and Licking County, as those organizations continue to deal with budget shortfalls. The City expects to see continued cuts in local government funding, tangible personal property tax reimbursements, and public utility deregulation tax reimbursements. Furthermore, the City no longer receives estate tax revenues which further challenges future budgets. These changes will require the Administration and Council to adjust future operating budgets to avoid significant decreases in services.

## CITY OF PATASKALA, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016

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Based on the recent cost estimates to repair the City's deteriorating road infrastructure, it has been made clear that the income tax will not be sufficient to cover these costs, when considering income tax receipts must also be used for Police operations, street operations and debt service obligations. The Administration has been, and will continue to be, aggressive in seeking available grant funding for infrastructure needs consistently working with the Mid-Ohio Regional Planning Commission (MORPC), the Licking County Engineer, the Ohio Department of Development and the Ohio Department of Transportation (ODOT). In late 2012, the City was notified that it was awarded nearly \$4.0 million from the Ohio Public Works Commission (OPWC) for significant improvements to Mink Road, a major roadway in the City. Engineering and design on this project was undertaken in 2013, with construction of the first phase completed in 2014. The next phase of the project, intersection improvements at Broad and Mink Streets, was started during 2015 and was approximately 50% completed prior to the end of the construction season. This phase was completed in late-2016. A major traffic corridor through the City, State Route 310, was completely repaved by ODOT in 2016. This \$735 thousand project was 80% grant funded by ODOT, with a local match of \$148 thousand. In anticipation of this major project, \$2.2 in infrastructure improvements, such as water/sewer lines, street lights, curbs and storm sewers, were constructed during 2015 in the old Village center.

Following the investment of over \$3.4 million of site and infrastructure improvements, the 520+ acre Pataskala Corporate Park was completed in early 2012 and is a key component to the City's future economic growth. To promote this development and to assist in funding additional infrastructure improvements in the Park, a Joint Economic Development District (JEDD) was created in 2009. The JEDD consists of a partnership between the City, Licking County, Harrison Township and the property owner of the Park. The Pataskala Corporate site is also located in an Ohio Enterprise Zone, a Tax Increment Financing (TIF) District, and a Community Reinvestment Area (CRA). Businesses that locate in the district would be eligible for both state and local incentives to support new development. The County and City have jointly marketing the property, and hope to begin attracting businesses and investment in the Park in the near future. Growth in the Corporate Park would supplement the income taxes paid by residents, through the tax on the business net profits and withholding on wages paid to its employees. In January of 2012, the Pataskala Corporate Park Job Ready Site received certification from the State of Ohio as a State certified manufacturing site, recognizing that all elements required for development to commence are present within this development.

#### **Contacting the City's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances, and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact: Mr. James M. Nicholson, Finance Director, City of Pataskala, 621 W. Broad Street, Suite 2B, Pataskala, Ohio 43062 or email [jnicholson@ci.pataskala.oh.us](mailto:jnicholson@ci.pataskala.oh.us).





CITY OF PATASKALA, OHIO

STATEMENT OF NET POSITION  
DECEMBER 31, 2016

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 8,843,869	\$ 4,736,751	\$ 13,580,620
<b>Receivables:</b>			
Income taxes	2,308,682	-	2,308,682
Real and other taxes	823,043	-	823,043
Accounts	13,595	606,134	619,729
Special assessments	-	295,626	295,626
Accrued interest	16,863	11,307	28,170
Payment in lieu of taxes	256,558	-	256,558
Due from other governments	853,584	-	853,584
Materials and supplies inventory	82,709	142,483	225,192
Prepayments	133,126	39,817	172,943
Net pension asset	14,552	9,263	23,815
<b>Restricted assets:</b>			
Equity in pooled cash and investments	20,837	-	20,837
Cash with fiscal and escrow agents	161,871	-	161,871
<b>Capital assets:</b>			
Non-depreciable capital assets	4,096,026	669,668	4,765,694
Depreciable capital assets, net	21,480,587	13,105,172	34,585,759
Total capital assets, net	<u>25,576,613</u>	<u>13,774,840</u>	<u>39,351,453</u>
<b>Total Assets</b>	<b><u>39,105,902</u></b>	<b><u>19,616,221</u></b>	<b><u>58,722,123</u></b>
<b>Deferred Outflows of Resources:</b>			
Unamortized deferred charges on debt refunding	-	321,742	321,742
Pension - OPERS	559,296	356,019	915,315
Pension - OP&F	847,738	-	847,738
<b>Total Deferred Outflows of Resources</b>	<b><u>1,407,034</u></b>	<b><u>677,761</u></b>	<b><u>2,084,795</u></b>
<b>Liabilities:</b>			
Accounts payable	35,187	21,553	56,740
Contracts payable	875,638	-	875,638
Retainage payable	20,837	-	20,837
Accrued wages and benefits payable	89,989	17,986	107,975
Due to other governments	4,552	6,397	10,949
Accrued interest payable	32,955	21,464	54,419
Pension and postemployment benefits payable	15,213	2,518	17,731
Unearned revenue	6,601	46,600	53,201
<b>Long-term liabilities:</b>			
Due within one year	771,031	692,852	1,463,883
Due in more than one year:			
Net pension liability	4,308,165	793,041	5,101,206
Other amounts due in more than one year	7,818,871	12,262,565	20,081,436
<b>Total Liabilities</b>	<b><u>13,979,039</u></b>	<b><u>13,864,976</u></b>	<b><u>27,844,015</u></b>
<b>Deferred Inflows of Resources:</b>			
Property taxes levied for the next fiscal year	808,352	-	808,352
PILOTs levied for the next fiscal year	256,558	-	256,558
Pension - OPERS	32,074	20,417	52,491
Pension - OP&F	8,599	-	8,599
<b>Total Deferred Inflows of Resources</b>	<b><u>1,105,583</u></b>	<b><u>20,417</u></b>	<b><u>1,126,000</u></b>
<b>Net Position:</b>			
Net investment in capital assets	17,637,386	1,163,737	18,801,123
<b>Restricted for:</b>			
Debt service	410,136	-	410,136
Capital projects	1,634,473	-	1,634,473
Transportation projects	3,931,738	-	3,931,738
Community development	2,285	-	2,285
Police	58,483	-	58,483
Unrestricted	1,753,813	5,244,852	6,998,665
<b>Total Net Position</b>	<b><u>\$ 25,428,314</u></b>	<b><u>\$ 6,408,589</u></b>	<b><u>\$ 31,836,903</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 1,805,720	\$ 271,868	\$ 159,256	\$ -
Security of persons and property	2,495,690	145,307	83,386	-
Transportation	2,193,530	-	1,056,635	1,311,084
Community environment	296,206	54,249	-	-
Leisure time activity	186,728	84,420	-	-
Interest and fiscal charges	220,459	-	-	-
<b>Total Governmental Activities</b>	<b>7,198,333</b>	<b>555,844</b>	<b>1,299,277</b>	<b>1,311,084</b>
<b>Business-type activities:</b>				
Water	1,809,143	2,158,711	-	-
Sewer	1,565,175	2,016,046	-	-
<b>Total Business-Type Activities</b>	<b>3,374,318</b>	<b>4,174,757</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 10,572,651</b>	<b>\$ 4,730,601</b>	<b>\$ 1,299,277</b>	<b>\$ 1,311,084</b>

**General revenues:**

Property taxes levied for:  
 General purposes  
 Income taxes levied for:  
 Street fund  
 Police fund  
 Debt service fund  
 Capital projects fund  
 Payments in lieu of taxes  
 Grants and entitlements not restricted  
 to specific programs  
 Investment earnings - unrestricted  
 Miscellaneous

**Total General Revenues**

**Change in Net Position**

**Net Position at Beginning of Year**

**Net Position at End of Year**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Expense) Revenue  
and Changes in Net Position**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (1,374,596)	\$ -	\$ (1,374,596)
(2,266,997)	-	(2,266,997)
174,189	-	174,189
(241,957)	-	(241,957)
(102,308)	-	(102,308)
(220,459)	-	(220,459)
<b>(4,032,128)</b>	<b>-</b>	<b>(4,032,128)</b>
-	349,568	349,568
-	450,871	450,871
-	<b>800,439</b>	<b>800,439</b>
<b>(4,032,128)</b>	<b>800,439</b>	<b>(3,231,689)</b>
843,062	-	843,062
1,831,162	-	1,831,162
2,722,344	-	2,722,344
465,632	-	465,632
117,361	-	117,361
190,126	-	190,126
188,862	-	188,862
17,188	40,778	57,966
13,345	64,094	77,439
<b>6,389,082</b>	<b>104,872</b>	<b>6,493,954</b>
<b>2,356,954</b>	<b>905,311</b>	<b>3,262,265</b>
<b>23,071,360</b>	<b>5,503,278</b>	<b>28,574,638</b>
<b>\$ 25,428,314</b>	<b>\$ 6,408,589</b>	<b>\$ 31,836,903</b>

CITY OF PATASKALA, OHIO

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2016

	<u>General</u>	<u>Street</u>	<u>Police</u>	<u>Issue II</u>
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 1,232,673	\$ 2,180,194	\$ 1,094,303	\$ 777,131
<u>Receivables:</u>				
Income taxes	-	823,045	1,223,601	-
Real and other taxes	823,043	-	-	-
Accounts	11,477	526	697	-
Accrued interest	2,951	5,223	2,612	-
Payment in lieu of taxes	-	-	-	-
Due from other governments	91,226	362,668	50,102	150,879
Materials and supplies inventory	-	82,709	-	-
Prepayments	37,382	26,594	69,150	-
<u>Restricted assets:</u>				
Equity in pooled cash and investments	-	-	-	20,837
Cash with fiscal and escrow agents	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 2,198,752</u></b>	<b><u>\$ 3,480,959</u></b>	<b><u>\$ 2,440,465</u></b>	<b><u>\$ 948,847</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ 10,708	\$ 10,631	\$ 12,622	\$ -
Contracts payable	-	-	-	681,996
Retainage payable	-	-	-	20,837
Accrued wages and benefits payable	24,691	14,731	50,567	-
Due to other governments	1,181	773	2,598	-
Unearned revenue	-	-	-	-
Pension and postemployment benefits payable	3,457	2,062	9,694	-
<b>Total Liabilities</b>	<b><u>40,037</u></b>	<b><u>28,197</u></b>	<b><u>75,481</u></b>	<b><u>702,833</u></b>
<b>Deferred Inflows of Resources:</b>				
Property taxes levied for the next fiscal year	808,352	-	-	-
Delinquent property tax revenue not available	14,691	-	-	-
Investment income not available	994	1,761	881	-
Income tax revenue not available	-	552,705	821,693	-
Intergovernmental revenue not available	82,815	242,144	50,067	-
PILOTs levied for the next fiscal year	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b><u>906,852</u></b>	<b><u>796,610</u></b>	<b><u>872,641</u></b>	<b><u>-</u></b>
<b>Fund Balances:</b>				
Nonspendable	37,522	109,303	69,150	-
Restricted	-	2,546,849	1,423,193	246,014
Committed	-	-	-	-
Assigned	236,788	-	-	-
Unassigned	977,553	-	-	-
<b>Total Fund Balances</b>	<b><u>1,251,863</u></b>	<b><u>2,656,152</u></b>	<b><u>1,492,343</u></b>	<b><u>246,014</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$ 2,198,752</u></b>	<b><u>\$ 3,480,959</u></b>	<b><u>\$ 2,440,465</u></b>	<b><u>\$ 948,847</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,164,992	\$ 2,394,576	\$ 8,843,869
56,563	205,473	2,308,682
-	-	823,043
-	895	13,595
2,791	3,286	16,863
-	256,558	256,558
143,637	55,072	853,584
-	-	82,709
-	-	133,126
-	-	20,837
-	161,871	161,871
<u>\$ 1,367,983</u>	<u>\$ 3,077,731</u>	<u>\$ 13,514,737</u>
\$ 460	\$ 766	\$ 35,187
185,242	8,400	875,638
-	-	20,837
-	-	89,989
-	-	4,552
-	6,601	6,601
-	-	15,213
<u>185,702</u>	<u>15,767</u>	<u>1,048,017</u>
-	-	808,352
-	-	14,691
941	1,108	5,685
37,984	137,982	1,550,364
-	19,634	394,660
-	256,558	256,558
<u>38,925</u>	<u>415,282</u>	<u>3,030,310</u>
-	-	215,975
1,143,356	1,826,035	7,185,447
-	820,647	820,647
-	-	236,788
-	-	977,553
<u>1,143,356</u>	<u>2,646,682</u>	<u>9,436,410</u>
<u>\$ 1,367,983</u>	<u>\$ 3,077,731</u>	<u>\$ 13,514,737</u>



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**CITY OF PATASKALA, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2016

<b>Total governmental fund balances</b>	<b>\$</b>	<b>9,436,410</b>
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		25,576,613
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Income taxes receivable	\$ 1,550,364	
Real and other taxes receivable	14,691	
Accrued interest receivable	5,685	
Due from other governments	394,660	
Total		1,965,400
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(32,955)
Unamortized premiums on bond issuances are not recognized in the funds.		(221,350)
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Net pension asset	14,552	
Deferred outflows of resources	1,407,034	
Deferred inflows of resources	(40,673)	
Net pension liability	(4,308,165)	
Total		(2,927,252)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(140,560)	
General obligation bonds payable	(6,105,000)	
LGI loans payable	(751,785)	
Capital leases payable	(665,819)	
SIB loan payable	(166,549)	
OPWC loans payable	(38,839)	
Bond anticipation notes payable	(500,000)	
Total		(8,368,552)
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>25,428,314</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>General</u>	<u>Street</u>	<u>Police</u>	<u>Issue II</u>
<b>Revenues:</b>				
Income taxes	\$ -	\$ 1,829,902	\$ 2,720,471	\$ -
Real and other taxes	853,298	-	-	-
Charges for services	38,370	-	5,847	-
Licenses and permits	228,663	-	-	-
Fines and forfeitures	136,246	-	490	-
Intergovernmental	182,707	717,667	26,706	197,385
Special assessments	2,440	-	-	-
Investment income	12,337	23,074	17,365	-
Rental income	8,666	-	-	-
Contributions and donations	700	-	1,530	-
Payments in lieu of taxes	-	-	-	-
Other	10,078	47,307	60,337	-
<b>Total Revenues</b>	<b><u>1,473,505</u></b>	<b><u>2,617,950</u></b>	<b><u>2,832,746</u></b>	<b><u>197,385</u></b>
<b>Expenditures:</b>				
<u>Current:</u>				
General government	784,156	423,529	318,004	-
Security of persons and property	-	-	2,230,994	-
Transportation	-	1,861,525	-	-
Community environment	271,871	-	-	-
Leisure time activity	148,765	-	-	-
Capital outlay	-	260,000	-	1,178,115
<u>Debt service:</u>				
Principal retirement	6,547	201,981	24,686	44,535
Interest and fiscal charges	225	14,193	2,101	-
<b>Total Expenditures</b>	<b><u>1,211,564</u></b>	<b><u>2,761,228</u></b>	<b><u>2,575,785</u></b>	<b><u>1,222,650</u></b>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<b><u>261,941</u></b>	<b><u>(143,278)</u></b>	<b><u>256,961</u></b>	<b><u>(1,025,265)</u></b>
<b>Other Financing Sources (Uses):</b>				
Issuance of note proceeds	-	-	-	-
Inception of capital lease	-	260,000	-	-
Transfers in	-	9	-	-
Transfers (out)	-	-	(417,429)	-
<b>Total Other Financing Sources (Uses)</b>	<b><u>-</u></b>	<b><u>260,009</u></b>	<b><u>(417,429)</u></b>	<b><u>-</u></b>
<b>Net Change in Fund Balances</b>	<b><u>261,941</u></b>	<b><u>116,731</u></b>	<b><u>(160,468)</u></b>	<b><u>(1,025,265)</u></b>
<b>Fund Balances at Beginning of Year</b>	<b><u>989,922</u></b>	<b><u>2,539,421</u></b>	<b><u>1,652,811</u></b>	<b><u>1,271,279</u></b>
<b>Fund Balances at End of Year</b>	<b><u>\$ 1,251,863</u></b>	<b><u>\$ 2,656,152</u></b>	<b><u>\$ 1,492,343</u></b>	<b><u>\$ 246,014</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



<u>Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 112,635	\$ 469,958	\$ 5,132,966
-	-	853,298
-	42,000	86,217
-	-	228,663
-	12,033	148,769
1,094,990	399,324	2,618,779
-	-	2,440
16,313	12,501	81,590
-	84,002	92,668
-	-	2,230
-	190,126	190,126
8	2,575	120,305
<b><u>1,223,946</u></b>	<b><u>1,212,519</u></b>	<b><u>9,558,051</u></b>
-	57,146	1,582,835
-	6,618	2,237,612
-	111,393	1,972,918
-	-	271,871
-	18,497	167,262
1,833,354	333,193	3,604,662
-	420,548	698,297
-	213,874	230,393
<b><u>1,833,354</u></b>	<b><u>1,161,269</u></b>	<b><u>10,765,850</u></b>
<b><u>(609,408)</u></b>	<b><u>51,250</u></b>	<b><u>(1,207,799)</u></b>
-	500,000	500,000
-	-	260,000
-	566,573	566,582
-	(149,153)	(566,582)
-	<b><u>917,420</u></b>	<b><u>760,000</u></b>
<b><u>(609,408)</u></b>	<b><u>968,670</u></b>	<b><u>(447,799)</u></b>
<b><u>1,752,764</u></b>	<b><u>1,678,012</u></b>	<b><u>9,884,209</u></b>
<b><u>\$ 1,143,356</u></b>	<b><u>\$ 2,646,682</u></b>	<b><u>\$ 9,436,410</u></b>

**CITY OF PATASKALA, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2016

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$</b>	<b>(447,799)</b>
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 4,686,868	
Current year depreciation	(1,448,205)	
Total		3,238,663
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(7,291)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Income taxes	3,533	
Real and other taxes	(10,236)	
Intergovernmental revenues	2,735	
Special assessments	(2,913)	
Investment income	4,117	
Total		(2,764)
Proceeds of leases and notes are reported as other financing sources in the governmental funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net position.		
Bond anticipation notes	(500,000)	
Capital leases	(260,000)	
Total		(760,000)
Repayment of bond, note, capital lease and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
Bonds	270,000	
Capital leases	233,214	
SIB loan	30,436	
LGI loans	116,875	
OPWC loans	47,772	
Total		698,297
In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due.		
Accrued interest payable	(2,420)	
Amortization of bond premiums and discounts	12,354	
Total		9,934
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		338,384
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability are reported as pension expense in the statement of activities.		
		(681,029)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		(29,441)
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b>2,356,954</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**GENERAL FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Real and other taxes	\$ 858,990	\$ 853,292	\$ 853,298	\$ 6
Licenses and permits	268,833	267,050	265,625	(1,425)
Fines and forfeitures	139,546	138,620	137,689	(931)
Intergovernmental	183,770	182,551	182,854	303
Special assessments	2,416	2,400	2,440	40
Investment income	11,828	11,750	12,506	756
Rental income	-	-	4,616	4,616
Other	13,087	13,000	10,203	(2,797)
<b>Total Revenues</b>	<b>1,478,470</b>	<b>1,468,663</b>	<b>1,469,231</b>	<b>568</b>
<b>Expenditures:</b>				
Current:				
General government	1,156,365	1,128,315	911,448	216,867
Community environment	315,004	307,363	281,061	26,302
Leisure time activity	134,699	131,431	110,262	21,169
<b>Total Expenditures</b>	<b>1,606,068</b>	<b>1,567,109</b>	<b>1,302,771</b>	<b>264,338</b>
<b>Excess (Deficiency) of Expenditures Over (Under) Revenues</b>	<b>(127,598)</b>	<b>(98,446)</b>	<b>166,460</b>	<b>264,906</b>
<b>Other Financing Sources:</b>				
Sale of capital assets	503	500	-	(500)
<b>Total Other Financing Sources</b>	<b>503</b>	<b>500</b>	<b>-</b>	<b>(500)</b>
<b>Net Change in Fund Balances</b>	<b>(127,095)</b>	<b>(97,946)</b>	<b>166,460</b>	<b>264,406</b>
<b>Fund Balances at Beginning of Year</b>	829,285	829,285	829,285	-
<b>Prior Year Encumbrances Appropriated</b>	97,896	97,896	97,896	-
<b>Fund Balance at End of Year</b>	<b>\$ 800,086</b>	<b>\$ 829,235</b>	<b>\$ 1,093,641</b>	<b>\$ 264,406</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**STREET FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Income taxes	\$ 1,754,681	\$ 1,826,236	\$ 1,826,153	\$ (83)
Intergovernmental	672,909	700,350	711,631	11,281
Investment income	21,618	22,500	24,872	2,372
Other	45,423	47,275	47,426	151
<b>Total Revenues</b>	<b>2,494,631</b>	<b>2,596,361</b>	<b>2,610,082</b>	<b>13,721</b>
<b>Expenditures:</b>				
<u>Current:</u>				
General government	478,272	550,719	466,348	84,371
Transportation	2,027,375	2,334,476	2,229,159	105,317
<b>Total Expenditures</b>	<b>2,505,647</b>	<b>2,885,195</b>	<b>2,695,507</b>	<b>189,688</b>
<b>Excess of Expenditures Over Revenues</b>	<b>(11,016)</b>	<b>(288,834)</b>	<b>(85,425)</b>	<b>203,409</b>
<b>Other Financing Sources:</b>				
Transfers in	9	9	9	-
<b>Total Other Financing Sources</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(11,007)</b>	<b>(288,825)</b>	<b>(85,416)</b>	<b>203,409</b>
<b>Fund Balances at Beginning of Year</b>	2,065,588	2,065,588	2,065,588	-
<b>Prior Year Encumbrances Appropriated</b>	70,738	70,738	70,738	-
<b>Fund Balance at End of Year</b>	<b>\$ 2,125,319</b>	<b>\$ 1,847,501</b>	<b>\$ 2,050,910</b>	<b>\$ 203,409</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF PATASKALA, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**POLICE FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Income taxes	\$ 2,640,425	\$ 2,714,645	\$ 2,714,898	\$ 253
Charges for services	6,420	6,600	5,847	(753)
Fines and forfeitures	486	500	455	(45)
Intergovernmental	8,462	8,700	29,665	20,965
Investment income	15,660	16,100	16,935	835
Other	70,031	72,000	71,718	(282)
<b>Total Revenues</b>	<b><u>2,741,484</u></b>	<b><u>2,818,545</u></b>	<b><u>2,839,518</u></b>	<b><u>20,973</u></b>
<b>Expenditures:</b>				
Current:				
General government	307,645	351,257	321,352	29,905
Security of persons and property	2,093,104	2,389,825	2,322,272	67,553
<b>Total Expenditures</b>	<b><u>2,400,749</u></b>	<b><u>2,741,082</u></b>	<b><u>2,643,624</u></b>	<b><u>97,458</u></b>
<b>Excess of Revenues Over Expenditures</b>	<b><u>340,735</u></b>	<b><u>77,463</u></b>	<b><u>195,894</u></b>	<b><u>118,431</u></b>
<b>Other Financing Uses:</b>				
Transfers (out)	(365,601)	(417,429)	(417,429)	-
<b>Total Other Financing Uses</b>	<b><u>(365,601)</u></b>	<b><u>(417,429)</u></b>	<b><u>(417,429)</u></b>	<b><u>-</u></b>
<b>Net change in fund balances</b>	<b><u>(24,866)</u></b>	<b><u>(339,966)</u></b>	<b><u>(221,535)</u></b>	<b><u>118,431</u></b>
<b>Fund Balances at Beginning of Year</b>	1,258,428	1,258,428	1,258,428	-
<b>Prior Year Encumbrances Appropriated</b>	20,170	20,170	20,170	-
<b>Fund Balance at End of Year</b>	<b><u>\$ 1,253,732</u></b>	<b><u>\$ 938,632</u></b>	<b><u>\$ 1,057,063</u></b>	<b><u>\$ 118,431</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

STATEMENT OF NET POSITION  
**PROPRIETARY FUNDS**  
 DECEMBER 31, 2016

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>Assets:</b>			
<i>Current assets:</i>			
Equity in pooled cash and investments	\$ 1,954,813	\$ 2,781,938	\$ 4,736,751
<u>Receivables:</u>			
Accounts	306,491	299,643	606,134
Special assessments	-	295,626	295,626
Accrued interest	4,683	6,624	11,307
Materials and supplies inventory	108,024	34,459	142,483
Prepayments	16,151	23,666	39,817
<b>Total Current Assets</b>	<b>2,390,162</b>	<b>3,441,956</b>	<b>5,832,118</b>
<i>Noncurrent assets:</i>			
Net pension asset	4,614	4,649	9,263
<u>Capital assets:</u>			
Non-depreciable capital assets	330,752	338,916	669,668
Depreciable capital assets, net	6,107,365	6,997,807	13,105,172
<b>Total Capital Assets, Net</b>	<b>6,438,117</b>	<b>7,336,723</b>	<b>13,774,840</b>
<b>Total Noncurrent Assets</b>	<b>6,442,731</b>	<b>7,341,372</b>	<b>13,784,103</b>
<b>Total Assets</b>	<b>8,832,893</b>	<b>10,783,328</b>	<b>19,616,221</b>
<b>Deferred Outflows of Resources:</b>			
Unamortized deferred charges on debt refunding	320,710	1,032	321,742
Pension - OPERS	177,329	178,690	356,019
<b>Total Deferred Outflows of Resources</b>	<b>498,039</b>	<b>179,722</b>	<b>677,761</b>
<b>Liabilities:</b>			
<u>Current liabilities:</u>			
Accounts payable	12,096	9,457	21,553
Accrued wages and benefits payable	14,126	3,860	17,986
Due to other governments	573	5,824	6,397
Accrued interest payable	18,127	3,337	21,464
Compensated absences payable - current	10,936	8,068	19,004
General obligation bonds payable	260,000	115,000	375,000
OWDA loans payable	-	198,848	198,848
Other loans payable	100,000	-	100,000
Pension and postemployment benefits payable	1,978	540	2,518
Unearned revenue	24,875	21,725	46,600
<b>Total Current Liabilities</b>	<b>442,711</b>	<b>366,659</b>	<b>809,370</b>
<u>Long-term liabilities:</u>			
Compensated absences payable	3,568	-	3,568
General obligation bonds payable	7,046,375	1,339,088	8,385,463
OWDA loans payable	-	3,373,534	3,373,534
Other loans payable	500,000	-	500,000
Net pension liability	395,003	398,038	793,041
<b>Total Long-Term Liabilities</b>	<b>7,944,946</b>	<b>5,110,660</b>	<b>13,055,606</b>
<b>Total Liabilities</b>	<b>8,387,657</b>	<b>5,477,319</b>	<b>13,864,976</b>
<b>Deferred Inflows of Resources:</b>			
Pension - OPERS	10,169	10,248	20,417
<b>Total Deferred Inflows of Resources</b>	<b>10,169</b>	<b>10,248</b>	<b>20,417</b>
<b>Net Position:</b>			
Net investment in capital assets	(1,147,548)	2,311,285	1,163,737
Unrestricted	2,080,654	3,164,198	5,244,852
<b>Total Net Position</b>	<b>\$ 933,106</b>	<b>\$ 5,475,483</b>	<b>\$ 6,408,589</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF PATASKALA, OHIO**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>Operating Revenues:</b>			
Charges for services	\$ 2,158,711	\$ 2,004,608	\$ 4,163,319
Special assessments	-	11,438	11,438
Other operating revenues	15,851	48,243	64,094
<b>Total Operating Revenues</b>	<b>2,174,562</b>	<b>2,064,289</b>	<b>4,238,851</b>
<b>Operating Expenses:</b>			
Salaries & related services	536,792	490,013	1,026,805
Contractual services	232,579	333,757	566,336
General operating	489,185	250,250	739,435
Depreciation	303,306	349,957	653,263
<b>Total Operating Expenses</b>	<b>1,561,862</b>	<b>1,423,977</b>	<b>2,985,839</b>
<b>Operating Income</b>	<b>612,700</b>	<b>640,312</b>	<b>1,253,012</b>
<b>Nonoperating Revenues (Expenses):</b>			
Interest and fiscal charges	(247,281)	(141,198)	(388,479)
Interest income	17,597	23,181	40,778
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(229,684)</b>	<b>(118,017)</b>	<b>(347,701)</b>
<b>Change in Net Position</b>	<b>383,016</b>	<b>522,295</b>	<b>905,311</b>
<b>Net Position at Beginning of Year</b>	<b>550,090</b>	<b>4,953,188</b>	<b>5,503,278</b>
<b>Net Position at End of Year</b>	<b>\$ 933,106</b>	<b>\$ 5,475,483</b>	<b>\$ 6,408,589</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF PATASKALA, OHIO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>Cash Flows From Operating Activities:</b>			
Cash received from charges for services	\$ 2,106,620	\$ 1,990,437	\$ 4,097,057
Cash received from special assessments	-	20,858	20,858
Cash received from other operations	4,495	46,537	51,032
Cash payments for salaries & related services	(504,653)	(513,717)	(1,018,370)
Cash payments for contractual services	(252,874)	(374,603)	(627,477)
Cash payments for general operating costs	(452,142)	(233,500)	(685,642)
	<b>901,446</b>	<b>936,012</b>	<b>1,837,458</b>
<b>Net Cash Provided by Operating Activities</b>			
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Acquisition of capital assets	(279,493)	(239,273)	(518,766)
Principal retirement on bonds & loans	(365,000)	(303,597)	(668,597)
Interest paid on bonds, notes & loans	(239,562)	(143,500)	(383,062)
	<b>(884,055)</b>	<b>(686,370)</b>	<b>(1,570,425)</b>
<b>Net Cash Used In Capital and Related Financing Activities</b>			
<b>Cash Flows From Investing Activities:</b>			
Interest received	18,163	23,626	41,789
Decrease in fair value of investments	(201)	(515)	(716)
	<b>17,962</b>	<b>23,111</b>	<b>41,073</b>
<b>Net Cash Provided by Investing Activities</b>			
<b>Net Increase in Cash and Investments</b>	<b>35,353</b>	<b>272,753</b>	<b>308,106</b>
<b>Cash and Investments at Beginning of Year</b>	1,919,460	2,509,185	4,428,645
<b>Cash and Investments at End of Year</b>	<b>\$ 1,954,813</b>	<b>\$ 2,781,938</b>	<b>\$ 4,736,751</b>

(Continued)



**CITY OF PATASKALA, OHIO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>			
<b>Operating Income</b>	<b>\$ 612,700</b>	<b>\$ 640,312</b>	<b>\$ 1,253,012</b>
<u>Adjustments:</u>			
Depreciation	303,306	349,957	653,263
<u>Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:</u>			
Accounts receivable	(68,422)	(20,222)	(88,644)
Special assessment receivable	-	9,420	9,420
Materials and supplies inventory	42,197	8,629	50,826
Prepayments	(2,330)	(5,713)	(8,043)
Net pension asset	(840)	(56)	(896)
Deferred outflows - pension - OPERS	(126,756)	(117,146)	(243,902)
Accounts payable	(20,018)	(39,654)	(59,672)
Accrued wages and benefits	1,743	(1,365)	378
Due to other governments	(4,420)	(27)	(4,447)
Compensated absences payable	(415)	(1,573)	(1,988)
Pension and postemployment benefits payable	244	(192)	52
Unearned revenue	4,975	4,345	9,320
Net pension liability	155,456	106,525	261,981
Deferred inflows - pension - OPERS	4,026	2,772	6,798
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 901,446</b>	<b>\$ 936,012</b>	<b>\$ 1,837,458</b>

**Non-Cash Transactions:**

At December 31, 2015, the Water fund and Sewer fund purchased \$66,427 and \$127,150, respectively, in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PATASKALA, OHIO

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
DECEMBER 31, 2016

	<u>Agency</u>
<b>Assets:</b>	
Equity in pooled cash and investments	\$ 369,002
Cash in segregated accounts	<u>175</u>
<b>Total Assets</b>	<b><u>\$ 369,177</u></b>
<b>Liabilities:</b>	
Undistributed monies	\$ 175
Pension and postemployment benefits payable	59,151
Deposits held and due to others	<u>309,851</u>
<b>Total Liabilities</b>	<b><u>\$ 369,177</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF PATASKALA, OHIO**  
**SCHEDULE OF NOTES TO THE**  
**BASIC FINANCIAL STATEMENTS**

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**CITY OF PATASKALA, OHIO**  
**SCHEDULE OF NOTES TO THE**  
**BASIC FINANCIAL STATEMENTS**

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## CITY OF PATASKALA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

#### NOTE 1 - DESCRIPTION OF THE CITY

The City of Pataskala, Licking County, Ohio (the "City") 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 City operates under a government that is directed by a publicly-elected seven-member Council and a Mayor. The City Administrator is the chief executive officer, and the Finance Director is the chief fiscal officer. The City provides the following services: general government, including finance and legal; police protection; public health; street maintenance; community development; and water and sewer utilities.

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most significant of the City's accounting policies are described below.

##### A. Reporting Entity

For financial reporting purposes, the City's BFS include all funds, agencies, boards, commissions, and departments for which the City is financially accountable. Financial accountability, as defined by the GASB, exists if the City appoints a voting majority of an organization's Governing Board, and is either: (1) able to impose its will on that organization; or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the City. The City may also be financially accountable for governmental organizations with a separately elected Governing Board, a Governing Board appointed by another government, or a jointly appointed board that is fiscally dependent on the City. The City also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's BFS to be misleading or incomplete.

The primary government consists of all funds and departments which provide various services including police protection, street maintenance and repair, water and sewer services. Council and the City Administrator are directly responsible for these activities. The City contracts with various non-profit organizations for parks and recreation programmatic services. Currently, utilization agreements which set forth responsibilities for parks and recreation activities include the Pataskala Parks and Recreation Association (PRA) and the Licking Heights Youth Association. The City has no responsibility to these organizations other than providing related equipment and resources to maintain the grounds and surrounding areas but has no responsibility to maintain parks and recreation programs. During 2016, however, the City began transitioning recreation programming activities back to the City from the PRA. The City contracts with the Licking County Health Department for public health services. The City does not approve each organization's operating budget, nor is it responsible for its continued operation.

The accompanying financial statements represent the City, which has no component units. The following organizations are described due to their relationship with the City:

##### *JOINTLY GOVERNED ORGANIZATIONS*

West Licking Joint Fire District - The West Licking Joint Fire District, a jointly governed organization, is a political subdivision governed by a Board of Trustees which possesses its own contracting and budgeting authority. The Board of Trustees consists of one representative from each of the participating governments; the City of Pataskala, the Village of Kirkersville, City of New Albany, Harrison Township, Etna Township, City of Reynoldsburg and Jersey Township. The City made no contributions during 2016 for the operation of the West Licking Joint Fire District.

## CITY OF PATASKALA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Southwest Licking Community Water and Sewer District - The Southwest Licking Community Water and Sewer District (the "Sewer District"), a jointly governed organization, is a political subdivision governed by a Board of Trustees which possesses its own contracting and budgeting authority. The City Council of Pataskala appoints one member of the Sewer District and the remaining members are appointed by Harrison and Etna Townships. The City made no contributions during 2016 for the operation of the Sewer District.

