



**Auditor of State
Betty Montgomery**

CITY OF GROVE CITY
FRANKLIN COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Federal Awards Expenditures Schedule	1
Notes to the Federal Awards Expenditures Schedule.....	2
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	3
Independent Accountants' Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control over Compliance in Accordance With OMB Circular A-133 and Schedule of Federal Awards Expenditures.....	5
Schedule of Findings	7

THIS PAGE INTENTIONALLY LEFT BLANK

**CITY OF GROVE CITY
FRANKLIN COUNTY**

**FEDERAL AWARDS EXPENDITURE SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2004**

Federal Grantor/ <i>Pass-Through Grantor</i> Program Title	Pass-Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Community Development Block Grants/Brownsfields Economic Development Initiative	B03-SP-OH-0602	14.246	\$191,799
<i>Passed Through Ohio Department of Development:</i>			
<i>Passed Through Franklin County, Ohio:</i>			
Community Development Block Grant/State Program (CDBG)	B03-UC-39-0002	14.228	<u>206,623</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:			<u>398,422</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Public Safety and Community Policing	N/A	16.710	125,000
Local Law Enforcement Block Grant Program (LLEBG)	N/A	16.592	564
Bullet Proof Vest Partnership Program	N/A	16.607	<u>3,231</u>
TOTAL U.S. DEPARTMENT OF JUSTICE:			<u>128,795</u>
<u>U. S. DEPARTMENT OF INTERIOR</u>			
<i>Passed Through the Ohio Department of Natural Resources:</i>			
Land and Conservation Fund Program	39-01259	15.916	<u>132,384</u>
Total Federal Awards Expenditures			<u><u>\$659,601</u></u>

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

**CITY OF GROVE CITY
FRANKLIN COUNTY**

**NOTES TO FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2004**

NOTE A—SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes activity of the City's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B—MATCHING REQUIREMENTS

Certain Federal programs require that the City contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

City of Grove City
Franklin County
4035 Broadway
Grove City, Ohio 43213

To the City Council:

We have 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 Grove City, Franklin County, Ohio, (the City) as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 22, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 2004-001.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. However, we do not believe the reportable condition described above is a material weakness. In a separate letter to the City's management dated June 22, 2005, we reported other matters involving internal control over financial reporting which we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the City'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, providing an opinion 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*. In a separate letter to the City's management dated June 22, 2005, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the audit committee, management, City Council, pass-through entities, and federal awarding agencies. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

June 22, 2005



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO THE MAJOR FEDERAL PROGRAM, AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133 AND SCHEDULE OF
FEDERAL AWARDS EXPENDITURES**

City of Grove City
Franklin County
4035 Broadway
Grove City, Ohio 43213

To the City Council:

Compliance

We have audited the compliance of the City of Grove City, Franklin County, Ohio, (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to its major federal program for the year ended December 31, 2004. The summary of auditor's results section of the accompanying schedule of findings identifies the City's major federal program. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Grove City complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2004.

Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Federal Awards Expenditures Schedule

We have 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 Grove City as of and for the year ended December 31, 2004, and have issued our report thereon dated June 22, 2005. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, City Council, pass-through entities, and federal awarding agencies. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

June 22, 2005

**CITY OF GROVE CITY
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2004**

1. SUMMARY OF AUDITOR'S RESULTS
--

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Community Development Block Grant/State Program (CDBG) CFDA #14.228
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

CITY OF GROVE CITY
FRANKLIN COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2004

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

Finding Number	2004-001
-----------------------	-----------------

Bank Reconciliation

A bank to book reconciliation should be performed monthly and reviewed and approved by an individual with appropriate fiscal authority. Reconciling items should be adjusted at the time the item or error is discovered and the discrepancy is resolved. Outstanding checks should be cancelled periodically (usually six months from the date of issuance) and added to a list for re-issuance at the request of the payee. All bank accounts that are not placed with a fiscal agent due to an externally imposed restriction should be included in the monthly bank to book reconciliation.

The City continued to be unable to reconcile the bank to book balance in 2004. At December 31, 2004, the City's bank balance was \$45,927 lower than the reconciled book balance due to unknown reconciling factors or errors. This is a change from the \$4,741 unreconciled balance at December 31, 2003 with a book balance higher than the reconciled bank balance. At December 31, 2002 the City had a (\$459) unreconciled balance with a book balance lower than the unreconciled bank balance.

The City continues to maintain a significant list of outstanding reconciling items and checks that were utilized in the monthly reconciliation process throughout the fiscal year. The outstanding check list had 56 checks totaling \$14,204 that were dated prior to December 31, 2003. In addition to the outstanding check list, there were 12 other reconciling items which totaled \$46,110; some of which dated back to fiscal year 2000. Also, the City did not include its payroll bank account on the cash reconciliation, which contained a \$2,789 reconciling item that has been carried since fiscal year 2002.

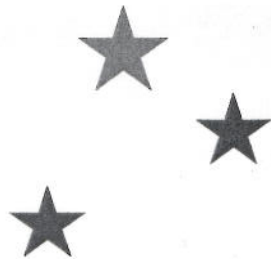
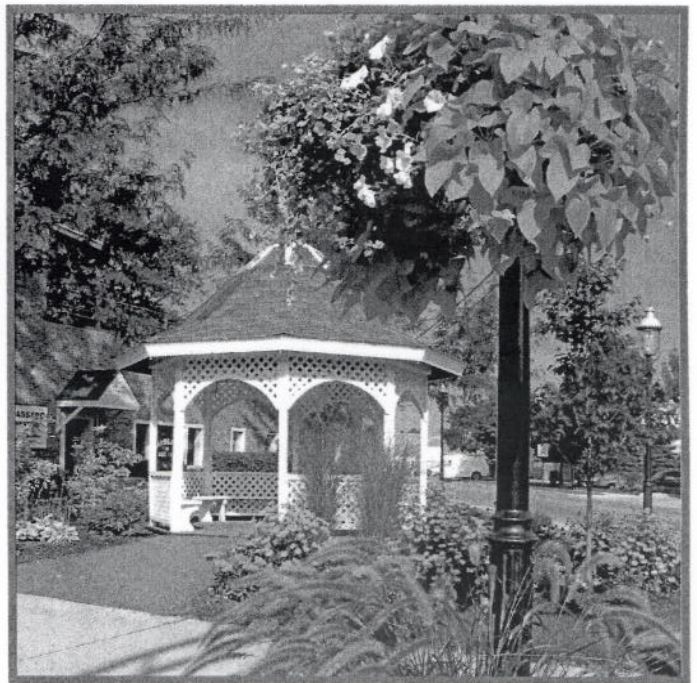
Unreconciled bank to book balances in addition to uncorrected and long outstanding reconciling items lead to misstated bank and/or book balances and could lead to possible theft without the timely detection by management.

We recommend the City take steps to ensure all accounts are reconciled on a monthly basis and that the \$45,927 unreconciled variance and any future unreconciled variances are investigated and corrected. The City should additionally take steps to alleviate or adjust long outstanding reconciling items and checks. Furthermore, the City should include the payroll bank account on the City's cash balances and overall bank to book reconciliation process. As a monitoring control, we recommend the monthly bank reconciliation be reviewed and approved by an individual with appropriate fiscal authority.

3. FINDINGS FOR FEDERAL AWARDS

None

COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF GROVE CITY, OHIO For the Year Ended December 31, 2004



Issued by
Department of Finance
Robert E. Behlen, Director

4035 Broadway
Grove City, Ohio 43123

City of Grove City
Comprehensive Annual Financial Report

For the Year Ended December 31, 2004

Table of Contents

INTRODUCTORY SECTION

Title Page	
Table of Contents	i
Letter of Transmittal.....	iv
GFOA Certificate of Achievement.....	xii
List of Principal Officials	xiii
Organizational Chart	xiv

FINANCIAL SECTION

Independent Accountants' Report	1
Management's Discussion and Analysis	3

Basic Financial Statements:

Government-Wide Financial Statements:

Statement Of Net Assets.....	13
Statement Of Activities	14

Fund Financial Statements:

Balance Sheet – Governmental Funds.....	16
Reconciliation Of Total Governmental Fund Balances To Net Assets Of Governmental Activities	17
Statement Of Revenues, Expenditures And Changes In Fund Balances – Governmental Funds.....	18
Reconciliation Of The Statement Of Revenues, Expenditures And Changes In Fund Balances Of Governmental Funds To The Statement Of Activities.....	19
Statement Of Revenues, Expenditures And Changes In Fund Balance – Budget And Actual (Non-GAAP Budgetary Basis) - General Fund.....	20
Statement Of Fund Net Assets – Enterprise Funds	21
Statement Of Revenues, Expenses And Changes In Fund Net Assets – Enterprise Funds	22

City of Grove City

Table of Contents
(Continued)

Statement Of Cash Flows – Enterprise Funds	23
Statement Of Fiduciary Assets and Liabilities – Agency Funds	25
Notes To The Basic Financial Statements	26
Combining Financial Statements:	
Combining Statements – Nonmajor Governmental Funds:	
Nonmajor Fund Descriptions.....	66
Combining Balance Sheet – Nonmajor Governmental Funds.....	69
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	70
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances – Nonmajor Governmental Funds.....	75
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances – Nonmajor Special Revenue Funds	76
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances – Nonmajor Capital Projects Funds	80
Combining Statements – Agency Funds:	
Agency Fund Descriptions	81
Combining Balance Sheet – Agency Funds	82
Combining Statement Of Changes In Assets And Liabilities – Agency Funds	84
Individual Fund Schedules Of Revenues, Expenditures/Expenses And Changes In Fund Balance/Equity – Budget And Actual (Non-GAAP Budgetary Basis):	
General Fund	86
Road Improvement Fund	90
Debt Service Fund	91
Water Fund	92
Sewer Fund.....	93
Street Maintenance Fund.....	94
State Highway Fund	95
Police Pension Fund	96
General Recreation Fund.....	97

City of Grove City

Table of Contents
(Continued)

City Permissive MVL Fund.....	98
County Permissive MVL Fund.....	99
Senior Nutrition Fund.....	100
Drug Law Enforcement Fund.....	101
DARE Program Fund.....	102
Community Development Fund.....	103
Community Environment Fund.....	104
Enforcement And Education Fund.....	105
U. S. Department Of Justice Fund.....	106
Mayor’s Court Computer Fund.....	107
Big Splash Fund.....	108
Senior Stage Fund.....	109
Park Donation Fund.....	110
City Improvement Fund.....	111
Recreation Development Fund.....	112

STATISTICAL SECTION

General Government Expenditures By Function - Last Ten Years.....	114
General Government Revenues By Source - Last Ten Years.....	116
Government-Wide Expenses By Program – Governmental Activities - Last Three Years.....	118
Government-Wide Revenues By Source – Governmental Activities - Last Three Years.....	120
Real Property Tax Levies And Collections - Last Ten Years.....	122
Tangible Personal Property Tax Levies And Collections - Last Ten Years.....	124
Assessed And Estimated Actual Value Of Taxable Property - Last Ten Years.....	126
Property Tax Rates - Direct And Overlapping Governments - Per \$1,000 Of Assessed Valuation - Last Ten Years.....	128
Special Assessment Billings And Collections - Last Ten Years.....	131
Principal Property Taxpayers.....	132
Legal Debt Margin.....	134
Ratio Of Net General Obligation Bonded Debt To Assessed Value And Net General Obligation Bonded Debt Per Capita - Last Ten Years.....	135
Ratio Of Annual Debt Service Expenditures For General Bonded Debt To Total General Government Expenditures - Last Ten Years.....	136
Computation Of Direct And Overlapping General Obligation Bonded Debt.....	137
Revenue Bond Coverage – Enterprise Funds - Last Ten Years.....	138
Demographic Statistics – Last Ten Years.....	141
Property Value, Construction And Bank Deposits - Last Ten Years.....	142
Miscellaneous Statistics.....	144

The City of Grove City, Ohio

P.O. Box 427 • 4035 Broadway • Grove City, Ohio 43123-0427

CHERYL L. GROSSMAN
Mayor

June 22, 2005

Honorable Citizens of Grove City
and Members of City Council
Grove City, Ohio

I am pleased to present our Comprehensive Annual Financial Report of the City of Grove City for the year ended December 31, 2004. 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 is accurate in all material respects and is reported in a manner designed to fairly present 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.

The Comprehensive Annual Financial Report is presented in three sections as follows:

1. The introductory section includes the table of contents, this transmittal letter, the City's organizational chart, a list of principal officials, and a Certificate of Achievement for Excellence in Financial Reporting.
2. The financial section includes the basic financial statements and the combining, individual fund statements and schedules, as well as an independent auditor's report on the financial statements and schedules and Management's Discussion and Analysis.
3. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are not misleading.

The primary government consists of all funds and departments that provide various services including public safety, public service, street maintenance, parks and recreation, a senior center, engineering, and general administrative services. The City of Grove City is responsible for the construction, maintenance and repairs associated with all public infrastructures including the water and sewer lines. The City of Columbus provides water and sewer treatment services and maintenance on certain water lines pursuant to a long-term contract. Council and the City Administrator have direct responsibility for the activities mentioned above.

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 may also include organizations that are fiscally dependent on the City in that the City approves the organization's budget, the issuance of its debt, or the levying of its taxes. The City has no component units.

Jackson Township, responsible for the provision of fire prevention and emergency medical services, and the Southwestern City School District have been excluded from the City's financial statements. Each has its own governing authority and neither is fiscally dependent on the City. In addition, the Grove City Public Library, established by the Southwestern City School District's Board of Education under the control of a board of trustees appointed by the Board of Education, is not considered a component unit of the City.

The City is a member of the Central Ohio Health Care Consortium, a risk sharing health insurance pool.

THE CITY AND FORM OF GOVERNMENT

The City of Grove City, Ohio, is a rapidly expanding community of 31,925 residents and a growing municipality in central Ohio. Only eleven miles from downtown Columbus, the City is the southern gateway to the 1.7 million inhabitants of the Columbus Metropolitan Area. The City has one interchange on Interstate 270 (the Columbus outer belt), the City's northern boundary, and two interchanges on Interstate 71 within the corporate boundaries of the City. Rail service is provided by CSX, while private air service is available at Bolton Field, five miles northwest of the City. Public air service is available 15 miles northeast at Port Columbus International Airport via Interstates 270 or 670, while Rickenbacker Port Authority, one of the country's fastest growing freight airports, is less than 10 miles east of the City.

Grove City operates under a Home-Rule City Charter adopted by the electorate November 4, 1958, which became effective July 1, 1959, and was amended December 6, 1962, November 2, 1982, and again November 5, 1985. This charter provides for the Mayor-Council-Administrator form of government, whereby the legislative powers of the City are vested in a five member City Council, one of whom is elected at large for a two-year term with the remaining members elected by wards for four-year overlapping terms, two elected each biennium. The Council sets the compensation guidelines for City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, appropriations, indebtedness, licensing of regulated businesses and trades, and other municipal purposes.

The Mayor is the chief executive officer of the municipal corporation. Elected to a four-year term, the Mayor holds authority to appoint the City Administrator and other Directors, including the Director of Finance and the Director of Law.

The City Administrator holds a full-time professional position as chief administrative officer of the City, responsible for its daily operations.

The Director of Finance is the chief fiscal and accounting officer of the City. The responsibilities of this office include preparation and management of the capital and operating budgets and debt and treasury programs of the City.

ECONOMIC CONDITION AND OUTLOOK

The Columbus Metropolitan Area is one of the few urban centers in the northeast quadrant of the U.S. to have maintained continuous commercial, industrial, and residential growth throughout the past two decades. The heart of the metropolitan area is Franklin County, with a diverse industrial base that is expected to grow 29 percent by the year 2010. The unemployment rate for the County registers below the Ohio and national averages, with labor costs at or below the mean for selected occupational groups in ten similarly sized U.S. metropolitan areas.

Grove City is a vital link to the growth of the Columbus Metropolitan Area. With more than \$800 million in building permits issued over the past ten years, Grove City has contributed to the Columbus area's commerce and industry in addition to its population. In the past twelve years, assessed value of taxable property, which includes real property, public utility property and tangible personal property, has climbed from \$223 million to \$712 million. This is a result of the access and availability of well-priced land that has attracted industry leaders and the up and coming to Grove City. Approximately 66.0 percent of the current tax base is in residential property while the remainder is made up of commercial (16.5 percent), industrial (5.6 percent), personal and public utility inventory (11.7 percent), and agricultural (.2 percent) categories.

Grove City continues to experience strong fiscal management and a stable financial position that is a direct result of the increase in income tax revenue generated by its expanding employment base and a 3% vacancy rate in our business parks. Grove City's diverse employment base is demonstrated by its business citizens, varying from Ohio Health Urgent Care that employs 100 people, Converse Electric that employs 75 people, to the Beulah Park Jockey Club, a thoroughbred horse track that employs in excess of 300 persons, Wal-Mart Distribution which employs over 1,300 associates. The total Grove City work force is estimated at 19,795 workers.

The largest employer in the City is the Southwestern City School District with over 1,500 teachers, administrators, and support personnel. Manufacturing and distribution are also major contributors to the Grove City employment environment. Prominent manufacturers and other businesses in the City include the Ohio Auto Auction (600 employees), TOSOH SMD, Inc. (236 associates), Horton Emergency Vehicles (260 employees), Simmons USA (230 employees), Tigerpoly Manufacturing (325 associates), Decision One (300 employees), T. Marzetti (200 employees), Airborne Express (100 employees), Phillips Consumer Electronics (75 employees), Video Duplication Services (32 employees), Becker Powder (35 employees), and Ashland Chemical (20 employees).

Prominent distributors, in addition to Wal-Mart Distribution, include GAP and Banana Republic (600 employees), Roadway Package Systems (600 employees), Ross Labs (100 employees), Borders Books (211 employees), American Pacific (110 employees), Parcel Direct (100 employees), Pier One (100 employees), Quill Corporation (53 employees), and Fed Ex Ground (1,000 employees).

This captured employment base and the increasing residential population have expanded the number and diversity of national, regional, and locally-owned restaurants now busily serving our community.

Opportunities for residential, commercial and industrial development within the City have been enhanced by major expansions of the City's water distribution, sanitary sewer, street systems, and freeway interchanges. These infrastructure improvements are a result of a comprehensive planning process that coordinates actions of the City Administration and City Council in conjunction with the Grove City area developers.

To accommodate such industrial and commercial growth, the City cooperated with private investors to develop seven commerce parks: Grove City Industrial Park, a 100-acre park with 13 major buildings and 1 to 20 acre tracts available at I-71 and State Route 665; Southpark, a 350-acre park with 18 major buildings and 1 to 20 acre tracts available at I-71 and I-270; Capital Park South, a 150-acre park with 8 major buildings and 1 to 30 acre tracts available at I-270 and State Route 62; Southpointe, a 53-acre park with 7 major buildings; Gateway Business Park; a 114-acre park with 4 major buildings and 35 acres available at I-71 and State Route 665;

Gateway Business Park West, a 232-acre park that was platted in 1999; and Gateway to the City Office Park, a 35-acre park with 9 of its 16 platted sites currently occupied or under construction at I-71 and Stringtown Road.

Immediate access to Interstates 71 and 270 has established Grove City as a travel center offering over 1,320 guest rooms that account for gross sales exceeding \$9.1 million per year. A growing list of restaurants complement the variety of accommodations found in the City.

The City offers a wide range of housing opportunities. Between 1980 and 2004, the average cost of a newly constructed single-family dwelling increased from \$58,000 to \$204,584. In 2004, the selling price ranged from \$95,000 to \$425,000.

The projected development area of the City of Grove City is approximately 23 square miles. Of the 16.69 square miles currently within the City, 14.5 are developed, with the balance in agricultural use or holdings.

MAJOR INITIATIVES

FOR THE YEAR

Grove City continues to enjoy a vibrant, dynamic, stable, and healthy business community. Commercial and Industrial residents invested approximately \$52 million in new construction and alterations. Residential and commercial housing continued to expand in 2004 with 330 single-family permits valued at \$65,681,535, and 45 condominium units valued at \$5,662,159.

During 2004, the Division of Police realized changes with new faces occupying existing positions to solidify a mature supervisory staff and the authorized strength of police officers was increased to 56, permitting us to hire more officers to face the challenges of a growing City. Additionally, staffing levels increased by one detective in the Investigative Bureau and clerical staff was added to the Field Services Sub-Division.

Other major accomplishments for the Division of Police for 2004 include: solving a homicide that took place on January 1st, a successful on-site accreditation assessment from The Commission on Accreditation for Law Enforcement Agencies (CALEA), negotiating a collective bargaining agreement with the Fraternal Order of Police which kept our personnel competitive in wages and benefits with the other central Ohio agencies, and completing the Safety Complex lobby renovation with the addition of a "safe room" in the entrance. The Division also enjoyed a successful DARE Golf Outing at Hickory Hills Golf Course, hosted Safety Town with Jackson Township Fire Department, and provided site security and motorcade direction for Vice President Dick Cheney during his visit to our City.

The Development Department commissioned studies updating comprehensive land and beautification plans for the City and managed a large number of residential, commercial, and industrial development requests and proposals, including a 56-acre mixed-use business park and the comprehensive Stringtown East / Buckeye Parkway development. This development, known as Parkview North and South, showcases major retail and commercial uses and is the northern entrance to a 640 acre golf course community called the Pinnacle Club.

The Service Department coordinated activities and provided continuity in the midst of a number of street and utility projects in progress, in addition to maintaining the day-to-day maintenance of City owned infrastructure.

The major projects completed in 2004 include the Water Boost Station; Hoover Road from Milligan Grove to Orders Road, with the assistance of Ohio Public Works Commission; the reconstruction of Stringtown Road and White Road east of I-71; and the inspection and supervision of the construction of \$5.7 million of public roads associated with the Parkview north and south retail centers as well as over \$1 million in residential and secondary street improvements.

Other major projects still in progress include Big Run Road/Demorest Road with the assistance of Ohio Public Works Commission and the Franklin County Engineer, Buckeye Parkway and Pinnacle Club Drive, the Demorest Road Retention Basin, and a phased program of neighborhood street lighting projects.

Other equally important efforts are highlighted by the continued success of the Adopt-a-Street program, the curbside recycling program, in conjunction with the Grove City Chapter of Keep America Beautiful, and the planting of 1,137 new trees. Through the work of the Service Department and the Tree Commission, the City received the title of Tree City U.S.A. for the tenth year and hosted a spring and fall public tree sale as well as an Arbor Week program.

The Grove City Public Parks System has grown to include more than 400 acres of passive or active land. The centrally located Windsor Park is fully loaded with recreational opportunity including lighted tennis courts, basketball and horseshoe courts, and batting cages available to the public. Windsor is home to our senior center, with over 1,200 members, and our youth baseball programs, offering six little league, two pony league and three t-ball diamonds, hosting our nearly 1,000 league participants and ten regional tournaments. The Big Splash at Evans Park, a state-of-the art family aquatic center, celebrated its fifth full season of operation with more than 50,000 passing through the facility's gates. Softball, the restoration of the Orders Road School House and log cabin, the full service 49,700 square foot YMCA located in the park, and other strategic site planning has kept the 110-acre Fryer Park a favorite of the Grove City community. This year also saw the beginning of construction on the All Children Playground. Grove City's community amenities are a proven motivating factor in "our" residents calling this City home.

The 2002 Community Attitude Study (Saperstein and Associates) showed that nearly nine out of ten residents have favorable impressions of our community events, which range from an alumni homecoming and community independence day, to the winter Town Center tree lighting celebrations punctuated by other family-oriented events co-sponsored with other community groups such as Boo on Broadway, Arts in the Alley, and the Balloon Festival.

The Division of Building and Regulation, with three full-time inspectors and one zoning compliance officer, made over 15,105 inspections, in response to 3,423 permits issued for new construction and alteration of structures in excess of \$118 million of new value, and over 2,000 inspections in response to property management and other environmental code violations. The Department updated their administrative code and also participated in the recodification of the City development code.

The Finance Department continued to receive a positive return from income tax and personal property tax surveillance that realized over \$515,247 of new taxpayer money for the City, as well as increased personal property revenue to Jackson Township and South Western City School District. Surveillance of building license registrations with the assistance of the Building Department realized increased revenues of \$29,527. The Department participated in the further development of computer-based global information systems (GIS). The Department was responsible for the financing and fiscal management of over \$16.7 million in capital projects and 25.8 million of the City's other programs and services. The Department also actively participated on the executive committee of the Central Ohio Health Care Consortium that has managed the health care expenditures of Grove City and eight other communities over the last thirteen years with an average expenditure increase of fewer than ten percent for the period. This year will mark the sixteenth year of filing financial statements according to Generally Accepted Accounting Principles (GAAP) and the fifteenth submission of a Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers Association for their Certificate of Achievement program and the third year of GASB No. 34 implementation.

FOR THE FUTURE

The City is eagerly anticipating the opening and dedication of the City's portions of its \$7.4 million dollar Buckeye Parkway and Pinnacle Club Drive Improvements that support the Pinnacle Club development, bringing needed access for the south-east corner of the City to I-71, as well as the major retail and dining opportunities in that area.

The City hopes to start and complete the reconstruction of a portion of Stringtown Road west of I-71 and Big Run Road and Demorest Road intersection within the 2005 calendar year which is another Issue II /City funded program. This has allowed most of the major City projects to be completed by leveraging local capital projects monies through this competitive funding program. The City has also successfully leveraged local money for the reconstruction of Elm Street with CDBG funding administered through the Franklin County commissioners. The relocation of Orders Road has been accelerated in anticipation of ODOT replacing the Hoover Road Bridge over I-71 in 2006.

Residential and commercial developments are expected to continue to expand in 2005. In 2004, 330 new home permits were issued and 2,000 lots were platted. The inventory of developed residential lots available as of December 31, 2004 was 3,110.

The Building Department plans to continue to enhance their records management system for all development related functions by the use of mobile data terminals for field reports and further integration of other relevant data bases, including the City's GIS data and mapping system.

FINANCIAL INFORMATION

INTERNAL CONTROL STRUCTURE AND BUDGETARY CONTROLS

Development of the City's accounting system includes consideration of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements. The concept of reasonable assurance states that internal controls should be evaluated to ensure that the expense associated with providing internal controls does not exceed the benefit expected to be derived from their implementation. This evaluation involves estimates and judgment by the City administration and Finance Department. Administrative and financial management personnel believe that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary control is maintained by the encumbrance of purchase amounts prior to the release of purchase orders to vendors. Purchase orders are not issued when insufficient appropriations preclude the encumbrance of the amount of the purchase. The City's accounting system provides interim financial reports which detail year-to-date expenditures plus encumbrances versus the original appropriations plus any additional appropriations made to date. The reports permit the Finance Director and other City officials to ascertain the status of a department's appropriations at any time during the year.

FINANCIAL CONDITION

The City has prepared financial statements following Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." GASB Statement No. 34 presents basic financial statements as follows:

Government-wide financial statements – These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

Fund financial statements – These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliations to the governmental activities accrual information presented in the government-wide financial statements. Proprietary funds use the accrual basis of accounting.

Statements of budgetary comparisons – These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

As part of this new reporting model, management is responsible for preparing a Management's Discussion and Analysis of the City. This discussion follows the Independent Accountants' Report, providing an assessment of the City finances for 2004.