Mid-Ohio Regional Planning Commission - The City participates in the Mid-Ohio Regional Planning Commission (MORPC), a jointly governed organization. MORPC is composed of 74 representatives appointed by member governments who make up the Commission, the policy-making body of MORPC, and the oversight board. MORPC is a voluntary association of local governments in central and south central Ohio and a regional planning agency whose membership includes 42 political subdivisions in and around Franklin, Ross, Fayette, Delaware, Pickaway, Madison, Licking, and Fairfield counties, Ohio. The purpose of the organization is to improve the quality of life for member communities by improving housing conditions, to promote and support livability/sustainability measures as a means of addressing regional growth challenges, and to administer and facilitate the availability of regional environmental infrastructure program funding to the full advantage of MORPC's members.

Pataskala Corporate Park Joint Economic Development District - The Pataskala Corporate Park Joint Economic Development District (JEDD), 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 created 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 a nearly 521 acre site in the City of Pataskala as eligible for Job Ready Sites (JRS) funding. As such, this site known as the Pataskala Corporate Park, located 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 linking 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. 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 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 Newark Account for future distributions to governmental entities subject to the tax sharing agreement.

## CITY OF PATASKALA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Regional Income Tax Agency (RITA) - In 1971, 38 municipalities joined together to organize a Regional Council of Governments (RCOG) under the authority of Chapter 167 of the Ohio Revised Code to administer tax collection and enforcement concerns facing the cities and villages. The purpose of the RCOG is to foster cooperation between the municipalities through sharing facilities for their common benefit. This includes the establishment of a central collection facility for the purpose of administering the income tax laws of the various municipal corporations who are members of the RCOG and for the purpose of collecting income taxes on behalf of each member municipality, doing all things allowed by law to accomplish such purpose. The first official act of the RCOG was to form RITA. Today, RITA serves as the income tax collection agency for 276 municipalities throughout the State of Ohio. The City began using RITA for its income tax collection services in 2010.

Each member municipality appoints its own delegate to the RCOG, including electing members to the RITA Board of Trustees. Regardless of the population or tax collections of member municipalities, each member of the RCOG has an equal say in the operations of RITA.

GROW Licking County - Formed in 2012, GROW Licking County (GROW) is a 501(c)(3) non-profit, public-private partnership for the purpose of serving as the lead economic development organization for Licking County, Ohio. The organization is governed by a 15-member board that is tasked with setting the annual operating and capital budgets for GROW. Board members are appointed by the founding members of the organization (Licking County Chamber of Commerce, Licking County Commissioner's Office, and the Heath-Newark-Licking County Port Authority), and serve staggered 3-year terms. The Mayor of Pataskala was appointed to the Board by the Licking County Chamber of Commerce to serve on the board as the City of Pataskala's representative. The Mayor's term expires on December 31, 2018. The City of Pataskala contributed \$10,000 towards GROW in 2016.

#### **B. Basis of Presentation - Fund Accounting**

The City's basic financial statements (BFS) consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements which provide a more detailed level of financial information.

***Government-wide Financial Statements*** - The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental functions are self-financing or draw from the general revenues of the City.

## CITY OF PATASKALA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

**Fund Financial Statements** - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

#### C. Fund Accounting

The City 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. There are three categories of funds: governmental, proprietary and fiduciary.

**Governmental Funds** - Governmental funds are those through which most governmental functions are typically financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets plus deferred outflows of resources and liabilities plus deferred inflow of resources is reported as fund balance.

The following are the City's major governmental funds:

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

Street fund - The street fund accounts for revenues generated from income tax, license and gasoline taxes that are restricted for maintaining local roads and related infrastructure within the City.

Police fund - The police fund accounts for tax and other revenues collected that are restricted for police operations.

Issue II fund - The Issue II fund is used to account for intergovernmental revenues that are restricted for Ohio State Issue II projects.

Capital improvements fund - The capital improvements fund is used to account for income taxes that are restricted for the purchase of capital equipment and to construct capital assets.

Other governmental funds of the City are used to account for: (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets; (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects; and (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

**Proprietary Funds** - Proprietary fund reporting focuses on changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service. The City has no internal service funds.



## CITY OF PATASKALA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

*Enterprise Funds* - The enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

**Water fund** - This fund accounts for the provision of water treatment and distribution to its residential and commercial users located within the City.

**Sewer fund** - This fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.

*Fiduciary Funds* - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds; investment trust funds; private-purpose trust funds; and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City currently has no trust funds. Agency funds are custodial in nature (assets plus deferred outflows equal liabilities plus deferred inflows) and do not involve measurement of results of operations. The City's agency funds account for the Mayor's Court activity, the fire escrow fund, the construction accounts fund and the payroll clearing account fund.

#### D. Measurement Focus

*Government-wide Financial Statements* - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position.

*Fund Financial Statements* - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current deferred outflows of resources, current liabilities and current deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation, with brief explanations to better identify the relationship between the government-wide statements and the financial statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the City's proprietary funds are charges for sales and services. Operating expenses for the enterprise funds include personnel and other expenses related to the operations of the enterprise activities. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Agency funds do not report a measurement focus as they do not report operations.

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**E. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and agency funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources and in the presentation of expenses versus expenditures.

**Revenues: Exchange and Nonexchange Transactions** - Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within sixty days of year end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, payments in lieu of taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income tax is recognized in the period in which the income is earned (See Note 7). Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Payments in lieu of taxes (PILOT) are treated the same way property taxes are in the financial statements. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: income taxes; State-levied locally shared taxes (including gasoline tax, local government funds and permissive tax); fines and forfeitures; fees; earnings on investments; and special assessments.

**Deferred Outflows of Resources and Deferred Inflows of Resources** - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, See Note 15 for deferred outflows of resources related the City's net pension liability. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

## CITY OF PATASKALA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2016, but which were levied to finance 2017 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the City, See Note 15 for deferred inflows of resources related to the City's net pension liability. This deferred inflow of resources is only reported on the government-wide statement of net position.

**Expenses/Expenditures** - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

#### F. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. The City's legal level of budgetary control is established at the object level within each department/function, within each fund. Budgetary modifications may only be made by ordinance by the City Council at the legal level of control.

**Tax Budget** - The ORC calls for the City Administrator to present an estimate of the following year's annual operating budget, or tax budget, by mid-July, to City Council for consideration and passage. The Council approved estimate is then submitted to the Licking County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. The Licking County Budget Commission waived this requirement for 2016.

**Estimated Resources** - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City on or before September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. On or before December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include unencumbered cash balances at December 31 of the preceding year. The certificate may be further amended during the year if the Finance Director determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statement reflect the amounts in the original and final certificate of estimated resources issued during 2016.

## CITY OF PATASKALA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

**Appropriations** - A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the object level within each department, within each fund. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The appropriations at the legal level of control may only be modified during the year by an ordinance of Council. The amounts on the budgetary statement reflect the original and final appropriation amounts, including all amendments and modifications legally enacted by Council.

**Lapsing of Appropriations** - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. Encumbrances are carried forward and are not reappropriated as part of the subsequent year appropriations.

#### G. Cash and Investments

Cash balances of the City's funds, except cash in segregated accounts and cash held by a fiscal and escrow agent, are pooled and invested in investments maturing within five years in order to provide improved cash management. Individual fund integrity is maintained through City records. Each fund's interest in the pooled bank accounts is presented on the financial statements as "equity in pooled cash and investments".

During 2016, investments were limited to State Treasury Asset Reserve of Ohio (STAR Ohio), Federal Home Loan Bank (FHLB) Securities, Federal Farm Credit Bank (FFCB) Securities, Federal Home Loan Mortgage Corporation (FHLMC) Securities, negotiable certificates of deposit and a governmental money market account. Except for any nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

The City has a segregated bank account for Mayor's Court monies separate from the City's central bank account. This interest bearing depository account is presented on the financial statements as "cash in segregated accounts" since it is not required to be deposited into the City treasury.

During 2016, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Interest income is distributed to the funds according to statutory requirements and City policy. Interest revenue earned and credited to the general fund during 2016 amounted to \$12,337, which included \$2,664 assigned from other funds of the City.

**CITY OF PATASKALA, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

For purposes of the statement of cash flows and for presentation on the financial statement, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments, to the extent they are purchased from a specific fund.

An analysis of the City's investment account at year end is provided in Note 4.

**H. Inventories of Materials and Supplies**

On the government-wide and fund financial statements, inventories are stated at cost. For all funds, cost is determined on a first-in, first-out (FIFO) basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental funds when consumed. Inventories of the proprietary funds are expensed when used.

On the fund financial statements, reported material and supplies inventory is equally offset by a nonspendable fund balance which indicates that it does not constitute available spendable resources even though it is a component of fund balance.

**I. Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. During 2013, the City implemented a capital asset policy that changed the capital asset threshold from \$5,000 for all asset classes to the amounts noted below. Capital assets within a class can have different thresholds depending on the asset category within the class. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized for business-type activities.

All reported capital assets are depreciated except for land, certain land improvements and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement.

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-type Activities Estimated Lives</u>	<u>Capitalization Thresholds</u>
Land improvements	10 - 45 years	10 - 45 years	\$25,000
Buildings and improvements	5 - 50 years	5 - 50 years	\$10,000 - \$50,000
Equipment	5 - 20 years	5 - 20 years	\$5,000 - \$10,000
Vehicles	5 - 15 years	5 - 15 years	\$25,000
Infrastructure	15 - 90 years	15 - 90 years	\$15,000 - \$25,000

**J. Compensated Absences**

Compensated absences of the City consist of vacation leave and sick leave to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the City and the employee.

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if: (a) employees' rights to payment are attributable to services already rendered; and (b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for sick leave is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, all employees age fifty or greater with at least ten years of service or any employee with at least twenty years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16. Sick leave benefits were accrued using the "vesting" method.

The total liability for vacation, compensatory time, and sick leave payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus applicable additional salary related payments. City employees are granted vacation and sick leave in varying amounts based upon tenure and specific labor agreements. In the event of termination, an employee is reimbursed for accumulated vacation and sick leave at various rates.

The entire compensated absence liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

**K. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2016, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed. At year end, because prepayments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**L. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner in full from current financial resources, are reported as obligations of the funds. However, compensated absences, claims and judgements, and net pension liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Loans and notes are recognized as a liability on the governmental fund financial statements when due.

**M. Interfund Balances**

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund loans receivable” and “interfund loans payable”. These amounts are eliminated in the governmental activities column of the statement of net position, with the exception of the net residual amounts due between governmental and business-type activities which are presented as internal balances. At December 31, 2016, there were no interfund loans receivable/payable.

**N. Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental funds are eliminated for reporting of governmental activities on the government-wide financial statements.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures or expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources and uses in governmental funds, and after non-operating revenues and expenses in proprietary funds. Repayments from funds responsible for particular expenditures or expenses to the funds that initially paid for them are not presented on the BFS. Interfund services provided and used are not eliminated on the government-wide financial statements.

**O. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

*Nonspendable* - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

*Restricted* - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*Committed* - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of City Council (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned* - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies (resolution) of City Council, which includes giving the Finance Director the authority to constrain monies for intended purposes.

*Unassigned* - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in one of the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund 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 balance classifications could be used.

**P. Estimates**

The preparation of the BFS in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the BFS and accompanying notes. Actual results may differ from those estimates.

**Q. Net Position**

Net position represents the difference between assets plus deferred outflows of resources less liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also are included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes consists primarily of monies restricted for the City's sesquicentennial. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**R. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water and sewer programs. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.



**CITY OF PATASKALA, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**S. Minimum Fund Balance Policy**

The City shall strive to maintain an unencumbered fund balance in line with established ranges, typically 25-35%, and which vary depending upon the fund type. The percentages are calculated using the actual or projected fund balance, and expressing it as a percentage of the relevant full-year expense budget.

**T. Restricted Assets**

Assets are reported as restricted when limitations on their use change the nature of normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provision or enabling legislation.

Restricted assets represent certain resources which are segregated from other resources of the City. These assets are generally held in separate accounts of the City or by a trustee. Restricted assets represent permissive tax monies held by Licking County and monies held separately for retainage related to construction projects.

**U. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2016.

**V. Unamortized Bond Premium and Discount/Unamortized Accounting Gain or Loss/Bond Issuance Costs**

Bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds and bond discounts are presented as a reduction to the face amount of the bonds.

For advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow of resources.

On the governmental fund financial statements, bond premiums and discounts are recognized in the current period. The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 13.

Bond issuance costs are expensed when they occur.

**W. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to and deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

## CITY OF PATASKALA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

##### X. Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

#### NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

##### Change in Accounting Principles

For 2016, the City has implemented GASB Statement No. 72, "Fair Value Measurement and Application", GASB Statement No. 73 "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68", GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", GASB Statement No. 77, "Tax Abatement Disclosures", GASB Statement No. 78, "Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans" and GASB Statement No. 79, "Certain External Investment Pools and Pool Participants".

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The implementation of GASB Statement No. 72 did not have an effect on the financial statements of the City.

GASB Statement No. 73 improves the usefulness of information about pensions included in the general purposes external financial reports of state and local governments for making decisions and assessing accountability. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the City.

GASB Statement No. 76 identifies - in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles (GAAP). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the City.

GASB Statement No. 77 requires governments that enter into tax abatement agreements to disclosure certain information about the agreement. GASB Statement No. 77 also requires disclosures related to tax abatement agreements that have been entered into by other governments that reduce the reporting government's tax revenues. The implementation of GASB Statement No. 77 did not have an effect on the financial statements of the City.

GASB Statement No. 78 establishes accounting and financial reporting standards for defined benefit pensions provided to the employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan (cost-sharing pension plan) that meets the criteria in paragraph 4 of Statement 68 and that (a) is not a state or local governmental pension plan, (b) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (c) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the City.

## CITY OF PATASKALA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

#### NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement provides accounting and financial reporting guidance also establishes additional note disclosure requirements for governments that participate in those pools. The City participates in STAR Ohio which implemented GASB Statement No. 79 for 2016. The City incorporated the corresponding GASB 79 guidance into its 2016 financial statements; however, there was no effect on beginning net position/fund balance.

#### NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the City into three categories.

*Active deposits* are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

*Inactive deposits* are public deposits that the City Council has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

*Interim deposits* are deposits of those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one (1) year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool State Treasury Asset Reserve of Ohio (STAR Ohio);

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty (180) days from the purchase date in an amount not to exceed twenty-five (25%) percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.
9. Time certificates of deposit (CDs) in authorized depositories, provided those funds are properly insured or collateralized as provided in Ohio Revised Code Section 135.18. The payment of the principal and interest thereon for which eligible securities are pledged must be paid and deposited with the City or qualified and approved trustee.
10. Negotiable time certificates of deposit (negotiable CDs) which have a secondary market in which to trade such securities. The underlying issuer must be covered by FDIC insurance, and the amount of the acquired security is limited to ninety seven percent (97%) of the available FDIC coverage. For example, an investment in a negotiable certificate of deposit (CD) would be limited to \$242,500 assuming FDIC coverage limit of \$250,000.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Finance Director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Finance Director or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**A. Cash with Fiscal and Escrow Agent**

At year end, the City had \$161,871 on deposit with the Licking County Treasurer for permissive tax collections. The data regarding insurance and collateralization can be obtained from the Licking County Comprehensive Annual Financial Report for the year ended December 31, 2016. This amount is not included in the City's depository balance detailed in Note 4.C.

**B. Cash in Segregated Accounts**

At year end, the City had \$175 deposited with a financial institution for monies related to the Mayor's Court which are reported as an agency fund. These amounts were covered by the FDIC and are included in the City's depository balance detailed in Note 4.C.

**C. Deposits with Financial Institutions**

At December 31, 2016, the carrying amount of all City deposits was \$5,372,272. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2016, \$463,386 of the City's bank balance of \$5,530,927 was exposed to custodial risk as discussed below, while \$5,067,541 was covered by the Federal Deposit Insurance Corporation (FDIC).

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

Custodial credit risk is the risk that, in the event of bank failure, the City’s deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the City. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institution’s trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

**D. Investments**

Investments are reported at fair value. As of December 31, 2016, the City had the following investments:

<u>Measurement/ investment type</u>	<u>Measurement Amount</u>	<u>Investment Maturities</u>				
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>Greater than 24 months</u>
Fair value:						
FHLB	\$ 233,369	\$ -	\$ -	\$ -	\$ -	\$ 233,369
FFCB	599,751	-	-	-	-	599,751
FHLMC	425,154	-	-	-	-	425,154
Negotiable CD's	5,826,125	245,088	491,343	246,017	743,257	4,100,420
Governmental money market	3,218	3,218	-	-	-	-
Amortized cost:						
STAR Ohio	1,510,745	1,510,745	-	-	-	-
<b>Total</b>	<b>\$ 8,598,362</b>	<b>\$ 1,759,051</b>	<b>\$ 491,343</b>	<b>\$ 246,017</b>	<b>\$ 743,257</b>	<b>\$ 5,358,694</b>

The weighted average maturity of investments is 2.53 years.

The City’s investments in U.S. government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The City’s investments in federal agency securities (FHLB, FFCB, FHLMC) and negotiable CD’s are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

**Interest Rate Risk** - As a means of limiting its exposure to fair value losses caused by rising interest rates, the City’s investment policy requires that operating funds be invested primarily in short-term investments maturing within five (5) years from the date of purchase and that the City’s investment portfolio be structured so that the securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity (e.g., ‘buy and hold’).

**Custodial Credit Risk:** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured. The City has a policy which states that all security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis. That is, broker/dealers will not be paid until the securities purchased are delivered to the City or to the City’s designated centralized safekeeping account. The securities will be held by centralized safekeeping at a qualified financial institution, hereafter designated “custodian”. The centralized custodian will be designated by the Finance Director. The securities will be free and clear of any lien. The custodian will issue a safekeeping receipt to the City, listing the instrument, maturity date and rate. Month-end reports will also be provided to the City by the custodian, including held securities, book and market values, in addition to a written custodial agreement.

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Credit Risk:* The City's investments in federal agency securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard's & Poor's has assigned STAR Ohio and the governmental money market an AAAM money market rating. The City's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

*Concentration of Credit Risk* - The City places no limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2016:

<u>Measurement/ investment type</u>	<u>Measurement Amount</u>	<u>% to Total</u>
Fair value:		
FHLB	\$ 233,369	2.71
FFCB	599,751	6.98
FHLMC	425,154	4.94
Negotiable CD's	5,826,125	67.76
Governmental money market	3,218	0.04
Amortized cost:		
STAR Ohio	1,510,745	17.57
<b>Total</b>	<b><u>\$ 8,598,362</u></b>	<b><u>100.00</u></b>

**E. Reconciliation of Cash and Investments to the Statement of Net Position**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2016:

**Cash and Investments per Note**

Carrying amount of deposits	\$ 5,372,097
Investments	8,598,362
Cash with fiscal and escrow agent	161,871
Cash in segregated accounts	175
<b>Total</b>	<b><u>\$ 14,132,505</u></b>

**Cash and Investments per Statement of Net Position**

Governmental activities	\$ 9,026,577
Business type activities	4,736,751
Agency fund	369,177
<b>Total</b>	<b><u>\$ 14,132,505</u></b>

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 5 - INTERFUND TRANSACTIONS**

Interfund transfers for the year ended December 31, 2016, consisted of the following:

<u>Transfer to</u>	<u>Transfer from</u>				<u>Total</u>
	<u>Nonmajor</u>				
	<u>Governmental</u>				
	<u>Police</u>	<u>FEMA</u>	<u>State Route 310 TIF</u>	<u>Bond Improvements</u>	
Street fund	\$ -	\$ 9	\$ -	\$ -	\$ 9
Nonmajor governmental funds:					
Debt service	17,429	-	122,138	27,006	166,573
Capital facilities	400,000	-	-	-	400,000
<b>Total</b>	<b>\$ 417,429</b>	<b>\$ 9</b>	<b>\$ 122,138</b>	<b>\$ 27,006</b>	<b>\$ 566,582</b>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to provide additional resources for current operations or debt service; reclassification of prior year distributed monies, to segregate money for anticipated capital projects; and to return money to the fund from which it was originally provided once a project is completed. The transfers to the capital facilities fund from the police fund were to fund capital projects of the City. The transfers out of the police fund, the State Route 310 TIF fund and bond improvements fund to the debt service fund were for debt service payments. The transfer out of the FEMA fund to the street fund was a residual equity transfer.

Transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Transfers between governmental funds are eliminated on the government-wide financial statements.

**NOTE 6 - PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at thirty-five percent (35%) of appraised market value. All property is required to be revaluated every six (6) years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2016 public utility property taxes became a lien December 31, 2015, are levied after October 1, 2016, and are collected in 2017 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 6 - PROPERTY TAXES - (Continued)**

The Licking County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Pataskala. The Licking County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2016 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow of resources since the current taxes were not levied to finance 2016 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

The full tax rate for all City operations for the year ended December 31, 2016 was \$2.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2016 property tax receipts were based are as follows:

Real Property	\$ 320,495,827
Public Utility	<u>16,172,350</u>
<b>Total Assessed Value</b>	<b><u>\$ 336,668,177</u></b>

**NOTE 7 - INCOME TAXES**

The City levies a voted income tax of one percent (1.0%) on all income earned within the City (including business net profits), as well as on earned income of Pataskala residents earned outside the City. The City has a mandatory filing requirement for all residents and businesses operating in the City.

Employers within the City are required to withhold the tax on employee earnings, and to remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly, and file a final return annually.

Income tax revenue is credited to five funds. During 2016, of the tax levied, the street fund received 35.65%, the police fund received 53%, the debt service fund (a nonmajor governmental fund) received 9.20% and the capital improvement fund received 2.15%. The revenues allocated to the funds shall be used for operations specific to those departments. Income tax collections allocated to the street, police, debt service and capital improvement funds totaled \$1,829,902, \$2,720,471, \$469,958 and \$112,635, respectively, for the year ended December 31, 2016. The Pataskala Corporate Park Joint Economic Development District fund (a nonmajor governmental fund) receives income taxes from collections within the Pataskala Corporate Park which are restricted for improvements within the park. This fund received no income taxes in 2016.

RITA administers and collects income taxes for the City. Payments are remitted semi-monthly, net of estimated collection fees of three percent (3.0%). In June the year following collection, RITA calculates the actual cost of collection and either: (1) rebates the overpayment amount; or (2) charges the entity for underpayment. In 2016, the City was notified that its 2015 cost of collection was 2.56%, and the rebate amount was \$20,303. The JEDD income taxes are administered and collected by the City of Newark.

**NOTE 8 - RECEIVABLES**

Receivables at December 31, 2016, consisted of income taxes, property taxes, accounts (billings for user charged services), special assessments, accrued interest, payments in lieu of taxes, and intergovernmental receivables arising from grants, entitlements and shared revenue. All intergovernmental receivables have been classified as "due from other governments" on the BFS. Receivables have been recorded to the extent that they are measurable at December 31, 2016.



**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 8 – RECEIVABLES - (Continued)**

A summary of the principal items of receivables reported on the statement of net position follows:

**Governmental activities:**

Income taxes	\$ 2,308,682
Real and other taxes	823,043
Accounts	13,595
Accrued interest	16,863
Payments in lieu of taxes	256,558
Due from other governments	853,584

**Business-type activities:**

Accounts	606,134
Special assessments	295,626
Accrued interest	11,307

Receivables have been disaggregated on the face of the BFS. All receivables are expected to be collected within the subsequent year.

**NOTE 9 - TAX INCREMENT FINANCING (TIF) DISTRICT**

The City, pursuant to the Ohio Revised Code and City ordinances, has established a Tax Increment Financing District, or TIF. A TIF represents a designated geographic area wherein property values created after the commencement date of the TIF are exempt, in whole or in part, from property taxes. Owners of such property, however, must pay amounts equal to the property taxes, known as “payments in lieu of taxes” (PILOT), as though the TIF had not been established. These “PILOT” payments are then dedicated to the payments for various public improvements within or adjacent to the TIF area. Property values existing before the commencement date of a TIF continue to be subjected to property taxes.

On December 18, 2006, City Council authorized the creation of the State Route 310 Project Municipal Public Improvement Tax District, also known as the Pataskala Town Center, pursuant to the Ohio Revised Code declaring that the increase in assessed value and providing for the exemption of 75% of the improvements from real property taxation constructed on new parcels and ending on the earlier of 10 years after such date such parcels appeared on the real estate tax lists or the date on which the City can no longer require service payments in lieu of taxes on any improvements within the TIF district.

The City established the State Route 310 TIF fund which shall be maintained in the custody of the City. This fund shall receive PILOT revenues and property rollback payments and any money recorded in this fund may only be used for public infrastructure improvements associated with State Route 310 North and South TIF service areas as defined by Ordinance.

PILOT revenue for 2016 was \$190,126 in the statement of activities. The TIF has longevity of the shorter period of 10 years or until there is no money available to be spent for the TIF areas. Any unspent funds remaining after the 10 year period shall be returned to the City’s general fund in accordance with Ohio Revised Code Section 5709.43. The property tax exemption then ceases; PILOTs cease and property taxes then apply to the increased property values.

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 10 - CAPITAL ASSETS**

A. Governmental activities capital asset activity for the year ended December 31, 2016, was as follows.

<b><u>Governmental activities:</u></b>	<b><u>Balance</u></b>			<b><u>Balance</u></b>
	<b><u>12/31/15</u></b>	<b><u>Additions</u></b>	<b><u>Disposals</u></b>	<b><u>12/31/16</u></b>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,247,232	\$ -	\$ -	\$ 1,247,232
Land improvements	17,077	-	-	17,077
Construction in progress	<u>2,346,075</u>	<u>3,238,376</u>	<u>(2,752,734)</u>	<u>2,831,717</u>
<b>Total capital assets, not being depreciated</b>	<b><u>3,610,384</u></b>	<b><u>3,238,376</u></b>	<b><u>(2,752,734)</u></b>	<b><u>4,096,026</u></b>
<i>Capital assets, being depreciated:</i>				
Land improvements	532,885	-	-	532,885
Buildings and improvements	2,558,846	157,294	-	2,716,140
Equipment	749,462	160,668	(14,400)	895,730
Vehicles	2,877,778	261,272	(108,026)	3,031,024
Infrastructure	<u>19,597,727</u>	<u>3,621,992</u>	<u>-</u>	<u>23,219,719</u>
<b>Total capital assets, being depreciated</b>	<b><u>26,316,698</u></b>	<b><u>4,201,226</u></b>	<b><u>(122,426)</u></b>	<b><u>30,395,498</u></b>
<i>Less: accumulated depreciation:</i>				
Land improvements	(101,860)	(22,191)	-	(124,051)
Buildings and improvements	(682,221)	(74,113)	-	(756,334)
Equipment	(327,000)	(64,528)	8,240	(383,288)
Vehicles	(1,614,900)	(218,464)	106,895	(1,726,469)
Infrastructure	<u>(4,855,860)</u>	<u>(1,068,909)</u>	<u>-</u>	<u>(5,924,769)</u>
<b>Total accumulated depreciation</b>	<b><u>(7,581,841)</u></b>	<b><u>(1,448,205)</u></b>	<b><u>115,135</u></b>	<b><u>(8,914,911)</u></b>
<b>Total capital assets, being depreciated, net</b>	<b><u>18,734,857</u></b>	<b><u>2,753,021</u></b>	<b><u>(7,291)</u></b>	<b><u>21,480,587</u></b>
<b>Governmental activities capital assets, net</b>	<b><u>\$ 22,345,241</u></b>	<b><u>\$ 5,991,397</u></b>	<b><u>\$ (2,760,025)</u></b>	<b><u>\$ 25,576,613</u></b>

Depreciation expense was charged to functions/programs of the City as follows:

<b><u>Governmental activities:</u></b>	
General government	\$ 213,578
Security of persons and property	140,320
Transportation	1,078,138
Leisure time activity	<u>16,169</u>
<b>Total Depreciation Expense - Governmental Activities</b>	<b><u>\$ 1,448,205</u></b>

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 10 - CAPITAL ASSETS - (Continued)**

B. Business-type activities capital asset activity for the year ended December 31, 2016, was as follows.

<b><u>Business-type activities:</u></b>	<b><u>Balance</u></b>			<b><u>Balance</u></b>
	<b><u>12/31/15</u></b>	<b><u>Additions</u></b>	<b><u>Disposals</u></b>	<b><u>12/31/16</u></b>
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$ 654,893	\$ -	\$ -	\$ 654,893
Construction in progress	<u>688,662</u>	<u>289,189</u>	<u>(963,076)</u>	<u>14,775</u>
<b>Total Capital Assets, Not Being Depreciated</b>	<b><u>1,343,555</u></b>	<b><u>289,189</u></b>	<b><u>(963,076)</u></b>	<b><u>669,668</u></b>
<i>Capital Assets, Being Depreciated:</i>				
Land improvements	11,706,937	-	-	11,706,937
Buildings and improvements	2,483,755	308,147	-	2,791,902
Equipment	161,825	-	-	161,825
Vehicles	279,881	36,000	-	315,881
Infrastructure	<u>7,755,525</u>	<u>654,929</u>	<u>-</u>	<u>8,410,454</u>
<b>Total Capital Assets, Being Depreciated</b>	<b><u>22,387,923</u></b>	<b><u>999,076</u></b>	<b><u>-</u></b>	<b><u>23,386,999</u></b>
<i>Less: Accumulated Depreciation:</i>				
Land improvements	(2,952,436)	(298,653)	-	(3,251,089)
Buildings and improvements	(1,739,681)	(81,814)	-	(1,821,495)
Equipment	(50,750)	(13,697)	-	(64,447)
Vehicles	(147,255)	(25,988)	-	(173,243)
Infrastructure	<u>(4,738,442)</u>	<u>(233,111)</u>	<u>-</u>	<u>(4,971,553)</u>
<b>Total Accumulated Depreciation</b>	<b><u>(9,628,564)</u></b>	<b><u>(653,263)</u></b>	<b><u>-</u></b>	<b><u>(10,281,827)</u></b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b><u>12,759,359</u></b>	<b><u>345,813</u></b>	<b><u>-</u></b>	<b><u>13,105,172</u></b>
<b>Business-Type Activities Capital Assets, Net</b>	<b><u>\$ 14,102,914</u></b>	<b><u>\$ 635,002</u></b>	<b><u>\$ (963,076)</u></b>	<b><u>\$ 13,774,840</u></b>

Depreciation expense was charged to fund's (business-type activities) of the City as follows:

**Business-type activities:**

Water	\$ 303,306
Sewer	<u>349,957</u>
<b>Total Depreciation Expense - Business Type Activities</b>	<b><u>\$ 653,263</u></b>

**CITY OF PATASKALA, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE 11 - OTHER EMPLOYEE BENEFITS**

**Compensated Absences**

Employees earn vacation at different rates which are also affected by length of service. Vacation is accrued each pay and may be carried over within established limits. The maximum number of hours which may be accrued is based on years of service. Vacation and sick leave accumulated by governmental fund type employees has been recorded in the statement of net position to the extent they were not paid using current expendable available resources. Vacation and sick leave earned by proprietary funds type employees is expensed when earned and has been recorded in the fund.

Employees are permitted to earn compensatory-time in lieu of being paid overtime, and may accrue a maximum of between 80-120 hours depending upon the applied collective bargaining agreement or City policy and may be carried forward to the next year.

As of December 31, 2016, the liability for compensated absences in governmental activities and business-type activities was \$140,560 and \$22,572, respectively. The total liability for the City's compensated absences reported on the statement of net position was \$163,132 with \$131,420 being due within one year.

**NOTE 12 - CAPITAL LEASES - LESSEE DISCLOSURE**

In the current year, the City entered into capital lease agreements for the acquisition of case equipment, a roadside mower and electronic sign boards. In previous years, the City entered into capital lease agreements for the acquisition of a backhoe, Durapatcher, dump trucks, a skid steer, copiers and police radios. These leases meet the criteria of a capital lease which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

Vehicles and equipment in the amount of \$1,025,236 have been capitalized, which is equal to the present value of the future minimum lease payment at the time of acquisition. A corresponding liability was recorded. Accumulated depreciation on the vehicles totaled \$125,359, leaving a current book value of \$899,877.

Copiers and police radios in the amount of \$148,029 have not been capitalized since the assets do not meet the City's capitalization threshold. A liability of \$52,378 at December 31, 2016 has been recorded in the government-wide financial statements. Principal and interest payments in 2016 totaled \$6,547 and \$225, respectively, are reported as debt service payments of the general fund. Principal and interest payments of \$201,981 and \$14,193, respectively, are reported as debt service payments in the street fund. Principal and interest payments of \$24,686 and \$2,101, respectively, are reported as debt service payments in the police fund.

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**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 12 - CAPITAL LEASES - LESSEE DISCLOSURE - (Continued)**

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the future minimum lease payments as of December 31, 2016:

<u>Fiscal Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2017	\$ 243,913
2018	242,961
2019	159,974
2020	<u>54,796</u>
<b>Total minimum lease payment</b>	<b>701,644</b>
Less: amount representing interest	<u>(35,825)</u>
<b>Present value of minimum lease payments</b>	<b><u>\$ 665,819</u></b>

**NOTE 13 - LONG-TERM OBLIGATIONS**

A. During 2016, the following activity occurred in the City's governmental long-term obligations.

<b>Governmental activities:</b>	<b>Balance</b>			<b>Balance</b>	<b>Amounts</b>
	<b>12/31/15</b>	<b>Additions</b>	<b>Reductions</b>	<b>12/31/16</b>	<b>Due in</b>
					<b>One Year</b>
Series 2014 general obligation bonds	\$ 6,375,000	\$ -	\$ (270,000)	\$ 6,105,000	\$ 275,000
Miscellaneous loans payable	868,660	-	(116,875)	751,785	122,500
Capital leases	639,033	260,000	(233,214)	665,819	226,523
SIB loan	196,985	-	(30,436)	166,549	31,356
OPWC loans	86,611	-	(47,772)	38,839	3,236
Series 2016 bond anticipation note	-	500,000	-	500,000	-
Net pension liability	3,048,031	1,260,134	-	4,308,165	-
Compensated absences	<u>111,119</u>	<u>310,999</u>	<u>(281,558)</u>	<u>140,560</u>	<u>112,416</u>
<b>Total Governmental Activities</b>					
<b>Long-Term Obligations</b>	<b><u>\$ 11,325,439</u></b>	<b><u>\$ 2,331,133</u></b>	<b><u>\$ (979,855)</u></b>	12,676,717	<b><u>\$ 771,031</u></b>

Add: unamortized premium on bond issuance 221,350

**Total Reported on Statement of Net Position** **\$ 12,898,067**

Compensated Absences: Compensated absences will be paid from the fund from which the employees' salaries are paid. For the City's governmental activities, this is the general, street and police funds.

Net pension liability: See Note 15 for more details.

Series 2014 General Obligation Bonds: On October 30, 2014, the City issued \$6,630,000 in Series 2014 general obligation bonds to refund the bond anticipation notes - Series 2013B and bond anticipation notes - Series 2014, as well as to provide \$1,955,000 in proceeds for street projects. This bond issue was part of an overall bond issue of \$9,390,000 with \$2,760,000 being reported in the business-type activities (see Note 13.B). The bonds carry interest rates ranging from 2.00-4.00% and have a final maturity date of December 1, 2034. Principal and interest payments are made from the debt service fund (a nonmajor governmental fund).