CASH MANAGEMENT

Cash management is a vital component of the City's overall financial strategy. An aggressive cash management program is maintained by the Finance Director. Major considerations are cash flows necessary to pay City liabilities and available interest rates. As City funds become available, they are invested immediately in short-term certificates of deposit or in other securities authorized by State statutes. Interest earnings are allocated to funds based on the requirements of the Ohio Constitution and State statutes. All deposits are covered by federal depository insurance or pooled collateral with a market value equal to at least 105 percent of deposits.

RISK MANAGEMENT

The City maintains comprehensive insurance coverage with private carriers for real property, building contents, and vehicles. The City also carries general liability, police professional liability, and public official's liability insurance.

OTHER INFORMATION

INDEPENDENT AUDIT

Included in this report is an unqualified audit opinion rendered on the City's financial statements for the year ended December 31, 2004, by the Auditor of State. City management plans to continue to subject the financial statements to an annual independent audit as part of the preparation of a Comprehensive Annual Financial Report. An annual audit serves to maintain and strengthen the City's accounting and budgetary controls.

CERTIFICATE OF ACHIEVEMENT

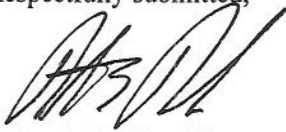
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Grove City, Ohio, for its 2003 comprehensive annual financial report. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR. The report must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting, and its attainment is a significant accomplishment for the City. We believe this comprehensive annual financial report meets the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA for review and determination of its eligibility for a certificate for 2004.

ACKNOWLEDGMENTS

Sincere gratitude goes to Mayor Cheryl L. Grossman for her support and to City Council for granting the funds for this project. The Finance Department prepared this Comprehensive Annual Financial Report with the efficient and dedicated services of its entire staff. Special acknowledgment is extended to the Local Government Services Section of the Office of the Auditor of State for their continued guidance in the preparation of this report.

Respectfully submitted,



Robert E. Behlen III
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Grove City,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Nancy L. Zjelle

President

Jeffrey R. Emer

Executive Director

List of Principal Officials

Elected City Officials

MAYOR

CHERYL L. GROSSMAN

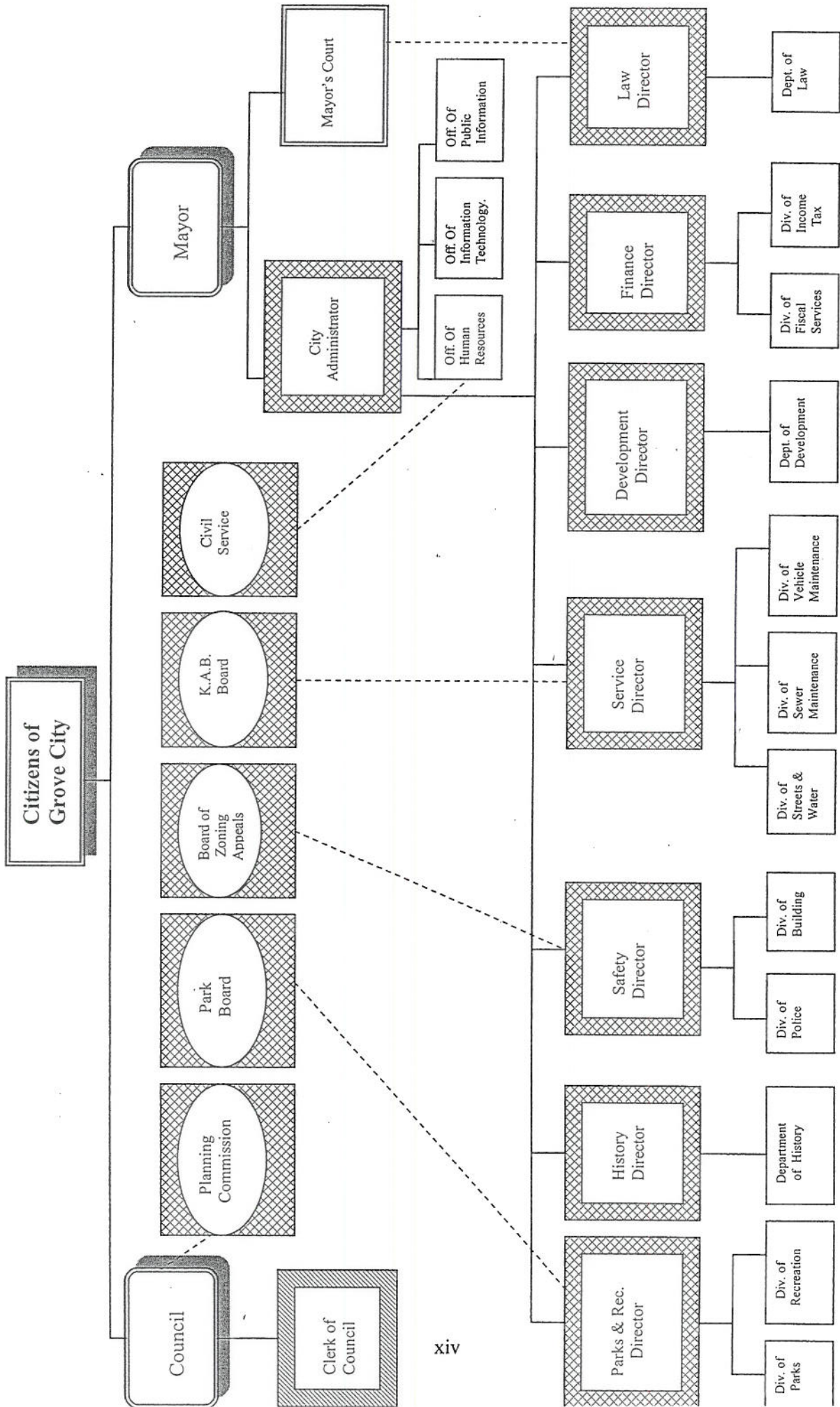
City Council

Robert Hatley	<i>Council Member Ward 3</i>
Vaughn Radi	<i>Council Member Ward 1</i>
Richard Lester	<i>Council Member Ward 2</i>
Maria Klemack	<i>Council Member Ward 4</i>
Bill Saxton	Council President <i>Council Member At Large</i>
Tami K. Kelly, MMC	Clerk of Council

Appointed City Officials

Dr. Les Bostic	<i>City Administrator</i>
Robert E. Behlen III	<i>Finance Director</i>
Thomas R. Clark	<i>Law Director</i>

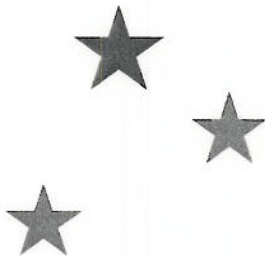
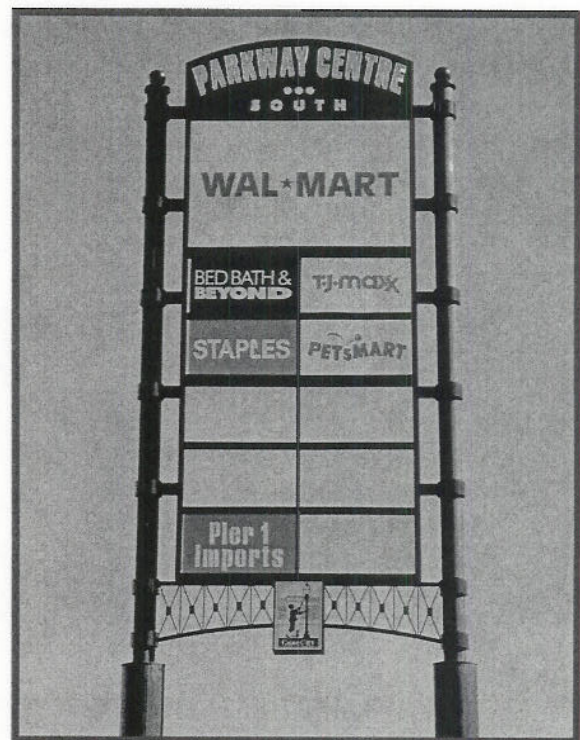
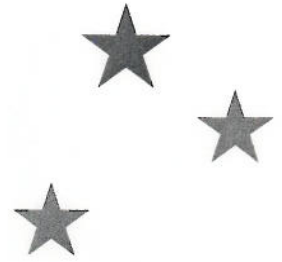
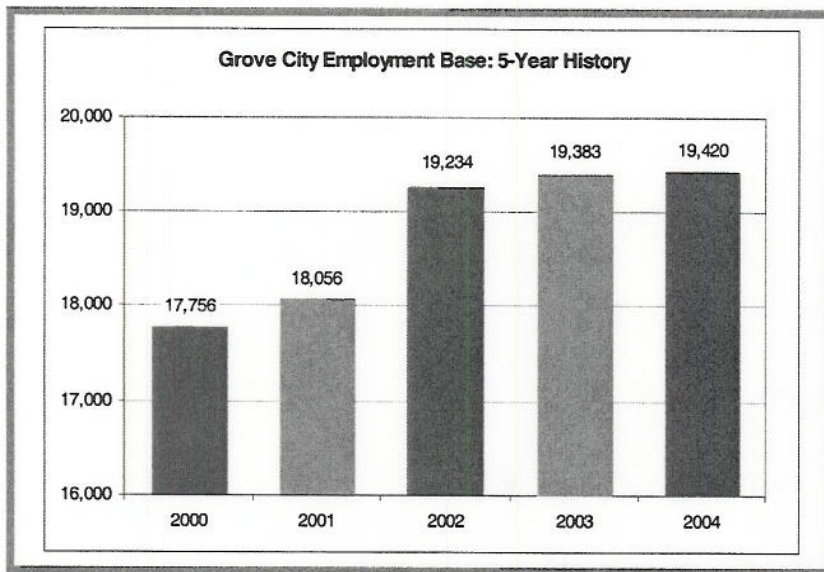
City of Grove City Organizational Chart



 - Mayoral Appointments
 - Council Appointments
 ----- Policy / Advisory

CITY OF GROVE CITY, OHIO

FINANCIAL SECTION





Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

City of Grove City
Franklin County
4035 Broadway
Grove City, Ohio 43123

To the Members of Council:

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 City of Grove City, Franklin County, Ohio (the City), as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

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 City of Grove City, Franklin County, Ohio, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2005, on our consideration of the City'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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is 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 tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

June 22, 2005

City of Grove City, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2004
(Unaudited)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Grove City's discussion and analysis of the annual financial report provides a review of the financial performance for the year ended December 31, 2004.

FINANCIAL HIGHLIGHTS

- The City's total net assets increased \$8,527,027. Revenues of Governmental Activities exceeded expenses by \$5,955,278. Net assets of Business-Type Activities increased by \$2,571,749, mainly due to contributed capital assets.

- General revenues of Governmental Activities accounted for \$21,191,268 or 80 percent of all governmental revenues. Program specific revenues in the form of charges for services, grants, contributions, and interest accounted for \$5,285,290 or 20 percent of total governmental revenues of \$26,476,558.

- Enterprise funds reflected a total operating loss of \$361,361. The Water Fund reflected an operating income of \$114,199, while the Sewer Fund reflected an operating loss of \$475,560. The operating loss of the Sewer Fund was a result of increasing depreciation costs and an increase in services proportionate to the growth of the community.

- The City had \$18,624,583 in expenses related to Governmental Activities. \$5,285,290 of these expenses were offset by program specific charges for services, grants, contributions, and interest. General revenues (primarily income taxes) of \$21,191,268 were adequate to provide for these programs. The City had \$1,379,392 in expenses related to Business-Type Activities. \$2,037,203 of these expenses were offset by program specific charges for services, capital grants, contributions, and interest which, along with general revenues and transfers of \$1,913,938 were more than sufficient to cover expenses.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the City of Grove City's financial situation as a whole and also give a detailed view of the City's fiscal condition.

The Statement of Net Assets and Statement of Activities provide information about the activities of the City as a whole and present a long-term view of the City's finances. The 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 the amount of funds available for future spending. The fund financial statements focus on 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 Assets and the Statement of Activities

The analysis of the City as a whole begins with the Statement of Net Assets and the Statement of Activities. These statements provide information that will help the reader to determine if the City of Grove City is financially better off or worse off as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting, similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net assets and changes to those assets. This change informs the reader whether the City's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the reader of these financial statements needs to take into account non-financial factors that also impact the City's financial well-being. Some of these factors include the City's tax base and the condition of capital assets.

In the Statement of Net Assets and the Statement of Activities, the City is divided into two kinds of activities.

Governmental Activities – Most of the City's services are reported here including police, public health, leisure time activities, community environment, transportation, and general government.

Business-Type Activities – These services include water and sewer. Service fees for these operations are charged based upon the amount of usage. The intent is that the fees charged recoup operational costs.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the City's major funds begins on page 9. Fund financial statements provide detailed information about the City's major funds – not the City as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Finance Director, with the approval of Council, to help control, manage, and report money received for a particular purpose or to show that the City is meeting legal responsibilities for the use of grants. The City of Grove City's major funds are the General, Road Improvement, Debt Service, Water, and Sewer Funds.

Governmental Funds – Most of the City's services are reported in Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future on services provided to our residents. The similarities (or differences) between Governmental Activities (reported in the Statement of Net Assets and the Statement of Activities) and Governmental Funds is reconciled in the financial statements.

Enterprise Funds – When the City charges citizens for the services it provides, with the intent of recapturing operating costs, these services are generally reported in Proprietary Funds. Proprietary Funds use the same basis of accounting as Business-Type Activities; therefore, these statements will essentially match.

THE CITY AS A WHOLE

As stated previously, the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2004 compared to 2003.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	Restated 2003	2004	Restated 2003	2004	2003	2004
Assets						
Current and Other						
Assets	\$40,679,819	\$43,119,562	\$3,304,930	\$3,372,546	\$43,984,749	\$46,492,108
Nondepreciable Capital						
Assets	12,210,394	19,493,786	875,697	328,842	13,086,091	19,822,628
Depreciable Capital						
Assets, Net	<u>22,069,124</u>	<u>28,047,422</u>	<u>28,563,548</u>	<u>31,096,842</u>	<u>50,632,672</u>	<u>59,144,264</u>
Total Assets	<u>74,959,337</u>	<u>90,660,770</u>	<u>32,744,175</u>	<u>34,798,230</u>	<u>107,703,512</u>	<u>125,459,000</u>
Liabilities						
Current and Other						
Liabilities	12,320,841	21,351,611	317,193	39,979	12,638,034	21,391,590
Long-Term Liabilities:						
Due Within One Year	1,479,692	1,169,372	254,665	277,873	1,734,357	1,447,245
Due in More Than						
One Year	<u>14,805,179</u>	<u>15,830,884</u>	<u>1,621,319</u>	<u>1,357,631</u>	<u>16,426,498</u>	<u>17,188,515</u>
Total Liabilities	<u>28,605,712</u>	<u>38,351,867</u>	<u>2,193,177</u>	<u>1,675,483</u>	<u>30,798,889</u>	<u>40,027,350</u>
Net Assets						
Invested in Capital						
Assets, Net Of						
Related Debt	21,318,744	26,758,738	27,437,627	29,814,220	48,756,371	56,572,958
Restricted for:						
Capital Outlay	1,576,476	1,917,884	0	0	1,576,476	1,917,884
Debt Service	1,900,013	1,634,068	0	0	1,900,013	1,634,068
Other Purposes	3,631,971	3,619,835	0	0	3,631,971	3,619,835
Revenue Bonds						
Current Debt Service	0	0	199,506	199,904	199,506	199,904
Revenue Bonds						
Improvement						
And Replacement	0	0	77,800	77,800	77,800	77,800
Unrestricted	<u>17,926,421</u>	<u>18,378,378</u>	<u>2,836,065</u>	<u>3,030,823</u>	<u>20,762,486</u>	<u>21,409,201</u>
Total Net Assets	<u>\$46,353,625</u>	<u>\$52,308,903</u>	<u>\$30,550,998</u>	<u>\$33,122,747</u>	<u>\$76,904,623</u>	<u>\$85,431,650</u>

Total net assets increased \$8,527,027. Net assets of the City's Governmental Activities increased by \$5,955,278. This increase is mainly reflected in Invested in Capital Assets Net of Related Debt of \$5,439,994, which resulted from the continuing reconstruction of Stringtown and White Roads and the construction of Buckeye Parkway and collector streets associated with the Parkway Center North and South commercial development.

The net assets of the City's Business-Type Activities increased by \$2,571,749. Capital assets increased by \$1,986,439 which was primarily assets contributed by developers. The City strives to control operation expenses for Business-Type Activities in order to maintain stability in charges for services and to closely monitor the trends of our growing community in order to adjust for budgetary issues and changes in City code where necessary. The City has commissioned a rate study that has so far adjusted sanitary sewer tap fee charges and will address charges for services for both water and sewer in 2006.

Table 2 shows the changes in net assets for the years ended December 31, 2003 and 2004.

Table 2
Changes In Net Assets

	Governmental Activities		Business-Type Activities		Total	
	Restated		Restated			
	2003	2004	2003	2004	2003	2004
Revenues						
Program Revenues:						
Charges for Services	\$2,839,016	\$2,743,187	\$849,148	\$923,925	\$3,688,164	\$3,667,112
Operating Grants, Contributions and Interest	1,662,922	1,574,992	0	0	1,662,922	1,574,992
Capital Grants, Contributions and Interest	794,556	967,111	492,312	1,113,278	1,286,868	2,080,389
Total Program Revenues	<u>5,296,494</u>	<u>5,285,290</u>	<u>1,341,460</u>	<u>2,037,203</u>	<u>6,637,954</u>	<u>7,322,493</u>
General Revenues:						
Property and Other Local Taxes	3,324,130	3,321,700	0	0	3,324,130	3,321,700
Income Taxes	14,859,483	15,342,810	0	0	14,859,483	15,342,810
Grants and Entitlements	2,011,979	1,940,042	0	0	2,011,979	1,940,042
Rent	21,722	0	0	0	21,722	0
Unrestricted						
Investment Earnings	271,514	222,169	18,416	17,241	289,930	239,410
Other	515,356	364,547	2,079	0	517,435	364,547
Total General Revenues	<u>21,004,184</u>	<u>21,191,268</u>	<u>20,495</u>	<u>17,241</u>	<u>21,024,679</u>	<u>21,208,509</u>
Total Revenues	<u>\$26,300,678</u>	<u>\$26,476,558</u>	<u>\$1,361,955</u>	<u>\$2,054,444</u>	<u>\$27,662,633</u>	<u>\$28,531,002</u>

continued

Table 2
Changes In Net Assets
(Continued)

	Governmental Activities		Business-Type Activities		Total	
	Restated		Restated			
	2003	2004	2003	2004	2003	2004
Program Expenses:						
Security of						
Persons and Property	\$6,620,720	\$7,777,311	\$0	\$0	\$6,620,720	\$7,777,311
Public Health	276,176	255,097	0	0	276,176	255,097
Leisure Time Activities	1,895,869	2,290,652	0	0	1,895,869	2,290,652
Community Development	1,061,094	1,152,824	0	0	1,061,094	1,152,824
Transportation	1,091,121	1,353,924	0	0	1,091,121	1,353,924
General Government	3,660,892	5,213,511	0	0	3,660,892	5,213,511
Interest and						
Fiscal Charges	579,482	581,264	0	0	579,482	581,264
Water	0	0	435,147	482,039	435,147	482,039
Sewer	0	0	1,012,708	897,353	1,012,708	897,353
Total Expenses	15,185,354	18,624,583	1,447,855	1,379,392	16,633,209	20,003,975
Increase in Net Assets						
before Transfers	11,115,324	7,851,975	(85,900)	675,052	11,029,424	8,527,027
Transfers	(198,632)	(1,896,697)	198,632	1,896,697	0	0
Increase in Net Assets	<u>\$10,916,692</u>	<u>\$5,955,278</u>	<u>\$112,732</u>	<u>\$2,571,749</u>	<u>\$11,029,424</u>	<u>\$8,527,027</u>

Governmental Activities

The 2% income tax is the largest source of revenue for the General Fund and the City of Grove City. Employee withholding from all businesses contributes 76.2% of the revenue received in 2004 with business earnings contributing 15.39% and individuals contributing 8.41%. The City provides full tax credit for taxes paid to another municipality and an exemption for residents under the age of 18.

Since 1992, income tax revenue has increased an average of 9.9%. During 2003 and 2004, a few of Grove City's employers went through reorganization and downsizing resulting in a decrease in income tax collections from these sources. Growth in existing businesses and new retail and commercial enterprises that started in 2004 helped to offset the loss as reflected on a cash basis and a modified accrual basis of accounting. Income taxes receivable increased in 2004 due to the City anticipating higher collections. The City anticipates higher collections as a result of the institution of mandatory filing for all residents and contracting with the Regional Income Tax Authority (RITA) to collect income tax on its behalf.

Administration and Council has a quality of life commitment to the citizens and businesses located in Grove City. With this in mind, Council committed through appropriations in 2004 over \$35,790,000 from governmental sources including federal and state grants for capital assets, equipment, and related repairs. These assets included street reconstruction, street resurfacing, sidewalk replacements, safety and street maintenance equipment and vehicles, as well as park and recreation equipment.

Governmental program expenses for 2004 were as follows:

Security of Person And Property	41.76%
Public Health	1.37%
Leisure Time Activity	12.30%
Community Development	6.19%
Transportation	7.27%
General Government	27.99%
Interest And Fiscal Charges	3.12%
	<u>100.00%</u>

Citizen safety and well-being is emphasized in our family-oriented community, as indicated above.

When looking at the sources of income to support Governmental Activities, it should be noted that charges for services are only 10.36% of revenue. Revenues provided by sources other than City residents in the form of operating and capital grants comprise another 9.60%. The remaining revenues are primarily generated locally through property and income taxes. City Council relies on these taxes to furnish the quality of life to businesses and citizens to which they and previous Councils have always been committed.

Where as revenues remained stable (see page 7 for more detail), expenses increased \$3,439,229, mostly due to an increase in salaries and benefits.

Business-Type Activities

The City's Business-Type Activities include water and sewer services.

Water treatment and facility repair services are contracted with the City of Columbus and are paid for through user fees billed by the City of Columbus to Grove City residents and businesses. The City of Grove City has its own user fee that is incorporated in the Columbus billing. This revenue is used to pay for the necessary level of staffing required to complement the contracted services, debt service on water system improvements and to fund system improvements and depreciation. The City of Grove City also collects a tap fee each time a new tap to the system is made, which funds a portion of system repair and replacement. Grove City owns the infrastructure necessary to furnish services to their citizens and is responsible for major reconstruction and extension of new service within the community. The City of Columbus is responsible for all line repairs and all upkeep and expansion of the treatment and storage facilities.

Sewer treatment is contracted with the City of Columbus and is paid for through user fees billed by the City of Columbus to Grove City residents and businesses. The City of Grove City has its own user fee that is incorporated in the Columbus billing. This revenue is used to pay for the necessary level of staffing required to complement the contracted services, debt service on sanitary sewer system improvements, and to fund system improvements and depreciation. The City of Grove City also collects a tap fee each time a new tap to the system is made which funds a portion of system repair and replacement. Grove City owns and maintains the infrastructure necessary to furnish services to their citizens and is responsible for major reconstruction and extension of new service within the community. The City of Columbus is responsible for all upkeep and expansion of the treatment and storage facilities.

THE CITY'S FUNDS

Information about the City's major Governmental Funds begins on page 16. These funds are reported using the modified accrual basis of accounting. All Governmental Funds had total revenues of \$24,522,661 and expenditures of \$41,516,506. The General Fund's balance decreased by \$1,684,944, primarily due to a decrease in income tax revenue due to the loss of two companies relocating (a loss of approximately 600 jobs) and a change in the IRS ruling on the local income tax liability for over-the-road truck drivers. The new IRS ruling had a significant impact since Grove City has several distribution jobs. Expenditures increased in 2004 due to pay increases and an increase in health insurance premiums. Even with the decline, the fund balance of the General Fund still represents 39.78 % of 2004 governmental fund expenditures.

The Road Improvement Fund's balance decreased \$6,757,302, due to the continuing reconstruction of Stringtown and White Roads and the construction of Buckeye Parkway and collector streets associated with the Parkway Center North and South commercial development.

The Debt Service Fund's balance increased \$115,843 due to the premium on the issuance of series 2004 notes for street and infrastructure construction . Fund balance at December 31, 2004, was \$1,535,271.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of receipts, disbursements, and encumbrances. The City's budget is adopted on a fund basis. Before the budget is adopted, Council reviews detailed budget worksheets of each function within the General Fund and then adopts the budget on a fund basis. During 2004 there were thirty-three revisions to the General Fund budget. The effect of the revisions was an increase in the appropriations of \$1,168,579, which was primarily for capital outlay.

The Finance Director has the authority to make line item adjustments within each fund, as long as the total does not exceed the original budget appropriations.

Original General Fund budgeted revenues were \$18,660,237. The final budgeted amount was \$19,191,237. This increase of \$531,000 was due primarily to income tax revenue collections exceeding estimates. Income tax revenue was originally estimated conservatively due to the anticipation of the loss of two companies relocating (a loss of approximately 600 jobs) and a change in the IRS ruling on the local income tax liability for over-the-road truck drivers. The new IRS ruling had a significant impact since Grove City has several distribution jobs. The City's ending unobligated cash balance was \$2,343,369 above the final budgeted amount.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Table 3
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	Restated 2003	2004	Restated 2003	2004	2003	2004
	Land	\$4,933,173	\$5,645,228	\$121,000	\$123,000	\$5,054,173
Construction in Progress	7,277,221	13,848,558	754,697	205,842	8,031,918	14,054,400
Buildings	2,439,721	2,408,529	52,773	826,088	2,492,494	3,234,617
Improvements Other Than Buildings	1,550,087	1,477,826	991,983	977,213	2,542,070	2,455,039
Machinery And Equipment	1,747,569	1,770,933	91,027	74,187	1,838,596	1,845,120
Furniture and Fixtures	190,169	162,843	0	0	190,169	162,843
Vehicles	1,008,896	1,103,591	36,026	47,252	1,044,922	1,150,843
Computer Equipment	997,033	889,692	0	0	997,033	889,692
Infrastructure	14,135,649	20,234,008	27,391,739	29,172,102	41,527,388	49,406,110
Totals	<u>\$34,279,518</u>	<u>\$47,541,208</u>	<u>\$29,439,245</u>	<u>\$31,425,684</u>	<u>\$63,718,763</u>	<u>\$78,966,892</u>

The majority of the increase in governmental capital assets resulted from the addition of \$6,098,359 of newly constructed infrastructure (includes streets, curb and gutter, street lights, storm sewers, and related structures) and \$6,571,337 related to construction in progress. Business-type capital assets increased \$1,986,439 of which \$1,780,363 was also related to newly constructed infrastructure consisting of water and sewer lines.

See Note 9 of the notes to the basic financial statements for more detailed information.

Debt

At December 31, 2004, the City of Grove City had \$33,444,640 in debt outstanding.