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)**

Miscellaneous Loans: During 2014, the City entered into a loan agreement with the State of Ohio Development Service Agency for a Local Government Innovation Fund (LGIF) Loan in the amount of \$174,285 for a Multi-Agency Radio Communications System (MARCS) that will be shared with the West Licking Joint Fire District. The loan is a 0% loan and has a final maturity date of April 30, 2023. Principal and interest payments are made from the debt service fund (a nonmajor governmental fund).

On June 9, 2015, the City entered into a loan with Park National Bank in the amount of \$1,400,000 for the State Route 310/Main St. improvements. Of this amount, \$700,000 was related to governmental activities. The loan carries an interest rate of 3.35% and has a final maturity date of June 1, 2022. Principal and interest payments are made from the debt service fund (a nonmajor governmental fund).

Capital Lease Obligation: Capital lease obligations will be paid from the general fund, street fund and police fund. See Note 12 for details.

State Infrastructure Bank Loan: On September 30, 2010, the City entered into an agreement with the Ohio Department of Transportation for a State Infrastructure Bank (“SIB”) direct loan transaction for the Summit Road South Project in the amount of \$317,000. Revenues from the permissive license tax fund will be used to repay the loan. The loan agreement functions similar to a line-of-credit agreement. At December 31, 2016, the City has a \$166,549 balance outstanding on the loan. Principal and interest payments are made from the debt service fund (a nonmajor governmental fund).

OPWC Loans: The Ohio Public Works Commission (OPWC) loans are general obligations of the City, and principal and interest will be repaid from the Issue II fund and the debt service fund (a nonmajor governmental fund). The OPWC loans are interest free, providing repayment remains current. At December 31, 2016, the City had OPWC loans outstanding for Refugee Road.

Series 2016 Bond Anticipation Note: On August 22, 2016, the City issued \$500,000 in bond anticipation notes for costs associated with the building of a new police station. The notes carry an interest rate of 1.05% and mature on May 22, 2017. At December 31, 2016, there were \$457,737 in unspent note proceeds. Principal and interest payments will be made from the debt service fund (a nonmajor governmental fund).

The City has entered into a financing agreement that permits the City to refinance the notes on a long-term basis. The agreement does not expire within one year from the date of the financial statements; it is not cancelable by the lender and no violation of any provision in the financing agreement exists; and the lender is expected to be financially capable of honoring the agreement. See Note 22 for details.

A summary of the City’s future debt service requirements for governmental activities long-term obligations outstanding as of December 31, 2016 are as follows:

<b>Year Ending December 31,</b>	<b>Series 2014 GO Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 275,000	\$ 177,025	\$ 452,025
2018	285,000	171,524	456,524
2019	290,000	165,825	455,825
2020	290,000	160,024	450,024
2021	300,000	154,225	454,225
2022 - 2026	1,585,000	677,725	2,262,725
2027 - 2031	1,815,000	446,251	2,261,251
2032 - 2034	1,265,000	102,600	1,367,600
<b>Total</b>	<b>\$ 6,105,000</b>	<b>\$ 2,055,199</b>	<b>\$ 8,160,199</b>

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)**

<b>Year Ending December 31,</b>	<b>Miscellaneous Loans</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 122,500	\$ 18,676	\$ 141,176
2018	122,500	15,279	137,779
2019	122,500	11,884	134,384
2020	122,500	8,515	131,015
2021	122,500	5,090	127,590
2022 - 2023	<u>139,285</u>	<u>6,784</u>	<u>146,069</u>
<b>Total</b>	<b><u>\$ 751,785</u></b>	<b><u>\$ 66,228</u></b>	<b><u>\$ 818,013</u></b>

<b>Year Ending December 31,</b>	<b>SIB Loan</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 31,356	\$ 4,763	\$ 36,119
2018	32,304	3,815	36,119
2019	33,280	2,839	36,119
2020	34,286	1,833	36,119
2021	<u>35,323</u>	<u>797</u>	<u>36,120</u>
<b>Total</b>	<b><u>\$ 166,549</u></b>	<b><u>\$ 14,047</u></b>	<b><u>\$ 180,596</u></b>

<b>Year Ending December 31,</b>	<b>OPWC Loans</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 3,236	\$ -	\$ 3,236
2018	3,237	-	3,237
2019	3,237	-	3,237
2020	3,236	-	3,236
2021	3,237	-	3,237
2022 - 2026	16,183	-	16,183
2027 - 2028	<u>6,473</u>	<u>-</u>	<u>6,473</u>
<b>Total</b>	<b><u>\$ 38,839</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 38,839</u></b>

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)**

B. During 2016, the following activity occurred in the City's business-type long-term obligations.

<b>Business-type activities:</b>	<u>Interest Rate</u>	<u>Balance 12/31/15</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/16</u>	<u>Amounts Due in One Year</u>
<b>General Obligation Bonds</b>						
Series 2011 Sewer bonds	5.50-6.125%	\$ 260,000	\$ -	\$ (60,000)	\$ 200,000	\$ 65,000
Series 2014 Sewer bonds	2.00-4.00%	1,260,000	-	(50,000)	1,210,000	50,000
Series 2007 Water bonds	4.25-5.00%	305,000	-	(150,000)	155,000	155,000
Series 2014 Water bonds	2.00-4.00%	1,395,000	-	(60,000)	1,335,000	60,000
Series 2015 Water refunding bonds	2.00-4.00%	<u>5,460,000</u>	<u>-</u>	<u>(55,000)</u>	<u>5,405,000</u>	<u>45,000</u>
<b>Total General Obligation Bonds</b>		<b><u>8,680,000</u></b>	<b><u>-</u></b>	<b><u>(375,000)</u></b>	<b><u>8,305,000</u></b>	<b><u>375,000</u></b>
<b>OWDA Loans</b>						
Sewer planning loan #5374	3.25%	38,473	-	(2,210)	36,263	2,282
Sewer design loan #5917	3.17%	308,999	-	(10,551)	298,448	10,888
Sewer system loan #5735	2.66%	<u>3,418,507</u>	<u>-</u>	<u>(180,836)</u>	<u>3,237,671</u>	<u>185,678</u>
<b>Total OWDA loans</b>		<b><u>3,765,979</u></b>	<b><u>-</u></b>	<b><u>(193,597)</u></b>	<b><u>3,572,382</u></b>	<b><u>198,848</u></b>
<b>Other Obligations</b>						
Miscellaneous loans payable	3.35%	700,000	-	(100,000)	600,000	100,000
Net pension liability		531,060	261,981	-	793,041	-
Compensated absences		<u>24,560</u>	<u>103,761</u>	<u>(105,749)</u>	<u>22,572</u>	<u>19,004</u>
<b>Total Other Obligations</b>		<b><u>1,255,620</u></b>	<b><u>365,742</u></b>	<b><u>(205,749)</u></b>	<b><u>1,415,613</u></b>	<b><u>119,004</u></b>
<b>Total Business-Type Activities Long-Term Obligations</b>		<b><u>\$ 13,701,599</u></b>	<b><u>\$ 365,742</u></b>	<b><u>\$ (774,346)</u></b>	<b><u>13,292,995</u></b>	<b><u>\$ 692,852</u></b>
Add: Unamortized premium on bond issue					<u>455,463</u>	
<b>Total Reported on the Statement of Net Position</b>					<b><u>\$ 13,748,458</u></b>	

*General Obligation Bonds:* The sewer bonds are general obligation bonds, which are supported by the full faith and credit of the City.

On June 2, 2011, the City issued \$550,000 Sanitary Sewer Refunding Bonds - Series 2011 for the purpose of refunding the Sewer Improvement Bonds - Series 1995. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

The refunding bonds are comprised of current interest bonds, par value \$550,000. The bonds bear interest rates ranging from 1.00% - 3.00%. Principal and interest payments are made from the sewer fund and are due on June 1 and December 1 of each year. The bonds mature on December 1, 2019.

The reacquisition price exceeded the net carrying amount of old debt by \$3,008. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. The refunding resulted in \$64,992 in gross debt service savings.



**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)**

On August 28, 2007, the City issued \$6,550,000 in Water System Improvement General Obligation Bonds. The proceeds of the bond issue were used to repay \$6,145,000 in water treatment plant notes and to fund construction of various water system improvements. During 2015, \$5,330,000 of the bonds were refunded by the Series 2015 Water Refunding Bonds. The remaining bonds bear an interest rate of 4.25% and mature on December 1, 2017. The water bonds are general obligation bonds, which are supported by the full faith and credit of the City.

On October 30, 2014, the City issued \$1,450,000 in Series 2014 general obligation bonds for the sewer fund and \$1,310,000 for the water fund to refund the bond anticipation notes - Series 2013B and bond anticipation notes - Series 2014. This bond issue was part of an overall bond issue of \$9,390,000 with \$6,630,000 being reported in the governmental activities (See Note 13.A). The bonds carry interest rates ranging from 2.00-4.00% and have a final maturity date of December 1, 2034.

On December 29, 2015, the City issued \$5,460,000 in Series 2015 Water Refunding Bonds to advance refund \$5,330,000 of the Series 2007 Water System Improvement General Obligation Bonds. The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The refunding bonds are comprised of current interest bonds, par value \$5,460,000. Principal and interest payments are made from the water fund and are due on June 1 and December 1 of each year. The refunding bonds carry interest rates ranging from 2.00-4.00% and have a final maturity date of December 1, 2037.

The reacquisition price of the Series 2015 bonds exceeded the net carrying amount of the old debt by \$336,043. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which equal to the life of the Series 2015 issued. This advance refunding was undertaken to reduce the combined total debt service payments over the next 22 years by \$831,166 and resulted in an economic gain of \$644,347.

OWDA Loans: The City has entered into debt financing arrangements through the Ohio Water Development Authority (OWDA) to fund construction projects. The amounts due to OWDA are intended to be paid primarily from water and sewer revenues. The loan agreements function similar to a line-of-credit agreement. At December 31, 2016, the City had outstanding borrowings of \$3,572,382. During 2016, the sewer fund made \$193,597 principal payments on the OWDA loans.

The City has pledged future sewer revenues to repay the sewer system, sewer planning and sewer design OWDA loans. The loans are payable solely from sewer fund revenues. Annual principal and interest payments on the loans are expected to require 29.04 percent of the sewer fund net revenues and 14.26 percent of total revenues. Principal and interest paid for the current year were \$294,280, total net revenues were \$1,013,450 and total revenues were \$2,064,289.

Miscellaneous Loan: On June 9, 2015, the City entered into a loan with Park National Bank in the amount of \$1,400,000 for the State Route 310/Main St. improvements. Of this amount, \$700,000 was related to business-type activities in the water fund. The loan carries an interest rate of 3.35% and has a final maturity date of June 1, 2022.

Net pension liability: See Note 15 for details.

Compensated Absences: Compensated absences will be paid from the fund from which the employees' salaries are paid. For the City's business-type activities, this is the water fund and sewer fund.

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)**

The future debt service requirements for business-type activities long-term obligations outstanding as of year end are as follows:

<b>Year Ending December 31,</b>	<b>General Obligation Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 375,000	\$ 261,175	\$ 636,175
2018	400,000	250,026	650,026
2019	400,000	241,325	641,325
2020	340,000	232,674	572,674
2021	345,000	225,875	570,875
2022 - 2026	1,815,000	1,023,485	2,838,485
2027 - 2031	2,105,000	748,925	2,853,925
2032 - 2036	2,160,000	317,200	2,477,200
2037	365,000	14,600	379,600
<b>Total</b>	<b>\$ 8,305,000</b>	<b>\$ 3,315,285</b>	<b>\$ 11,620,285</b>

<b>Year Ending December 31,</b>	<b>OWDA Loans</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 198,848	\$ 95,430	\$ 294,278
2018	204,243	90,036	294,279
2019	209,784	84,495	294,279
2020	215,476	78,803	294,279
2021	221,324	72,956	294,280
2022 - 2026	1,200,037	271,359	1,471,396
2027 - 2031	1,229,653	99,570	1,329,223
2032 - 2036	93,017	8,299	101,316
<b>Total</b>	<b>\$ 3,572,382</b>	<b>\$ 800,948</b>	<b>\$ 4,373,330</b>

<b>Year Ending December 31,</b>	<b>Miscellaneous Loans</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 100,000	\$ 18,676	\$ 118,676
2018	100,000	15,279	115,279
2019	100,000	11,884	111,884
2020	100,000	8,515	108,515
2021	100,000	5,090	105,090
2022	100,000	1,694	101,694
<b>Total</b>	<b>\$ 600,000</b>	<b>\$ 61,138</b>	<b>\$ 661,138</b>

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)**

**C. Legal Debt Margin**

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the City's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the City's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2016, the City's total debt margin was \$35,641,621 and the unvoted debt margin was \$18,516,750.

**NOTE 14 - RISK MANAGEMENT**

**A. Risk Pool Membership**

The City belongs to the Ohio Plan Risk Management, Inc. – formerly known as the Ohio Plan Risk Management (the "Plan"), a non-assessable, incorporated non-profit providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its members.

Pursuant to Section 2744.081 of the Ohio Revised Code the Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through 14 appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. Effective November 1, 2014, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 772 and 783 members as of December 31, 2015 and 2014, respectively.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years. There have been no significant reductions in coverage levels from prior year levels.

The Pool's audited financial statements conform to generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2015 and 2014 (the latest information available):

	<u>2015</u>	<u>2014</u>
Assets	\$14,643,667	\$14,830,185
Liabilities	<u>(9,112,030)</u>	<u>(8,942,504)</u>
<b>Members' Equity</b>	<b><u>\$5,531,637</u></b>	<b><u>\$5,887,681</u></b>

## CITY OF PATASKALA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

#### NOTE 14 - RISK MANAGEMENT - (Continued)

You can read the complete audited financial statements for The Ohio Plan Risk Management at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

#### **B. Workers' Compensation**

During 2016, the City participated in the Ohio Bureau of Workers' Compensation (BWC) Individual Retrospective Rating Program (Retrospective Program). The Retrospective Program is an alternative rating plan that allows the employer to initially pay BWC less in premiums than it would without the plan. An employer participating in the Retrospective Program may earn a possible premium reduction by assuming a portion of the risk of workers' compensation claims. If the employer's total cost is below what they would have paid had they not enrolled in the Retrospective Program, they realize the difference in savings. The Retrospective Program is intended to achieve lower workers' compensation premiums and claims costs by promoting safe working conditions and environments for the employees.

#### **C. Employee Medical, Dental, Vision and Life**

On September 1, 2014, the City joined the Ohio Public Entity Consortium Healthcare Cooperative (OPEC-HC), a risk-sharing pool, which provides employee health care benefits for all full-time employees who wish to participate in the plan. The OPEC-HC consists of one hundred sixty (160) political subdivisions that pool risk for basic hospital, surgical and prescription drug coverage for approximately 3,300 employees. The OPEC-HC is governed by a seven (7) member Board of Directors consisting of: three (3) duly elected representatives of the member organizations; the Plan Administrator; a representative of the plan's marketing firm; the Executive Director of the Ohio Public Entity Consortium (OPEC); and the OPEC Board Chairman. The Board elects a chairman, vice-chairman, and recording secretary. The Board is responsible for its own financial matters and the Plan Administrator maintains the plan's books of account. Budgeting and financing of the OPEC-HC are subject to the approval of the Board. The City pays monthly contributions to the OPEC-HC, which are used to purchase excess loss insurance for the OPEC-HC, to pay current claims and related claim settlement expenses, and to establish and maintain sufficient reserves. The monthly contribution is determined for each member in accordance with the number of covered officers and employees, and the prior loss experience of the respective member group. The Board shall determine annually, on or before the annual meeting, the percentage increase or decrease in the excess reserves for future operations. The funds are maintained in a bank trust account established for the sole purpose and benefit of the OPEC-HC's operations. Financial information for the OPEC-HC can be obtained from Erin Patton, President, Ohio Public Entity Consortium, 8120 Corporate Blvd, Suite 102, Plain City, Ohio 43064.

The OPEC-HC has entered into an agreement for individual and aggregate excess loss coverage with a commercial insurance carrier. The individual excess loss coverage has been structured to indemnify the OPEC-HC for medical claims in excess of \$500,000 per participant. In the event that the losses of the consortium in any year exceeds amounts paid to the OPEC-HC, together with all stop-loss, reinsurance and other coverage then in effect, then the payment of all uncovered losses shall revert to and be the sole obligation of the political subdivision against which the claim was made.

**CITY OF PATASKALA, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE 14 - RISK MANAGEMENT - (Continued)**

The City currently has no specified percentage share of the OPEC-HC. The only time at which a percentage share would be calculated occurs if the OPEC-HC voted to terminate ongoing operations. After a vote to terminate the OPEC-HC, the Board would wind-up the OPEC-HC's business as quickly as practicable, but in any event would complete this process no later than six (6) months after the termination date. During such period, the OPEC-HC would continue to pay all claims and expenses until the OPEC-HC's funds are exhausted. After payment of all claims and expenses, or upon the termination of the aforesaid six month period, any remaining surplus funds held by the OPEC-HC would be paid to the members of the OPEC-HC who are members as of the termination date. The Board would determine the manner in which such surplus funds would be distributed, and would consider the percentage relationship which each member's contributions to the OPEC-HC for the prior three calendar years of the OPEC-HC bore to all members' contributions to the OPEC-HC for that same period, and the loss experience of each plan in which the member participated for the prior three years of the OPEC-HC. The City's payment for health insurance coverage to OPEC-HC in 2016 was \$791,466.

Dental, vision and life insurance benefits are also provided. The family and single rates are not gender and age sensitive, and are the same for each class of employees.

**NOTE 15 - DEFINED BENEFIT PENSION PLANS**

*Net Pension Liability/Asset*

The net pension liability/asset reported on the statement of net position represents a liability or asset to employees for pensions. Pensions are a component of exchange transactions — between an employer and its employees-of salaries and benefits for employee services. Pensions are provided to an employee on a deferred-payment basis as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability/asset represents the City's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes any net pension liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) state statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The proportionate share of each plan’s unfunded benefits or overfunded benefits is presented as a long-term *net pension liability* or *net pension asset*, respectively, on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *due to other governments* on both the accrual and modified accrual bases of accounting.

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - City employees, other than full-time police, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three (3) separate pension plans: (1) a traditional plan; (2) a member-directed plan; and (3) a combined plan. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan while the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan, with defined contribution features. Members (e.g. City employees), at the time of their initial hire into public service, have the option to choose which plan in which they will participate. Substantially all employee members are in OPERS’ Traditional Pension Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension Plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (800) 222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three (3) highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five (5) highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring on or after January 7, 2013 and beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index (CPI), capped at three percent (3%).

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.0% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Individuals retiring before age 65, and with less than 30 years of service credit, receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
<b>2016 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
 <b>2016 Actual Contribution Rates</b>	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0 %
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

**CITY OF PATASKALA, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$202,394 for 2016. Of this amount, \$8,461 is reported as due to other governments.

***Plan Description – Ohio Police & Fire Pension Fund (OP&F)***

Plan Description - City full-time police participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OPF website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.



**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	Police
<b>2016 Statutory Maximum Contribution Rates</b>	
Employer	19.50 %
Employee	12.25 %
 <b>2016 Actual Contribution Rates</b>	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	0.50 %
 Total Employer	 19.50 %
 Employee	 12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$214,713 for 2016. Of this amount \$9,270 is reported as due to other governments.

***Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The net pension liability and net pension asset for the OPERS Traditional Pension Plan and Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2015, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS	OP&F	Total
Proportion of the net pension liability prior measurement date	0.010490%	0.0446659%	
Proportion of the net pension liability current measurement date	0.011771%	0.0476030%	
Change in proportionate share	0.001281%	0.0029371%	
 Proportion of the net pension asset prior measurement date	 0.051772%		
Proportion of the net pension asset current measurement date	0.04894%		
Change in proportionate share	-0.002832%		
 Proportionate share of the net pension liability	 \$ 2,038,886	 \$ 3,062,320	 \$ 5,101,206
Proportionate share of the net pension asset	23,815	-	23,815
Pension expense	344,027	439,706	783,733

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$ 609,586	\$ 498,431	\$ 1,108,017
Changes in employer's proportionate percentage/difference between employer contributions	103,335	134,594	237,929
City contributions subsequent to the measurement date	202,394	214,713	417,107
Total deferred outflows of resources	<u>\$ 915,315</u>	<u>\$ 847,738</u>	<u>\$ 1,763,053</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 50,264	\$ 8,599	\$ 58,863
Changes in employer's proportionate percentage/difference between employer contributions	2,227	-	2,227
Total deferred inflows of resources	<u>\$ 52,491</u>	<u>\$ 8,599</u>	<u>\$ 61,090</u>

An amount equal to \$417,107 that was reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Year Ending December 31:			
2017	\$ 178,115	\$ 156,108	\$ 334,223
2018	189,284	156,108	345,392
2019	161,800	156,107	317,907
2020	136,603	128,158	264,761
2021	(1,374)	23,481	22,107
Thereafter	(3,998)	4,464	466
Total	<u>\$ 660,430</u>	<u>\$ 624,426</u>	<u>\$ 1,284,856</u>

***Actuarial Assumptions - OPERS***

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability/asset in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation	3.75 percent
Future salary increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or ad hoc COLA	Pre 1/7/2013 retirees: 3 percent, simple Post 1/7/2013 retirees: 3 percent, simple through 2018, then 2.80% simple
Investment rate of return	8 percent
Actuarial cost method	Individual entry age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in five investment portfolios: (1) the Defined Benefits portfolio; (2) the Health Care portfolio; (3) the 401 (h) Health Care Trust portfolio; (4) the 115 Health Care Trust portfolio; and (5) the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.40 percent for 2015.

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	23.00 %	2.31 %
Domestic equities	20.70	5.84
Real estate	10.00	4.25
Private equity	10.00	9.25
International equities	18.30	7.40
Other investments	18.00	4.59
Total	100.00 %	5.27 %

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

**Discount Rate** - The discount rate used to measure the total pension liability/asset was eight percent (8%) for both the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table presents the City's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of eight percent (8%), as well as what the City's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (7%) or one-percentage-point higher (9%) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 3,248,443	\$ 2,038,886	\$ 1,018,662
Combined Plan	(489)	(23,815)	(42,578)

**Changes Between Measurement Date and Report Date** - In October 2016, the OPERS Board of Trustees adopted certain assumption changes which impacted their annual actuarial valuation prepared as of December 31, 2016. The most significant changes are a reduction in the expected investment return to 7.50% from 8.00%, the expected long-term average wage inflation was reduced to 3.25% from 3.75%, the expected long-term average price inflation was reduced to 2.50% from 3.00% and a change to various demographic assumptions. Although the exact amount of these changes is not known, the impact to the City's net pension liability is expected to be significant.

**Actuarial Assumptions – OP&F**

OP&F's total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2015, are presented below:

Valuation date	January 1, 2015
Actuarial cost method	Entry age normal
Investment rate of return	8.25 percent
Projected salary increases	4.25 percent to 11 percent
Payroll increases	3.75 percent
Inflation assumptions	3.25 percent
Cost of living adjustments	2.60 and 3.00 percent simple

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six (6) years. For disability retirements, set forward five (5) years for police and three (3) years for firefighters. For service retirements, set back zero (0) years for police and two (2) years for firefighters. For beneficiaries, set back zero (0) years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed for the five-year period ended December 31, 2011. The recommended assumption changes based on this experience study were adopted by OPF's Board, and were effective beginning with the January 1, 2012 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2015 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Real Rate of Return **</u>	<u>30 Year Expected Real Rate of Return **</u>
Cash and Cash Equivalents	- %		
Domestic Equity	16.00	6.50 %	7.80 %
Non-US Equity	16.00	6.70	8.00
Core Fixed Income *	20.00	3.50	5.35
Global Inflation			
Protected Securities *	20.00	3.50	4.73
High Yield	15.00	6.35	7.21
Real Estate	12.00	5.80	7.43
Private Markets	8.00	9.50	10.73
Timber	5.00	6.55	7.35
Master Limited Partnerships	8.00	9.65	10.75
Total	<u>120.00 %</u>		

\* levered 2x

\*\* numbers include inflation

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

OPF’s Board of Trustees has incorporated the “risk parity” concept into OP&F’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** - The total pension liability was calculated using the discount rate of eight and one-quarter percent (8.25%). The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return eight and one quarter percent (8.25%). Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of eight and one quarter percent (8.25%), as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25%), or one percentage point higher (9.25%) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$ 4,038,809	\$ 3,062,320	\$ 2,235,164

**NOTE 16 - POSTRETIREMENT BENEFIT PLANS**

**A. Ohio Public Employees Retirement System**

Plan Description - OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension Plan and the Combined Plan. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten (10) years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (800) 222-7377.

**Funding Policy** - The post-employment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code Section 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer’s contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care.

## CITY OF PATASKALA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

#### NOTE 16 - POSTRETIREMENT BENEFIT PLANS - (Continued)

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2016, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan and Combined Plan for 2016 was 2.00%.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2016, 2015, and 2014 were \$33,732, \$33,064, and \$27,094, respectively; 96.42% has been contributed for 2016 and 100% has been contributed for 2015 and 2014. The remaining 2016 post-employment health care benefits liability has been reported as due to other governments on the basic financial statements.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.00% of the employer contributions toward the health care fund after the end of the transition period.

#### **B. Ohio Police and Fire Pension Fund**

*Plan Description* - The City contributes to the OP&F Pension Fund sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-employment health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164 or by visiting the website at [www.op-f.org](http://www.op-f.org).

*Funding Policy* - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

**CITY OF PATASKALA, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE 16 - POSTRETIREMENT BENEFIT PLANS - (Continued)**

OP&F maintains funds for health care in two separate accounts, one account is for health care benefits under an Internal Revenue Code Section 115 trust and the other account is for Medicare Part B reimbursements administered as an Internal Revenue Code Section 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2016 thru December 31, 2016. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers were \$5,803 for the year ended December 31, 2016, \$5,688 for the year ended December 31, 2015, and \$4,921 for the year ended December 31, 2014. 100% has been contributed for 2015 and 2014. 95.80% has been contributed for police for 2016. The remaining 2016 post-employment health care benefits liability has been reported as due to other governments on the basic financial statements.

**NOTE 17 - BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund, street fund and police fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis);
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).



**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 17 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statements for all governmental funds for which a budgetary basis statement is presented:

	<b>Net Change in Fund Balance</b>		
	<u><b>General fund</b></u>	<u><b>Street Fund</b></u>	<u><b>Police Fund</b></u>
<b>Budget basis</b>	<b>\$ 166,460</b>	<b>\$ (85,416)</b>	<b>\$ (221,535)</b>
Net adjustment for revenue accruals	(40,212)	7,868	(6,772)
Net adjustment for expenditure accruals	30,425	(197,455)	33,435
Net adjustment for other sources/uses	-	260,000	-
Funds budgeted elsewhere	12,728	-	-
Adjustment for encumbrances	92,540	131,734	34,404
<b>GAAP basis</b>	<b><u>\$ 261,941</u></b>	<b><u>\$ 116,731</u></b>	<b><u>\$ (160,468)</u></b>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the unclaimed monies fund, recreation fund and sesquicentennial fund.

**NOTE 18 - CONTINGENCIES**

**A. Grants**

The City receives significant financial assistance from numerous federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2016.

**B. Litigation**

The City is involved in various lawsuits. The City's management and legal counsel is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material adverse effect on the financial condition of the City.

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 19 - FUND BALANCE**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

<b>Fund balance</b>	<b>General</b>	<b>Street Fund</b>	<b>Police Fund</b>	<b>Issue II Fund</b>	<b>Capital Improvements Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
Nonspendable:							
Materials and supplies inventory	\$ -	\$ 82,709	\$ -	\$ -	\$ -	\$ -	\$ 82,709
Prepays	37,382	26,594	69,150	-	-	-	133,126
Unclaimed monies	140	-	-	-	-	-	140
<b>Total Nonspendable</b>	<b>37,522</b>	<b>109,303</b>	<b>69,150</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>215,975</b>
Restricted:							
Debt service	-	-	-	-	-	291,462	291,462
Capital improvements	-	-	-	246,014	1,143,356	663,539	2,052,909
Transportation projects	-	2,546,849	-	-	-	812,551	3,359,400
Police	-	-	1,423,193	-	-	58,483	1,481,676
<b>Total Restricted</b>	<b>-</b>	<b>2,546,849</b>	<b>1,423,193</b>	<b>246,014</b>	<b>1,143,356</b>	<b>1,826,035</b>	<b>7,185,447</b>
Committed:							
Capital improvements	-	-	-	-	-	721,810	721,810
Community development programs	-	-	-	-	-	4,470	4,470
Parks and recreation	-	-	-	-	-	94,367	94,367
<b>Total Committed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>820,647</b>	<b>820,647</b>
Assigned:							
Subsequent year appropriation	108,021	-	-	-	-	-	108,021
General government	54,232	-	-	-	-	-	54,232
Community environment	8,092	-	-	-	-	-	8,092
Leisure time activities	66,076	-	-	-	-	-	66,076
Other purposes	367	-	-	-	-	-	367
<b>Total Assigned</b>	<b>236,788</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>236,788</b>
Unassigned	977,553	-	-	-	-	-	977,553
<b>Total Fund Balances</b>	<b>\$ 1,251,863</b>	<b>\$ 2,656,152</b>	<b>\$ 1,492,343</b>	<b>\$ 246,014</b>	<b>\$ 1,143,356</b>	<b>\$ 2,646,682</b>	<b>\$ 9,436,410</b>

**CITY OF PATASKALA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 20 - CONTRACTUAL COMMITMENTS**

As a result of various projects that were in progress at December 31, 2016, the City had the following outstanding contractual commitments at year end:

<u>Vendor</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Amount Outstanding</u>
Poggemeyer	\$ 92,025	\$ (68,833)	\$ 23,192
Isaac, Wiles, Burkholder & Teetor, LLC	178,800	(148,668)	30,132
Shelly Company	1,558,859	(620,192)	938,667
Englefield Oil	80,128	(66,257)	13,871
Prime AE Group	183,000	(127,394)	55,606
Martin & Wood Appraisal	91,100	(63,600)	27,500
Jobes Anderson & Associates	533,079	(131,246)	401,833
Columbus & Ohio River Railroad	245,962	-	245,962
Horne & King Architect, Inc.	480,000	(25,200)	454,800
Fields Excavating	800,000	(724,448)	75,552
FeeCorp Corporation	65,000	(31,812)	33,188
Stantec Consulting	60,053	(46,528)	13,525
<b>Total</b>	<b><u>\$ 4,368,006</u></b>	<b><u>\$ (2,054,178)</u></b>	<b><u>\$ 2,313,828</u></b>

**NOTE 21 - OTHER COMMITMENTS**

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the City's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 81,309
Street fund	120,544
Police fund	19,917
Issue II fund	271,853
Capital improvements fund	553,906
Nonmajor governmental funds	<u>535,193</u>
<b>Total</b>	<b><u>\$ 1,582,722</u></b>

**NOTE 22 - SUBSEQUENT EVENT**

In May 2017, the City entered into a financial agreement with PNC Bank, the holder of the Series 2016 Anticipation Note, in which the PNC Bank has agreed to extend the maturity date of the note until August 1, 2017. The financing agreement also permits the City to refinance the notes on a long-term basis. The agreement does not expire within one year from the date of the financial statements; it is not cancelable by the lender and no violation of any provision in the financing agreement exists; and the lender is expected to be financially capable of honoring the agreement.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF PATASKALA, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY/NET PENSION ASSET  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST THREE YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>			
City's proportion of the net pension liability	0.011771%	0.010490%	0.010490%
City's proportionate share of the net pension liability	\$ 2,038,886	\$ 1,265,211	\$ 1,236,634
City's covered-employee payroll	\$ 1,488,875	\$ 1,257,250	\$ 1,367,477
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	136.94%	100.63%	90.43%
Plan fiduciary net position as a percentage of the total pension liability	81.08%	86.45%	86.36%
<i>Combined Plan:</i>			
City's proportion of the net pension asset	0.048940%	0.051772%	0.051772%
City's proportionate share of the net pension asset	\$ 23,815	\$ 19,933	\$ 5,432
City's covered-employee payroll	\$ 164,317	\$ 167,775	\$ 207,762
City's proportionate share of the net pension asset as a percentage of its covered-employee payroll	14.49%	11.88%	2.61%
Plan fiduciary net position as a percentage of the total pension asset	116.90%	114.83%	104.56%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF PATASKALA, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY  
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST THREE YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability	0.04760300%	0.04466590%	0.04466590%
City's proportionate share of the net pension liability	\$ 3,062,320	\$ 2,313,880	\$ 2,175,369
City's covered-employee payroll	\$ 1,107,637	\$ 1,020,095	\$ 896,285
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	276.47%	226.83%	242.71%
Plan fiduciary net position as a percentage of the total pension liability	66.77%	72.20%	73.00%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF PATASKALA, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 181,313	\$ 178,665	\$ 150,870	\$ 177,772
Contributions in relation to the contractually required contribution	<u>(181,313)</u>	<u>(178,665)</u>	<u>(150,870)</u>	<u>(177,772)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 1,510,942	\$ 1,488,875	\$ 1,257,250	\$ 1,367,477
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	12.00%	13.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 20,527	\$ 19,718	\$ 20,133	\$ 27,009
Contributions in relation to the contractually required contribution	<u>(20,527)</u>	<u>(19,718)</u>	<u>(20,133)</u>	<u>(27,009)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 171,058	\$ 164,317	\$ 167,775	\$ 207,762
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	12.00%	13.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 554			
Contributions in relation to the contractually required contribution	<u>(554)</u>			
Contribution deficiency (excess)	<u>\$ -</u>			
City's covered-employee payroll	\$ 4,617			
Contributions as a percentage of covered-employee payroll	12.00%			

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 100,627	\$ 99,504	\$ 104,862	\$ 87,782	\$ 73,097	\$ 118,914
<u>(100,627)</u>	<u>(99,504)</u>	<u>(104,862)</u>	<u>(87,782)</u>	<u>(73,097)</u>	<u>(118,914)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,006,270	\$ 995,040	\$ 1,176,022	\$ 1,080,394	\$ 1,044,243	\$ 1,424,120
10.00%	10.00%	8.92%	8.13%	7.00%	8.35%
\$ 13,814	\$ 3,381	\$ -	\$ -	\$ -	\$ -
<u>(13,814)</u>	<u>(3,381)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 173,761	\$ 42,528	\$ -	\$ -	\$ -	\$ -
7.95%	7.95%	9.69%	8.13%	7.00%	8.35%

**CITY OF PATASKALA, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS  
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TEN YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<i>Police:</i>				
Contractually required contribution	\$ 214,713	\$ 210,451	\$ 193,818	\$ 142,360
Contributions in relation to the contractually required contribution	<u>(214,713)</u>	<u>(210,451)</u>	<u>(193,818)</u>	<u>(142,360)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 1,130,068	\$ 1,107,637	\$ 1,020,095	\$ 896,285
Contributions as a percentage of covered-employee payroll	19.00%	19.00%	19.00%	15.88%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 110,378	\$ 93,036	\$ 84,305	\$ 97,263	\$ 103,913	\$ 108,646
<u>(110,378)</u>	<u>(93,036)</u>	<u>(84,305)</u>	<u>(97,263)</u>	<u>(103,913)</u>	<u>(108,646)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 865,710	\$ 729,694	\$ 661,216	\$ 762,847	\$ 815,004	\$ 852,125
12.75%	12.75%	12.75%	12.75%	12.75%	12.75%

**CITY OF PATASKALA, OHIO**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2016

*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2014-2016.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2014-2016.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.



COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES

**CITY OF PATASKALA, OHIO**  
INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

**GENERAL FUND**

The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City and/or the general laws of Ohio.

**MAJOR FUNDS**

***Street Fund***

The street fund accounts for revenues generated from license and gasoline taxes that are restricted to be used on local roads within the City.

***Police Fund***

This fund accounts for tax and other revenues collected that are restricted for police operations.

***Issue II Fund***

This fund is used to account for transfers and intergovernmental revenues that are restricted for Issue II projects.

***Capital Improvements Fund***

This fund is used to account for income taxes that are restricted for the purchase of equipment and to construct capital assets.

**NONMAJOR SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The following are the special revenue funds which the City operates:

***State Highway Fund***

This fund accounts for the portion of state gasoline tax restricted for maintenance of state highways within the City.

***Ecological Preservation Fund***

This fund accounts for revenues received that are restricted for the use of preserving ecological projects within the City.

***Pataskala Corporate Park Joint Economic Development District (JEDD Income Tax) Fund***

This fund accounts for income taxes received from collections within the Pataskala Corporate Park which are restricted for improvements specifically within the Corporate Park.

***Permissive License Tax Fund***

This fund accounts for the \$5.00 license tax levied by the City of Pataskala and Licking County on each motor vehicle registered in the City. Money is restricted for planning, constructing, improving, maintaining, and repairing roads, streets and bridges within the City.

***Park Use Fund***

This fund accounts for developers' fees collected that are committed for capital improvements associated with the City's parks.

***Immobilization Fund***

This fund receives fines assessed from Mayor's Court for immobilized vehicles. Money is restricted for training and education purposes.

***Court Computer Fund***

This fund receives fines assessed from the City's Mayor's Court and are restricted to improve the court computer systems.

**CITY OF PATASKALA, OHIO**

**INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS**

**NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**

***Alcohol Enforcement and Education Fund***

Account for fines received by the City's Mayor's Court and are restricted to educate the public about laws governing the operation of motor vehicles while under the influence.

***Law Enforcement Trust Fund***

Accounts for fines generated in the prosecution of those in possession of contraband and any proceeds received from the sale of confiscated contraband. This money is restricted for any law enforcement activity.

***Pataskala Mobile Home Park Fund***

This fund accounts for a donation received that are committed for maintenance of the storm sewer line underlying the railroad tracks within the City.

***Federal Emergency Management Agency (FEMA) Fund***

This fund receives federal and state money to reimburse the City for costs incurred for disasters within the City.

***Law Enforcement Training Fund***

This fund accounts for federal and state grant dollars that are restricted for the purpose of training police officers in the City.

***Indigent Driver Interlock Fund***

This fund accounts for fine and forfeitures that are restricted for expenditures related to indigent drivers.

The following funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis):

***Unclaimed Monies Fund***

This fund is used to account for resources that are unclaimed monies that have not been distributed. The fund balance of this fund is nonspendable.

***Recreation Fund***

This fund accounts for fees charged for recreational activities and is used for park and recreation purposes.

***Sesquicentennial Fund***

This fund receives grants and donations to be used for historical activities and programs within the City.

The following fund is included in the police fund (GAAP basis), but has a separate legally adopted budget (budget basis):

***Police K-9 Unit Fund***

This fund receives grants and donations for the upkeep, care, and maintenance of the City's investigative police dog.

**NONMAJOR DEBT SERVICE FUNDS**

Debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest. The following is a description of all nonmajor debt service funds:

***Debt Service Fund***

This fund accounts for income taxes that are restricted for the use of paying principal and interest.

***Street Bond Fund***

This fund accounts for the remaining fund balance associated with special assessment bonds issued and retired by the City.

**CITY OF PATASKALA, OHIO**

**INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS**

**NONMAJOR CAPITAL PROJECTS FUNDS**

Capital project funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital project funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. The following is a description of all nonmajor capital project funds:

**Nonmajor Capital Projects Funds**

***Bond Improvements Fund***

This fund is used to account for bond or note proceeds that are restricted for the purchase of equipment and to construct capital assets.

***Municipal Building Purchase Fund***

This fund is used to account for the purchase of the municipal building.

***Courter Bridge Improvement Fund***

This fund receives bond anticipation note proceeds restricted for improvements made to Courter Road Bridge in previous years.

***State Route 310 Tax Increment Finance Equivalent Fund***

This fund accounts for tax incentive equivalent funds.

***Columbia Road Bridge Improvement Fund***

This fund is used to account for transfers that are committed to improvements to be made on the Columbia Road Bridge.

***Capital Facilities Fund***

This fund is used to account for rental income that is committed to various capital facilities projects in the City.



CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**GENERAL FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Real and Other Taxes	\$ 858,990	\$ 853,292	\$ 853,298	\$ 6
Licenses and Permits	268,833	267,050	265,625	(1,425)
Fines and Forfeitures	139,546	138,620	137,689	(931)
Intergovernmental	183,770	182,551	182,854	303
Special Assessments	2,416	2,400	2,440	40
Investment Income	11,828	11,750	12,506	756
Rental Income	-	-	4,616	4,616
Other	13,087	13,000	10,203	(2,797)
<b>Total Revenues</b>	<b>1,478,470</b>	<b>1,468,663</b>	<b>1,469,231</b>	<b>568</b>
<b>Expenditures:</b>				
<i>Current:</i>				
<u>General Government</u>				
General Government				
Salaries & related	71,360	69,629	58,767	10,862
Contractual services	212,278	207,129	165,260	41,869
General operating	90,980	88,773	66,416	22,357
<b>Total General Government</b>	<b>374,618</b>	<b>365,531</b>	<b>290,443</b>	<b>75,088</b>
Court & Legal				
Salaries & related	82,750	80,743	78,976	1,767
Contractual services	209,100	204,028	138,825	65,203
General operating	14,707	14,350	7,226	7,124
<b>Total Court &amp; Legal</b>	<b>306,557</b>	<b>299,121</b>	<b>225,027</b>	<b>74,094</b>
Executive & Legislative				
Salaries & related	165,131	161,125	136,284	24,841
Contractual services	5,637	5,500	688	4,812
General operating	21,078	20,567	13,408	7,159
<b>Total Executive &amp; Legislative</b>	<b>191,846</b>	<b>187,192</b>	<b>150,380</b>	<b>36,812</b>
Finance				
Salaries & related	34,354	33,521	32,533	988
Contractual services	36,290	35,410	26,309	9,101
General operating	14,175	13,831	5,694	8,137
Capital outlay	6,124	5,975	5,975	-
<b>Total Finance</b>	<b>90,943</b>	<b>88,737</b>	<b>70,511</b>	<b>18,226</b>
Parks, Lands & Municipal Facilities				
Contractual services	48,324	47,152	45,524	1,628
General operating	137,633	134,294	123,275	11,019
Capital outlay	6,444	6,288	6,288	-
<b>Total Parks, Lands &amp; Municipal Facilities</b>	<b>192,401</b>	<b>187,734</b>	<b>175,087</b>	<b>12,647</b>
<b>Total General Government</b>	<b>1,156,365</b>	<b>1,128,315</b>	<b>911,448</b>	<b>216,867</b>

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**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**GENERAL FUND (CONTINUED)**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Community Environment</u>				
General Government				
Salaries & related	261,574	255,229	251,257	3,972
Contractual services	11,632	11,350	896	10,454
General operating	41,798	40,784	28,908	11,876
<b>Total General Government</b>	<b>315,004</b>	<b>307,363</b>	<b>281,061</b>	<b>26,302</b>
<b>Total Community Environment</b>	<b>315,004</b>	<b>307,363</b>	<b>281,061</b>	<b>26,302</b>
<u>Leisure Time Activities</u>				
Parks, Lands & Municipal Facilities				
Salaries & related	50,006	48,793	36,782	12,011
General operating	16,226	15,832	15,723	109
Capital outlay	68,467	66,806	57,757	9,049
<b>Total Parks, Lands &amp; Municipal Facilities</b>	<b>134,699</b>	<b>131,431</b>	<b>110,262</b>	<b>21,169</b>
<b>Total Leisure Time Activities</b>	<b>134,699</b>	<b>131,431</b>	<b>110,262</b>	<b>21,169</b>
<b>Total Expenditures</b>	<b>1,606,068</b>	<b>1,567,109</b>	<b>1,302,771</b>	<b>264,338</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(127,598)</b>	<b>(98,446)</b>	<b>166,460</b>	<b>264,906</b>
<b>Other Financing Sources:</b>				
Sale of assets	503	500	-	(500)
<b>Total Other Financing Sources</b>	<b>503</b>	<b>500</b>	<b>-</b>	<b>(500)</b>
<b>Net Change in Fund Balance</b>	<b>(127,095)</b>	<b>(97,946)</b>	<b>166,460</b>	<b>264,406</b>
<b>Fund Balance at Beginning of Year</b>	829,285	829,285	829,285	-
<b>Prior Year Encumbrances Appropriated</b>	97,896	97,896	97,896	-
<b>Fund Balance at End of Year</b>	<b>\$ 800,086</b>	<b>\$ 829,235</b>	<b>\$ 1,093,641</b>	<b>\$ 264,406</b>

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**STREET FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Income taxes	\$ 1,754,681	\$ 1,826,236	\$ 1,826,153	\$ (83)
Intergovernmental	672,909	700,350	711,631	11,281
Investment income	21,618	22,500	24,872	2,372
Other	45,423	47,275	47,426	151
<b>Total Revenues</b>	<b>2,494,631</b>	<b>2,596,361</b>	<b>2,610,082</b>	<b>13,721</b>
<b>Expenditures:</b>				
<i>Current:</i>				
<u>General Government</u>				
General Government				
Salaries & related	50,408	58,044	50,068	7,976
Contractual services	203,956	234,851	182,512	52,339
<b>Total General Government</b>	<b>254,364</b>	<b>292,895</b>	<b>232,580</b>	<b>60,315</b>
Court & Legal				
Salaries & related	2,061	2,373	2,151	222
Contractual services	38,646	44,500	35,000	9,500
<b>Total Court &amp; Legal</b>	<b>40,707</b>	<b>46,873</b>	<b>37,151</b>	<b>9,722</b>
Finance				
Salaries & related	53,397	61,485	57,422	4,063
Contractual services	9,553	11,000	9,994	1,006
General operating	85,473	98,420	95,190	3,230
<b>Total Finance</b>	<b>148,423</b>	<b>170,905</b>	<b>162,606</b>	<b>8,299</b>
Parks, Lands & Municipal Facilities				
General operating	21,751	25,046	21,386	3,660
Capital outlay	13,027	15,000	12,625	2,375
<b>Total Parks, Lands &amp; Municipal Facilities</b>	<b>34,778</b>	<b>40,046</b>	<b>34,011</b>	<b>6,035</b>
<b>Total General Government</b>	<b>478,272</b>	<b>550,719</b>	<b>466,348</b>	<b>84,371</b>
<u>Transportation</u>				
Public Service				
Salaries & related	565,281	650,908	629,854	21,054
Contractual services	142,587	164,186	160,217	3,969
General operating	352,311	405,678	349,881	55,797
Capital outlay	967,196	1,113,704	1,089,207	24,497
<b>Total Transportation</b>	<b>2,027,375</b>	<b>2,334,476</b>	<b>2,229,159</b>	<b>105,317</b>
<b>Total Expenditures</b>	<b>2,505,647</b>	<b>2,885,195</b>	<b>2,695,507</b>	<b>189,688</b>
<b>Excess of Expenditures Over Revenues</b>	<b>(11,016)</b>	<b>(288,834)</b>	<b>(85,425)</b>	<b>203,409</b>
<b>Other Financing Sources:</b>				
Transfers in	9	9	9	-
<b>Total other financing sources</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(11,007)</b>	<b>(288,825)</b>	<b>(85,416)</b>	<b>203,409</b>
<b>Fund Balance at Beginning of Year</b>	2,065,588	2,065,588	2,065,588	-
<b>Prior Year Encumbrances Appropriated</b>	70,738	70,738	70,738	-
<b>Fund Balance at End of Year</b>	<b>\$ 2,125,319</b>	<b>\$ 1,847,501</b>	<b>\$ 2,050,910</b>	<b>\$ 203,409</b>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**POLICE FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Income taxes	\$ 2,640,425	\$ 2,714,645	\$ 2,714,898	\$ 253
Charge for services	6,420	6,600	5,847	(753)
Fines and forfeitures	486	500	455	(45)
Intergovernmental	8,462	8,700	29,665	20,965
Investment income	15,660	16,100	16,935	835
Other	70,031	72,000	71,718	(282)
<b>Total Revenues</b>	<b>2,741,484</b>	<b>2,818,545</b>	<b>2,839,518</b>	<b>20,973</b>
<b>Expenditures:</b>				
<i>Current:</i>				
<u>General Government</u>				
General Government				
Contractual services	52,550	60,000	46,391	13,609
<b>Total General Government</b>	<b>52,550</b>	<b>60,000</b>	<b>46,391</b>	<b>13,609</b>
Court & Legal				
Salaries & related	2,078	2,373	2,151	222
Contractual services	38,975	44,500	40,000	4,500
<b>Total Court &amp; Legal</b>	<b>41,053</b>	<b>46,873</b>	<b>42,151</b>	<b>4,722</b>
Finance				
Salaries & related	54,595	62,334	57,156	5,178
Contractual services	9,634	11,000	10,146	854
General operating	126,647	144,600	139,851	4,749
<b>Total Finance</b>	<b>190,876</b>	<b>217,934</b>	<b>207,153</b>	<b>10,781</b>
Parks, Lands & Municipal Facilities				
Contractual services	4,511	5,150	4,976	174
General operating	18,655	21,300	20,681	619
<b>Total Finance</b>	<b>23,166</b>	<b>26,450</b>	<b>25,657</b>	<b>793</b>
<b>Total General Government</b>	<b>307,645</b>	<b>351,257</b>	<b>321,352</b>	<b>29,905</b>
<u>Security of Persons &amp; Property</u>				
Police				
Salaries & related	1,743,764	1,990,962	1,958,651	32,311
Contractual services	10,756	12,281	12,011	270
General operating	193,089	220,462	188,859	31,603
Capital outlay	145,495	166,120	162,751	3,369
<b>Total Police</b>	<b>2,093,104</b>	<b>2,389,825</b>	<b>2,322,272</b>	<b>67,553</b>
<b>Total Security of Persons &amp; Property</b>	<b>2,093,104</b>	<b>2,389,825</b>	<b>2,322,272</b>	<b>67,553</b>
<b>Total Expenditures</b>	<b>2,400,749</b>	<b>2,741,082</b>	<b>2,643,624</b>	<b>97,458</b>
<b>Excess of Revenues Over Expenditures</b>	<b>340,735</b>	<b>77,463</b>	<b>195,894</b>	<b>118,431</b>

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**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**POLICE FUND (CONTINUED)**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Other Financing Uses:</b>				
Transfers out	\$ (365,601)	\$ (417,429)	\$ (417,429)	\$ -
<b>Total Other Financing Uses</b>	<b>(365,601)</b>	<b>(417,429)</b>	<b>(417,429)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(24,866)</b>	<b>(339,966)</b>	<b>(221,535)</b>	<b>118,431</b>
<b>Fund Balance at Beginning of Year</b>	1,258,428	1,258,428	1,258,428	-
<b>Prior Year Encumbrances Appropriated</b>	20,170	20,170	20,170	-
<b>Fund Balance at End of Year</b>	<b><u>\$ 1,253,732</u></b>	<b><u>\$ 938,632</u></b>	<b><u>\$ 1,057,063</u></b>	<b><u>\$ 118,431</u></b>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**ISSUE II FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 490,595	\$ 217,067	\$ (273,528)
<b>Total Revenues</b>	<b>-</b>	<b>490,595</b>	<b>217,067</b>	<b>(273,528)</b>
<b>Expenditures:</b>				
<u>Capital outlay</u>				
Public Service				
Contractual services	56,031	56,031	56,031	-
Capital outlay	1,528,859	1,528,859	1,528,859	-
<b>Total Public Service</b>	<b>1,584,890</b>	<b>1,584,890</b>	<b>1,584,890</b>	<b>-</b>
<b>Total Capital Outlay</b>	<b>1,584,890</b>	<b>1,584,890</b>	<b>1,584,890</b>	<b>-</b>
<b>Total Expenditures</b>	<b>1,584,890</b>	<b>1,584,890</b>	<b>1,584,890</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(1,584,890)</b>	<b>(1,094,295)</b>	<b>(1,367,823)</b>	<b>(273,528)</b>
<b>Fund Balance (Deficit) at Beginning of Year</b>	<b>(372,948)</b>	<b>(372,948)</b>	<b>(372,948)</b>	<b>-</b>
<b>Prior year encumbrances appropriated</b>	<b>1,584,890</b>	<b>1,584,890</b>	<b>1,584,890</b>	<b>-</b>
<b>Fund Balance (Deficit) at End of Year</b>	<b>\$ (372,948)</b>	<b>\$ 117,647</b>	<b>\$ (155,881)</b>	<b>\$ (273,528)</b>

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**CAPITAL IMPROVEMENTS FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amount		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Revenues:</b>				
Income tax	\$ 25,998	\$ 109,994	\$ 110,133	\$ 139
Investment income	4,573	19,350	18,238	(1,112)
Intergovernmental	633,253	2,679,244	951,473	(1,727,771)
Other	-	-	8	8
<b>Total Revenues</b>	<b>663,824</b>	<b>2,808,588</b>	<b>1,079,852</b>	<b>(1,728,736)</b>
<b>Expenditures:</b>				
<u>Capital Outlay</u>				
General government				
Contract services	25,898	83,212	80,411	2,801
<b>Total General Government</b>	<b>25,898</b>	<b>83,212</b>	<b>80,411</b>	<b>2,801</b>
Public Service				
Capital outlay	1,175,907	3,778,253	2,356,514	1,421,739
<b>Total Public Service</b>	<b>1,175,907</b>	<b>3,778,253</b>	<b>2,356,514</b>	<b>1,421,739</b>
Finance				
General operating	1,867	6,000	5,673	327
<b>Total Finance</b>	<b>1,867</b>	<b>6,000</b>	<b>5,673</b>	<b>327</b>
Park maintenance & administration				
Contract services	7,781	25,000	14,750	10,250
Capital outlay	21,786	70,000	70,000	-
<b>Total Park Maintenance &amp; Administration</b>	<b>29,567</b>	<b>95,000</b>	<b>84,750</b>	<b>10,250</b>
<b>Total Capital Outlay</b>	<b>1,233,239</b>	<b>3,962,465</b>	<b>2,527,348</b>	<b>1,435,117</b>
<b>Total Expenditures</b>	<b>1,233,239</b>	<b>3,962,465</b>	<b>2,527,348</b>	<b>1,435,117</b>
<b>Net Change in Fund Balance</b>	<b>(569,415)</b>	<b>(1,153,877)</b>	<b>(1,447,496)</b>	<b>(293,619)</b>
<b>Fund Balance at Beginning of Year</b>	1,370,650	1,370,650	1,370,650	-
<b>Prior Year Encumbrances Appropriated</b>	503,539	503,539	503,539	-
<b>Fund Balance at End of Year</b>	<b>\$ 1,304,774</b>	<b>\$ 720,312</b>	<b>\$ 426,693</b>	<b>\$ (293,619)</b>

**CITY OF PATASKALA, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2016**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 771,301	\$ 223,664	\$ 1,399,611	\$ 2,394,576
Receivables (net of allowances of uncollectibles):				
Income taxes	-	205,473	-	205,473
Accounts	895	-	-	895
Accrued interest	1,707	464	1,115	3,286
Payment in lieu of taxes	-	-	256,558	256,558
Due from other governments	55,072	-	-	55,072
<u>Restricted assets:</u>				
Cash with fiscal and escrow agents	161,871	-	-	161,871
<b>Total Assets</b>	<b>\$ 990,846</b>	<b>\$ 429,601</b>	<b>\$ 1,657,284</b>	<b>\$ 3,077,731</b>
<b>Liabilities:</b>				
Accounts payable	\$ 766	\$ -	\$ -	\$ 766
Contracts payable	-	-	8,400	8,400
Unearned revenue	-	-	6,601	6,601
<b>Total Liabilities</b>	<b>766</b>	<b>-</b>	<b>15,001</b>	<b>15,767</b>
<b>Deferred Inflows of Resources:</b>				
Investment income not available	575	157	376	1,108
Income tax revenue not available	-	137,982	-	137,982
Intergovernmental revenue not available	19,634	-	-	19,634
PILOTs levied for the next fiscal year	-	-	256,558	256,558
<b>Total Deferred Inflows of Resources</b>	<b>20,209</b>	<b>138,139</b>	<b>256,934</b>	<b>415,282</b>
<b>Fund balances:</b>				
Restricted	871,034	291,462	663,539	1,826,035
Committed	98,837	-	721,810	820,647
<b>Total Fund Balances</b>	<b>969,871</b>	<b>291,462</b>	<b>1,385,349</b>	<b>2,646,682</b>
<b>Total Liabilities, Deferred Inflows of Resources &amp; Fund Balances</b>	<b>\$ 990,846</b>	<b>\$ 429,601</b>	<b>\$ 1,657,284</b>	<b>\$ 3,077,731</b>



CITY OF PATASKALA, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
**NONMAJOR GOVERNMENTAL FUNDS**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Income taxes	\$ -	\$ 469,958	\$ -	\$ 469,958
Charges for services	42,000	-	-	42,000
Fines and forfeitures	12,033	-	-	12,033
Intergovernmental	397,585	1,739	-	399,324
Investment income	6,893	4,018	1,590	12,501
Rental income	-	-	84,002	84,002
Payments in lieu of taxes	-	-	190,126	190,126
Other	8	2,567	-	2,575
<b>Total Revenues</b>	<b>458,519</b>	<b>478,282</b>	<b>275,718</b>	<b>1,212,519</b>
<b>Expenditures:</b>				
<u>Current:</u>				
General government	32,870	24,276	-	57,146
Security of persons and property	6,618	-	-	6,618
Transportation	111,393	-	-	111,393
Leisure time activity	18,497	-	-	18,497
Capital outlay	-	-	333,193	333,193
<u>Debt service:</u>				
Principal retirement	-	420,548	-	420,548
Interest and fiscal charges	-	213,874	-	213,874
<b>Total Expenditures</b>	<b>169,378</b>	<b>658,698</b>	<b>333,193</b>	<b>1,161,269</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>289,141</b>	<b>(180,416)</b>	<b>(57,475)</b>	<b>51,250</b>
<b>Other Financing Sources (Uses):</b>				
Issuance of note proceeds	-	-	500,000	500,000
Transfers in	-	166,573	400,000	566,573
Transfers out	(9)	-	(149,144)	(149,153)
<b>Total Other Financing Sources (Uses)</b>	<b>(9)</b>	<b>166,573</b>	<b>750,856</b>	<b>917,420</b>
<b>Net Change in Fund Balance</b>	<b>289,132</b>	<b>(13,843)</b>	<b>693,381</b>	<b>968,670</b>
<b>Fund Balance at Beginning of Year</b>	<b>680,739</b>	<b>305,305</b>	<b>691,968</b>	<b>1,678,012</b>
<b>Fund Balance at End of Year</b>	<b>\$ 969,871</b>	<b>\$ 291,462</b>	<b>\$ 1,385,349</b>	<b>\$ 2,646,682</b>

**CITY OF PATASKALA, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2016**

	<b>State Highway Fund</b>	<b>Ecological Preservation Fund</b>	<b>JEDD Income Tax Fund</b>	<b>Permissive License Tax Fund</b>
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 95,098	\$ 1,000	\$ 1,285	\$ 523,143
Receivables (net of allowances of uncollectibles):				
Accounts	-	-	-	-
Accrued interest	228	-	-	1,253
Due from other governments	29,405	-	-	20,167
<u>Restricted assets:</u>				
Cash with fiscal and escrow agents	-	-	-	161,871
<b>Total Assets</b>	<b>\$ 124,731</b>	<b>\$ 1,000</b>	<b>\$ 1,285</b>	<b>\$ 706,434</b>
<b>Liabilities:</b>				
Accounts payable	766	-	-	-
<b>Total Liabilities</b>	<b>766</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Investment income not available	77	-	-	422
Intergovernmental revenue not available	19,634	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>19,711</b>	<b>-</b>	<b>-</b>	<b>422</b>
<b>Fund balances:</b>				
Restricted	104,254	1,000	1,285	706,012
Committed	-	-	-	-
<b>Total Fund Balances</b>	<b>104,254</b>	<b>1,000</b>	<b>1,285</b>	<b>706,012</b>
<b>Total Liabilities, Deferred Inflows of Resources &amp; Fund Balances</b>	<b>\$ 124,731</b>	<b>\$ 1,000</b>	<b>\$ 1,285</b>	<b>\$ 706,434</b>

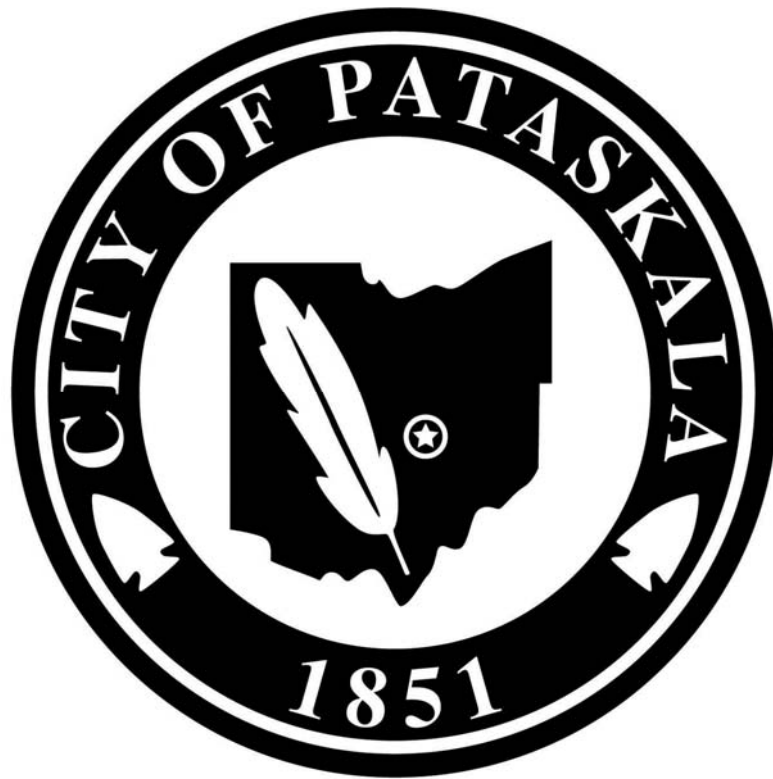
<u>Park Use Fund</u>	<u>Immobilization Fund</u>	<u>Court Computer Fund</u>	<u>Alcohol Enforcement and Education Fund</u>	<u>Law Enforcement Trust Fund</u>	<u>Pataskala Mobile Home Park Fund</u>
\$ 94,217	\$ 490	\$ 33,879	\$ 5,921	\$ 8,836	\$ 4,470
-	-	659	-	236	-
226	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>\$ 94,443</b>	<b>\$ 490</b>	<b>\$ 34,538</b>	<b>\$ 5,921</b>	<b>\$ 9,072</b>	<b>\$ 4,470</b>
-	-	-	-	-	-
-	-	-	-	-	-
76	-	-	-	-	-
-	-	-	-	-	-
<b>76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
-	490	34,538	5,921	9,072	-
94,367	-	-	-	-	4,470
<b>94,367</b>	<b>490</b>	<b>34,538</b>	<b>5,921</b>	<b>9,072</b>	<b>4,470</b>
<b>\$ 94,443</b>	<b>\$ 490</b>	<b>\$ 34,538</b>	<b>\$ 5,921</b>	<b>\$ 9,072</b>	<b>\$ 4,470</b>

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CITY OF PATASKALA, OHIO

COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 DECEMBER 31, 2016

	FEMA Fund	Law Enforcement Training Fund	Indigent Drivers Interlock Fund	Total Nonmajor Special Revenue Funds
<b>Assets:</b>				
Equity in pooled cash and investments	\$ -	\$ 2,010	\$ 952	\$ 771,301
Receivables (net of allowances of uncollectibles):				
Accounts	-	-	-	895
Accrued interest	-	-	-	1,707
Due from other governments	-	5,500	-	55,072
<b>Restricted assets:</b>				
Cash with fiscal and escrow agents	-	-	-	161,871
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 7,510</b>	<b>\$ 952</b>	<b>\$ 990,846</b>
<b>Liabilities:</b>				
Accounts payable	-	-	-	766
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>766</b>
<b>Deferred Inflows of Resources:</b>				
Investment income not available	-	-	-	575
Intergovernmental revenue not available	-	-	-	19,634
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,209</b>
<b>Fund balances:</b>				
Restricted	-	7,510	952	871,034
Committed	-	-	-	98,837
<b>Total Fund Balances</b>	<b>-</b>	<b>7,510</b>	<b>952</b>	<b>969,871</b>
<b>Total Liabilities, Deferred Inflows of Resources &amp; Fund Balances</b>	<b>\$ -</b>	<b>\$ 7,510</b>	<b>\$ 952</b>	<b>\$ 990,846</b>



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CITY OF PATASKALA, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	State Highway Fund	Ecological Preservation Fund	JEDD Income Tax Fund	Permissive License Tax Fund
<b>Revenues:</b>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Intergovernmental	57,641	-	-	334,444
Investment income	895	-	-	5,061
Other	-	-	-	-
<b>Total Revenues</b>	<b>58,536</b>	<b>-</b>	<b>-</b>	<b>339,505</b>
<b>Expenditures:</b>				
<u>Current:</u>				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	22,345	-	-	89,048
Leisure time activity	-	-	-	-
<b>Total Expenditures</b>	<b>22,345</b>	<b>-</b>	<b>-</b>	<b>89,048</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>36,191</b>	<b>-</b>	<b>-</b>	<b>250,457</b>
<b>Other Financing Uses:</b>				
Transfers out	-	-	-	-
<b>Total Other Financing Uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>36,191</b>	<b>-</b>	<b>-</b>	<b>250,457</b>
<b>Fund Balance at Beginning of Year</b>	<b>68,063</b>	<b>1,000</b>	<b>1,285</b>	<b>455,555</b>
<b>Fund Balance at End of Year</b>	<b>\$ 104,254</b>	<b>\$ 1,000</b>	<b>\$ 1,285</b>	<b>\$ 706,012</b>

<b>Park Use Fund</b>	<b>Immobilization Fund</b>	<b>Court Computer Fund</b>	<b>Alcohol Enforcement and Education Fund</b>	<b>Law Enforcement Trust Fund</b>	<b>Pataskala Mobile Home Park Fund</b>
\$ 42,000	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	8,518	-	3,515	-
-	-	-	-	-	-
928	-	-	-	-	9
8	-	-	-	-	-
<b>42,936</b>	<b>-</b>	<b>8,518</b>	<b>-</b>	<b>3,515</b>	<b>9</b>
-	-	32,870	-	-	-
-	-	-	-	4,548	-
-	-	-	-	-	-
18,497	-	-	-	-	-
18,497	-	32,870	-	4,548	-
<b>24,439</b>	<b>-</b>	<b>(24,352)</b>	<b>-</b>	<b>(1,033)</b>	<b>9</b>
-	-	-	-	-	-
-	-	-	-	-	-
<b>24,439</b>	<b>-</b>	<b>(24,352)</b>	<b>-</b>	<b>(1,033)</b>	<b>9</b>
69,928	490	58,890	5,921	10,105	4,461
<b>\$ 94,367</b>	<b>\$ 490</b>	<b>\$ 34,538</b>	<b>\$ 5,921</b>	<b>\$ 9,072</b>	<b>\$ 4,470</b>

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**CITY OF PATASKALA, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
**NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<b>FEMA Fund</b>	<b>Law Enforcement Training Fund</b>	<b>Indigent Drivers Interlock Fund</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Revenues:</b>				
Charges for services	\$ -	\$ -	\$ -	\$ 42,000
Fines and forfeitures	-	-	-	12,033
Intergovernmental	-	5,500	-	397,585
Investment income	-	-	-	6,893
Other	-	-	-	8
<b>Total Revenues</b>	<b>-</b>	<b>5,500</b>	<b>-</b>	<b>458,519</b>
<b>Expenditures:</b>				
<u>Current:</u>				
General government	-	-	-	32,870
Security of persons and property	-	2,070	-	6,618
Transportation	-	-	-	111,393
Leisure time activity	-	-	-	18,497
<b>Total Expenditures</b>	<b>-</b>	<b>2,070</b>	<b>-</b>	<b>169,378</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>3,430</b>	<b>-</b>	<b>289,141</b>
<b>Other Financing Uses:</b>				
Transfers out	(9)	-	-	(9)
<b>Total Other Financing Uses</b>	<b>(9)</b>	<b>-</b>	<b>-</b>	<b>(9)</b>
<b>Net Change in Fund Balance</b>	<b>(9)</b>	<b>3,430</b>	<b>-</b>	<b>289,132</b>
<b>Fund Balance at Beginning of Year</b>	<b>9</b>	<b>4,080</b>	<b>952</b>	<b>680,739</b>
<b>Fund Balance at End of Year</b>	<b>\$ -</b>	<b>\$ 7,510</b>	<b>\$ 952</b>	<b>\$ 969,871</b>



**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**STATE HIGHWAY FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Intergovernmental	\$ 56,000	\$ 56,992	\$ 992
Investment Income	800	929	129
<b>Total Revenues</b>	<b><u>56,800</u></b>	<b><u>57,921</u></b>	<b><u>1,121</u></b>
<b>Expenditures:</b>			
<i>Current:</i>			
<u>Transportation</u>			
Public Service			
Contractual services	10,000	9,166	834
General operating	36,100	17,392	18,708
<b>Total Public Service</b>	<b><u>46,100</u></b>	<b><u>26,558</u></b>	<b><u>19,542</u></b>
<b>Total Transportation</b>	<b><u>46,100</u></b>	<b><u>26,558</u></b>	<b><u>19,542</u></b>
<b>Total Expenditures</b>	<b><u>46,100</u></b>	<b><u>26,558</u></b>	<b><u>19,542</u></b>
<b>Net Change in Fund Balance</b>	<b>10,700</b>	<b>31,363</b>	<b>20,663</b>
<b>Fund Balance at Beginning of Year</b>	55,763	55,763	-
<b>Prior Year Encumbrances Appropriated</b>	<u>3,100</u>	<u>3,100</u>	-
<b>Fund Balance at End of Year</b>	<b><u>\$ 69,563</u></b>	<b><u>\$ 90,226</u></b>	<b><u>\$ 20,663</u></b>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**ECOLOGICAL PRESERVATION FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	<u></u>
<b>Fund Balance at Beginning of Year</b>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>
<b>Fund Balance at End of Year</b>	<u><b>\$ 1,000</b></u>	<u><b>\$ 1,000</b></u>	<u><b>\$ -</b></u>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**PATASKALA CORPORATE PARK JOINT ECONOMIC DEVELOPMENT DISTRICT FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	
<b>Fund Balance at Beginning of Year</b>	\$ 1,285	\$ 1,285	\$ -
<b>Fund Balance at End of Year</b>	<u>\$ 1,285</u>	<u>\$ 1,285</u>	<u>\$ -</u>

CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**PERMISSIVE LICENSE TAX FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Intergovernmental	\$ 239,780	\$ 247,542	\$ 7,762
Investment income	5,000	5,292	292
<b>Total Revenues</b>	<b>244,780</b>	<b>252,834</b>	<b>8,054</b>
<b>Expenditures:</b>			
<i>Current:</i>			
<u>General Government</u>			
Contractual services	2,500	-	2,500
<b>Total General Government</b>	<b>2,500</b>	<b>-</b>	<b>2,500</b>
<u>Transportation</u>			
Public Service			
General operating	100,716	89,764	10,952
<b>Total Public Service</b>	<b>100,716</b>	<b>89,764</b>	<b>10,952</b>
<b>Total Transportation</b>	<b>100,716</b>	<b>89,764</b>	<b>13,452</b>
<b>Total Expenditures</b>	<b>103,216</b>	<b>89,764</b>	<b>13,452</b>
<b>Net Change in Fund Balance</b>	<b>141,564</b>	<b>163,070</b>	<b>21,506</b>
<b>Fund Balance at Beginning of Year</b>	355,313	355,313	-
<b>Prior Year Encumbrances Appropriated</b>	5,348	5,348	-
<b>Fund Balance at End of Year</b>	<b>\$ 502,225</b>	<b>\$ 523,731</b>	<b>\$ 21,506</b>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**PARK USE FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Charges for Services	\$ 39,000	\$ 42,000	\$ 3,000
Investment Income	925	975	50
Other	50	8	(42)
<b>Total Revenues</b>	<b><u>39,975</u></b>	<b><u>42,983</u></b>	<b><u>3,008</u></b>
<b>Expenditures:</b>			
<i>Current:</i>			
<u>Leisure Time Activity</u>			
Recreation Improvement			
General operating	14,500	14,487	13
Contractual	1,500	1,220	280
Capital outlay	5,000	4,290	710
<b>Total Leisure Time Activity</b>	<b><u>21,000</u></b>	<b><u>19,997</u></b>	<b><u>1,003</u></b>
<b>Total Expenditures</b>	<b><u>21,000</u></b>	<b><u>19,997</u></b>	<b><u>1,003</u></b>
<b>Net Change in Fund Balance</b>	<b>18,975</b>	<b>22,986</b>	<b>4,011</b>
<b>Fund Balance at Beginning of Year</b>	<u>69,837</u>	<u>69,837</u>	-
<b>Fund Balance at End of Year</b>	<b><u>\$ 88,812</u></b>	<b><u>\$ 92,823</u></b>	<b><u>\$ 4,011</u></b>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**IMMOBILIZATION FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	<u></u>
<b>Fund Balance at Beginning of Year</b>	\$ 490	\$ 490	\$ -
<b>Fund Balance at End of Year</b>	<u>\$ 490</u>	<u>\$ 490</u>	<u>\$ -</u>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**COURT COMPUTER FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Fines and forfeitures	\$ 8,550	\$ 8,480	\$ (70)
<b>Total Revenues</b>	<b>8,550</b>	<b>8,480</b>	<b>(70)</b>
<b>Expenditures:</b>			
<i>Current:</i>			
<u>General Government</u>			
Court & Legal			
General operating	1,500	1,000	500
Capital outlay	38,000	37,388	612
<b>Total Court &amp; Legal</b>	<b>39,500</b>	<b>38,388</b>	<b>1,112</b>
<b>Total General Government</b>	<b>39,500</b>	<b>38,388</b>	<b>1,112</b>
<b>Total Expenditures</b>	<b>39,500</b>	<b>38,388</b>	<b>1,112</b>
<b>Net Change in Fund Balance</b>	<b>(30,950)</b>	<b>(29,908)</b>	<b>1,042</b>
<b>Fund Balance at Beginning of Year</b>	58,269	58,269	-
<b>Fund Balance at End of Year</b>	<b>\$ 27,319</b>	<b>\$ 28,361</b>	<b>\$ 1,042</b>

**CITY OF PATASKALA, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ALCOHOL ENFORCEMENT AND EDUCATION FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budgeted Amount</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	<u></u>
<b>Fund Balance at Beginning of Year</b>	<u>\$ 5,921</u>	<u>\$ 5,921</u>	<u>\$ -</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ 5,921</u></u>	<u><u>\$ 5,921</u></u>	<u><u>\$ -</u></u>



**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**LAW ENFORCEMENT TRUST FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Fines and forfeitures	\$ 3,800	\$ 3,736	\$ (64)
<b>Total Revenues</b>	<b>3,800</b>	<b>3,736</b>	<b>(64)</b>
<b>Expenditures:</b>			
<i>Current:</i>			
<u>Security of Persons &amp; Property</u>			
Police			-
General operating	5,000	4,548	452
<b>Total Police</b>	<b>5,000</b>	<b>4,548</b>	<b>452</b>
<b>Total Security of Persons &amp; Property</b>	<b>5,000</b>	<b>4,548</b>	<b>452</b>
<b>Total Expenditures</b>	<b>5,000</b>	<b>4,548</b>	<b>452</b>
<b>Net Change in Fund Balance</b>	<b>(1,200)</b>	<b>(812)</b>	<b>388</b>
<b>Fund Balance at Beginning of Year</b>	9,648	9,648	-
<b>Fund Balance at End of Year</b>	<b>\$ 8,448</b>	<b>\$ 8,836</b>	<b>\$ 388</b>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**PATASKALA MOBILE HOME PARK FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Revenues:</b>			
Investment Income	\$ -	\$ 9	\$ 9
<b>Total Revenues</b>	<u>-</u>	<u>9</u>	<u>9</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>9</u>	<u>9</u>
<b>Fund Balance at Beginning of Year</b>	<u>4,461</u>	<u>4,461</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ 4,461</u></u>	<u><u>\$ 4,470</u></u>	<u><u>\$ 9</u></u>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**FEMA FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<b>Variance with</b>
	<u>Final</u>	<u>Actual</u>	<b>Final Budget</b>
			<b>Positive</b>
			<b>(Negative)</b>
<b>Other Financing Uses:</b>			
Transfers out	\$ (9)	\$ (9)	\$ -
<b>Total Other Financing Uses</b>	<u>(9)</u>	<u>(9)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<b>(9)</b>	<b>(9)</b>	<b>-</b>
<b>Fund Balance at Beginning of Year</b>	<u>9</u>	<u>9</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CITY OF PATASKALA, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
INDIGENT DRIVER INTERLOCK FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budgeted Amount</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	<u></u>
<b>Fund Balance at Beginning of Year</b>	<u>\$ 952</u>	<u>\$ 952</u>	<u>\$ -</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ 952</u></u>	<u><u>\$ 952</u></u>	<u><u>\$ -</u></u>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**LAW ENFORCEMENT TRAINING AND EDUCATION FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Intergovernmental	\$ 2,080	\$ 2,080	\$ -
<b>Total Revenues</b>	<u><b>2,080</b></u>	<u><b>2,080</b></u>	<u>-</u>
<b>Expenditures:</b>			
<u>Security of Persons &amp; Property</u>			
Police			
Municipal court			
Salaries & related	4,080	4,080	-
<b>Total Police</b>	<u><b>4,080</b></u>	<u><b>4,080</b></u>	<u>-</u>
<b>Total Security of Persons &amp; Property</b>	<u><b>4,080</b></u>	<u><b>4,080</b></u>	<u>-</u>
<b>Total Expenditures</b>	<u><b>4,080</b></u>	<u><b>4,080</b></u>	<u>-</u>
<b>Net Change In Fund Balance</b>	<b>(2,000)</b>	<b>(2,000)</b>	-
<b>Fund Balance at Beginning of Year</b>	2,000	2,000	-
<b>Fund Balance at End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**UNCLAIMED MONIES FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<b>Variance with</b>
	<u>Final</u>	<u>Actual</u>	<b>Final Budget</b>
			<b>Positive</b>
			<b>(Negative)</b>
<b>Revenues:</b>			
Other	\$ 50	\$ 108	\$ 58
<b>Total Revenues</b>	<u>50</u>	<u>108</u>	<u>58</u>
<b>Net Change in Fund Balance</b>	<b>50</b>	<b>108</b>	<b>58</b>
<b>Fund Balance at Beginning of Year</b>	<u>32</u>	<u>32</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u><b>\$ 82</b></u>	<u><b>\$ 140</b></u>	<u><b>\$ 58</b></u>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**RECREATION FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Charges for services	\$ 38,350	\$ 38,370	\$ 20
Investment income	400	524	124
Rental Income	4,050	4,050	-
Contributions and donations	700	700	-
Other	750	758	8
<b>Total Revenues</b>	<b>44,250</b>	<b>44,402</b>	<b>152</b>
<b>Expenditures:</b>			
<i>Current:</i>			
<u>Leisure Time Activities</u>			
Parks, Lands & Municipal Facilities			
Contractual services	18,500	13,023	5,477
General operating	20,000	19,035	965
<b>Total Parks, Lands &amp; Municipal Facilities</b>	<b>38,500</b>	<b>32,058</b>	<b>6,442</b>
<b>Total Leisure Time Activities</b>	<b>38,500</b>	<b>32,058</b>	<b>6,442</b>
<b>Total Expenditures</b>	<b>38,500</b>	<b>32,058</b>	<b>6,442</b>
<b>Net Change in Fund Balance</b>	<b>5,750</b>	<b>12,344</b>	<b>6,594</b>
<b>Fund Balance at Beginning of Year</b>	34,605	34,605	-
<b>Prior Year Encumbrances Appropriated</b>	120	120	-
<b>Fund Balance at End of Year</b>	<b>\$ 40,475</b>	<b>\$ 47,069</b>	<b>\$ 6,594</b>

**CITY OF PATASKALA, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SESQUICENTENNIAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budgeted Amount</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	<u></u>
<b>Fund Balance at Beginning of Year</b>	<u>\$ 367</u>	<u>\$ 367</u>	<u>\$ -</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ 367</u></u>	<u><u>\$ 367</u></u>	<u><u>\$ -</u></u>



**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**POLICE K-9 UNIT FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Donations and contributions	\$ 1,500	\$ 1,530	\$ 30
Other	-	8	8
<b>Total Revenues</b>	<b><u>1,500</u></b>	<b><u>1,538</u></b>	<b><u>38</u></b>
<b>Expenditures:</b>			
Security of Persons & Property			
General operating	7,000	7,000	-
<b>Total Security of Persons &amp; Property</b>	<b><u>7,000</u></b>	<b><u>7,000</u></b>	<b><u>-</u></b>
<b>Total Expenditures</b>	<b><u>7,000</u></b>	<b><u>7,000</u></b>	<b><u>-</u></b>
<b>Net Change in Fund Balance</b>	<b>(5,500)</b>	<b>(5,462)</b>	<b>38</b>
<b>Fund Balance at Beginning of Year</b>	2,523	2,523	-
<b>Prior Year Encumbrances Appropriated</b>	<u>7,000</u>	<u>7,000</u>	-
<b>Fund Balance at End of Year</b>	<b><u>\$ 4,023</u></b>	<b><u>\$ 4,061</u></b>	<b><u>\$ 38</u></b>

**CITY OF PATASKALA, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR DEBT SERVICE FUNDS**  
DECEMBER 31, 2016

	<b>Debt Service Fund</b>	<b>Street Bond Fund</b>	<b>Total Nonmajor Debt Service Funds</b>
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 193,597	\$ 30,067	\$ 223,664
Receivables (net of allowances of uncollectibles):			
Income taxes	205,473	-	205,473
Accrued interest	464	-	464
<b>Total Assets</b>	<b>\$ 399,534</b>	<b>\$ 30,067</b>	<b>\$ 429,601</b>
<b>Deferred Inflows of Resources:</b>			
Investment income not available	\$ 157	\$ -	\$ 157
Income tax revenue not available	137,982	-	137,982
<b>Total Deferred Inflows of Resources</b>	<b>138,139</b>	<b>-</b>	<b>138,139</b>
<b>Fund Balances:</b>			
Restricted	261,395	30,067	291,462
<b>Total Fund Balances</b>	<b>261,395</b>	<b>30,067</b>	<b>291,462</b>
<b>Total Liabilities, Deferred Inflows of Resources &amp; Fund Balances</b>	<b>\$ 399,534</b>	<b>\$ 30,067</b>	<b>\$ 429,601</b>

CITY OF PATASKALA, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR DEBT SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Debt Service Fund</u>	<u>Street Bond Fund</u>	<u>Total Nonmajor Debt Service Funds</u>
<b>Revenues:</b>			
Income taxes	\$ 469,958	\$ -	\$ 469,958
Intergovernmental	1,739	-	1,739
Investment income	4,018	-	4,018
Other	2,567	-	2,567
<b>Total Revenues</b>	<b>478,282</b>	<b>-</b>	<b>478,282</b>
<b>Expenditures:</b>			
<i>Current:</i>			
General government	24,276	-	24,276
<i>Debt service:</i>			
Principal retirement	420,548	-	420,548
Interest and fiscal charges	213,874	-	213,874
<b>Total Debt Service</b>	<b>634,422</b>	<b>-</b>	<b>634,422</b>
<b>Total Expenditures</b>	<b>658,698</b>	<b>-</b>	<b>658,698</b>
<b>Excess of Revenues of Expenditures</b>	<b>(180,416)</b>	<b>-</b>	<b>(180,416)</b>
<b>Other Financing Sources:</b>			
Transfers in	166,573	-	166,573
<b>Total Other Financing Sources</b>	<b>166,573</b>	<b>-</b>	<b>166,573</b>
<b>Net Change in Fund Balance</b>	<b>(13,843)</b>	<b>-</b>	<b>(13,843)</b>
<b>Fund Balance at Beginning of Year</b>	<b>275,238</b>	<b>30,067</b>	<b>305,305</b>
<b>Fund Balance at End of Year</b>	<b>\$ 261,395</b>	<b>\$ 30,067</b>	<b>\$ 291,462</b>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**DEBT SERVICE FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Income taxes	\$ 471,160	\$ 471,265	\$ 105
Intergovernmental	1,510	2,253	743
Investment income	4,100	4,199	99
Other	3,500	2,567	(933)
<b>Total Revenues</b>	<b>480,270</b>	<b>480,284</b>	<b>14</b>
<b>Expenditures:</b>			
<i>Current:</i>			
<u>General government</u>			
Finance			
General operating	25,000	24,276	724
<b>Total Finance</b>	<b>25,000</b>	<b>24,276</b>	<b>724</b>
<b>Total General Government</b>	<b>25,000</b>	<b>24,276</b>	<b>724</b>
<i>Debt service:</i>			
Principal retirement	432,020	419,661	12,359
Interest and fiscal charges	217,183	214,761	2,422
<b>Total Debt Service</b>	<b>649,203</b>	<b>634,422</b>	<b>14,781</b>
<b>Total Expenditures</b>	<b>674,203</b>	<b>658,698</b>	<b>15,505</b>
<b>Excess of Expenditures Over Revenues</b>	<b>(193,933)</b>	<b>(178,414)</b>	<b>15,519</b>
<b>Other Financing Sources:</b>			
Transfers in	166,573	166,573	-
<b>Total Other Financing Sources</b>	<b>166,573</b>	<b>166,573</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(27,360)</b>	<b>(11,841)</b>	<b>15,519</b>
<b>Fund Balance at Beginning of Year</b>	193,852	193,852	-
<b>Prior year encumbrances appropriated</b>	11,804	11,804	-
<b>Fund Balance at End of Year</b>	<b>\$ 178,296</b>	<b>\$ 193,815</b>	<b>\$ 15,519</b>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**STREET BOND FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	<u></u>
<b>Fund Balance at Beginning of Year</b>	<u>\$ 30,067</u>	<u>\$ 30,067</u>	<u>\$ -</u>
<b>Fund Balance at End of Year</b>	<u><b>\$ 30,067</b></u>	<u><b>\$ 30,067</b></u>	<u><b>\$ -</b></u>

**CITY OF PATASKALA, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
DECEMBER 31, 2016

	<b>Bond Improvement Fund</b>	<b>Municipal Building Purchase Fund</b>	<b>Courter Bridge Improvement Fund</b>	<b>State Route 310 TIF Fund</b>
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 465,398	\$ 6,871	\$ 59	\$ 198,872
Receivables (net of allowances of uncollectibles):				
Accrued interest	1,115	-	-	-
Payment in lieu of taxes	-	-	-	256,558
<b>Total Assets</b>	<b>\$ 466,513</b>	<b>\$ 6,871</b>	<b>\$ 59</b>	<b>\$ 455,430</b>
<b>Liabilities:</b>				
Contracts payable	\$ 8,400	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-
<b>Total Liabilities</b>	<b>8,400</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Investment income not available	376	-	-	-
PILOTs levied for the next fiscal year	-	-	-	256,558
<b>Total Deferred Inflows of Resources</b>	<b>376</b>	<b>-</b>	<b>-</b>	<b>256,558</b>
<b>Fund Balances:</b>				
Restricted	457,737	6,871	59	198,872
Committed	-	-	-	-
<b>Total Fund Balances</b>	<b>457,737</b>	<b>6,871</b>	<b>59</b>	<b>198,872</b>
<b>Total Liabilities, Deferred Inflows of</b>	<b>\$ 466,513</b>	<b>\$ 6,871</b>	<b>\$ 59</b>	<b>\$ 455,430</b>

<u>Columbia Road Bridge Improvement Fund</u>	<u>Capital Facilities Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 150,180	\$ 578,231	\$ 1,399,611
-	-	1,115
-	-	256,558
<u>\$ 150,180</u>	<u>\$ 578,231</u>	<u>\$ 1,657,284</u>
\$ -	\$ -	\$ 8,400
-	6,601	6,601
-	<u>6,601</u>	<u>15,001</u>
-	-	376
-	-	256,558
-	-	<u>256,934</u>
-	-	663,539
150,180	571,630	721,810
<u>150,180</u>	<u>571,630</u>	<u>1,385,349</u>
<u>\$ 150,180</u>	<u>\$ 578,231</u>	<u>\$ 1,657,284</u>

**CITY OF PATASKALA, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Bond Improvement Fund</u>	<u>Municipal Building Purchase Fund</u>	<u>Courter Bridge Improvement Fund</u>	<u>State Route 310 TIF Fund</u>
<b>Revenues:</b>				
Investment income	\$ 1,590		\$ -	\$ -
Rental income	-		-	-
Payment in lieu of taxes	-	-	-	190,126
<b>Total Revenues</b>	<b>1,590</b>	<b>-</b>	<b>-</b>	<b>190,126</b>
<b>Expenditures:</b>				
Capital outlay	47,700	-	-	285,493
<b>Total Expenditures</b>	<b>47,700</b>	<b>-</b>	<b>-</b>	<b>285,493</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(46,110)</b>	<b>-</b>	<b>-</b>	<b>(95,367)</b>
<b><u>Other Financing Sources (Uses):</u></b>				
Issuance of note proceeds	500,000	-	-	-
Transfers in	-	-	-	-
Transfers out	(27,006)	-	-	(122,138)
<b>Total Other Financing Sources (Uses)</b>	<b>472,994</b>	<b>-</b>	<b>-</b>	<b>(122,138)</b>
<b>Net Change in Fund Balance</b>	<b>426,884</b>	<b>-</b>	<b>-</b>	<b>(217,505)</b>
<b>Fund Balance at Beginning of Year</b>	30,853	6,871	59	416,377
<b>Fund Balance at End of Year</b>	<b>\$ 457,737</b>	<b>\$ 6,871</b>	<b>\$ 59</b>	<b>\$ 198,872</b>



<b>Columbia Road Bridge Improvement Fund</b>	<b>Capital Facilities Fund</b>	<b>Total Nonmajor Capital Projects Funds</b>
\$ -	\$ -	\$ 1,590
-	84,002	84,002
-	-	190,126
<b>-</b>	<b>84,002</b>	<b>275,718</b>
-	-	333,193
-	-	<b>333,193</b>
-	<b>84,002</b>	<b>(57,475)</b>
-	-	500,000
-	400,000	400,000
-	-	(149,144)
<b>-</b>	<b>400,000</b>	<b>750,856</b>
-	<b>484,002</b>	<b>693,381</b>
150,180	87,628	691,968
<b>\$ 150,180</b>	<b>\$ 571,630</b>	<b>\$ 1,385,349</b>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**BOND IMPROVEMENTS FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Investment income	\$ 350	\$ 1,415	\$ 1,065
<b>Total Revenues</b>	<b>350</b>	<b>1,415</b>	<b>1,065</b>
<b>Expenditures:</b>			
<u>General government</u>			
Public Service			
Capital outlay	500,000	494,100	5,900
<b>Total General Government</b>	<b>500,000</b>	<b>494,100</b>	<b>5,900</b>
<b>Total Capital Outlay</b>	<b>500,000</b>	<b>494,100</b>	<b>5,900</b>
<b>Total Expenditures</b>	<b>500,000</b>	<b>494,100</b>	<b>5,900</b>
<b>Excess of Expenditures Over Revenues</b>	<b>(499,650)</b>	<b>(492,685)</b>	<b>6,965</b>
<b>Other Financing Sources (Uses):</b>			
Issuance of note proceeds	538,250	500,000	(38,250)
Transfers out	(27,006)	(27,006)	-
<b>Total Other Financing Sources (Uses)</b>	<b>511,244</b>	<b>472,994</b>	<b>(38,250)</b>
<b>Net Change in Fund Balance</b>	<b>11,594</b>	<b>(19,691)</b>	<b>(31,285)</b>
<b>Fund Balance at Beginning of Year</b>	30,812	30,812	-
<b>Fund Balance at End of Year</b>	<b>\$ 42,406</b>	<b>\$ 11,121</b>	<b>\$ (31,285)</b>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**MUNICIPAL BUILDING PURCHASE FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	<u></u>
<b>Fund Balance at Beginning of Year</b>	<u>\$ 6,871</u>	<u>\$ 6,871</u>	<u>\$ -</u>
<b>Fund Balance at End of Year</b>	<u><b>\$ 6,871</b></u>	<u><b>\$ 6,871</b></u>	<u><b>\$ -</b></u>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**COURTER BRIDGE IMPROVEMENT FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<u>Variance with</u>
	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<b>Fund Balance at Beginning of Year</b>	<u>\$ 59</u>	<u>\$ 59</u>	<u>\$ -</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ 59</u></u>	<u><u>\$ 59</u></u>	<u><u>\$ -</u></u>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**STATE ROUTE 310 TAX INCREMENT FINANCE EQUIVALENT FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Property Taxes	\$ 190,125	\$ 190,126	\$ 1
<b>Total Revenues</b>	<b>190,125</b>	<b>190,126</b>	<b>1</b>
<b>Expenditures:</b>			
<u>Capital Outlay</u>			
Public Service			
Capital outlay	424,564	424,564	-
<b>Total Public Service</b>	<b>424,564</b>	<b>424,564</b>	<b>-</b>
Finance			
Contractual services	3,500	2,908	592
<b>Total Finance</b>	<b>3,500</b>	<b>2,908</b>	<b>592</b>
<b>Total Capital Outlay</b>	<b>428,064</b>	<b>427,472</b>	<b>592</b>
<b>Total Expenditures</b>	<b>428,064</b>	<b>427,472</b>	<b>592</b>
<b>Excess of Expenditures Over Revenues</b>	<b>(237,939)</b>	<b>(237,346)</b>	<b>593</b>
<b>Other Financing Uses:</b>			
Transfers out	(122,138)	(122,138)	-
<b>Total Other Financing Uses</b>	<b>(122,138)</b>	<b>(122,138)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(360,077)</b>	<b>(359,484)</b>	<b>593</b>
<b>Fund Balance at Beginning of Year</b>	<b>57,810</b>	<b>57,810</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>424,994</b>	<b>424,994</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 122,727</b>	<b>\$ 123,320</b>	<b>\$ 593</b>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**COLUMBIA ROAD BRIDGE IMPROVEMENTS FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Fund Balance at Beginning of Year</b>	<u>\$ 150,180</u>	<u>\$ 150,180</u>	<u>\$ -</u>
<b>Fund Balance at End of Year</b>	<u><b>\$ 150,180</b></u>	<u><b>\$ 150,180</b></u>	<u><b>\$ -</b></u>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**CAPITAL FACILITIES FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Rental Income	\$ 83,500	\$ 84,964	\$ 1,464
<b>Total Revenues</b>	<b>83,500</b>	<b>84,964</b>	<b>1,464</b>
<b>Excess of Revenues Over Expenditures</b>	<b>83,500</b>	<b>84,964</b>	<b>1,464</b>
<b>Other Financing Sources:</b>			
Transfers in	400,000	400,000	-
<b>Total Other Financing Sources</b>	<b>400,000</b>	<b>400,000</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	483,500	484,964	1,464
<b>Fund Balance at Beginning of Year</b>	93,267	93,267	-
<b>Fund Balance at End of Year</b>	<b>\$ 576,767</b>	<b>\$ 578,231</b>	<b>\$ 1,464</b>

**CITY OF PATASKALA, OHIO**

**INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS - PROPRIETARY FUNDS**

**ENTERPRISE FUNDS**

To account for the financing of costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis that are financed or recovered primarily through user charges.

**Major Enterprise Funds**

***Water Operations Fund***

This fund accounts for the provision of water treatment and distribution to its residential and commercial users located within the City.

***Water Capital Improvements Fund***

To account for revenues and expenses related to the expansion of water lines within the City. For GAAP reporting, this activity is reflected in the Water enterprise fund.

***Water Bond Improvements Fund***

To account for bond or notes issued that are used to improve the water infrastructure within the City.

***Water Debt Service Fund***

To account for water revenue that is transferred from the water fund and used to retire bond principal, interest and related costs for water construction projects. For GAAP reporting, this activity is reflected in the Water enterprise fund.

***Sewer Operations Fund***

This fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.

***Sewer Capital Improvements Fund***

To account for sewer revenue that is transferred from the sewer fund and debt proceeds used for construction projects and improvements. For GAAP reporting, this activity is reflected in the Sewer enterprise fund.

***Sewer Bond Improvements Fund***

To account for bond or notes issued that are used to improve the sewer infrastructure within the City.

***Sewer Debt Service Fund***

To account for sewer revenue that is transferred from the water fund and used to retire bond principal, interest and related costs for sewer construction projects. For GAAP reporting, this activity is reflected in the Sewer enterprise fund.

***Oaks Assessment Fund***

To account for the activity of the special assessment in The Oaks subdivision associated with the construction of sanitary sewer line improvements.



CITY OF PATASKALA, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**WATER OPERATIONS FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<b>Variance with</b>
	<u>Final</u>	<u>Actual</u>	<b>Final Budget Positive (Negative)</b>
<b>Operating Revenues:</b>			
Charges for services	\$ 1,198,500	\$ 1,201,052	\$ 2,552
Other operating revenues	2,000	4,495	2,495
<b>Total Operating Revenues</b>	<b>1,200,500</b>	<b>1,205,547</b>	<b>5,047</b>
<b>Operating Expenses:</b>			
General Government			
Salaries & related	53,980	49,696	4,284
Contractual services	75,173	69,208	5,965
<b>Total General Government</b>	<b>129,153</b>	<b>118,904</b>	<b>10,249</b>
Court & Legal			
Salaries & related	1,907	1,756	151
Contractual services	90,975	83,756	7,219
<b>Total Court &amp; Legal</b>	<b>92,882</b>	<b>85,512</b>	<b>7,370</b>
Finance			
Salaries & related	50,009	46,040	3,969
Contractual services	10,966	10,096	870
<b>Total Finance</b>	<b>60,975</b>	<b>56,136</b>	<b>4,839</b>
Water Utility			
Salaries & related	442,927	407,779	35,148
Contractual services	122,039	112,355	9,684
General operating	453,517	417,528	35,989
Capital outlay	3,932	3,620	312
<b>Total Water Utility</b>	<b>1,022,415</b>	<b>941,282</b>	<b>81,133</b>
<b>Total Operating Expenses</b>	<b>1,305,425</b>	<b>1,201,834</b>	<b>103,591</b>
<b>Operating Income (Loss)</b>	<b>(104,925)</b>	<b>3,713</b>	<b>108,638</b>
<b>Nonoperating Revenues:</b>			
Investment income	4,540	5,014	474
<b>Total Nonoperating Revenues</b>	<b>4,540</b>	<b>5,014</b>	<b>474</b>
<b>Net Change in Fund Equity</b>	<b>(100,385)</b>	<b>8,727</b>	<b>109,112</b>
<b>Fund Equity at Beginning of Year (Restated)</b>	608,135	608,135	-
<b>Prior Year Encumbrances Appropriated</b>	61,836	61,836	-
<b>Fund Equity at End of Year</b>	<b>\$ 569,586</b>	<b>\$ 678,698</b>	<b>\$ 109,112</b>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**WATER CAPITAL IMPROVEMENTS FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Operating Revenues:</b>			
Charges for services	\$ 830,000	\$ 905,568	\$ 75,568
<b>Total Operating Revenues</b>	<b>830,000</b>	<b>905,568</b>	<b>75,568</b>
<b>Operating Expenses:</b>			
Water Utility			
Contractual services	24,060	24,060	-
Capital outlay	345,893	335,419	10,474
<b>Total Water Utility</b>	<b>369,953</b>	<b>359,479</b>	<b>10,474</b>
<b>Total Operating Expenses</b>	<b>369,953</b>	<b>359,479</b>	<b>10,474</b>
<b>Operating Income</b>	<b>460,047</b>	<b>546,089</b>	<b>86,042</b>
<b>Nonoperating revenues:</b>			
Investment income	9,600	9,602	2
<b>Total Nonoperating Revenues</b>	<b>9,600</b>	<b>9,602</b>	<b>2</b>
<b>Income Before Transfers</b>	<b>469,647</b>	<b>555,691</b>	<b>86,044</b>
<b>Transfers:</b>			
Transfers out	(630,000)	(630,000)	-
<b>Total Non-Operating Revenues</b>	<b>(630,000)</b>	<b>(630,000)</b>	<b>-</b>
<b>Net Change in Fund Equity</b>	<b>(160,353)</b>	<b>(74,309)</b>	<b>86,044</b>
<b>Fund Equity at Beginning of Year (Restated)</b>	865,229	865,229	-
<b>Prior Year Encumbrances Appropriated</b>	329,953	329,953	-
<b>Fund Equity at End of Year</b>	<b>\$ 1,034,829</b>	<b>\$ 1,120,873</b>	<b>\$ 86,044</b>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**WATER BOND IMPROVEMENTS FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Non-Operating Revenues:</b>			
Investment income	\$ 150	\$ 94	\$ (56)
<b>Total Non-Operating Revenues</b>	<b>150</b>	<b>94</b>	<b>(56)</b>
<b>Income Before Transfers</b>	<b>150</b>	<b>94</b>	<b>(56)</b>
<b>Transfers:</b>			
Transfers out	(27,882)	(27,882)	-
<b>Total Non-Operating Revenues</b>	<b>(27,882)</b>	<b>(27,882)</b>	<b>-</b>
<b>Net Change in Fund Equity</b>	<b>(27,732)</b>	<b>(27,788)</b>	<b>(56)</b>
<b>Fund Equity at Beginning of Year</b>	27,944	27,944	-
<b>Fund Equity at End of Year</b>	<b>\$ 212</b>	<b>\$ 156</b>	<b>\$ (56)</b>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**WATER DEBT SERVICE FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	
<b>Non-Operating Revenues (expenses):</b>			
Investment income	\$ 3,325	\$ 3,453	\$ 128
<u>Debt Service:</u>			
Principal	(365,000)	(365,000)	-
Interest and fiscal charges	(239,713)	(239,562)	151
<b>Total Debt Service</b>	<b>(604,713)</b>	<b>(604,562)</b>	<b>151</b>
<b>Total Non-Operating Revenues (expenses)</b>	<b>(601,388)</b>	<b>(601,109)</b>	<b>279</b>
<b>Loss Before Transfers</b>	<b>(601,388)</b>	<b>(601,109)</b>	<b>279</b>
<b>Transfers:</b>			
Transfers in	657,882	657,882	-
<b>Net Change in Fund Equity</b>	<b>56,494</b>	<b>56,773</b>	<b>279</b>
<b>Fund Equity at Beginning of Year</b>	<b>28,359</b>	<b>28,359</b>	<b>-</b>
<b>Fund Equity at End of Year</b>	<b><u>\$ 84,853</u></b>	<b><u>\$ 85,132</u></b>	<b><u>\$ 279</u></b>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

**SEWER OPERATIONS FUND**

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Operating Revenues:</b>			
Charges for services	\$ 1,277,130	\$ 1,314,829	\$ 37,699
Other operating revenues	47,500	46,537	(963)
<b>Total Operating Revenues</b>	<b>1,324,630</b>	<b>1,361,366</b>	<b>36,736</b>
<b>Operating Expenses:</b>			
General Government			
Salaries & related	60,907	50,438	10,469
Contractual services	40,807	33,793	7,014
<b>Total General Government</b>	<b>101,714</b>	<b>84,231</b>	<b>17,483</b>
Court & Legal			
Salaries & related	3,074	2,546	528
Contractual services	104,046	86,162	17,884
<b>Total Court &amp; Legal</b>	<b>107,120</b>	<b>88,708</b>	<b>18,412</b>
Finance			
Salaries & related	56,270	46,598	9,672
Contractual services	10,299	8,529	1,770
<b>Total Finance</b>	<b>66,569</b>	<b>55,127</b>	<b>11,442</b>
Sewer Utility			
Salaries & related	508,233	420,877	87,356
Contractual services	327,816	271,470	56,346
General operating	312,581	258,854	53,727
Capital outlay	61,441	50,880	10,561
<b>Total Sewer Utility</b>	<b>1,210,071</b>	<b>1,002,081</b>	<b>207,990</b>
<b>Total Operating Expenses</b>	<b>1,485,474</b>	<b>1,230,147</b>	<b>255,327</b>
<b>Operating Income (Loss)</b>	<b>(160,844)</b>	<b>131,219</b>	<b>292,063</b>
<b>Non-Operating Revenues:</b>			
Investment income	9,080	11,690	2,610
<b>Total Non-Operating Revenues</b>	<b>9,080</b>	<b>11,690</b>	<b>2,610</b>
<b>Net Change in Fund Equity</b>	<b>(151,764)</b>	<b>142,909</b>	<b>294,673</b>
<b>Fund Equity at Beginning of Year (Restated)</b>	1,175,247	1,175,247	-
<b>Prior Year Encumbrances Appropriated</b>	108,986	108,986	-
<b>Fund Equity at End of Year</b>	<b>\$ 1,132,469</b>	<b>\$ 1,427,142</b>	<b>\$ 294,673</b>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**SEWER CAPITAL IMPROVEMENTS FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	
<b>Operating Revenues:</b>			
Charges for services	\$ 655,510	\$ 675,608	\$ 20,098
<b>Total Operating Revenues</b>	<b>655,510</b>	<b>675,608</b>	<b>20,098</b>
<b>Operating Expenses:</b>			
General Government			
Contractual services	39,720	19,950	19,770
<b>Total General Government</b>	<b>39,720</b>	<b>19,950</b>	<b>19,770</b>
Sewer Utility			
Contractual services	47,903	24,060	23,843
Capital outlay	415,653	208,767	206,886
<b>Total Sewer Utility</b>	<b>463,556</b>	<b>232,827</b>	<b>230,729</b>
<b>Total Operating Expenses</b>	<b>503,276</b>	<b>252,777</b>	<b>250,499</b>
<b>Operating Income</b>	<b>152,234</b>	<b>422,831</b>	<b>270,597</b>
<b>Non-Operating Revenues:</b>			
Investment income	9,000	9,516	516
<b>Total Non-Operating Revenues</b>	<b>9,000</b>	<b>9,516</b>	<b>516</b>
<b>Income Before Transfers</b>	<b>161,234</b>	<b>432,347</b>	<b>271,113</b>
<b>Transfers:</b>			
Transfers out	(265,000)	(265,000)	-
<b>Net Change in Fund Equity</b>	<b>(103,766)</b>	<b>167,347</b>	<b>271,113</b>
<b>Fund Equity at Beginning of Year (Restated)</b>	813,589	813,589	-
<b>Prior Year Encumbrances Appropriated</b>	212,276	212,276	-
<b>Fund Equity at End of Year</b>	<b>\$ 922,099</b>	<b>\$ 1,193,212</b>	<b>\$ 271,113</b>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**SEWER BOND IMPROVEMENTS FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Non-Operating Revenues:</b>			
Investment income	\$ 350	\$ 302	\$ (48)
<b>Total Non-Operating Revenues</b>	<u>350</u>	<u>302</u>	<u>(48)</u>
<b>Income Before Transfers</b>	<u>350</u>	<u>302</u>	<u>(48)</u>
<b>Transfers:</b>			
Transfers out	<u>(90,361)</u>	<u>(90,361)</u>	<u>-</u>
<b>Net Change in Fund Equity</b>	<b>(90,011)</b>	<b>(90,059)</b>	<b>(48)</b>
<b>Fund Equity at Beginning of Year</b>	<u>90,433</u>	<u>90,433</u>	<u>-</u>
<b>Fund Equity at End of Year</b>	<u><u>\$ 422</u></u>	<u><u>\$ 374</u></u>	<u><u>\$ (48)</u></u>

**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**SEWER DEBT SERVICE FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Non-Operating Revenues (expenses):</b>			
Investment income	\$ 2,300	\$ 2,118	\$ (182)
<u>Debt Service:</u>			
Principal	(293,046)	(293,046)	-
Interest and fiscal charges	(133,934)	(133,788)	146
<b>Total Debt Service</b>	<b>(426,980)</b>	<b>(426,834)</b>	<b>146</b>
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(424,680)</b>	<b>(424,716)</b>	<b>(36)</b>
<b>Loss Before Transfers</b>	<b>(424,680)</b>	<b>(424,716)</b>	<b>(36)</b>
<b>Transfers:</b>			
Transfers in	355,361	355,361	-
<b>Net Change in Fund Equity</b>	<b>(69,319)</b>	<b>(69,355)</b>	<b>(36)</b>
<b>Fund Equity at Beginning of Year</b>	93,898	93,898	-
<b>Fund Equity at End of Year</b>	<b>\$ 24,579</b>	<b>\$ 24,543</b>	<b>\$ (36)</b>



**CITY OF PATASKALA, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**OAKS ASSESSMENT FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amount</u>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final</u>	<u>Actual</u>	
<b>Operating Revenues:</b>			
Special assessments	\$ 20,855	\$ 20,858	\$ 3
<b>Total Operating Revenues</b>	<b>20,855</b>	<b>20,858</b>	<b>3</b>
<b>Operating Expenses:</b>			
Finance			
Contractual services	1,000	829	171
<b>Total Finance</b>	<b>1,000</b>	<b>829</b>	<b>171</b>
<b>Operating Income</b>	<b>19,855</b>	<b>20,029</b>	<b>174</b>
<b>Nonoperating Expenses:</b>			
Debt service:			
Principal	(10,552)	(10,551)	1
Interest and fiscal charges	(9,713)	(9,712)	1
Total debt service	(20,265)	(20,263)	2
<b>Total Nonoperating Expenses</b>	<b>(20,265)</b>	<b>(20,263)</b>	<b>2</b>
<b>Net Change in Fund Equity</b>	<b>(410)</b>	<b>(234)</b>	<b>176</b>
<b>Fund Equity at Beginning of Year</b>	17,348	17,348	-
<b>Fund Equity at End of Year</b>	<b>\$ 16,938</b>	<b>\$ 17,114</b>	<b>\$ 176</b>

**CITY OF PATASKALA, OHIO**

*INDIVIDUAL FUND STATEMENT  
FUND DESCRIPTIONS - FIDUCIARY FUNDS*

*Agency Funds*

Agency funds maintain assets held by the City as an agent for individuals, private organizations, other governmental units and/or funds. These funds are purely custodial (assets equal liabilities) and therefore do not involve the measurement of results of operation. The following are the City's agency funds:

***Mayor's Court Fund***

To account for assets received and disbursed by the Mayor's Court as agent or custodian related to various court matters and cases.