Table 4
Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities	
	2003	2004	2003	2004
	Mortgage Revenue Bonds	\$0	\$0	\$550,000
General Obligation Bonds	5,460,000	5,012,349	0	0
Special Assessment Bonds	195,138	162,156	0	0
OPWC Loans Payable	2,682,135	2,920,758	1,301,124	1,225,377
Bond Anticipation Notes	6,700,000	7,925,000	0	0
Short-Term Bond Anticipation Notes	7,396,000	15,819,000	0	0
Certificates of Participation	410,000	0	0	0
Total	<u>\$22,843,273</u>	<u>\$31,839,263</u>	<u>\$1,851,124</u>	<u>\$1,605,377</u>

Outstanding debt increased by \$8,955,990 from 2003, primarily due to the issuance of \$8,279,000 of short-term Bond Anticipation Notes for the Pinnacle Club Drive project.

Special Assessment bonds will be paid with special assessment revenue. All general obligation bond issues will be paid through the Debt Service Fund with property tax revenues. The Governmental Activities' OPWC loans will be paid through the General Fund with property and income tax revenues. The short-term notes will be retired by the issuance of a combination of special assessment and tax increment financing issues. The Water Fund's revenue bonds will be paid from operating revenues of the water enterprise operation. The Business-Type Activities' OPWC loans will be paid from Water and Sewer Enterprise Fund revenue.

The City's overall 10.5 percent legal debt margin was \$47,475,199 as of December 31, 2004. The more restrictive unvoted legal debt margin within 5.5 percent was \$11,887,614 as of the same date. See Note 14 of the notes to the basic financial statements for more detailed information.

CONTACTING THE CITY'S FINANCE DEPARTMENT

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Robert E. Behlen III, Finance Director, City of Grove City, 4035 Broadway, Grove City, Ohio 43123.



City of Grove City
Statement Of Net Assets
December 31, 2004

	Governmental Activities	Business-Type Activities	Total
<u>Assets:</u>			
Equity In Pooled Cash And			
Cash Equivalents	\$32,975,768	\$2,874,411	\$35,850,179
Accrued Interest Receivable	87,572	0	87,572
Accounts Receivable	30,903	263,025	293,928
Municipal Income Tax Receivable	4,690,402	0	4,690,402
Due From Other Governments	2,006,414	0	2,006,414
Prepaid Items	25,952	0	25,952
Materials And Supplies Inventory	52,173	0	52,173
Property And Other Local Taxes Receivable	2,873,528	0	2,873,528
Cash And Cash Equivalents			
With Fiscal Agents	133,003	199,904	332,907
Deferred Charges	0	6,087	6,087
Special Assessments Receivable	243,847	29,119	272,966
Land And Construction In Progress	19,493,786	328,842	19,822,628
Depreciable Capital Assets, Net	28,047,422	31,096,842	59,144,264
<i>Total Assets</i>	<u>90,660,770</u>	<u>34,798,230</u>	<u>125,459,000</u>
<u>Liabilities:</u>			
Accounts Payable	137,501	11,944	149,445
Accrued Wages	107,270	8,455	115,725
Contracts Payable	1,488,857	3,061	1,491,918
Retainage Payable	385,311	8,145	393,456
Due To Other Governments	398,694	6,292	404,986
Deferred Revenue	2,761,582	0	2,761,582
Accrued Interest Payable	253,396	2,082	255,478
Notes Payable	15,819,000	0	15,819,000
Long-Term Liabilities:			
Due Within One Year	1,169,372	277,873	1,447,245
Due In More Than One Year	15,830,884	1,357,631	17,188,515
<i>Total Liabilities</i>	<u>38,351,867</u>	<u>1,675,483</u>	<u>40,027,350</u>
<u>Net Assets:</u>			
Invested In Capital Assets, Net Of Related Debt	26,758,738	29,814,220	56,572,958
Restricted For:			
Capital Outlay	1,917,884	0	1,917,884
Debt Service	1,634,068	0	1,634,068
Other Purposes	3,619,835	0	3,619,835
Revenue Bonds Current Debt Service	0	199,904	199,904
Revenue Bond Improvement And Replacement	0	77,800	77,800
Unrestricted	18,378,378	3,030,823	21,409,201
<i>Total Net Assets</i>	<u>\$52,308,903</u>	<u>\$33,122,747</u>	<u>\$85,431,650</u>

See Accompanying Notes to the Basic Financial Statements

City of Grove City

Statement Of Activities

For the Year Ended December 31, 2004

	Expenses	Program Revenues		
		Charges For Services	Operating Grants, Contributions And Interest	Capital Grants, Contributions And Interest
<u>Governmental Activities:</u>				
Security Of Persons And Property	\$7,777,311	\$326,449	\$136,353	\$2,499
Public Health	255,097	0	15,130	0
Leisure Time Activities	2,290,652	1,355,898	17,565	0
Community Development	1,152,824	848,772	20,807	0
Transportation	1,353,924	176,669	1,385,137	938,385
General Government	5,213,511	35,399	0	26,227
Interest And Fiscal Charges	581,264	0	0	0
<i>Total Governmental Activities</i>	<u>18,624,583</u>	<u>2,743,187</u>	<u>1,574,992</u>	<u>967,111</u>
<u>Business-Type Activities:</u>				
Water	482,039	544,006	0	198,240
Sewer	897,353	379,919	0	915,038
<i>Total Business-Type Activities</i>	<u>1,379,392</u>	<u>923,925</u>	<u>0</u>	<u>1,113,278</u>
<i>Total Activities</i>	<u>\$20,003,975</u>	<u>\$3,667,112</u>	<u>\$1,574,992</u>	<u>\$2,080,389</u>

General Revenues:

- Property And Other Local Taxes Levied For:
 - General Purposes
 - Debt Service
 - Police
 - Community Development
- Municipal Income Taxes Levied For
 - General Purposes
- Grants And Entitlements Not Restricted To Specific Programs
- Unrestricted Investment Earnings
- Other

Transfers

Total General Revenues And Transfers

Change In Net Assets

Net Assets Beginning of Year - Restated (See Note 3)

Net Assets End Of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue and Changes In Net Assets

Governmental Activities	Business-Type Activities	Total
(\$7,312,010)	\$0	(\$7,312,010)
(239,967)	0	(239,967)
(917,189)	0	(917,189)
(283,245)	0	(283,245)
1,146,267	0	1,146,267
(5,151,885)	0	(5,151,885)
(581,264)	0	(581,264)
<u>(13,339,293)</u>	<u>0</u>	<u>(13,339,293)</u>
0	260,207	260,207
0	397,604	397,604
<u>0</u>	<u>657,811</u>	<u>657,811</u>
<u>(13,339,293)</u>	<u>657,811</u>	<u>(12,681,482)</u>
1,799,108	0	1,799,108
716,408	0	716,408
646,524	0	646,524
159,660	0	159,660
15,342,810	0	15,342,810
1,940,042	0	1,940,042
222,169	17,241	239,410
364,547	0	364,547
<u>(1,896,697)</u>	<u>1,896,697</u>	<u>0</u>
<u>19,294,571</u>	<u>1,913,938</u>	<u>21,208,509</u>
5,955,278	2,571,749	8,527,027
<u>46,353,625</u>	<u>30,550,998</u>	<u>76,904,623</u>
<u>\$52,308,903</u>	<u>\$33,122,747</u>	<u>\$85,431,650</u>

CITY OF GROVE CITY, OHIO

**Balance Sheet
Governmental Funds**

December 31, 2004

	<u>General</u>	<u>Road Improvement</u>	<u>Debt Service</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<u>Assets:</u>					
Equity In Pooled Cash And Cash Equivalents	\$15,799,646	\$12,219,290	\$1,759,680	\$3,197,152	\$32,975,768
Cash And Cash Equivalents With Fiscal Agents	0	0	0	133,003	133,003
Receivables:					
Property And Other Local Taxes	1,344,516	0	792,025	736,987	2,873,528
Municipal Income Tax	4,690,402	0	0	0	4,690,402
Accounts	26,367	0	0	4,536	30,903
Interfund	0	226,928	0	0	226,928
Special Assessments	81,388	0	162,459	0	243,847
Accrued Interest	87,572	0	0	0	87,572
Due From Other Governments	899,164	223,537	47,760	835,953	2,006,414
Materials And Supplies Inventory	11,267	0	0	40,906	52,173
Prepaid Items	25,952	0	0	0	25,952
Total Assets	\$22,966,274	\$12,669,755	\$2,761,924	\$4,948,537	\$43,346,490
<u>Liabilities and Fund Balances</u>					
<u>Liabilities:</u>					
Accounts Payable	\$123,722	\$0	\$0	\$13,779	\$137,501
Contracts Payable	400,952	1,082,801	0	5,104	1,488,857
Interfund Payable	0	0	226,928	0	226,928
Accrued Wages	94,801	0	0	12,469	107,270
Retainage Payable	193,826	191,485	0	0	385,311
Due To Other Governments	146,669	0	0	252,025	398,694
Deferred Revenue	5,489,806	0	999,725	1,434,264	7,923,795
Accrued Interest Payable	0	101,973	0	0	101,973
Notes Payable	0	15,819,000	0	0	15,819,000
Total Liabilities	6,449,776	17,195,259	1,226,653	1,717,641	26,589,329
<u>Fund Balances:</u>					
Reserved For Encumbrances	3,810,321	10,259,498	0	319,672	14,389,491
Unreserved:					
Undesignated, Reported In:					
General Fund	12,706,177	0	0	0	12,706,177
Special Revenue Funds	0	0	0	2,708,086	2,708,086
Debt Service Funds	0	0	1,535,271	0	1,535,271
Capital Projects Funds (Deficit)	0	(14,785,002)	0	203,138	(14,581,864)
Total Fund Balances (Deficit)	16,516,498	(4,525,504)	1,535,271	3,230,896	16,757,161
Total Liabilities And Fund Balances	\$22,966,274	\$12,669,755	\$2,761,924	\$4,948,537	\$43,346,490

See Accompanying Notes to the Basic Financial Statements

CITY OF GROVE CITY, OHIO

**Reconciliation Of Total Governmental Fund Balances To
Net Assets Of Governmental Activities**

December 31, 2004

<u>Total Governmental Fund Balances</u>	\$16,757,161
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:	
Land	5,645,228
Construction In Progress	13,848,558
Other Capital Assets	37,026,355
Accumulated Depreciation	<u>(8,978,933)</u>
Total	47,541,208
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Municipal Income Taxes	3,201,430
Property and Other Local Taxes	148,827
Due From Other Governments	1,504,120
Special Assessments	259,204
Accrued Interest	<u>48,632</u>
Total	5,162,213
Some liabilities, including bonds payable, loans payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:	
Accrued Interest	(151,423)
General Obligation Bonds	(5,050,000)
Deferred Amount on Refunding	37,651
Special Assessment Bonds	(162,156)
OPWC Loans	(2,920,758)
Capital Leases Payable	(7,555)
Compensated Absences	(972,438)
Notes Payable	<u>(7,925,000)</u>
Total	<u>(17,151,679)</u>
Net Assets of Governmental Activities	<u><u>\$52,308,903</u></u>

See Accompanying Notes to the Basic Financial Statements

CITY OF GROVE CITY, OHIO

**Statement Of Revenues, Expenditures And Changes In Fund Balances
Governmental Funds**

For The Year Ended December 31, 2004

	General	Road Improvement	Debt Service	Nonmajor Funds	Total Governmental Funds
<u>Revenues:</u>					
Property Taxes	\$1,183,376	\$0	\$724,106	\$650,004	\$2,557,486
Municipal Income Taxes	13,624,118	0	0	0	13,624,118
Other Local Taxes	621,957	0	0	159,660	781,617
Intergovernmental	1,871,622	594,293	93,367	1,780,183	4,339,465
Charges For Services	142,359	0	0	1,231,961	1,374,320
Licenses And Permits	735,259	0	0	211,051	946,310
Fines And Forfeitures	173,527	0	0	24,684	198,211
Special Assessments	45,538	0	40,574	0	86,112
Interest	284,899	260,413	4,643	0	549,955
Decrease In Fair Value Of Investments	(116,005)	0	0	0	(116,005)
Rent	22,520	0	0	20,210	42,730
Contributions And Donations	2,499	0	0	42,931	45,430
Miscellaneous	73,758	0	536	18,618	92,912
Total Revenues	18,665,427	854,706	863,226	4,139,302	24,522,661
<u>Expenditures:</u>					
Current Operations And Maintenance:					
Security Of Persons And Property	6,358,493	0	0	810,880	7,169,373
Public Health	239,568	0	0	15,529	255,097
Leisure Time Activities	535,753	0	0	1,254,025	1,789,778
Community Development	897,928	0	0	225,374	1,123,302
Transportation	0	0	0	1,206,133	1,206,133
General Government	4,754,778	0	0	0	4,754,778
Capital Outlay	6,914,409	9,182,696	0	660,064	16,757,169
Debt Service:					
Principal Retirement	574,512	6,700,000	487,982	28,821	7,791,315
Interest And Fiscal Charges	930	263,956	357,016	10,008	631,910
Deferred Charges	0	0	37,651	0	37,651
Total Expenditures	20,276,371	16,146,652	882,649	4,210,834	41,516,506
Excess Of Revenues Under Expenditures	(1,610,944)	(15,291,946)	(19,423)	(71,532)	(16,993,845)
<u>Other Financing Sources (Uses):</u>					
Payment Of Refunded Bonds	0	0	(1,315,000)	0	(1,315,000)
Issuance Of Refunding Bonds	0	0	1,360,000	0	1,360,000
Issuance Of Notes	0	7,925,000	0	0	7,925,000
Issuance Of OPWC Loan	0	428,275	0	0	428,275
Premium On Debt Issued	0	181,369	90,266	0	271,635
Transfers - In	0	0	0	74,000	74,000
Transfers - Out	(74,000)	0	0	0	(74,000)
Total Other Financing Sources (Uses)	(74,000)	8,534,644	135,266	74,000	8,669,910
Net Change In Fund Balance	(1,684,944)	(6,757,302)	115,843	2,468	(8,323,935)
Fund Balances At Beginning Of Year - Restated (See Note 3)	18,201,442	2,231,798	1,419,428	3,228,428	25,081,096
Fund Balances (Deficit) At End Of Year	\$16,516,498	(\$4,525,504)	\$1,535,271	\$3,230,896	\$16,757,161

See Accompanying Notes to the Basic Financial Statements

CITY OF GROVE CITY, 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, 2004

Net Change in Fund Balances - Total Governmental Funds (\$8,323,935)

Amounts reported for governmental activities in the statement of activities are different because:

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. In the current period, these amounts are:

Capital Outlay	14,784,379	
Depreciation	(1,440,452)	
Excess of Capital Outlay over Depreciation Expense	13,343,927	13,343,927

Governmental funds only report the disposal of fixed assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each sale.

Loss on Disposal Of Assets	(82,237)
----------------------------	----------

Repayment of long-term obligations is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consist of:

General Obligation Bond Principal Payments	1,770,000	
Special Assessment Bond Principal Payments	32,982	
Ohio Public Works Commission Loan Principal Payments	189,652	
Street and Construction Infrastructure Notes Payments	6,700,000	
Capital Lease Payments	3,681	
Certificates of Participation Principal Payments	410,000	
	9,106,315	9,106,315

Some revenues that will not be collected for several months after the City's year end are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues changed by these amounts this year:

Municipal Income Taxes	1,718,692	
Property and Other Local Taxes	(17,403)	
Intergovernmental	(14,599)	
Special Assessments	(53,060)	
Accrued Interest	48,632	
	1,682,262	1,682,262

The issuance of long-term debt provides current financial resources to governmental funds, but in the statement of net assets, the debt is reported as a liability.

General Obligation Bonds Payable	(1,360,000)
Deferred Loss on Refunding	37,651
OPWC Loans Payable	(428,275)
Notes Payable	(7,925,000)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional amount of interest on the statement of activities is the result of the following:

Net Decrease in Accrued Interest	50,646
----------------------------------	--------

Some items reported as expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

These activities consist of:

Increase in Compensated Absences	(146,076)
----------------------------------	-----------

Change in Net Assets of Governmental Activities \$5,955,278

See Accompanying Notes to the Basic Financial Statements

CITY OF GROVE CITY, OHIO

General Fund

**Statement Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual
(Non-GAAP Budgetary Basis)**

For The Year Ended December 31, 2004

	Original Budget	Revised Budget	Budgetary Actual	Variance Positive (Negative)
<u>Revenues:</u>				
Property Taxes	\$1,182,343	\$1,182,343	\$1,183,376	\$1,033
Municipal Income Taxes	13,537,387	13,948,669	14,008,419	59,750
Other Local Taxes	591,943	609,927	612,540	2,613
Intergovernmental	1,862,282	1,918,861	1,927,080	8,219
Charges For Services	124,631	141,809	142,359	550
Licenses And Permits	705,699	732,144	735,259	3,115
Fines And Forfeitures	154,066	168,872	169,552	680
Special Assessments	44,007	45,344	45,538	194
Interest	240,883	248,202	254,006	5,804
Rent	0	22,520	22,520	0
Contributions and Donations	100,944	106,510	106,956	446
Miscellaneous	116,052	66,036	66,548	512
Total Revenues	18,660,237	19,191,237	19,274,153	82,916
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property	6,658,234	6,688,981	6,619,066	69,915
Public Health	252,278	252,278	252,259	19
Leisure Time Activities	594,726	613,597	583,253	30,344
Community Development	1,009,691	1,044,744	992,447	52,297
General Government	5,633,774	5,740,151	5,319,398	420,753
Capital Outlay	11,419,130	12,372,661	10,775,305	1,597,356
Debt Service:				
Principal Retirement	310,600	310,600	220,831	89,769
Total Expenditures	25,878,433	27,023,012	24,762,559	2,260,453
Excess Of Revenues Over (Under) Expenditures	(7,218,196)	(7,831,775)	(5,488,406)	2,343,369
<u>Other Financing Uses:</u>				
Transfers - Out	(50,000)	(74,000)	(74,000)	0
Net Change In Fund Balance	(7,268,196)	(7,905,775)	(5,562,406)	2,343,369
Fund Balance At Beginning Of Year	12,490,025	12,490,025	12,490,025	0
Prior Year Encumbrances	4,418,404	4,418,404	4,418,404	0
Fund Balance At End Of Year	\$9,640,233	\$9,002,654	\$11,346,023	\$2,343,369

See Accompanying Notes to the Basic Financial Statements

CITY OF GROVE CITY, OHIO

**Statement Of Fund Net Assets
Enterprise Funds**

December 31, 2004

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Assets:</u>			
<u>Current Assets:</u>			
Equity in Pooled Cash and Cash Equivalents			
Cash Equivalents	\$1,193,229	\$1,603,382	\$2,796,611
Receivables:			
Accounts	147,652	115,373	263,025
Special Assessments	0	29,119	29,119
Total Current Assets	<u>1,340,881</u>	<u>1,747,874</u>	<u>3,088,755</u>
<u>Non-Current Assets:</u>			
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	77,800	0	77,800
Cash and Cash Equivalents with Fiscal Agents	199,904	0	199,904
Deferred Charges	6,087	0	6,087
Land and Construction in Progress	236,781	92,061	328,842
Depreciable Capital Assets, Net	13,480,252	17,616,590	31,096,842
Total Non-Current Assets	<u>14,000,824</u>	<u>17,708,651</u>	<u>31,709,475</u>
Total Assets	<u>15,341,705</u>	<u>19,456,525</u>	<u>34,798,230</u>
<u>Liabilities:</u>			
<u>Current Liabilities:</u>			
Accounts Payable	8,326	3,618	11,944
Contracts Payable	0	3,061	3,061
Accrued Wages	684	7,771	8,455
Compensated Absences Payable	907	13,980	14,887
Retainage Payable	8,145	0	8,145
Due to Other Governments	743	5,549	6,292
Accrued Interest Payable	2,082	0	2,082
Revenue Bonds Payable	185,000	0	185,000
OPWC Loans Payable	23,627	54,359	77,986
Total Current Liabilities	<u>229,514</u>	<u>88,338</u>	<u>317,852</u>
<u>Long-Term Liabilities (Net Of Current Portion):</u>			
OPWC Loans Payable	220,783	926,608	1,147,391
Revenue Bonds Payable	195,000	0	195,000
Compensated Absences Payable	86	15,154	15,240
Total Long-Term Liabilities	<u>415,869</u>	<u>941,762</u>	<u>1,357,631</u>
Total Liabilities	<u>645,383</u>	<u>1,030,100</u>	<u>1,675,483</u>
<u>Net Assets:</u>			
Invested in capital assets, net of related debt	13,086,536	16,727,684	29,814,220
Restricted for:			
Revenue Bonds Future Debt Service	199,904	0	199,904
Revenue Bond Improvement & Replacement	77,800	0	77,800
Unrestricted	1,332,082	1,698,741	3,030,823
Total Net Assets	<u>\$14,696,322</u>	<u>\$18,426,425</u>	<u>\$33,122,747</u>

See Accompanying Notes to the Basic Financial Statements

CITY OF GROVE CITY, OHIO

**Statement Of Revenues, Expenses And Changes In Fund Net Assets
Enterprise Funds**

For The Year Ended December 31, 2004

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Operating Revenues:</u>			
Charges for Services	\$484,520	\$379,919	\$864,439
Tap-In Fees	59,486	0	59,486
Total Operating Revenues	544,006	379,919	923,925
<u>Operating Expenses:</u>			
Salaries	28,710	309,300	338,010
Purchased Services	51,542	35,771	87,313
Materials And Supplies	13,352	44,944	58,296
Depreciation	336,095	465,147	801,242
Other Operating Expenses	108	317	425
Total Operating Expenses	429,807	855,479	1,285,286
Operating Income (Loss)	114,199	(475,560)	(361,361)
<u>Non Operating Revenues (Expenses):</u>			
Interest	14,726	2,515	17,241
Loss on Disposal of Fixed Assets	(6,119)	(9,371)	(15,490)
Interest And Fiscal Charges	(46,113)	(32,503)	(78,616)
Total Non Operating Revenues (Expenses)	(37,506)	(39,359)	(76,865)
Income (Loss) Before Contributions	76,693	(514,919)	(438,226)
Capital Contributions	1,443,459	1,566,516	3,009,975
Change In Net Assets	1,520,152	1,051,597	2,571,749
Net Assets At Beginning Of Year - Restated (See Note 3)	13,176,170	17,374,828	30,550,998
Net Assets At End Of Year	\$14,696,322	\$18,426,425	\$33,122,747

See Accompanying Notes to the Basic Financial Statements

CITY OF GROVE CITY, OHIO

**Statement Of Cash Flows
Enterprise Funds**

For The Year Ended December 31, 2004

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Increases (Decreases) In Cash And Cash Equivalents:</u>			
<u>Cash Flows From Operating Activities:</u>			
Cash Received From Customers	\$434,708	\$342,747	\$777,455
Cash Payments For Personal Services	(40,602)	(293,650)	(334,252)
Cash Payments To Suppliers For Goods And Services	(122,887)	(77,410)	(200,297)
Other Operating Revenues	618	0	618
Tap-In Fees	59,486	0	59,486
Tap-In Fees Paid To Other Governments	0	(223,650)	(223,650)
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>331,323</u>	<u>(251,963)</u>	<u>79,360</u>
<u>Cash Flows From Capital And Related Financing Activities:</u>			
Tap-In Fees	0	331,091	331,091
Acquisition Of Capital Assets	(91,381)	(32,906)	(124,287)
Principal Paid On Revenue Bonds	(170,000)	0	(170,000)
Principal Paid On OPWC Loans	(23,105)	(52,642)	(75,747)
Interest And Fiscal Charges Paid On Revenue Bonds	(35,754)	0	(35,754)
Interest And Fiscal Charges Paid On OPWC Loans	(7,188)	(32,502)	(39,690)
<i>Net Cash Provided By (Used For) Capital And Related Financing Activities</i>	<u>(327,428)</u>	<u>213,041</u>	<u>(114,387)</u>
<u>Cash Flows From Investing Activities:</u>			
Interest	13,809	2,515	16,324
<i>Net Increase (Decrease) In Cash And Cash Equivalents</i>	17,704	(36,407)	(18,703)
<i>Cash And Cash Equivalents At Beginning Of Year</i>	<u>1,453,229</u>	<u>1,639,789</u>	<u>3,093,018</u>
<i>Cash And Cash Equivalents At End Of Year</i>	<u><u>\$1,470,933</u></u>	<u><u>\$1,603,382</u></u>	<u><u>\$3,074,315</u></u>

(continued)

CITY OF GROVE CITY, OHIO

**Statement Of Cash Flows
Enterprise Funds**

For The Year Ended December 31, 2004

(Continued)

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Reconciliation Of Operating Income (Loss) To Net Cash Provided By (Used For) Operating Activities:</u>			
Operating Income (Loss)	\$114,199	(\$475,560)	(\$361,361)
<u>Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided By (Used For) Operating Activities:</u>			
Depreciation	336,095	465,147	801,242
Changes In Assets And Liabilities:			
Increase In Accounts Receivable	(49,812)	(41,606)	(91,418)
Decrease In Special Assessments Receivable	0	1,923	1,923
Increase In Accounts Payable	8,243	540	8,783
Increase (Decrease) In Contracts Payable	(74,273)	3,061	(71,212)
Increase In Contracts Retainage Payable	2,822	0	2,822
Increase In Accrued Wages Payable	431	4,869	5,300
Increase (Decrease) In Due To Other Governments	64	(222,050)	(221,986)
Increase (Decrease) In Compensated Absences Payable	(6,446)	11,713	5,267
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>\$331,323</u>	<u>(\$251,963)</u>	<u>\$79,360</u>

Noncash Capital Financing Activities:

For the year ended December 31, 2004, the City's enterprise funds received water and sewer lines that were paid for from the General Fund. The water and sewer lines were recorded as capital assets and capital contributions in the respective funds. The value of the water and sewer lines were \$1,245,219 and \$651,478, respectively.

Developers during the year donated \$198,240 of water lines to the water fund.

Developers during the year donated \$583,947 of sewer lines to the sewer fund.

See Accompanying Notes to the Basic Financial Statements

CITY OF GROVE CITY, OHIO

***Statement Of Fiduciary
Assets And Liabilities
Agency Funds***

December 31, 2004

<u>Assets:</u>	
Equity In Pooled Cash And Cash Equivalents	\$1,231,837
Receivables:	
Other Local Taxes	<u>10,583</u>
<i>Total Assets</i>	<u><u>\$1,242,420</u></u>
<u>Liabilities:</u>	
Undistributed Assets	\$23,215
Deposits Held And Due To Others	<u>1,219,205</u>
<i>Total Liabilities</i>	<u><u>\$1,242,420</u></u>

See Accompanying Notes to the Basic Financial Statements

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

NOTE 1 –DESCRIPTION OF THE CITY AND REPORTING ENTITY

The City of Grove City (the “City”) is a home rule municipal corporation established under the laws of the State of Ohio that operates under its own Charter. The current Charter, which provides for a mayor-council-administrator form of government, was adopted by the electorate November 4, 1958, became effective July 1, 1959, and was amended December 6, 1962, November 2, 1982, and again November 5, 1985.

THE REPORTING ENTITY

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading.

The primary government of the City consists of all funds, departments, and activities which are not legally separate from the City. They comprise the City's legal entity, which provides various services including public safety, street maintenance, parks and recreation, senior services, and engineering. The City of Grove City is also responsible for the construction, maintenance, and repairs associated with the water and sewer lines. The City of Columbus provides water and sewer treatment services. Council and the Mayor have direct responsibility for these activities.