***Fire Escrow Fund***

To account for funds for insurance payments received and disbursed as agent relative to fire damages incurred by City property owners.

***Construction Accounts Fund***

To account for money held for construction projects throughout the City.

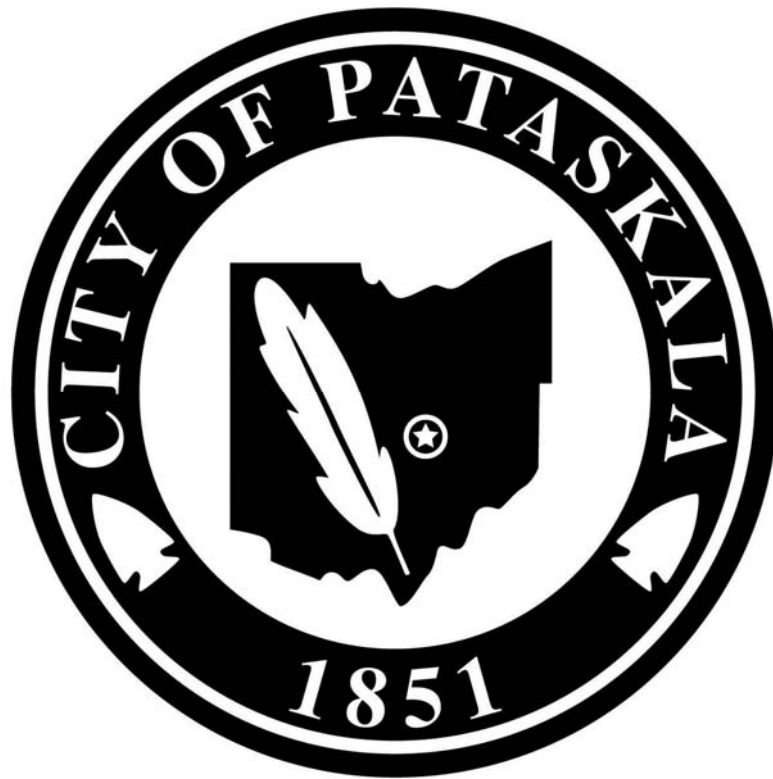
***Payroll Clearing Fund***

To account for money held related to employee and employer payroll items due to others.

**CITY OF PATASKALA, OHIO**

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
**AGENCY FUNDS**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Beginning Balance 12/31/2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance 12/31/2016</u>
<b>Mayor's Court Fund</b>				
<b>Assets:</b>				
Cash in segregated accounts	\$ 200	\$ 178,537	\$ 178,562	\$ 175
<b>Total Assets</b>	<b>\$ 200</b>	<b>\$ 178,537</b>	<b>\$ 178,562</b>	<b>\$ 175</b>
<b>Liabilities:</b>				
Undistributed monies	\$ 200	\$ 178,537	\$ 178,562	\$ 175
<b>Total Liabilities</b>	<b>\$ 200</b>	<b>\$ 178,537</b>	<b>\$ 178,562</b>	<b>\$ 175</b>
<b>Fire Escrow Fund</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 24,000	\$ -	\$ -	\$ 24,000
<b>Total Assets</b>	<b>\$ 24,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24,000</b>
<b>Liabilities:</b>				
Deposits held and due to others	\$ 24,000	\$ -	\$ -	\$ 24,000
<b>Total Liabilities</b>	<b>\$ 24,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24,000</b>
<b>Construction Accounts Fund</b>				
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 223,387	\$ 129,648	\$ 67,184	\$ 285,851
<b>Total Assets</b>	<b>\$ 223,387</b>	<b>\$ 129,648</b>	<b>\$ 67,184</b>	<b>\$ 285,851</b>
<b>Liabilities:</b>				
Deposits held and due to others	\$ 223,387	\$ 129,648	\$ 67,184	\$ 285,851
<b>Total Liabilities</b>	<b>\$ 223,387</b>	<b>\$ 129,648</b>	<b>\$ 67,184</b>	<b>\$ 285,851</b>
<b>Payroll Clearing Account</b>				
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 62,580	\$ 3,404,104	\$ 3,407,533	\$ 59,151
<b>Total Assets</b>	<b>\$ 62,580</b>	<b>\$ 3,404,104</b>	<b>\$ 3,407,533</b>	<b>\$ 59,151</b>
<b>Liabilities:</b>				
Pension & postemployment benefits payable	\$ 62,580	\$ 3,404,104	\$ 3,407,533	\$ 59,151
<b>Total Liabilities</b>	<b>\$ 62,580</b>	<b>\$ 3,404,104</b>	<b>\$ 3,407,533</b>	<b>\$ 59,151</b>
<b>TOTAL AGENCY FUNDS</b>				
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 309,967	\$ 3,533,752	\$ 3,474,717	\$ 369,002
Cash in segregated accounts	200	178,537	178,562	175
<b>Total Assets</b>	<b>\$ 310,167</b>	<b>\$ 3,712,289</b>	<b>\$ 3,653,279</b>	<b>\$ 369,177</b>
<b>Liabilities:</b>				
Undistributed monies	\$ 200	\$ 178,537	\$ 178,562	\$ 175
Pension & postemployment benefits payable	62,580	3,404,104	3,407,533	59,151
Deposits held and due to others	247,387	129,648	67,184	309,851
<b>Total Liabilities</b>	<b>\$ 310,167</b>	<b>\$ 3,712,289</b>	<b>\$ 3,653,279</b>	<b>\$ 369,177</b>



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**Statistical Section**  
**City of Pataskala | CAFR**





**CITY OF PATASKALA, OHIO**

**STATISTICAL SECTION  
TABLE OF CONTENTS**

This part of the City of Pataskala's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>198-207</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and income tax.	<b>208-215</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	<b>216-220</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	<b>221-222</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the City provides and the activities it performs.	<b>224-229</b>

**Sources:** Sources are noted on the individual schedules.

CITY OF PATASKALA, OHIO

NET POSITION BY COMPONENT  
LAST TEN YEARS

(accrual basis of accounting)

	Fiscal Year			
	<u>2016</u>	<u>2015</u>	<u>2014</u> <sup>(1)</sup>	<u>2013</u>
<b><u>Governmental activities</u></b>				
Net investment in capital assets	\$ 17,637,386	\$ 14,059,671	\$ 14,920,098	\$ 12,389,873
Restricted for:				
Debt service	410,136	429,136	489,676	300,426
Capital projects	1,634,473	3,481,168	1,539,576	1,976,407
Transportation projects	3,931,738	3,557,497	3,907,772	2,625,800
Community development	2,285	2,285	2,160	159,356
Parks and recreation	-	-	-	-
Police	58,483	474,253	2,439,637	1,968,801
Other purposes	-	-	-	-
Unrestricted	1,753,813	1,067,350	(1,595,927)	2,481,743
<b>Total Governmental Activities Net Position</b>	<b>\$ 25,428,314</b>	<b>\$ 23,071,360</b>	<b>\$ 21,702,992</b>	<b>\$ 21,902,406</b>
<b><u>Business-type activities</u></b>				
Net investment in capital assets	\$ 1,163,737	\$ 934,760	\$ 1,037,561	\$ 1,523,496
Unrestricted	5,244,852	4,568,518	3,943,375	3,662,044
<b>Total Business-Type Activities Net Position</b>	<b>\$ 6,408,589</b>	<b>\$ 5,503,278</b>	<b>\$ 4,980,936</b>	<b>\$ 5,185,540</b>
<b><u>Primary government</u></b>				
Net investment in capital assets	\$ 18,801,123	\$ 14,994,431	\$ 15,957,659	\$ 13,913,369
Restricted for:				
Debt service	410,136	429,136	489,676	300,426
Capital projects	1,634,473	3,481,168	1,539,576	1,976,407
Transportation projects	3,931,738	3,557,497	3,907,772	2,625,800
Community development	2,285	2,285	2,160	159,356
Parks and recreation	-	-	-	-
Police	58,483	474,253	2,439,637	1,968,801
Other purposes	-	-	-	-
Unrestricted	6,998,665	5,635,868	2,347,448	6,143,787
<b>Total Primary Government Net Position</b>	<b>\$ 31,836,903</b>	<b>\$ 28,574,638</b>	<b>\$ 26,683,928</b>	<b>\$ 27,087,946</b>

(1) The Net Position at December 31, 2014 has been restated under GASB Statement No. 68/71.

Source: City financial reports



	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	13,774,478	\$ 11,421,201	\$ 6,885,892	\$ 5,768,494	\$ 4,965,912	\$ 3,374,813
	245,725	67,217	30,067	30,067	30,067	30,067
	1,221,848	894,345	428,679	8,830	-	-
	1,948,664	1,494,751	1,368,440	1,419,374	1,328,269	1,141,807
	102,975	23,352	8,813	-	-	-
	-	50,844	100,733	99,467	84,991	78,690
	2,087,707	2,169,514	1,431,654	579,510	368,748	220,905
	-	-	358	5,058	7,248	393,076
	1,201,567	2,153,086	1,807,920	1,168,314	890,439	1,104,231
<b>\$</b>	<b><u>20,582,964</u></b>	<b>\$ <u>18,274,310</u></b>	<b>\$ <u>12,062,556</u></b>	<b>\$ <u>9,079,114</u></b>	<b>\$ <u>7,675,674</u></b>	<b>\$ <u>6,343,589</u></b>
\$	1,648,124	\$ 2,154,908	\$ 2,890,611	\$ 2,327,739	\$ 1,868,441	\$ 1,566,742
	3,154,156	2,336,168	2,367,129	3,482,621	4,629,883	4,916,251
<b>\$</b>	<b><u>4,802,280</u></b>	<b>\$ <u>4,491,076</u></b>	<b>\$ <u>5,257,740</u></b>	<b>\$ <u>5,810,360</u></b>	<b>\$ <u>6,498,324</u></b>	<b>\$ <u>6,482,993</u></b>
\$	15,422,602	\$ 13,576,109	\$ 9,776,503	\$ 8,096,233	\$ 6,834,353	\$ 4,941,555
	245,725	67,217	30,067	30,067	30,067	30,067
	1,221,848	894,345	428,679	8,830	-	-
	1,948,664	1,494,751	1,368,440	1,419,374	1,328,269	1,141,807
	102,975	23,352	8,813	-	-	-
	-	50,844	100,733	99,467	84,991	78,690
	2,087,707	2,169,514	1,431,654	579,510	368,748	220,905
	-	-	358	5,058	7,248	393,076
	4,355,723	4,489,254	4,175,049	4,650,935	5,520,322	6,020,482
<b>\$</b>	<b><u>25,385,244</u></b>	<b>\$ <u>22,765,386</u></b>	<b>\$ <u>17,320,296</u></b>	<b>\$ <u>14,889,474</u></b>	<b>\$ <u>14,173,998</u></b>	<b>\$ <u>12,826,582</u></b>

CITY OF PATASKALA, OHIO

CHANGES IN NET POSITION  
LAST TEN YEARS

(accrual basis of accounting)

<b><u>PROGRAM REVENUES:</u></b>	<b>Fiscal Year</b>			
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Governmental Activities:				
<i>Charges for Services and Sales:</i>				
General government	\$ 271,868	\$ 290,261	\$ 366,658	\$ 379,351
Security of persons and property	145,307	158,344	205,599	192,348
Transportation	-	-	-	-
Community environment	54,249	53,269	52,388	-
Leisure time activities	84,420	33,390	14,060	22,690
<i>Operating Grants and Contributions:</i>				
General government	159,256	172,288	143,400	-
Security of persons and property	83,386	119,192	178,688	476,701
Transportation	1,056,635	946,405	955,003	1,129,954
Community environment	-	-	336,278	171,004
Leisure time activities	-	-	2,141	-
<i>Capital Grants and Contributions:</i>				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	1,311,084	274,739	225,891	46,219
Community environment	-	-	-	-
Leisure time activities	-	-	-	-
Total Governmental Activities Program Revenues	<u>\$ 3,166,205</u>	<u>\$ 2,047,888</u>	<u>\$ 2,480,106</u>	<u>\$ 2,418,267</u>
Business-type activities:				
<i>Charges for Services and Sales:</i>				
Water	2,158,711	1,880,929	1,548,621	1,642,290
Sewer	2,016,046	2,002,362	1,650,339	1,689,448
<i>Capital Grants &amp; Contributions:</i>				
Water	-	-	-	-
Sewer	-	-	-	-
Total Business-Type Activities Program Revenues	<u>\$ 4,174,757</u>	<u>\$ 3,883,291</u>	<u>\$ 3,198,960</u>	<u>\$ 3,331,738</u>
Total Primary Government Program Revenues	<u>\$ 7,340,962</u>	<u>\$ 5,931,179</u>	<u>\$ 5,679,066</u>	<u>\$ 5,750,005</u>
<b><u>PROGRAM EXPENSES:</u></b>				
Governmental Activities:				
General government	\$ 1,805,720	\$ 1,919,562	\$ 1,095,246	\$ 706,223
Security of persons and property	2,495,690	2,134,698	1,992,137	2,086,324
Public health services	-	-	-	112,101
Transportation	2,193,530	1,762,282	2,761,450	2,642,514
Community environment	296,206	246,113	677,184	543,577
Leisure time activities	186,728	67,486	94,930	157,950
Economic development	-	-	-	-
Other	-	-	-	-
Interest and fiscal charges	220,459	211,259	222,866	83,157
Total Governmental Activities Expenses	<u>\$ 7,198,333</u>	<u>\$ 6,341,400</u>	<u>\$ 6,843,813</u>	<u>\$ 6,331,846</u>

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	348,491	\$ 359,222	\$ 372,604	\$ 345,726	\$ 330,353	\$ 329,569
	216,514	231,099	155,183	170,419	176,275	169,535
	-	-	-	40,568	-	-
	-	-	-	-	2,182	739
	15,797	11,755	19,375	26,808	105,210	123,240
	1,000	-	-	-	-	-
	97,026	53,413	147,517	257,748	1,840	7,461
	1,372,877	678,261	908,554	951,379	1,179,526	1,097,946
	436,726	85,387	47,548	37,644	37,000	-
	-	239,829	-	3,103	1,125	-
	-	-	-	-	-	-
	-	-	-	-	-	60,592
	-	4,098,126	1,031,411	828,333	1,009,944	207,446
	-	35,536	-	-	-	-
	-	36,542	-	-	-	-
\$	<u>2,488,431</u>	<u>\$ 5,829,170</u>	<u>\$ 2,682,192</u>	<u>\$ 2,661,728</u>	<u>\$ 2,843,455</u>	<u>\$ 1,996,528</u>
	1,439,095	1,363,563	779,089	766,464	769,684	1,011,506
	1,713,051	1,101,552	866,261	853,948	853,857	973,410
	-	-	-	101,460	131,079	79,695
	-	-	56,665	101,000	216,391	112,898
\$	<u>3,152,146</u>	<u>\$ 2,465,115</u>	<u>\$ 1,702,015</u>	<u>\$ 1,822,872</u>	<u>\$ 1,971,011</u>	<u>\$ 2,177,509</u>
\$	<u>5,640,577</u>	<u>\$ 8,294,285</u>	<u>\$ 4,384,207</u>	<u>\$ 4,484,600</u>	<u>\$ 4,814,466</u>	<u>\$ 4,174,037</u>
\$	1,357,119	\$ 758,581	\$ 871,750	\$ 826,900	\$ 967,338	\$ 1,063,385
	1,391,309	1,724,472	1,373,081	1,401,767	1,649,394	1,710,954
	111,485	60,486	59,300	57,500	57,500	57,500
	2,279,621	1,561,671	1,228,925	1,145,854	1,056,476	1,128,655
	591,589	318,312	270,207	335,062	410,129	335,154
	50,103	41,908	46,494	48,003	108,228	257,006
	-	24,799	4,462	9,800	-	-
	-	-	-	-	-	-
	45,967	37,693	51,942	77,952	92,133	117,610
\$	<u>5,827,193</u>	<u>\$ 4,527,922</u>	<u>\$ 3,906,161</u>	<u>\$ 3,902,838</u>	<u>\$ 4,341,198</u>	<u>\$ 4,670,264</u>

-- Continued

**CITY OF PATASKALA, OHIO**

**CHANGES IN NET POSITION  
LAST TEN YEARS (CONTINUED)**

(accrual basis of accounting)

	<b>Fiscal Year</b>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Business-type activities:				
Water	\$ 1,809,143	\$ 1,798,346	\$ 1,392,928	\$ 1,458,080
Sewer	1,565,175	1,594,905	1,610,487	1,573,164
Total Business-Type Activities Program Expenses	<u>\$ 3,374,318</u>	<u>\$ 3,393,251</u>	<u>\$ 3,003,415</u>	<u>\$ 3,031,244</u>
Total Primary Government Program Expenses	<u>\$ 10,572,651</u>	<u>\$ 9,734,651</u>	<u>\$ 9,847,228</u>	<u>\$ 9,363,090</u>
Governmental Activities	\$ (4,032,128)	\$ (4,293,512)	\$ (4,363,707)	\$ (3,913,579)
Business-Type Activities	<u>800,439</u>	<u>490,040</u>	<u>195,545</u>	<u>300,494</u>
Total Primary Government Net (Expense)/Revenue	<u>\$ (3,231,689)</u>	<u>\$ (3,803,472)</u>	<u>\$ (4,168,162)</u>	<u>\$ (3,613,085)</u>

**GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:**

Governmental Activities:				
Taxes:				
Property taxes levied for:				
General purposes	\$ 843,062	\$ 827,781	\$ 714,826	\$ 891,357
Street fund	-	-	-	-
Police levy fund	-	-	-	-
Income taxes levied for:				
Street fund	1,831,162	1,542,506	2,190,585	1,511,685
Police fund	2,722,344	2,393,147	2,607,079	2,016,235
Debt service fund	465,632	485,230	476,763	148,909
Capital projects fund	117,361	49,335	195,699	282,067
JEDD income tax fund	-	125	120	803
Payments in lieu of taxes	190,126	153,835	201,140	109,965
Grants and entitlements not restricted to specific programs	188,862	189,381	185,808	234,624
Investment earnings-unrestricted	17,188	11,049	16,230	1,813
Transfers	-	-	-	(10,957)
Miscellaneous	13,345	9,491	172,812	46,520
Total Governmental Activities	<u>\$ 6,389,082</u>	<u>\$ 5,661,880</u>	<u>\$ 6,761,062</u>	<u>\$ 5,233,021</u>
Business-Type Activities:				
Investment earnings-unrestricted	40,778	30,006	17,501	35,668
Transfers	-	-	-	10,957
Miscellaneous	64,094	2,296	27,358	36,141
Total Business-Type Activities	<u>\$ 104,872</u>	<u>\$ 32,302</u>	<u>\$ 44,859</u>	<u>\$ 82,766</u>
Total Primary Government	<u>\$ 6,493,954</u>	<u>\$ 5,694,182</u>	<u>\$ 6,805,921</u>	<u>\$ 5,315,787</u>
<b><u>Change in Net Position:</u></b>				
Governmental Activities	\$ 2,356,954	\$ 1,368,368	\$ 2,397,355	\$ 1,319,442
Business-Type Activities	<u>905,311</u>	<u>522,342</u>	<u>240,404</u>	<u>383,260</u>
Total Primary Government	<u>\$ 3,262,265</u>	<u>\$ 1,890,710</u>	<u>\$ 2,637,759</u>	<u>\$ 1,702,702</u>

Source: City financial reports

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 1,541,391	\$ 1,467,074	\$ 1,338,996	\$ 1,614,297	\$ 1,244,786	\$ 1,525,419
<u>1,349,053</u>	<u>1,416,632</u>	<u>939,701</u>	<u>945,829</u>	<u>835,364</u>	<u>788,867</u>
\$ 2,890,444	\$ 2,883,706	\$ 2,278,697	\$ 2,560,126	\$ 2,080,150	\$ 2,314,286
\$ 8,717,637	\$ 7,411,628	\$ 6,184,858	\$ 6,462,964	\$ 6,421,348	\$ 6,984,550
\$ (3,338,762)	\$ 1,301,248	\$ (1,223,969)	\$ (1,241,110)	\$ (1,497,743)	\$ (2,673,736)
<u>261,702</u>	<u>(418,591)</u>	<u>(576,682)</u>	<u>(737,254)</u>	<u>(109,139)</u>	<u>(136,777)</u>
\$ <u>(3,077,060)</u>	\$ <u>882,657</u>	\$ <u>(1,800,651)</u>	\$ <u>(1,978,364)</u>	\$ <u>(1,606,882)</u>	\$ <u>(2,810,513)</u>
\$ 802,654	\$ 623,868	\$ 1,063,530	\$ 862,226	\$ 845,202	\$ 826,407
-	-	-	-	-	1,726
-	-	1,259,991	1,375,422	1,342,858	1,311,759
965,097	833,223	272,986	-	-	-
1,668,443	2,299,295	818,953	-	-	-
214,930	57,251	-	-	-	-
1,655,919	524,805	-	-	-	-
-	237	-	-	-	-
127,553	261,409	424,161	-	-	-
184,454	303,395	331,221	368,296	466,879	455,723
16,023	6,594	4,223	11,624	38,676	114,274
-	-	-	-	-	-
<u>12,343</u>	<u>106,889</u>	<u>32,346</u>	<u>26,982</u>	<u>136,213</u>	<u>125,770</u>
\$ 5,647,416	\$ 5,016,966	\$ 4,207,411	\$ 2,644,550	\$ 2,829,828	\$ 2,835,659
13,834	6,825	4,714	27,583	104,178	300,956
-	-	-	-	-	-
<u>35,668</u>	<u>164,913</u>	<u>19,348</u>	<u>21,707</u>	<u>20,292</u>	<u>23,905</u>
\$ 49,502	\$ 171,738	\$ 24,062	\$ 49,290	\$ 124,470	\$ 324,861
\$ 5,696,918	\$ 5,188,704	\$ 4,231,473	\$ 2,693,840	\$ 2,954,298	\$ 3,160,520
\$ 2,308,654	\$ 6,318,214	\$ 2,983,442	\$ 1,403,440	\$ 1,332,085	\$ 161,923
<u>311,204</u>	<u>(246,853)</u>	<u>(552,620)</u>	<u>(687,964)</u>	<u>15,331</u>	<u>188,084</u>
\$ <u>2,619,858</u>	\$ <u>6,071,361</u>	\$ <u>2,430,822</u>	\$ <u>715,476</u>	\$ <u>1,347,416</u>	\$ <u>350,007</u>

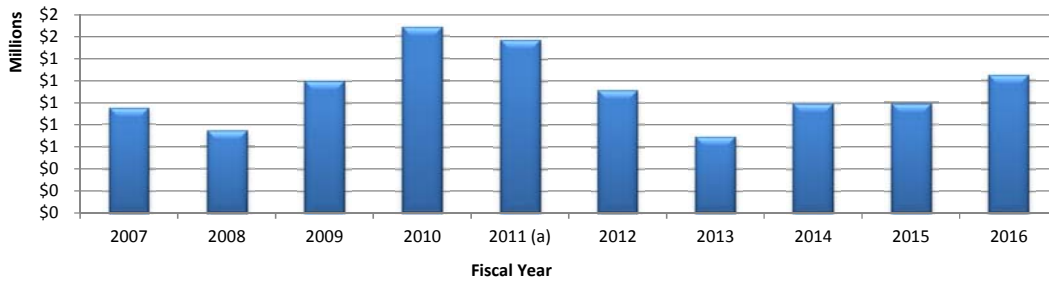
CITY OF PATASKALA, OHIO

FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN YEARS

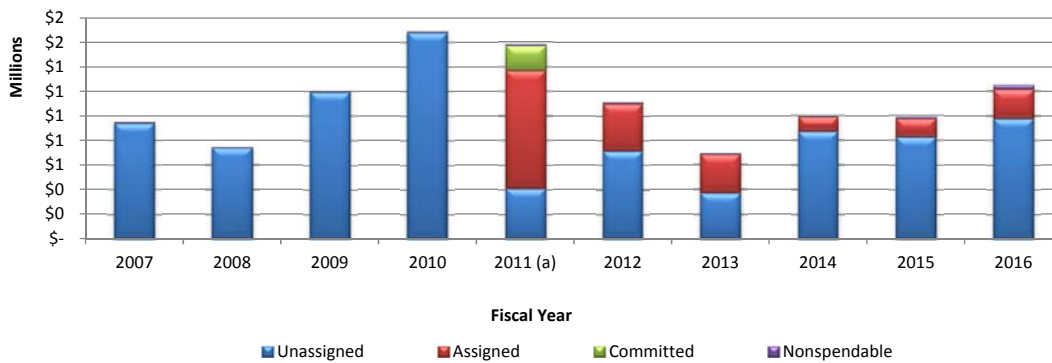
(modified accrual basis of accounting)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>General Fund</b>				
Nonspendable	\$ 37,522	\$ 13,621	\$ 7,022	\$ 9,302
Committed	-	-	-	-
Assigned	236,788	148,242	120,649	313,403
Unassigned	<u>977,553</u>	<u>828,059</u>	<u>868,271</u>	<u>369,603</u>
<b>Total General Fund</b>	<b>\$ 1,251,863</b>	<b>\$ 989,922</b>	<b>\$ 995,942</b>	<b>\$ 692,308</b>
<b>All Other Governmental Funds</b>				
Nonspendable	\$ 178,453	\$ 90,044	\$ 60,877	\$ 18,164
Restricted	7,185,447	8,492,046	8,456,579	6,593,931
Committed	820,647	312,197	44,412	32,294
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,333,597)</u>
<b>Total All Other Governmental Funds</b>	<b>\$ 8,184,547</b>	<b>\$ 8,894,287</b>	<b>\$ 8,561,868</b>	<b>\$ 2,310,792</b>
<b>Total Governmental Funds</b>	<b>\$ 9,436,410</b>	<b>\$ 9,884,209</b>	<b>\$ 9,557,810</b>	<b>\$ 3,003,100</b>

Unassigned General Fund Balance



General Fund Balance - by Category

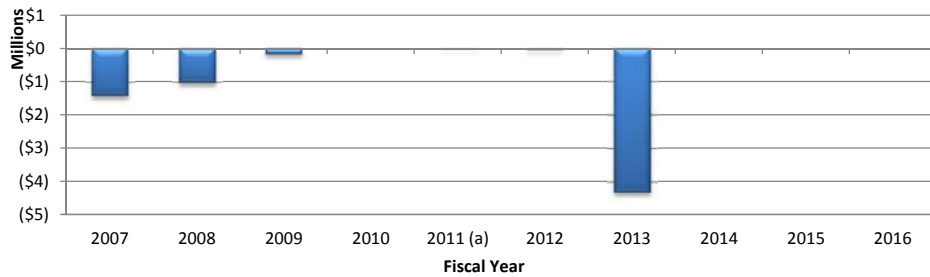


(a) The City implemented GASB 54 in 2011. The prior years (2004-2010) have been restated to reflect the change.