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 organization's budget, the issuance of its debt, or the levying of its taxes. The City has no component units.

The Grove City Area Community Improvement Corporation (CIC) was created as a not for profit corporation under Sections 1724.01 et. seq., Ohio Revised Code. The CIC is governed by a twelve member Board of Trustees, six of which are elected or appointed officials of the City, one is appointed by Jackson Township, one is appointed by Southwestern City Schools, one is appointed by the Chamber of Commerce, and three volunteer citizens. The CIC acquires and sells real property to increase the opportunities for employment and strengthen the economic development of the Grove City area. Because the CIC is subject to joint control and the participants have no equity interest in the CIC, the CIC is a jointly governed organization of the City.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 1 – DESCRIPTION OF THE CITY AND REPORTING ENTITY (Continued)

The City is a member of the Central Ohio Health Care Consortium (the "Pool"), a risk sharing pool which provides health insurance. The Pool, which commenced business on January 1, 1992, has nine members consisting of various cities, villages, and townships. The members originally entered into an irrevocable agreement to remain members of the Pool for a minimum of three years. This agreement was renewed for an additional three years on January 1, 2004. The Pool is governed by a Board of Directors consisting of one director appointed by each member. The Board elects a chairman, a vice chairman and a secretary. The Board is responsible for its own financial matters and the Pool maintains its own books of account. Budgeting and financing of the Pool is subject to the approval of the Board. The City has no explicit and measurable equity interest in the Pool. The City has no ongoing financial responsibility other than the three year minimum membership. See Note 12.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Grove City have been prepared in conformity with generally accepted accounting principles (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 reporting principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its enterprise funds provided they do not conflict with or contradict GASB pronouncements. The City does not apply FASB Statements issued after November 30, 1989 to its governmental and business-type activities and to its enterprise funds. The most significant of the City's accounting policies are described below.

BASIS OF PRESENTATION

The City's basic financial statements consist of government-wide statements, including a Statement of Net Assets 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 Assets 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 in nature and those that are considered business-type activities.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Statement of Net Assets 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 governmental program or business segment is self-financing or draws from the general revenues of the City.

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.

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 utilized by the City: governmental, proprietary, and fiduciary.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions are 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 purpose 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 and liabilities is reported as fund balance. The following are the City's major governmental funds:

General Fund - This 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 general laws of Ohio and the Charter of the City.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Road Improvement - This fund accounts for various road construction and improvement projects within the City. These projects are financed from local resources and federal and state grants, including Ohio Public Works Commission grants, loans, and note proceeds.

Debt Service - This fund accounts for the resources that are used for payment of principal and interest and fiscal charges on general obligation debt and special assessment debt.

The other governmental funds of the City account for grants and other resources whose use is restricted for a particular purpose.

PROPRIETARY FUNDS

Proprietary funds focus on the determination of operating income, changes in net assets, financial position, and cash flows. The City's proprietary funds are enterprise funds.

Enterprise Funds - 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 is used to account for the provision of water service to certain residents and businesses within the City.

Sewer Fund - This fund is used to account for the provision of sanitary sewer service to the residents of the City.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. The three types of trust funds should be used to report resources held and administered by the reporting government when it is acting in a fiduciary capacity for individuals, private organizations, or other governments. These funds are distinguished by the existence of a trust agreement that affects the degree of management involvement and the length of time that the resources are held. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City has four agency funds which are used to account for money held for other governments, individuals and organizations for medical spending, compliance with building codes, distribution of mayor's court fines, and distribution of hotel/motel tax to the Convention Bureau.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the City are included on the Statement of Net Assets. The Statement of Activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets.

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 and current liabilities 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 statements for governmental funds.

Like the government-wide statements, all enterprise funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statement of Fund Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (e.g., revenues) and decreases (e.g., expenses) in total net assets. The Statement of Cash Flows provides information about how the City finances and meets the cash flow needs of its enterprise activities.

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; enterprise and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

REVENUES - EXCHANGE AND NON-EXCHANGE TRANSACTIONS

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current 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 thirty-one days of year-end.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income tax is recognized in the year in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied. (See Note 7.) 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 non-exchange 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, interest on investments, intergovernmental revenues (including motor vehicle license tax, gasoline tax, and local government assistance), fines and forfeitures, and grants.

DEFERRED REVENUES

Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2004, but were levied to finance 2005 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met have also been recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

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.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUDGETS AND BUDGETARY ACCOUNTING

All funds other than agency funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the fund level for all funds. The Finance Director has been authorized to allocate appropriations to the function and object level within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts set forth in the financial statements as final budgeted amounts represent estimates from the amended certificate in force at the time final appropriations were passed by Council.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the revised budgeted amounts represent the final appropriation amounts passed by Council during the year.

CASH AND CASH EQUIVALENTS

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "Equity In Pooled Cash And Cash Equivalents" on the financial statements. The City also has permissive motor vehicle license money, which is held by the Franklin County Engineer as agent and distributed to the City for approved street projects. The balances in these accounts are presented on the balance sheet as "Cash And Cash Equivalents With Fiscal Agents".

During the year, investments were limited to repurchase agreements, Federal Home Loan Mortgage Corporation Bonds, Federal Home Loan Bank Bonds, Federal National Mortgage Association Bonds, and Negotiable Certificates of Deposit. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as repurchase agreements, are reported at cost.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest income is distributed to the funds according to Ohio constitutional and statutory requirements. Interest revenue credited to the General Fund during fiscal year 2004 amounted to \$284,899, which includes \$46,504 assigned from other funds.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are reported as cash equivalents on the financial statements.

MATERIALS AND SUPPLIES INVENTORY

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies held for consumption.

PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond December 31, 2004, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure is reported in the year in which services are consumed.

RESTRICTED ASSETS

Assets are reported as restricted when limitations on their use change the nature or 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 provisions or enabling legislation. Restricted assets in the enterprise funds represent cash and cash equivalents and cash and cash equivalents with fiscal agents set aside for the improvement and replacement of capital assets originally acquired with bond proceeds and for repayment of current debt service on revenue bonds that are required by the bond indenture to be held by a financial services corporation.

CAPITAL ASSETS

General capital assets are capital assets that are associated with and generally rise from governmental activities. They generally result from expenditures in governmental funds. These assets are reported in the Governmental Activities column of the government-wide Statement of Net Assets but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the Business-Type Activities column of the government-wide Statement of Net Assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. For certain assets estimates were calculated by indexing estimated current costs back to the year of acquisition. Donated capital assets are recorded at their fair market values on the date donated. The City maintains a capitalization threshold of one thousand dollars. 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 expended.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All capital assets except for land and construction in progress are depreciated. 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 replacements. Depreciation is computed using the straight-line method over the following useful lives:

	<u>YEARS</u>
Buildings	50
Improvements Other Than Buildings	20
Machinery And Equipment	10-20
Furniture And Fixtures	10-20
Vehicles	3-10
Computer Equipment	3-10
Water And Sewer Lines	50
Infrastructure	50

The City’s governmental infrastructure consists of streets, curbs and gutters, sidewalks, street lighting, storm sewer. The proprietary infrastructure consists of water lines, sewer lines, and pump stations. The City only reports governmental infrastructure for the amounts acquired after 2001. The City plans to phase in the prior years’ amounts in the following year.

COMPENSATED ABSENCES

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for all accumulated unused vacation time when earned for all employees.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees’ wage rates at year-end, taking into consideration any limits specified in the City’s termination policy. The City records a liability for accumulated unused sick leave for employees and administrators after three years of service or an accumulation of more than 360 hours of sick leave.

INTERFUND RECEIVABLES/PAYABLES

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “Interfund Receivable and Interfund Payable.” Interfund Balances are eliminated on the government-wide Statements of Net Assets except for any net residual amounts due between Governmental and Business-Type Activities, which are presented as “Internal Balances.”

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and compensated absences that will be paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Long-term loans, bonds, and capital leases are recognized as liabilities on the governmental fund financial statements when due.

UNAMORTIZED BOND COSTS

Issuance costs incurred in a prior year bond refunding are deferred and amortized over the term of the bonds using the straight line method, since the results are not significantly different from the effective interest method. Issuance costs are recorded as deferred charges in the account Deferred Charges. Premiums and issuance costs on long-term notes issued during 2004 were immaterial.

CONTRIBUTIONS OF CAPITAL

Contributions of capital arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, from grants or outside contributions of resources restricted to capital acquisition and construction or transfers of governmental capital assets.

RESERVES OF FUND BALANCE

Reserves of fund equity in governmental funds indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for encumbrances.

INTERFUND TRANSACTIONS

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/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/uses in governmental funds and after nonoperating revenues/expenses in enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NET ASSETS

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. A portion of certain governmental long-term liabilities is not related to governmental activities because part of the proceeds were used to purchase assets used in the business-type activities. The unrelated portion of these liabilities is included in the calculation of unrestricted net assets. Net assets are reported as restricted when there are limitations imposed on their use, either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include funds for the operation of recreational activities, improving the living environment of the City, the operation of police programs, and the City's street repair/improvement programs.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The City's Water Enterprise Fund has restricted net assets relative to those resources necessary to comply with various covenants of a bond financing agreement.

OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the City, these revenues are charges for services for sewer and water utility services. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses that do not meet these definitions are reported as nonoperating.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 3 – RESTATEMENT OF PRIOR YEAR NET ASSETS

During the year 2004, errors were discovered that related to the overstatement of capital assets in prior years. The City has implemented GASB Statement No. 39, “*Determining Whether Certain Organizations are Component Units*” and GASB Technical Bulletin No. 2004-2 “*Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liability by Cost-Sharing Employers*”.

GASB Statement No. 39 states that entities for which a primary government is not financially accountable may still be reported as component units based on the nature and significance of their relationship with the primary government.

GASB Technical Bulletin No. 2004-02 addresses the amount that should be recognized as an expenditure/expense and as a liability each period by employers participating in a cost sharing multiple-employer pension and other post-employment benefit (OPEB) plans.

The implementation of GASB Statement No. 39 did not affect the presentation of the financial statements. Also during 2004, it was determined that the CIC was no longer a component unit of the City. The effect of these changes resulted in the following restatements of net assets and fund balances.

	Governmental Activities	Business-Type Activities	Total
Net Assets, December 31, 2003	\$47,091,206	\$30,748,095	\$77,839,301
Change in Fund Classification	(19,792)	0	(19,792)
Restatement of Capital Assets	(717,789)	(197,097)	(914,886)
Net Assets, December 31, 2003 as Restated	\$46,353,625	\$30,550,998	\$76,904,623

	General	Non-Major
Fund Balance, December 31, 2003	\$18,263,445	\$3,409,090
Restatement of Intergovernmental Payables	(62,003)	(160,870)
Change in Fund Classification	0	(19,792)
Fund Balance, December 31, 2003, as Restated	\$18,201,442	\$3,228,428

	Water	Sewer	Total
Net Assets, December 31, 2003	\$13,442,107	\$17,305,988	\$30,748,095
Restatement of Capital Assets	(265,937)	68,840	(197,097)
Net Assets, December 31, 2003 as Restated	\$13,176,170	\$17,374,828	\$30,550,998

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position and results of operations on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) is presented for the General Fund 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 are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- (c) Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
- (d) Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statements.
- (e) Investments are reported at fair value (GAAP) rather than cost (budget).

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis for the General Fund is as follows:

<i>Net Change In Fund Balance</i>	
GAAP Basis	(\$1,684,944)
<u>Increases (decreases) Due To:</u>	
Revenue Accruals	757,397
Expenditure Accruals	101
Encumbrances Outstanding	
At Year-End (Budget Basis)	(4,486,289)
Change In Fair Value	
Of Investments	(116,005)
Unrecorded Cash	<u>(32,666)</u>
Budget Basis	<u><u>(\$5,562,406)</u></u>

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 5 - DEPOSITS AND INVESTMENTS

The investment and deposit of City monies are governed by the Ohio Revised Code. 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 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 interim monies. Interim monies are 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 year from the date of deposit or by savings or deposit accounts including passbook accounts.

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.

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;

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section, and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons; and
3. Obligations of the City.

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.

At year-end, the carrying amount of the City's deposits was \$14,200,826, and the bank balance was \$14,417,034. The bank balance, in addition to negotiable certificates of deposit, had \$1,811,250 covered by federal depository insurance. The remaining amounts were uninsured and uncollateralized. Although the balance was collateralized by securities held by the financial institutions' trust departments in the financial institution's name and all State statutory requirements for the deposit of money had been followed, non compliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

GASB Statement No. 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" requires that local governments disclose the carrying amounts and fair value of investments, classified by risk. The City's investments are categorized as either (1) insured or registered or for which the securities are held by the City or its agent in the City's name, (2) uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the City's name or (3) uninsured and unregistered for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name.