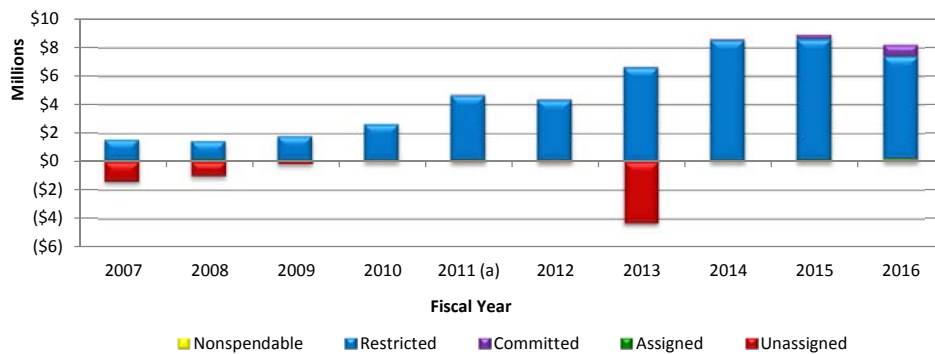
Source: City financial reports

	<u>2012</u>	<u>2011</u> <sup>(a)</sup>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	15,491	\$ 7,442	\$ 7,173	\$ 7,825	\$ 5,696	\$ 12,787
	-	200,186	-	-	-	-
	383,681	958,541	-	-	-	-
	715,312	410,863	1,679,354	1,193,775	737,870	938,413
<b>\$</b>	<b>1,114,484</b>	<b>\$ 1,577,032</b>	<b>\$ 1,686,527</b>	<b>\$ 1,201,600</b>	<b>\$ 743,566</b>	<b>\$ 951,200</b>
\$	49,045	\$ 68,667	\$ 64,871	\$ 66,247	\$ 95,809	\$ 58,681
	4,288,119	4,581,579	2,570,543	1,718,379	1,350,443	1,495,967
	31,809	48,545	-	-	-	-
	(35,066)	(16,304)	-	(168,275)	(1,020,333)	(1,411,683)
<b>\$</b>	<b>4,333,907</b>	<b>\$ 4,682,487</b>	<b>\$ 2,635,414</b>	<b>\$ 1,616,351</b>	<b>\$ 425,919</b>	<b>\$ 142,965</b>
<b>\$</b>	<b>5,448,391</b>	<b>\$ 6,259,519</b>	<b>\$ 4,321,941</b>	<b>\$ 2,817,951</b>	<b>\$ 1,169,485</b>	<b>\$ 1,094,165</b>

### Unassigned All Other Governmental Funds Balance



### All Other Governmental Fund Balance - by Category

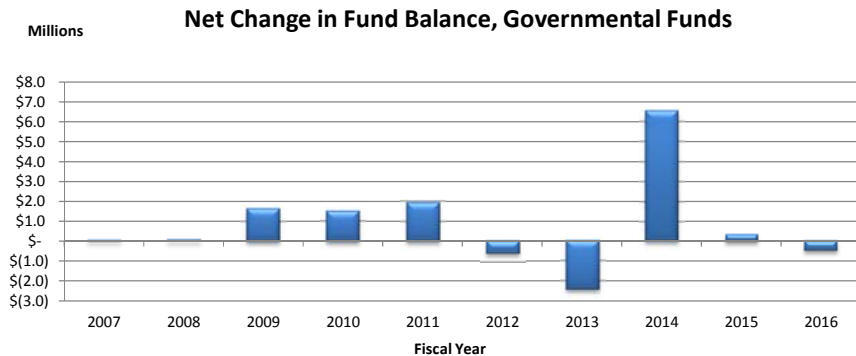


CITY OF PATASKALA, OHIO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN YEARS

(modified accrual basis of accounting)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Revenues:</b>				
Income taxes	\$ 5,132,966	\$ 4,948,134	\$ 4,725,721	\$ 3,846,461
Property and other taxes	853,298	832,535	819,665	803,422
Charges for services	86,217	38,296	18,893	22,690
Licenses and permits	228,663	249,575	270,812	256,957
Fines and forfeitures	148,769	153,957	221,825	192,348
Intergovernmental	2,618,779	1,479,219	1,927,690	1,953,278
Special assessments	2,440	5,591	4,169	9,527
Investment income	81,590	60,992	49,971	6,986
Rental Income	92,668	91,048	121,059	118,225
Contributions and donations	2,230	18,060	2,141	-
Payments in lieu of taxes (PILOT)	190,126	153,835	201,140	155,279
Other	120,305	74,796	243,586	138,240
<b>Total Revenues</b>	<b>\$ 9,558,051</b>	<b>\$ 8,106,038</b>	<b>\$ 8,606,672</b>	<b>\$ 7,503,413</b>
<b>Expenditures:</b>				
<i>Current:</i>				
General government	\$ 1,582,835	\$ 1,750,043	\$ 1,585,981	\$ 861,834
Security of persons and property	2,237,612	2,029,127	2,216,466	2,638,716
Public health and welfare	-	-	-	112,101
Transportation	1,972,918	1,651,933	1,621,694	1,942,020
Community environment	271,871	256,706	677,224	545,189
Leisure time activity	167,262	43,533	77,118	137,621
Economic development	-	-	-	-
Capital outlay	3,604,662	2,502,625	2,614,077	2,815,454
<i>Debt service:</i>				
Principal retirement	698,297	522,564	422,208	967,222
Interest and fiscal charges	230,393	235,194	95,665	81,026
Bond issuance costs	-	-	91,118	-
<b>Total Expenditures</b>	<b>\$ 10,765,850</b>	<b>\$ 8,991,725</b>	<b>\$ 9,401,551</b>	<b>\$ 10,101,183</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (1,207,799)</b>	<b>\$ (885,687)</b>	<b>\$ (794,879)</b>	<b>\$ (2,597,770)</b>
<b>Other Financing Sources (Uses):</b>				
Loans issued	\$ -	\$ 700,000	\$ 203,413	\$ 15,407
Bond issuance	-	-	6,630,000	-
Sale of capital assets	-	12,086	285	-
Note issuance	500,000	-	-	-
Premium on notes sold	-	-	-	-
Sale of bonds	-	-	-	-
Premium on sale of bonds	-	-	248,117	-
Inception of capital lease	260,000	500,000	267,774	148,029
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	566,582	3,776,354	1,615,815	3,306,934
Transfers (out)	(566,582)	(3,776,354)	(1,615,815)	(3,317,891)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 760,000</b>	<b>\$ 1,212,086</b>	<b>\$ 7,349,589</b>	<b>\$ 152,479</b>
<b>Net Change in Fund Balances</b>	<b>\$ (447,799)</b>	<b>\$ 326,399</b>	<b>\$ 6,554,710</b>	<b>\$ (2,445,291)</b>
Capital Expenditures	\$ 4,686,868	\$ 3,446,755	\$ 3,360,434	\$ 3,791,327
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	<i>15.28%</i>	<i>13.67%</i>	<i>8.57%</i>	<i>16.61%</i>



Source: City financial reports



	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	3,832,475	\$ 3,335,770	\$ 976,035	\$ -	\$ -	\$ -
	802,525	637,042	2,434,278	2,192,130	2,159,252	2,169,911
	15,797	26,293	28,181	23,310	179,345	225,982
	206,922	233,253	235,985	259,098	237,392	170,188
	216,514	231,099	155,183	134,523	115,769	113,232
	2,026,095	1,938,053	2,480,970	1,638,319	1,822,969	1,660,086
	4,369	2,967	-	-	-	-
	17,193	7,826	5,118	15,675	53,533	141,600
	127,673	111,344	120,200	118,538	106,162	102,879
	-	163	-	-	-	-
	82,239	550,600	-	-	-	-
	112,321	106,726	79,661	112,133	87,091	129,901
	<u>\$ 7,444,123</u>	<u>\$ 7,181,136</u>	<u>\$ 6,515,611</u>	<u>\$ 4,493,726</u>	<u>\$ 4,761,513</u>	<u>\$ 4,713,779</u>

\$	1,207,191	\$ 1,012,038	\$ 855,648	\$ 817,413	\$ 927,449	\$ 991,432
	1,930,465	1,722,313	1,360,206	1,380,665	1,650,201	1,682,856
	111,485	60,486	59,300	57,500	57,500	57,500
	2,273,208	1,418,164	1,166,311	821,874	871,259	866,760
	592,679	269,258	239,698	229,192	287,595	242,974
	33,126	257,165	20,352	14,340	80,296	135,840
	-	24,799	4,462	9,800	-	-
	2,369,511	519,744	1,170,248	270,420	685,462	964,755
	217,568	166,928	299,833	258,810	83,270	95,818
	39,832	38,434	48,563	77,179	92,133	117,610
	-	-	-	-	-	-
	<u>\$ 8,775,065</u>	<u>\$ 5,489,329</u>	<u>\$ 5,224,621</u>	<u>\$ 3,937,193</u>	<u>\$ 4,735,165</u>	<u>\$ 5,155,545</u>
	<u>\$ (1,330,942)</u>	<u>\$ 1,691,807</u>	<u>\$ 1,290,990</u>	<u>\$ 556,533</u>	<u>\$ 26,348</u>	<u>\$ (441,766)</u>

\$	-	\$ -	\$ -	\$ -	\$ -	\$ 101,283
	-	-	-	-	-	-
	-	-	18,000	49,500	48,972	-
	720,000	245,771	195,000	860,000	-	-
	-	-	-	1,730	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	180,703	-	423,697
	-	-	-	-	-	-
	200,000	179,477	172,445	65,657	461,948	178,093
	(200,000)	(179,477)	(172,445)	(65,657)	(461,948)	(178,093)
	<u>\$ 720,000</u>	<u>\$ 245,771</u>	<u>\$ 213,000</u>	<u>\$ 1,091,933</u>	<u>\$ 48,972</u>	<u>\$ 524,980</u>
	<u>\$ (610,942)</u>	<u>\$ 1,937,578</u>	<u>\$ 1,503,990</u>	<u>\$ 1,648,466</u>	<u>\$ 75,320</u>	<u>\$ 83,214</u>

\$	3,590,210	\$ 1,420,744	\$ 1,499,257	\$ 1,083,821	\$ 1,522,106	\$ 933,118
	4.96%	5.05%	9.35%	11.78%	5.46%	5.05%

**CITY OF PATASKALA, OHIO**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**  
**LAST TEN YEARS**  
(modified accrual basis of accounting - \$000's omitted)

Fiscal Year	Property Tax	Income Tax	Motor Vehicle Tax	Gasoline Tax	Total Tax Revenues
2016	\$ 853.3	\$ 5,133.0	\$ 184.0	\$ 584.6	\$ 6,754.9
2015	832.5	4,948.1	143.5	568.3	6,492.4
2014	820.0	4,725.7	142.1	572.6	6,260.4
2013	803.4	3,846.5	144.1	561.5	5,355.5
2012	805.5	3,832.5	146.3	542.2	5,326.5
2011	637.0	3,335.8	152.8	530.9	4,656.5
2010	2,434.0	976.0	129.3	546.9	4,086.2
2009	2,192.0	-	139.8	529.7	2,861.5
2008	2,159.0	-	151.8	554.6	2,865.4
2007	2,170.0	-	158.7	534.1	2,862.8

Cash-basis data only

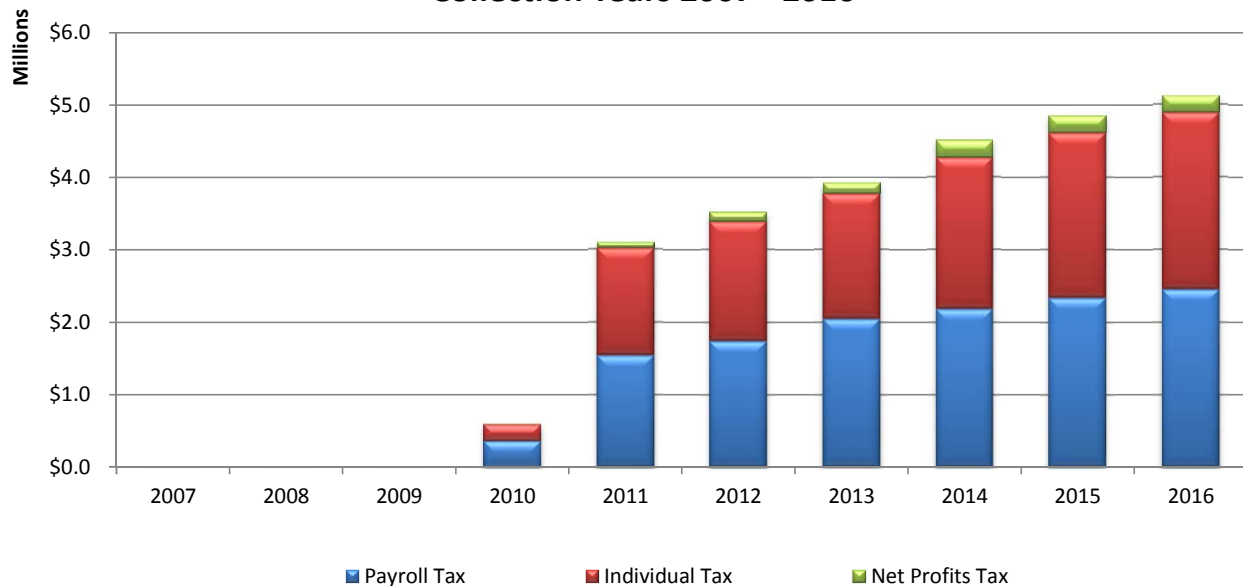
**CITY OF PATASKALA, OHIO**

**GOVERNMENT-WIDE INCOME TAX COLLECTIONS  
LAST TEN YEARS  
(Cash Basis)**

<b>Tax Year</b>	<b>Tax Rate</b>	<b>Payroll Tax</b>	<b>Individual Tax</b>	<b>Net Profits Tax</b>	<b>Total Tax Collections</b>	<b>Total Government-Wide Revenues</b>	<b>Total Income Taxes as % of Total Government Revenues</b>
2007	0.0%	\$ -	\$ -	\$ -	\$ -	\$ 4,832,187	0.00%
2008	0.0%	-	-	-	-	5,673,283	0.00%
2009	0.0%	-	-	-	-	5,306,278	0.00%
2010	0.0%	360,868	223,122	3,297	587,287	6,889,603	8.52%
2011	1.0%*	1,540,840	1,474,395	79,801	3,095,036	10,846,136	28.54%
2012	1.0%	1,740,511	1,648,552	130,832	3,519,894	8,135,847	43.26%
2013	1.0%	2,044,485	1,724,714	153,638	3,922,837	7,651,288	51.27%
2014	1.0%	2,179,849	2,089,286	242,398	4,511,533	9,241,168	48.82%
2015	1.0%	2,333,963	2,279,620	236,243	4,849,826	7,709,768	62.90%
2016	1.0%	2,451,692	2,437,158	233,600	5,122,450	9,555,287	53.61%
<b>Average</b>		<b>\$ 1,807,458</b>	<b>\$ 1,696,692</b>	<b>\$ 154,258</b>	<b>\$ 3,658,409</b>	<b>\$ 7,584,085</b>	<b>48.24%</b>

\*Note: A 1.0% of taxable income was passed by the electorate in May, 2010 with the tax becoming effective on July 1, 2010.

**Government-Wide Income  
Tax Revenues by Type  
Collection Years 2007 - 2016**



Source: Regional Income Tax Agency & City financial reports

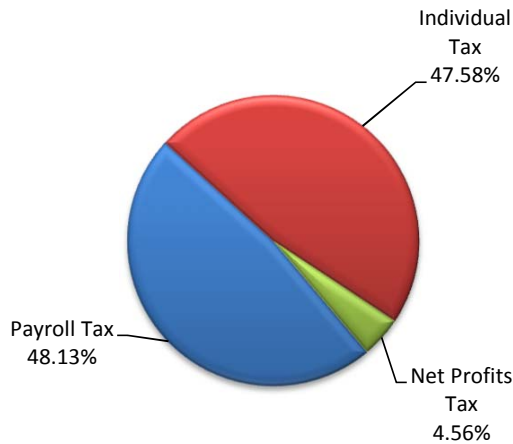
**CITY OF PATASKALA, OHIO**

**GOVERNMENT-WIDE INCOME TAX COLLECTIONS  
CURRENT YEAR AND SIX YEARS AGO  
(Cash Basis)**

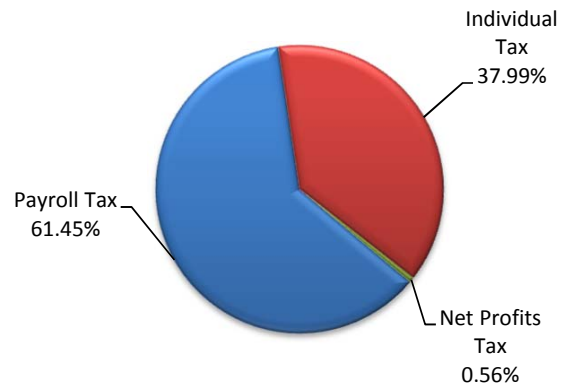
	<u>Fiscal Year 2016</u>		<u>Fiscal Year 2010</u>	
Payroll Tax	\$ 2,451,692	47.87%	\$ 360,868	61.45%
Individual Tax	2,437,158	47.58%	223,122	37.99%
Net Profits Tax	<u>233,600</u>	<u>4.56%</u>	<u>3,297</u>	<u>0.56%</u>
<b>Total Income Tax Collections</b>	<b><u>\$ 5,122,450</u></b>	<b><u>100.00%</u></b>	<b><u>\$ 587,287</u></b>	<b><u>100.00%</u></b>

**2016 - 2010 Income Tax Breakdown**

**Fiscal Year 2016**



**Fiscal Year 2010**



Source: City financial reports

**NOTE:** The City did not have an income tax in effect until the electorate approved a 1.0% tax in May 2010, effective July 1, 2010.

CITY OF PATASKALA, OHIO

ASSESSED VALUATION & ESTIMATED TRUE VALUES OF TAXABLE PROPERTY  
LAST TEN YEARS  
(\$000's omitted)

Tax Year	Collection Year	Real Property		Personal Property		Public Utility		TOTAL		
		Assessed	Estimated Actual <sup>(a)</sup>	Assessed	Estimated Actual <sup>(c)</sup>	Assessed	Estimated Actual <sup>(b)</sup>	Assessed	Estimated Actual	Average Effective Millage
2007	2008	\$318,169	\$909,054	\$3,246	\$12,985	\$6,371	\$7,304	\$327,786	\$929,343	\$7.4524
2008	2009	326,214	932,039	625	2,500	7,966	9,117	\$334,805	\$943,656	\$7.4467
2009	2010	326,066	931,618	0	0	9,095	10,649	\$335,161	\$942,267	\$7.5037
2010	2011	325,908	931,167	0	0	9,462	10,753	\$335,371	\$941,920	\$2.9000
2011	2012	316,684	904,811	0	0	9,158	10,407	\$325,841	\$915,218	\$2.9000
2012	2013	312,438	892,680	0	0	10,288	11,691	\$322,726	\$904,371	\$2.9000
2013	2014	318,582	910,234	3,977	17,293	9,502	10,798	\$332,061	\$938,325	\$2.8653
2014	2015	320,564	915,896	625	2,718	9,584	10,890	\$330,772	\$929,504	\$2.9000
2015	2016	314,972	899,919	0	0	13,104	14,891	\$328,077	\$914,810	\$2.9000
2016	2017	320,496	915,702	0	0	16,172	18,378	\$336,668	\$934,080	\$2.9000

**Note:** Assessed values only include taxable property and do not include any TIF'd or otherwise tax-exempt property.

(a) Real property is assessed at 35% of actual value.

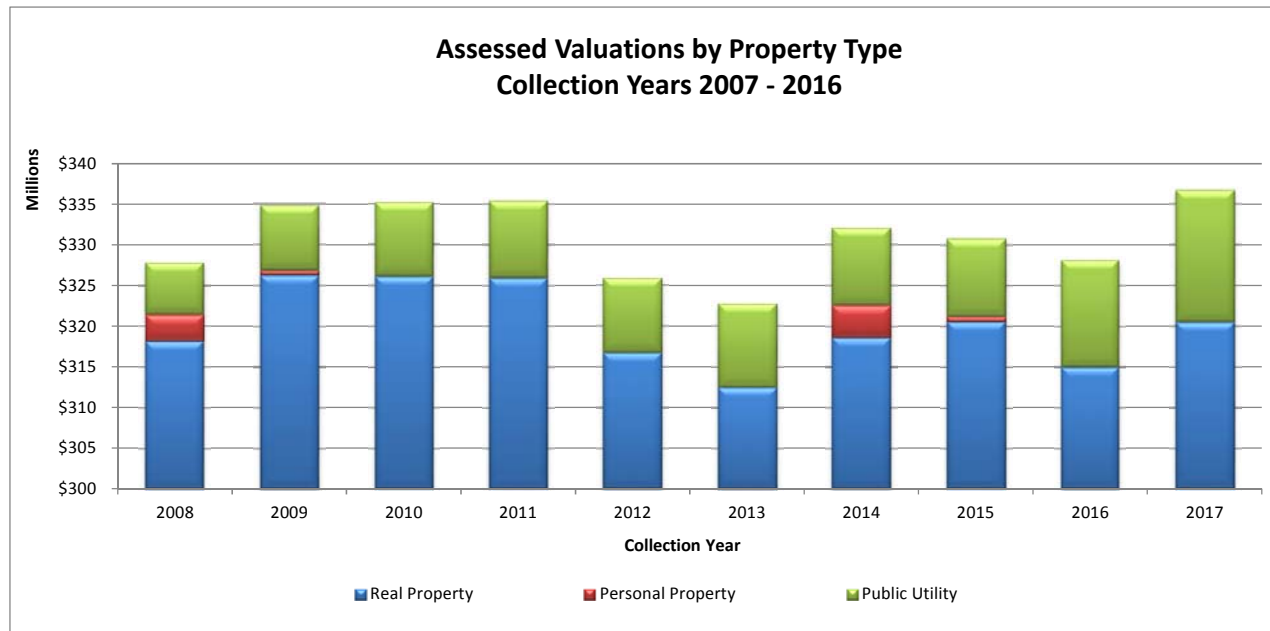
(b) Public utility is assessed at 88% of actual value.

(c) For 2007, tangible personal is assessed at 12.5% of true value for capital assets and the true value for inventory included in tangible personal property.

For 2008, tangible personal is assessed at 6.25% of property value, including inventory.

For 2009-2016, tangible personal is assessed at 0% of property value, including inventory.

Source: Licking County, Ohio; Fiscal Officer



CITY OF PATASKALA, OHIO

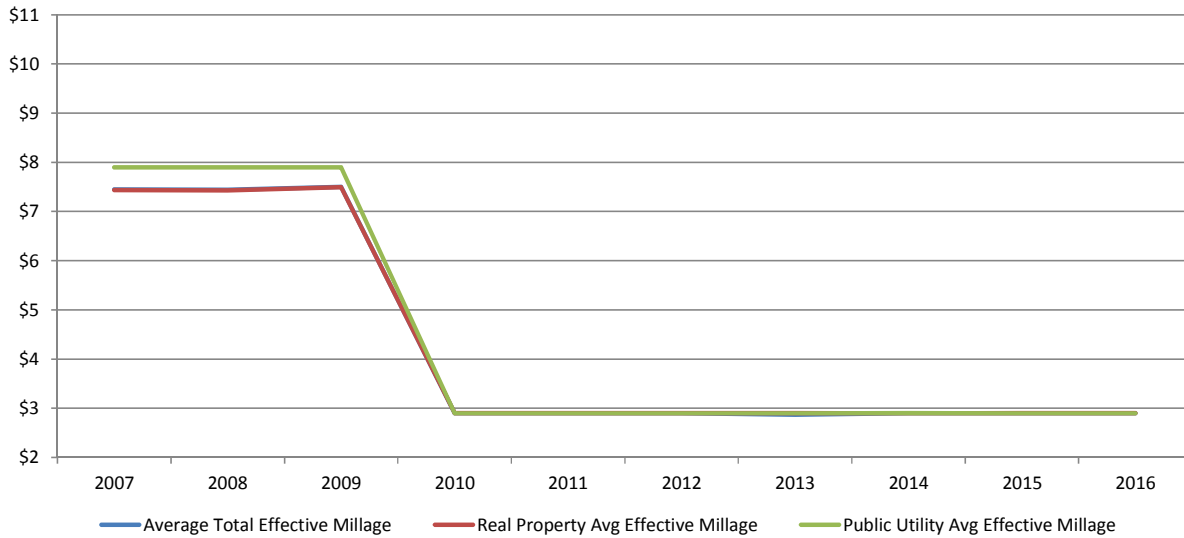
ESTIMATED ASSESSED TAXES & AVERAGE EFFECTIVE RATES OF TAXABLE PROPERTY  
LAST TEN YEARS

Tax Year	Real Property		Personal Property		Public Utility		TOTAL	
	Estimated Assessed Taxes	Average Effective Millage	Estimated Assessed Taxes	Average Effective Millage	Estimated Assessed Taxes	Average Effective Millage	Estimated Assessed Taxes	Average Effective Millage
2007	2,366,816	7.4389	25,645	7.9000	50,327	7.9000	\$2,442,788	\$7.4524
2008	2,425,320	7.4348	4,938	7.9000	62,933	7.9000	\$2,493,191	\$7.4467
2009	2,443,103	7.4927	0	0.0000	71,848	7.9000	\$2,514,951	\$7.5037
2010	945,134	2.9000	0	0.0000	27,441	2.9000	\$972,575	\$2.9000
2011	918,383	2.9000	0	0.0000	26,558	2.9000	\$944,941	\$2.9000
2012	906,070	2.9000	0	0.0000	29,835	2.9000	\$935,905	\$2.9000
2013	923,888	2.9000	0	0.0000	27,556	2.9000	\$951,444	\$2.8653
2014	929,647	2.9000	0	0.0000	27,792	2.9000	\$957,439	\$2.9000
2015	913,418	2.9000	0	0.0000	38,001	2.9000	\$951,419	\$2.9000
2016	929,438	2.9000	0	0.0000	46,900	2.9000	\$976,338	\$2.9000

**Notes:** Estimated taxes do not include any estimates of prior-year delinquent tax payments, state tax rollbacks or homestead credits provided to the taxpayer.

Source: Licking County, Ohio; County Auditor

Average Effective Millage Rate  
By Tax Type



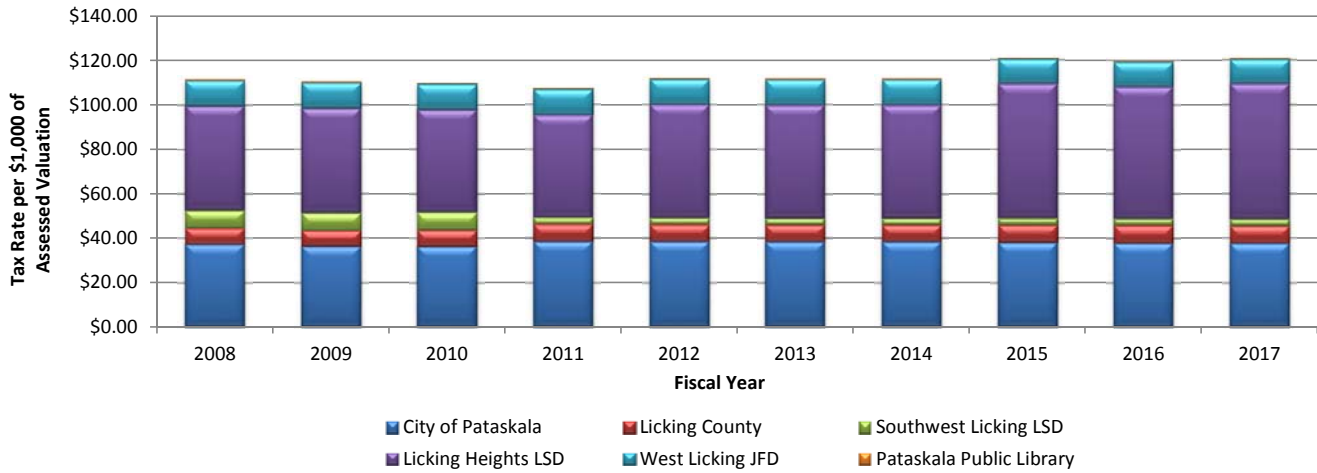
**CITY OF PATASKALA, OHIO**

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
RATES EXPRESSED PER \$1,000 OF ASSESSED VALUATION  
LAST TEN YEARS  
LICKING COUNTY**

Tax Year	Collection Year	City Direct Rates				Licking County	Southwest Licking Local School District	Licking Heights Local School District
		Operating	Street Levy	Police	Total Direct Rate			
2007	2008	\$2.90	\$0.00	\$5.00	\$7.90	\$7.40	\$37.22	\$47.07
2008	2009	\$2.90	\$0.00	\$5.00	\$7.90	\$7.10	\$36.39	\$47.00
2009	2010	\$2.90	\$0.00	\$5.00	\$7.90	\$7.40	\$36.41	\$46.24
2010	2011	\$2.90	\$0.00	\$0.00	\$2.90	\$7.70	\$38.62	\$46.22
2011	2012	\$2.90	\$0.00	\$0.00	\$2.90	\$7.70	\$38.58	\$50.89
2012	2013	\$2.90	\$0.00	\$0.00	\$2.90	\$7.70	\$38.37	\$50.87
2013	2014	\$2.90	\$0.00	\$0.00	\$2.90	\$7.70	\$38.37	\$50.87
2014	2015	\$2.90	\$0.00	\$0.00	\$2.90	\$8.00	\$38.10	\$60.54
2015	2016	\$2.90	\$0.00	\$0.00	\$2.90	\$8.00	\$37.90	\$59.59
2016	2017	\$2.90	\$0.00	\$0.00	\$2.90	\$8.00	\$37.70	\$60.89

Source: Franklin County, Ohio; County Auditor

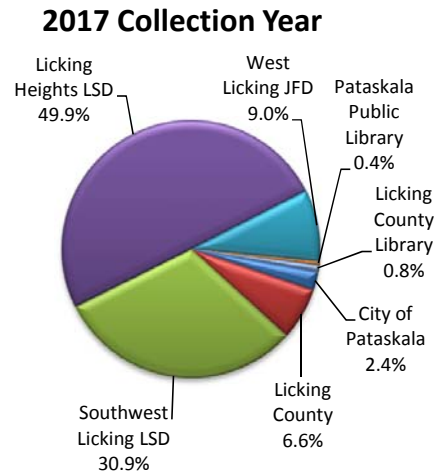
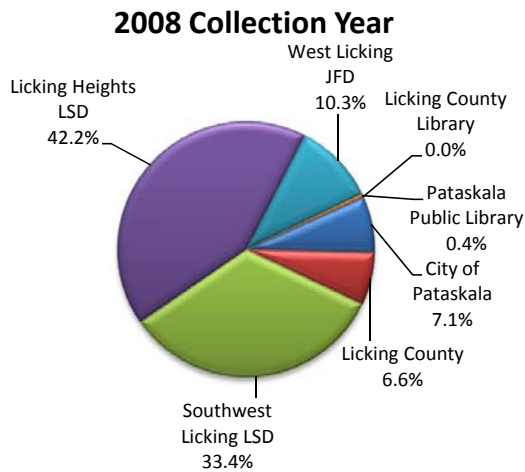
**Assessed Property Tax Rates - By Entity  
Collection Years 2008 - 2017**



West Licking Joint Fire District	Pataskala Public Library	Licking County Library	TOTAL
\$11.50	\$0.50	\$0.00	<b>\$111.59</b>
\$11.50	\$0.50	\$0.00	<b>\$110.39</b>
\$11.50	\$0.50	\$0.00	<b>\$109.95</b>
\$11.50	\$0.50	\$1.00	<b>\$108.44</b>
\$11.50	\$0.50	\$1.00	<b>\$113.07</b>
\$11.50	\$0.50	\$1.00	<b>\$112.84</b>
\$11.50	\$0.50	\$1.00	<b>\$112.84</b>
\$11.00	\$0.50	\$1.00	<b>\$122.04</b>
\$11.00	\$0.50	\$1.00	<b>\$120.89</b>
\$11.00	\$0.50	\$1.00	<b>\$121.99</b>

Res/Agr Effective Rate	Com/Ind Effective Rate
\$9.4835	\$9.4066
\$7.5503	\$7.3274
\$7.5115	\$7.3580
\$7.5259	\$7.4594
\$2.9000	\$2.9000
\$2.9000	\$2.9000
\$2.9000	\$2.9000
\$2.9000	\$2.9000
\$2.9000	\$2.9000
\$2.9000	\$2.9000

### 2008 - 2017 Property Tax Breakdown



CITY OF PATASKALA, OHIO

TOP PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND SEVEN YEARS AGO

Taxpayer Name	2016			2009		
	Rank	Assessed Valuation	% of Total Assessed Valuation	Rank	Assessed Valuation	% of Total Assessed Valuation
<b><u>Real Estate</u></b>						
Catalina Club, LLC	1	\$2,486,015	0.74%	2	\$2,469,290	0.76%
Carrington Ridge One, LLC	2	\$1,854,055	0.55%			
Village Gate Apt Ltd	3	\$1,750,000	0.52%	4	\$2,021,600	0.62%
Kroger Co.	4	\$1,576,470	0.47%	5	\$1,562,960	0.48%
Tolson Investments, LLC	5	\$1,341,655	0.40%			
GVS Ohio Holdings I LLC	6	\$1,190,000	0.35%			
Reyno Holding Co.	7	\$1,186,360	0.35%	6	\$900,900	0.28%
American Homes 4 Rent Properties VII LLC	8	\$972,825	0.29%			
Maronda Homes Inc. of Ohio	9	\$813,645	0.24%			
Hazelton Management Group LLC	10	\$797,195	0.24%	1	\$2,636,100	0.81%
Licking Memorial Health Systems				3	\$2,288,090	0.70%
Fernco Dev Ltd, Norco Devt Ltd, Lenco Dev				7	\$800,940	0.25%
Dominion Homes Inc.				8	\$799,330	0.25%
Hazelton Retail LTD				9	\$765,140	0.23%
Pataskala Green IV Limited				10	\$705,810	0.22%
<b><u>Public Utility</u></b>						
Ohio Power Co.	1	12,710,145	3.78%	2	869,890	0.27%
AEP Ohio Transmission Co., Inc.	2	1,261,225	0.37%			
Columbia Gas of Ohio	3	1,056,685	0.31%	4	508,790	0.16%
National Gas & Oil Corp	4	812,385	0.24%	3	584,450	0.18%
Licking Rural Electrification	5	279,055	0.08%			
Columbus Southern Power				1	6,509,410	2.00%
General Electric Capital Commercial Inc.				5	353,540	0.11%
<b>ALL OTHER TAXPAYERS</b>		<b>\$306,580,485</b>	<b>91.06%</b>		<b>\$302,064,760</b>	<b>92.70%</b>
<b>TOTAL ASSESSED VALUATION</b>		<b>\$336,668,200</b>	<b>100.00%</b>		<b>\$325,841,000</b>	<b>100.00%</b>

Source: Licking County Auditor's Office. Top 10 taxpayer information not available prior to 2009.



CITY OF PATASKALA, OHIO

PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS

Tax Year	Collection Year	Total Tax Levy	Current Collection	Delinquent Collection <sup>(1)</sup>	Total Tax Collections	Accumulated Outstanding Delinquent Taxes	Percent of Current Collections to Tax Levy <sup>(2)</sup>	Percent of Delinquent Taxes to Total Tax Levy
2006	2007	2,422,756	2,342,779	60,072	2,402,851	427,856	96.70%	17.66%
2007	2008	2,419,380	2,341,780	60,071	2,401,851	126,039	96.79%	5.21%
2008	2009	2,510,313	2,416,286	61,676	2,477,962	124,869	96.25%	4.97%
2009	2010	2,507,307	2,413,468	88,874	2,502,342	164,135	96.26%	6.55%
2010	2011	1,056,076	939,100	19,155	958,255	56,037	88.92%	5.31%
2011	2012	934,491	883,993	22,726	906,719	48,264	94.60%	5.16%
2012	2013	933,045	873,402	27,375	900,777	44,000	93.61%	4.72%
2013	2014	937,207	909,601	34,607	944,208	29,681	97.05%	3.17%
2014	2015	942,515	918,218	23,379	941,597	24,927	97.42%	2.64%
2015	2016	960,880	935,084	28,615	963,699	48,136	97.32%	5.01%
<b>Ten Year Average</b>		<b>\$ 1,562,397</b>	<b>\$ 1,497,371</b>	<b>\$ 42,655</b>	<b>\$ 1,540,026</b>	<b>\$ 109,394</b>	<b>95.84%</b>	<b>7.00%</b>

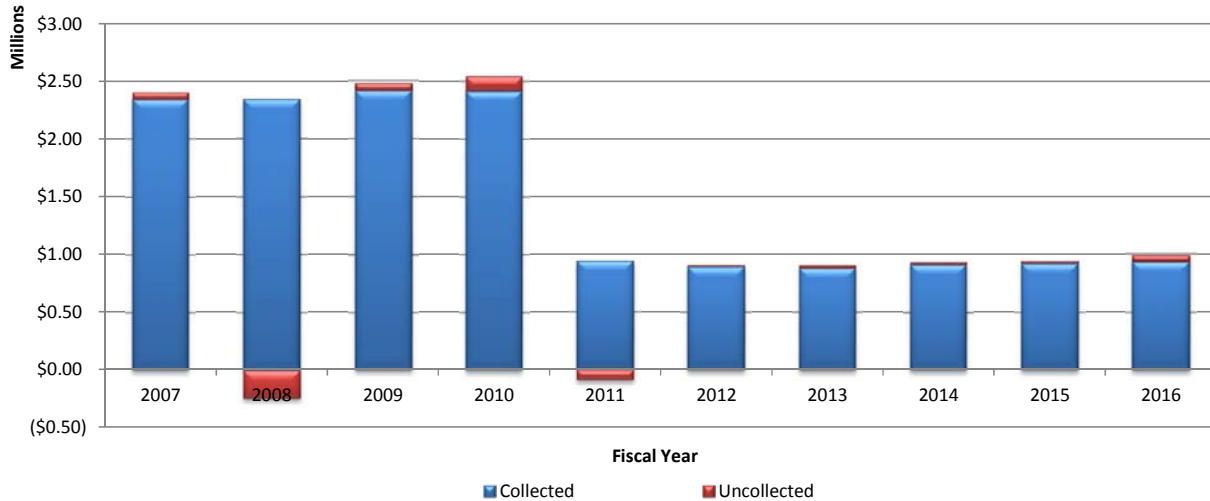
**Note:** Annual property tax rates can be found on pages 212-213.

Source: Licking County, Ohio; County Auditor

<sup>(1)</sup> Represents collection of delinquent prior period taxes during the indicated collection year. Information provided from County was not available by tax levy year.

<sup>(2)</sup> Total could exceed 100% due to the current year collection of delinquent prior period taxes during the indicated collection year.

Property Tax Levies - Collected vs Delinquent  
Collection Years 2007 - 2016



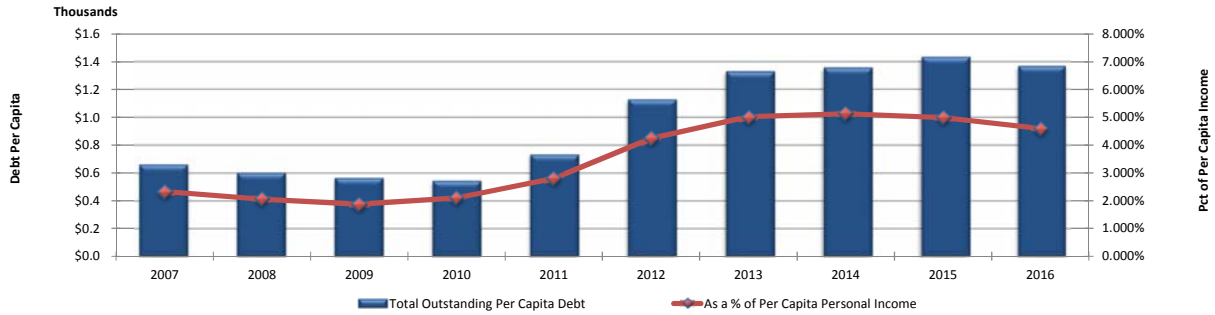
CITY OF PATASKALA, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN YEARS  
(\$000's omitted)

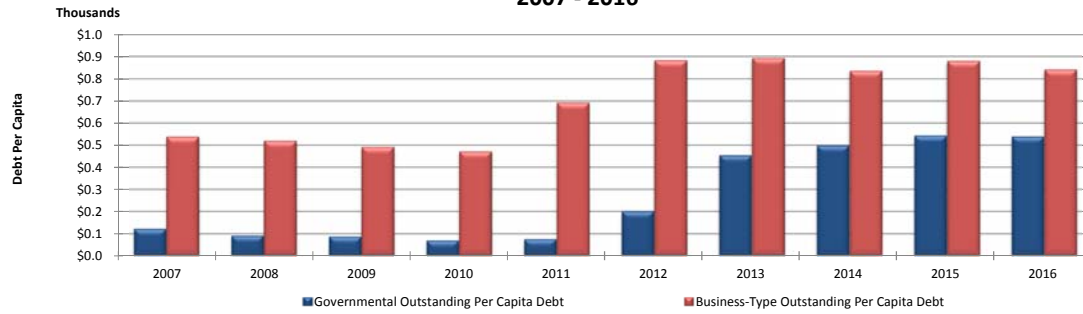
Fiscal Year	Governmental Activities						Business-Type Activities				Total Debt	Percent of Per Capita Income	Total Debt Per Capita	% of Personal Income
	General Obligation Bonds	Premiums	Notes Payable	OPWC Loans	Other Loans	Capital Leases	General Obligation Bonds	Premiums	OWDA Loans	Notes/Loans Payable				
2016	\$6,105.0	\$221.4	\$500.0	\$38.8	\$751.8	\$665.8	\$8,305.0	\$455.5	\$3,572.4	\$600.0	\$21,215.7	4.60%	\$1,366.6	4.60%
2015	\$6,375.0	\$233.7	\$0.0	\$86.6	\$1,065.7	\$639.0	\$8,680.0	\$478.0	\$3,766.0	\$700.0	\$22,024.0	4.99%	\$1,430.9	4.99%
2014	\$6,630.0	\$246.1	\$42.8	\$89.8	\$400.8	\$325.4	\$8,860.0	\$179.2	\$3,954.5	\$0.0	\$20,728.6	5.13%	1,356.5	5.13%
2013	0.0	0.0	6,307.5	64.0	255.2	143.2	6,300.0	79.4	4,116.8	2,845.0	\$20,111.1	5.02%	1,327.1	5.03%
2012	0.0	0.0	2,833.0	55.4	245.7	0.0	6,485.0	82.7	4,297.0	3,013.0	\$17,011.8	4.25%	1,127.2	4.25%
2011	0.0	0.0	790.0	66.0	245.8	0.0	6,670.0	86.0	3,665.0	0.0	\$11,522.8	2.81%	732.3	2.81%
2010	0.0	0.0	946.4	76.5	0.0	0.0	6,840.0	89.3	183.4	0.0	\$8,135.6	2.10%	543.8	2.10%
2009	0.0	0.0	1,022.0	81.8	0.0	191.6	6,990.0	92.6	411.2	0.0	\$8,789.2	1.87%	564.3	1.87%
2008	0.0	0.0	1,036.0	92.4	0.0	253.5	7,130.0	96.0	733.1	0.0	\$9,341.0	2.06%	602.3	2.06%
2007	0.0	0.0	1,427.0	101.3	0.0	327.9	7,190.0	99.3	1,030.6	0.0	\$10,176.1	2.33%	660.7	2.33%

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Total Outstanding Debt Ratio Analysis  
2007 - 2016



Outstanding Debt Per Capita by Type  
2007 - 2016



Source: City financial reports

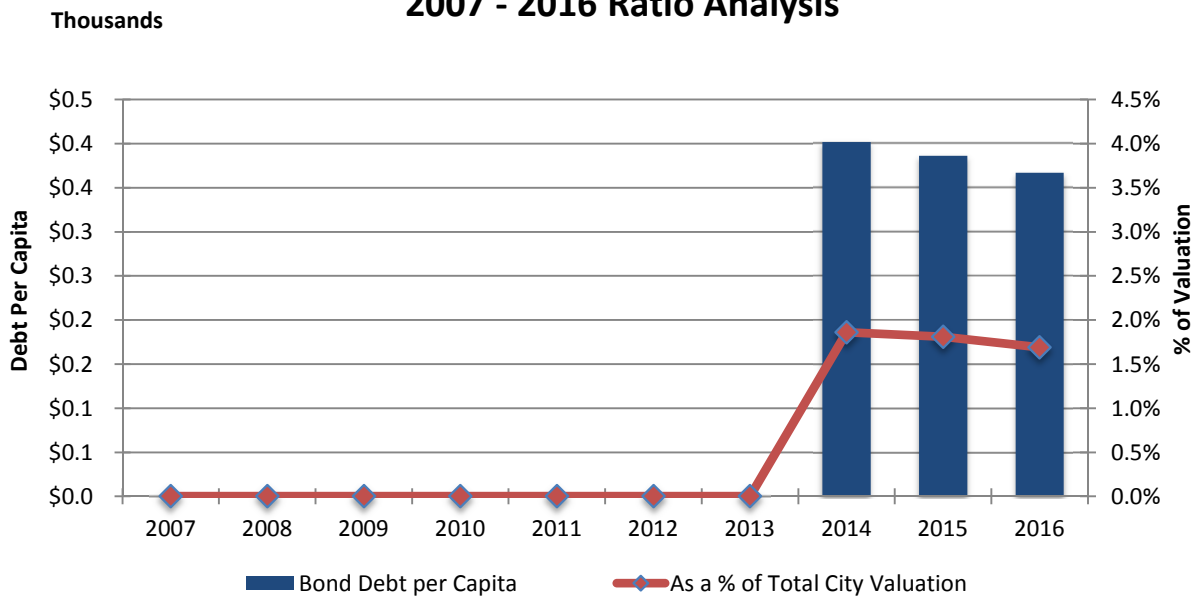
**CITY OF PATASKALA, OHIO**

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN YEARS**

Fiscal Year	General Bonded Debt Outstanding (\$000)				Percent of Actual Taxable Property Value	Outstanding Debt Per Capita
	General Obligation Bonds Governmental Activities	Total	Less: Restricted for Debt Service	Total Net General Bonded Debt Outstanding		
2016	\$6,105.0	<b>\$6,105.0</b>	\$410.1	<b>\$5,694.9</b>	1.69%	<b>\$366.84</b>
2015	6,375.0	<b>6,375.0</b>	429.1	<b>5,945.9</b>	1.81%	<b>386.30</b>
2014	6,630.0	<b>6,630.0</b>	489.7	<b>6,140.3</b>	1.86%	<b>401.83</b>
2013	0.0	<b>0.0</b>	0.0	<b>0.0</b>	0.00%	<b>0.00</b>
2012	0.0	<b>0.0</b>	0.0	<b>0.0</b>	0.00%	<b>0.00</b>
2011	0.0	<b>0.0</b>	0.0	<b>0.0</b>	0.00%	<b>0.00</b>
2010	0.0	<b>0.0</b>	0.0	<b>0.0</b>	0.00%	<b>0.00</b>
2009	0.0	<b>0.0</b>	0.0	<b>0.0</b>	0.00%	<b>0.00</b>
2008	0.0	<b>0.0</b>	0.0	<b>0.0</b>	0.00%	<b>0.00</b>
2007	0.0	<b>0.0</b>	0.0	<b>0.0</b>	0.00%	<b>0.00</b>

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

**Total General Bonded Debt Outstanding  
2007 - 2016 Ratio Analysis**



Source: City financial reports

**CITY OF PATASKALA, OHIO**

**COMPUTATION OF DIRECT AND OVERLAPPING  
GENERAL OBLIGATION BONDED DEBT**

As of December 31, 2016

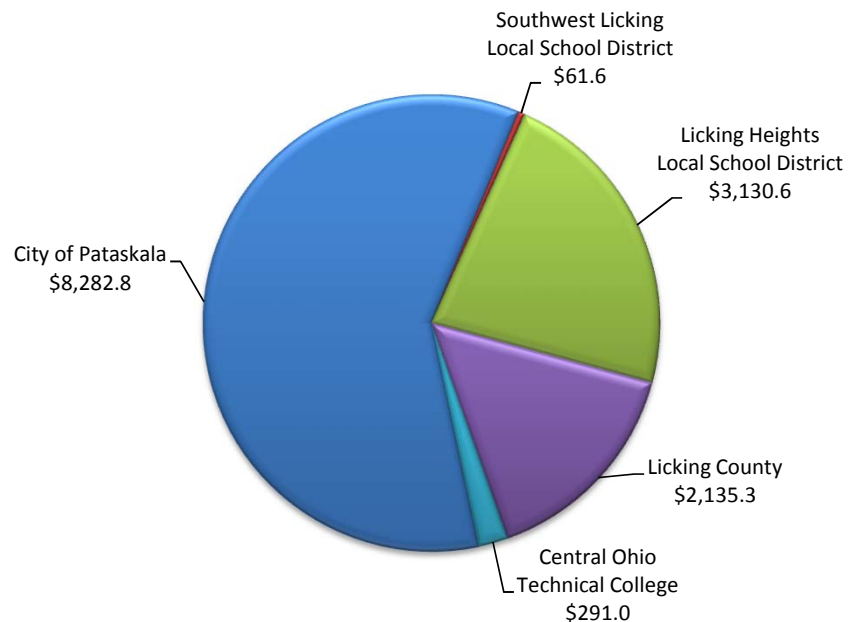
(\$000's omitted)

Governmental Unit	Total Debt Outstanding	Percent Applicable to City <sup>(1)</sup>	Amount Applicable to City
<b><u>Direct</u></b>			
City of Pataskala	\$8,282.8	100.00%	\$8,282.8
<b><u>Overlapping</u></b>			
Southwest Licking Local School District	\$255.0	24.16%	\$61.6
Licking Heights Local School District	8,960.0	34.94%	3,130.6
Licking County	25,841.0	8.26%	2,135.3
Central Ohio Technical College	<u>3,643.3</u>	<u>7.99%</u>	<u>291.0</u>
<b>Total Overlapping Debt</b>	<b><u>\$38,699.3</u></b>		<b><u>\$5,618.5</u></b>
<b>Total Direct &amp; Overlapping Debt</b>	<b><u>\$46,982.1</u></b>		<b><u>\$13,901.3</u></b>

<sup>(1)</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the government's boundaries and dividing it by the County's total taxable assessed value.

**Direct & Overlapping  
General Obligation Debt**

(\$000)



CITY OF PATASKALA, OHIO

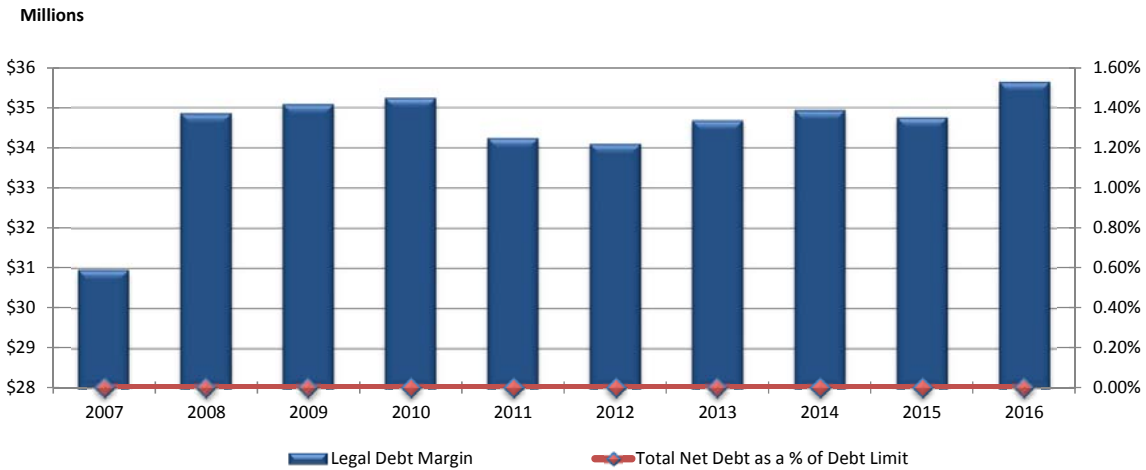
LEGAL DEBT MARGIN INFORMATION  
LAST TEN YEARS

Fiscal Year	Assessed Value	Voted Debt Limit	Total Net Voted Debt Applicable to Limit	Debt Service Available Balance	Legal Debt Margin	Unvoted Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2016	\$336,668,177	\$35,350,159	\$0	\$291,462	\$35,641,621	\$18,516,750	0.00%
2015	328,075,440	34,447,921	0	305,305	34,753,226	18,044,149	0.00%
2014	330,147,160	34,665,452	0	272,626	34,938,078	18,430,720	0.00%
2013	328,084,130	34,448,834	0	236,421	34,685,255	18,281,048	0.00%
2012	322,725,800	33,886,209	0	213,636	34,099,845	17,963,555	0.00%
2011	325,841,880	34,213,397	0	30,067	34,243,464	17,951,370	0.00%
2010	335,370,730	35,213,927	0	30,067	35,243,994	18,475,457	0.00%
2009	333,857,610	35,055,049	0	30,067	35,085,116	18,392,236	0.00%
2008	331,707,830	34,829,322	0	30,067	34,859,389	18,273,998	0.00%
2007	294,592,358	30,932,198	0	30,067	30,962,265	16,232,647	0.00%

**Note:** Debt limit is calculated as assessed valuation multiplied by 10.5% plus the debt service fund equity. Unvoted debt limit is calculated as assessed valuation multiplied by 5.5%.

**Note:** HB66 began the phase-out of Tangible Personal Property Tax in the next three years. To reflect this phase-out, the assessed valuation listed above has been reduced for TPP by 50% of the 2006 Assessed Valuation.

Legal Debt Margin Analysis  
2006 - 2015



Source: City financial reports

**CITY OF PATASKALA, OHIO**

**PLEDGED REVENUE LOAN COVERAGE - OWDA LOANS  
LAST TEN YEARS**

**SEWER OWDA LOANS:**

Year	Operating Revenue	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements (2)			Coverage Ratio
				Principal	Interest	Total	
2016	\$ 2,064,289	\$ 1,074,020	\$ 990,269	\$ 193,597	\$ 100,683	\$ 294,280	3.37
2015	2,003,493	1,096,880	906,613	188,483	105,796	294,279	3.08
2014	1,664,194	1,123,832	540,362	162,333	113,047	275,380	1.96
2013	1,701,478	1,079,355	622,123	180,148	118,137	298,285	2.09
2012	1,728,713	937,029	791,684	416,942	165,787	582,729	1.36
2011	1,106,985	1,166,708	(59,723)	5,831	1,728	7,559	(7.90)
2010	872,648	705,169	167,479	237,773	17,719	255,492	0.66
2009	861,758	701,994	159,764	212,185	30,787	242,972	0.66
2008	857,372	585,809	271,563	197,290	48,148	245,438	1.11
2007	982,872	534,225	448,647	183,441	61,998	245,439	1.83

**WATER OWDA LOANS:**

Year	Operating Revenue	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements (2)			Coverage Ratio
				Principal	Interest	Total	
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2011	1,378,810	868,165	510,645	62,802	4,374	67,176	7.60
2010	788,378	724,931	63,447	120,127	12,805	132,932	0.48
2009	780,361	993,715	(213,354)	109,725	20,474	130,199	(1.64)
2008	786,461	629,673	156,788	100,224	37,245	137,469	1.14
2007	1,025,952	658,638	367,314	91,546	45,923	137,469	2.67

(1) Total Operating expenses are exclusive of depreciation

(2) Includes principal and interest of OWDA loans only.

There are no Water OWDA loans outstanding after December 31, 2011. Therefore, this calculation is not applicable.

Source: City financial reports

CITY OF PATASKALA, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS

Fiscal Year	Population <sup>(3)</sup>	Total Median Household Income <sup>(1)</sup>	Personal Income <sup>(1)(6)</sup>	Per Capita Personal Income <sup>(1)</sup>	Median Age	Combined School Enrollment <sup>(4)</sup>	Unemployment Rate <sup>(2)</sup>
2016	15,524	\$ 68,361	\$ 461,481,948	\$ 29,727	36.3	8,247	4.0%
2015	15,392	67,880	441,196,288	28,664	36.3	7,889	4.1%
2014	15,281	59,341	403,983,797	26,437	36.1	7,653	4.2%
2013	15,154	59,341	399,859,625	26,437	35.8	7,558	5.9%
2012	15,092	56,470	400,556,772	26,541	35.8	7,408	8.6%
2011	15,736	56,470	410,426,352	26,082	35.8	7,161	8.6%
2010	14,962	59,038	386,797,624	25,852	34.0	7,140	9.3%
2009	15,575	58,041	469,414,925	30,139	34.0	6,960	6.1%
2008	15,508	56,626	453,779,588	29,261	34.0	6,685	5.2%
2007	15,402	55,920	437,555,418	28,409	34.0	6,293	5.0%

OTHER MISCELLANEOUS INFORMATION <sup>(5)</sup>

Date of Incorporation 1891  
Form of Government Charter City  
Population <sup>(1)</sup> 15,031

Area in square miles 28.19

<u>City Acreage by class:</u>	<u>Total</u>	<u>Percent</u>
Agricultural	10,539	58.4%
Residential	5,703	31.6%
Office/Commercial/Industrial	1,153	6.4%
Roadways, utilities, other	<u>647</u>	<u>3.6%</u>
<b>Total City Acreage</b>	<b>18,042</b>	<b>100.0%</b>

Facilities & Services

Miles of streets 165  
Number of signalized intersections 11

Sources:

- (1) U.S. Census Bureau
- (2) U.S. Bureau of Labor Statistics
- (3) 2010 U.S. Census Bureau and Mid Ohio Regional Planning Commission
- (4) Southwest Licking and Licking Heights Local School Districts
- (5) City departments
- (6) Sperling's Best Places (www.bestplaces.net)

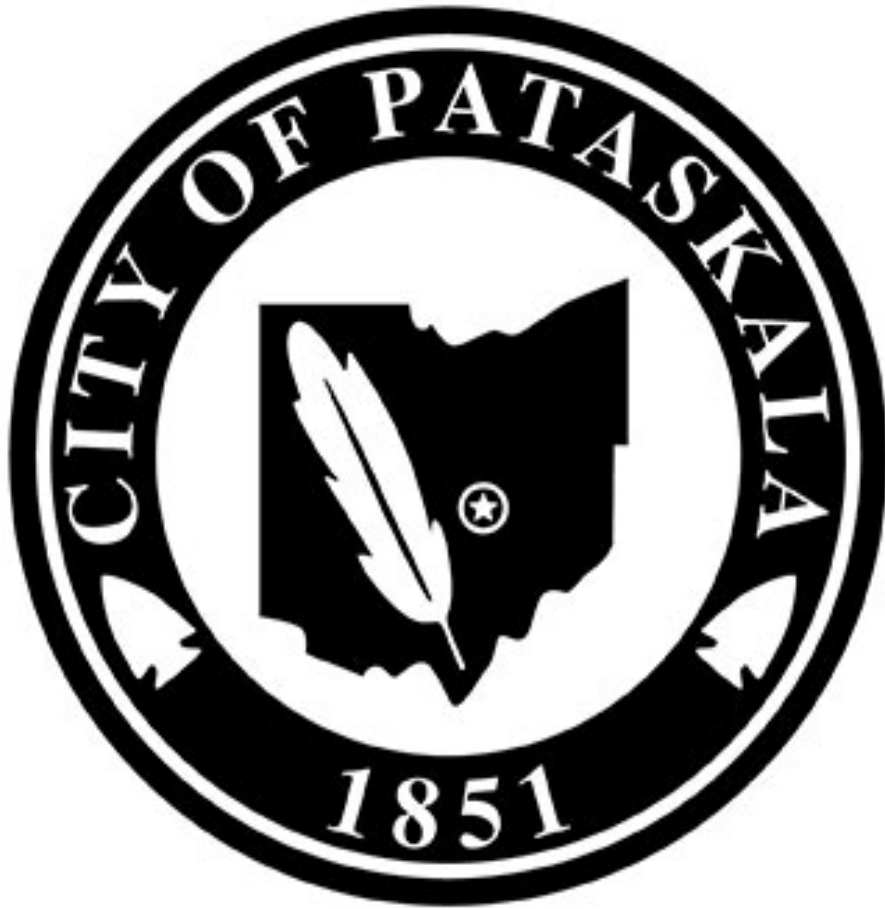
**CITY OF PATASKALA, OHIO**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND SIX YEARS AGO**

Employer	2016		2010	
	Percent of Total Withholding Taxes Paid	Rank	Percent of Total Withholding Taxes Paid	Rank
Licking Heights Local School District	6.11%	1	8.89%	1
Southwest Licking Local School District	2.20%	2	4.94%	2
West Licking Joint Fire District	2.16%	3	4.10%	3
Kroger	1.97%	4	3.71%	5
American Electric Power Service Corp.	1.70%	5	1.93%	6
First Source Employee Management	1.41%	6		
Thayer Investments, LLC	1.39%	7		
City of Pataskala	1.13%	8	1.52%	9
Buckeye Ready Mix	1.03%	9	1.41%	10
Licking Memorial Professional	0.98%	10		
Pataskala Oaks Care Center			3.98%	4
Mulch Manufacturing			1.77%	7
Craft Wholesalers			1.70%	8
<b>Total of Top Ten</b>	<b><u>20.07%</u></b>		<b><u>33.95%</u></b>	
<b>Total Withholdings - All Employers</b>	<b><u>\$2,451,692</u></b>		<b><u>\$360,868</u></b>	

**Source:** Regional Income Tax Agency (RITA) records.  
'NA' indicates no data available for time period.

Note: Information on principal employers prior to 2010 was not available, due to the implementation of the income tax in mid-2010.





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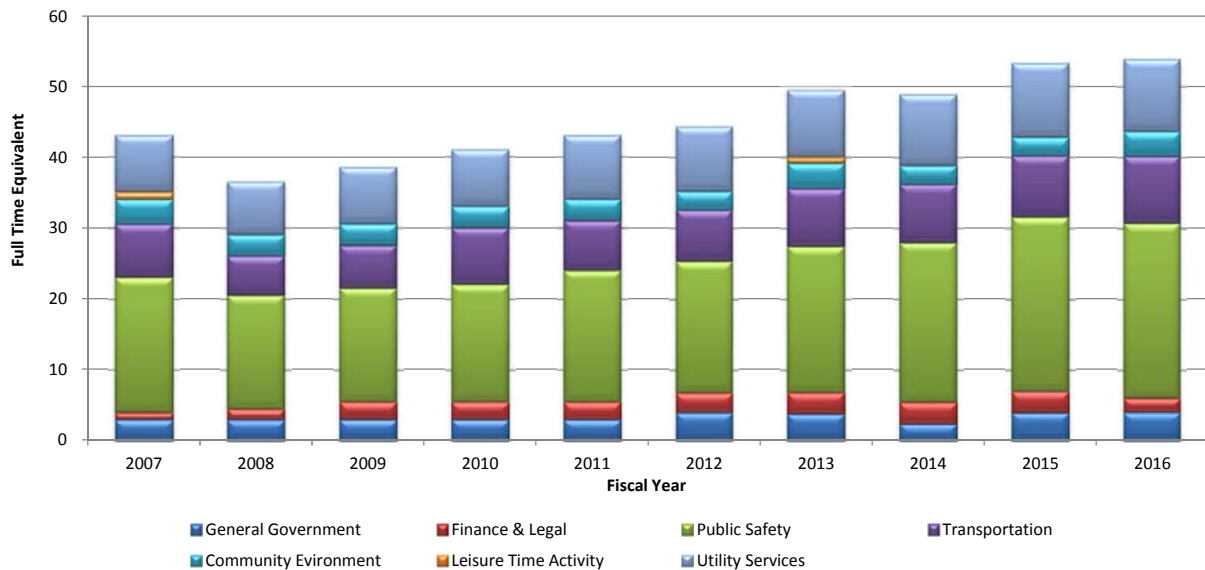
**CITY OF PATASKALA, OHIO**

**FULL TIME EQUIVALENT CITY GOVERNMENT  
EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN YEARS**

<b>Function/Program</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>General Government</b>	<b>4.03</b>	<b>4.01</b>	<b>2.43</b>	<b>3.80</b>
Clerk of Council	1.00	1.00	1.00	1.00
Mayor's Court	1.02	1.01	0.99	1.00
City Administrator	2.01	2.00	0.44	1.00
Project Manager	-	-	-	0.80
<b>Finance &amp; Legal</b>	<b>2.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>
Finance	2.00	2.00	2.00	2.00
Law	-	1.00	1.00	1.00
<b>Public Safety</b>	<b>24.67</b>	<b>24.55</b>	<b>22.47</b>	<b>20.56</b>
Police/Clerk	24.67	24.55	22.47	20.56
<b>Transportation</b>	<b>9.45</b>	<b>8.62</b>	<b>8.28</b>	<b>8.15</b>
Public Service	9.45	8.62	8.28	8.15
<b>Community Environment</b>	<b>3.49</b>	<b>2.63</b>	<b>2.63</b>	<b>3.61</b>
Planning & Zoning	3.49	2.63	2.63	3.61
<b>Leisure Time Activity</b>	<b>0.02</b>	<b>-</b>	<b>-</b>	<b>0.83</b>
Parks Administration	0.02	-	-	0.83
Parks Maintenance	-	-	-	-
<b>Utility Services</b>	<b>10.20</b>	<b>10.47</b>	<b>10.02</b>	<b>9.49</b>
Water	7.27	6.84	6.42	6.35
Sewer	2.93	3.63	3.60	3.14
<b>Total Full-Time Equivalent (FTE)</b>	<b>53.86</b>	<b>53.28</b>	<b>48.83</b>	<b>49.44</b>

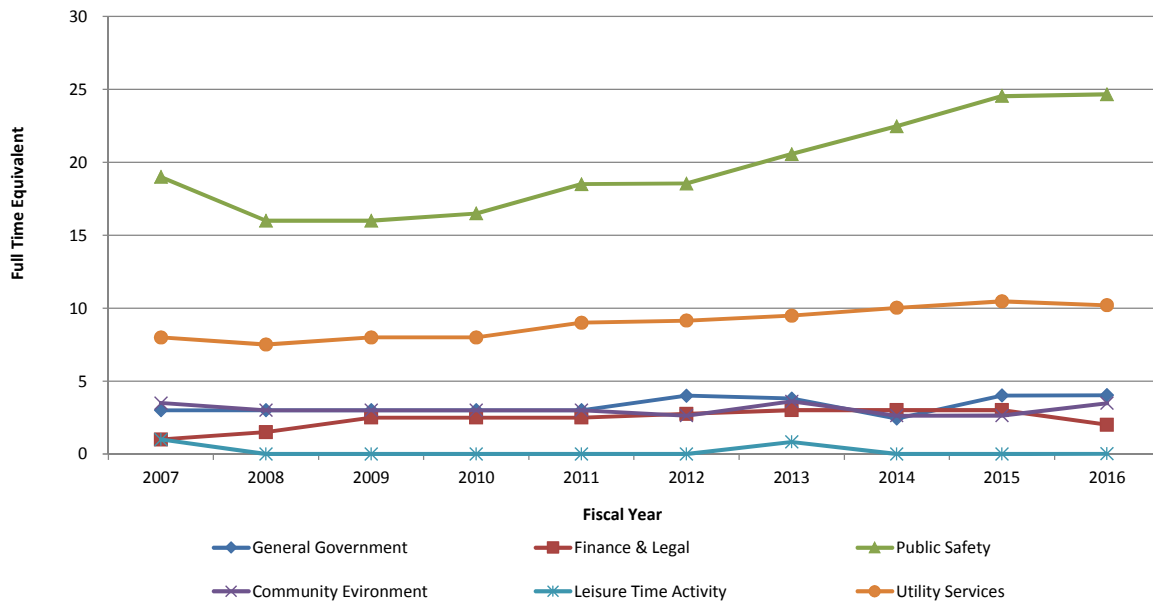
Source: City payroll systems

**Full-Time Equivalent Employees  
By Function 2007 - 2016**



2012	2011	2010	2009	2008	2007
<b>4.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	-	-	-	-	-
<b>2.75</b>	<b>2.50</b>	<b>2.50</b>	<b>2.50</b>	<b>1.50</b>	<b>1.00</b>
1.75	1.50	1.50	1.50	1.50	1.00
1.00	1.00	1.00	1.00	-	-
<b>18.54</b>	<b>18.50</b>	<b>16.50</b>	<b>16.00</b>	<b>16.00</b>	<b>19.00</b>
18.54	18.50	16.50	16.00	16.00	19.00
<b>7.25</b>	<b>7.00</b>	<b>8.00</b>	<b>6.00</b>	<b>5.50</b>	<b>7.50</b>
7.25	7.00	8.00	6.00	5.50	7.50
<b>2.63</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.50</b>
2.63	3.00	3.00	3.00	3.00	3.50
-	-	-	-	-	<b>1.00</b>
-	-	-	-	-	0.50
-	-	-	-	-	0.50
<b>9.15</b>	<b>9.00</b>	<b>8.00</b>	<b>8.00</b>	<b>7.50</b>	<b>8.00</b>
3.45	4.50	4.00	4.00	3.50	4.00
5.70	4.50	4.00	4.00	4.00	4.00
<b>44.32</b>	<b>43.00</b>	<b>41.00</b>	<b>38.50</b>	<b>36.50</b>	<b>43.00</b>

**Full-Time Equivalent Employees  
By Function 2007 - 2016**



**CITY OF PATASKALA, OHIO**

**OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN YEARS**

<b>Function/Program</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>General Government</b>				
Positions Filled	4	5	9	8
Zoning Permits Issued	536	517	433	517
Zoning Inspections Performed	330	368	267	274
Ordinances & Resolutions	89	108	65	118
<b>Public Safety</b>				
Number of Arrests	375	538	524	406
Incidents/Police Reports Taken	1,479	1,577	1,383	1,035
Traffic Violations/Citations	1,095	1,231	1,370	1,528
<b>Mayor's Court</b>				
Misdemeanor Cases	107	107	102	108
O.V.I. Cases	14	10	10	1
Other Traffic Cases	864	966	1,280	1,325
<b>Leisure Time Activities *</b>				
Youth Soccer Participation	908	862	843	825
Select Soccer	170	126	114	122
Middle School Participation	106	128	113	80
High School Participation	82	91	82	75
Youth Softball Participation	-	165	175	142
Adult Softball Participation	182	168	256	256
Youth Baseball Participation	-	64	89	56
Porpoise Swim Team Members	232	223	212	197
<b>Transportation</b>				
Street Resurfacing (miles)	3.10	6.70	6.50	12.48
Tons of salt used	1,000	600	1,850	3,100
Bridges Replaced/Repaired	-	-	-	-
<b>Water</b>				
New Connections	51	48	34	51
Service Calls	802	1,202	924	736

Source: City of Pataskala Departments.

'NA' indicates that the data was not available for that specific time period.

Note: Information for 10 years prior was not available for all functions.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
11	4	2	-	2	5
447	401	457	503	605	484
279	236	362	385	449	669
101	115	86	77	69	80
715	436	405	534	610	726
1,853	1,521	1,390	1,345	1,534	1,851
1,850	1,167	1,254	1,342	NA	NA
123	142	151	NA	NA	NA
1	14	15	NA	NA	NA
1,557	1,583	1,402	NA	NA	NA
452	833	802	788	820	865
216	108	190	112	90	82
43	84	20	NA	NA	NA
44	54	20	NA	NA	NA
135	115	145	426	183	186
120	NA	NA	NA	205	226
175	NA	NA	NA	NA	NA
190	NA	NA	NA	NA	NA
7.00	0.75	2.06	-	-	20
2,500	1,571	1,829	279	163	399
1	1	1	1	1	1
48	19	19	16	20	32
689	578	578	610	NA	NA

**CITY OF PATASKALA, OHIO**

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN YEARS**

<b>Function/Program</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b><u>Public Safety</u></b>				
Police:				
Stations	1	1	1	1
Cruisers/Patrol Vehicles	25	25	29	23
<b><u>Leisure Time Activities</u></b>				
Parks	6	6	6	6
Park Acreage	127	127	127	127
Swimming Pools	1	1	1	1
Wading Pools	1	1	1	1
Baseball Diamonds	3	3	3	3
Softball Fields	3	1	1	1
Soccer Fields	26	24	24	23
<b><u>Transportation</u></b>				
Lane Miles	280	328	328	328
<b><u>Water</u></b>				
Water Mains (linear feet)	294,492	293,547	291,100	291,100
<b><u>Sewer</u></b>				
Sewer Lines (linear feet)	184,788	183,478	181,923	181,923
Lift Stations	7	7	7	7
Manholes	767	767	762	762
Force Main Sewer Lines (linear feet)	15,365	15,365	15,365	15,365

**Source:** City of Pataskala Departments

'NA' indicates that the data was not available for that specific time period.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
1	1	1	1	1	1
20	19	18	24	32	35
6	6	6	6	6	6
200	200	200	200	200	200
1	1	1	1	1	1
1	1	1	1	1	1
3	3	4	4	4	4
1	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
328	321	320	320	320	320
291,100	291,100	291,215	291,215	290,400	289,200
181,908	161,500	161,500	161,500	160,252	154,892
7	7	7	7	7	7
760	737	737	737	737	737
15,365	15,365	15,365	15,365	15,365	15,365



END OF REPORT







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**City of Pataskala, Ohio  
Finance Department  
621 West Broad Street, Suite 2B  
Pataskala, Ohio 43062**

**Phone:** (740) 927-2021  
**Fax:** (740) 927-0228

**[www.ci.pataskala.oh.us](http://www.ci.pataskala.oh.us)**



# Dave Yost • Auditor of State

CITY OF PATASKALA

LICKING COUNTY

## CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
AUGUST 8, 2017