	Category <u>1</u>	Category <u>2</u>	Category <u>3</u>	Carrying/Fair Value
Repurchase Agreements	\$0	\$0	\$8,773,145	\$8,773,145
Federal National Mortgage Association Bonds	0	4,700,442	0	4,700,442
Federal Home Loan Mortgage Corporation Bonds	0	1,978,800	0	1,978,800
Federal Home Loan Bank Bonds Corporation Bonds	0	6,280,456	0	6,280,456
Negotiable Certificates of Deposit	1,481,254	0	0	1,481,254
Total Investments	<u>\$1,481,254</u>	<u>\$12,959,698</u>	<u>\$8,773,145</u>	<u>\$23,214,097</u>

The classification of cash and cash equivalents, and investments on the financial statements is based on criteria set forth in *GASB Statement No. 9*. A reconciliation between classifications of cash and investments on the basic financial statements and the classifications according to *GASB Statement No. 3* is as follows:

	Cash and Cash <u>Equivalents/Deposits</u>	<u>Investment</u>
<i>GASB Statement No. 9</i>	\$37,414,923	\$0
Investment:		
Repurchase Agreements	(8,773,145)	8,773,145
Federal National Mortgage Association Bonds	(4,700,442)	4,700,442
Federal Home Loan Mortgage Corporation Bonds	(1,978,800)	1,978,800
Federal Home Loan Bank Bonds	(6,280,456)	6,280,456
Negotiable Certificates of Deposit	(1,481,254)	1,481,254
<i>GASB Statement No. 3</i>	<u>\$14,200,826</u>	<u>\$23,214,097</u>

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 6 - MUNICIPAL INCOME TAX

The City levies and collects an income tax of two percent on all income earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and 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.

On July 1st, 2004, the City changed from the City of Columbus to the Regional Income Tax Agency (RITA) to administer and collect income tax for the City of Grove City. Payments, net of a three percent collection fee, are remitted monthly for tax revenues received by RITA in the prior month. All proceeds go to the General Fund.

NOTE 7 - PROPERTY TAX

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2004 for real and public utility property taxes represents collections of 2003 taxes. Property tax payments received during 2004 for tangible personal property (other than public utility property) are for 2004 taxes.

2004 real property taxes are levied after October 1, 2004 on the assessed value as of January 1, 2004, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2004 real property taxes are collected in and intended to finance 2005.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2004 public utility property taxes became a lien December 31, 2003, are levied after October 1, 2004, and are collected in 2005 with real property taxes.

2004 tangible personal property taxes are levied after October 1, 2003, on the value as of December 31, 2003. Collections are made in 2004. Tangible personal property assessments are 25 percent of true value for capital assets and 22 percent of true value for inventory.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 7 - PROPERTY TAX (Continued)

The full tax rate for all City operations for the year ended December 31, 2004, was \$4.20 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2004 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$628,364,980
Public Utility Property	10,826,320
Tangible Personal Property	72,560,399
Total Property Taxes	<u>\$711,751,699</u>

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 alternate payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Grove City. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represent real and tangible personal property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2004, and for which there is an enforceable legal claim. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2004 operations. The receivable is offset by deferred revenue. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2004, consisted of taxes, accounts, interfund, special assessments, interest on investments, and intergovernmental receivables arising from grants, entitlements or shared revenues. All receivables are considered fully collectible, including water and sewer charges receivable which, if delinquent, may be certified and collected as a special assessment, subject to foreclosure for nonpayment. Special assessments expected to be collected in more than one year for the City amount to \$209,715. The City had \$333 delinquent special assessments at December 31, 2004.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 8 – RECEIVABLES (Continued)

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental Activities	
Local Government	\$637,034
Local Government Revenue Assistance	78,336
Liquor Permits	28,835
U. S. Department Of Housing And Urban Development Grant	223,537
COPS - In School	31,250
ODNR/SWACO Clean Community Grant	1,712
Estate Taxes	63,535
Fines And Forfeitures	1,137
Personal Property Exemption	8,816
Homestead And Rollback	158,344
Pari-Mutuel Tax	15,077
Gasoline Tax	481,742
Motor Vehicle License Tax	170,737
Permissive Motor Vehicle License Taxes	106,322
Total Intergovernmental Receivable	<u><u>\$2,006,414</u></u>

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2004, was as follows:

	Restated Balance At 12/31/2003	Additions	Deletions	Balance At 12/31/2004
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$4,933,173	\$712,055	\$0	\$5,645,228
Construction in Progress	7,277,221	12,526,907	(5,955,570)	13,848,558
Total Capital Assets Not Being Depreciated	<u>12,210,394</u>	<u>13,238,962</u>	<u>(5,955,570)</u>	<u>19,493,786</u>
Depreciable Capital Assets:				
Buildings	5,341,179	29,888	(13,347)	5,357,720
Improvements Other Than Buildings	2,520,290	159,891	(2,500)	2,677,681
Machinery and Equipment	3,453,251	379,448	(167,493)	3,665,206
Furniture and Fixtures	420,967	23,707	(50,583)	394,091
Vehicles	1,778,664	287,601	(4,740)	2,061,525
Computer Equipment	1,584,097	157,994	0	1,742,091
Infrastructure	14,665,583	6,462,458	0	21,128,041
Total Depreciable Capital Assets	<u>29,764,031</u>	<u>7,500,987</u>	<u>(238,663)</u>	<u>37,026,355</u>
Total Capital Assets At Historical Cost	<u>41,974,425</u>	<u>20,739,949</u>	<u>(6,194,233)</u>	<u>56,520,141</u>
Less Accumulated Depreciation:				
Buildings	(2,901,458)	(60,236)	12,503	(2,949,191)
Improvements Other Than Buildings	(970,203)	(230,891)	1,239	(1,199,855)
Machinery and Equipment	(1,705,682)	(301,449)	112,858	(1,894,273)
Furniture and Fixtures	(230,798)	(25,536)	25,086	(231,248)
Vehicles	(769,768)	(192,906)	4,740	(957,934)
Computer Equipment	(587,064)	(265,335)	0	(852,399)
Infrastructure	(529,934)	(364,099)	0	(894,033)
Total Accumulated Depreciation	<u>(7,694,907)</u>	<u>(1,440,452)</u>	<u>156,426</u>	<u>(8,978,933)</u>
Depreciable Capital Assets, Net	<u>22,069,124</u>	<u>6,060,535</u>	<u>(82,237)</u>	<u>28,047,422</u>
Governmental Activities Capital Assets, Net	<u>\$34,279,518</u>	<u>\$19,299,497</u>	<u>(\$6,037,807)</u>	<u>\$47,541,208</u>

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 9 - CAPITAL ASSETS (Continued)

	Restated Balance At 12/31/2003	Additions	Deletions	Balance At 12/31/2004
Business-Type Activities				
Capital Assets Not Being Depreciated				
Land	\$121,000	\$7,000	(\$5,000)	\$123,000
Construction in Progress	754,697	70,353	(619,208)	205,842
Total Capital Assets, Not Being Depreciated	<u>875,697</u>	<u>77,353</u>	<u>(624,208)</u>	<u>328,842</u>
Depreciable Capital Assets:				
Buildings	91,125	777,086	0	868,211
Improvements Other Than Buildings	1,358,502	2,900	0	1,361,402
Machinery and Equipment	185,493	0	(5,250)	180,243
Vehicles	91,517	22,038	0	113,555
Computer Equipment	9,877	0	0	9,877
Infrastructure:				
Water Lines	14,928,289	902,015	(13,932)	15,816,372
Sewer Lines	21,237,446	1,640,987	(3,358)	22,875,075
Total Depreciable Capital Assets	<u>37,902,249</u>	<u>3,345,026</u>	<u>(22,540)</u>	<u>41,224,735</u>
Total Capital Assets At Historical Cost	<u>38,777,946</u>	<u>3,422,379</u>	<u>(646,748)</u>	<u>41,553,577</u>
Less Accumulated Depreciation:				
Buildings	(38,352)	(3,771)	0	(42,123)
Improvements Other Than Buildings	(366,519)	(17,670)	0	(384,189)
Machinery and Equipment	(94,466)	(13,885)	2,295	(106,056)
Vehicles	(55,491)	(10,812)	0	(66,303)
Computer Equipment	(9,877)	0	0	(9,877)
Infrastructure:				
Water Lines	(3,803,244)	(315,025)	7,813	(4,110,456)
Sewer Lines	(4,970,752)	(440,079)	1,942	(5,408,889)
Total Accumulated Depreciation	<u>(9,338,701)</u>	<u>(801,242)</u>	<u>12,050</u>	<u>(10,127,893)</u>
Depreciable Capital Assets, Net	<u>28,563,548</u>	<u>2,543,784</u>	<u>(10,490)</u>	<u>31,096,842</u>
Business-Type Activities Capital Assets, Net	<u>\$29,439,245</u>	<u>\$2,621,137</u>	<u>(\$634,698)</u>	<u>\$31,425,684</u>

For the year ended December 31 2004, the City's enterprise funds received water and sewer lines that were paid for from the General Fund. The water and sewer lines were recorded as capital assets in the respective funds. The value of the water and sewer lines were \$1,245,219 and \$651,478, respectively.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 9 - CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental programs as follows:

Security of Person And Property	\$449,697
Leisure Time Activities	345,092
Community Development	24,127
Transportation	109,777
General Government	511,759
Total Depreciation Expense	<u>\$1,440,452</u>

NOTE 10 - DEFINED BENEFIT PENSION PLANS

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6705.

For the year ended December 31, 2004, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9.0 percent. The City's contribution rate for pension benefits for 2004 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 12.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2004, 2003, and 2002 were \$422,630, \$327,147, and \$328,374 respectively; 87.90 percent has been contributed for 2004 and 100 percent for 2003 and 2002. Contributions to the member-directed plan for 2004 were \$19,957 made by the City and \$12,520 made by the plan members.

OHIO POLICE AND FIRE PENSION FUND

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability 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 for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the City is required to contribute 11.75 percent for police officers. Contributions are authorized by State statute. The City's contributions to the Fund for the years ended December 31, 2004, 2003, and 2002 were \$485,208, \$399,856, and \$313,179 respectively, equal to the required contributions for each year. The full amount has been contributed for 2003 and 2002. 72.19 percent has been contributed for 2004 with the remainder being reported as a liability.

NOTE 11 - POSTEMPLOYMENT BENEFITS

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by Ohio Revised Code Section 145. The 2004 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4 percent of covered payroll was the portion that was used to fund health care.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2003, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging between 1.00 to 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 369,885. Actual employer contributions for 2004 which were used to fund postemployment benefits were \$177,018. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2003, (the latest information available) were \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$26.9 billion and \$16.4 billion, respectively.

In December 2001, the Board adopted the Health Care "Choices" Plan. The Choices Plan will be offered to all persons newly hired in an OPERS covered position after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices will incorporate a cafeteria approach, offering a broader range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

OHIO POLICE AND FIRE PENSION FUND

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement 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. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code section 742 provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2004. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2004 that were used to fund postemployment benefits were \$320,030 for police. The OP&F's total health care expense for the year ended December 31, 2003, (the latest information available) was \$150,853,148, which was net of member contributions of \$17,207,506. The number of OP&F participants eligible to receive health care benefits as of December 31, 2003, was 13,662 for police and 10,474 for firefighters.

NOTE 12 - EMPLOYEE BENEFITS

COMPENSATED ABSENCES

Vacation leave is earned at rates which vary depending upon length of service and standard work week. Current policy credits vacation leave on the employee's anniversary date and allows the unused balance to be accrued at levels which depend upon years of service. City employees are paid for earned, unused vacation leave at the time of termination of employment.

Sick leave is earned at the rate of four and six-tenths hours for every eighty hours worked and can be accumulated without limit. Each employee with the City is paid at one-half of the portion that exceeds forty-five days of the employee's earned unused sick leave upon termination from the City or the full balance may be transferred to another governmental agency. In the event that an employee dies as the result of injuries sustained on the job, his or her estate will be paid the total allowable amount of all earned unused sick leave.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 12 - EMPLOYEE BENEFITS (Continued)

HEALTH CARE BENEFITS

On January 1, 1992, the City joined the Central Ohio Health Care Consortium, a risk-sharing pool, which provides employee health care benefits for all full-time employees who wish to participate in the plan. The pool consists of nine political subdivisions who pool risk for basic hospital, surgical, and prescription drug coverage. The City pays monthly contributions to the Consortium, which are used to cover claims and administrative costs, and to purchase excess loss insurance for the plan. The Consortium 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 Plan for medical claims paid for an individual in excess of \$175,000 per claim per year, with an individual lifetime maximum of \$2,000,000. The aggregate excess loss coverage has been structured to indemnify the Plan for aggregate claims paid in excess of \$10,501,216 to a maximum of \$1,000,000 annually. In the event that the losses of the Consortium in any year exceeds amounts paid to the Consortium, 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.

DEFERRED COMPENSATION

City employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death, or an unforeseeable emergency.

NOTE 13 - CAPITAL LEASES - LESSEE DISCLOSURE

In prior years, the City has entered into capitalized leases for copiers. The leases meet the criteria of a capital lease as defined by *Statement of Financial Accounting Standards No. 13, "Accounting for Leases"*, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as a debt service expenditure in the basic financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

General capital assets consisting of equipment have been capitalized in the amount of \$10,485. This amount represents the present value of the minimum lease payments at the time of acquisition. Principal payments in 2004 totaled \$3,681 in the governmental funds.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 13 - CAPITAL LEASES - LESSEE DISCLOSURE (Continued)

The assets acquired through capital leases as of December 31, 2004, are as follows:

	<u>Asset Value</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Copier Equipment	<u>\$10,485</u>	<u>\$3,277</u>	<u>\$7,208</u>

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2004:

<u>Year Ending December 31,</u>	<u>Payments</u>
2005	\$3,084
2006	3,084
2007	<u>2,313</u>
Total	8,481
Less: Amount representing Interest	<u>(926)</u>
Present Value of Minimum Lease Payment	<u>\$7,555</u>

NOTE 14 - OUTSTANDING DEBT AND OTHER LONG-TERM OBLIGATIONS

BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS

Bonded debt and other long-term obligations payable activity for the year ended December 31, 2004, were as follows:

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 14 - OUTSTANDING DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

<u>Types / Issues</u>	<u>Balance 12/31/03</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/04</u>	<u>Due Within One Year</u>
<u>Business-Type Activities</u>					
<u>Mortgage Revenue Bonds</u>					
1992 - 3.5% - 6.6% Waterworks System First Mortgage Revenue Refunding Bonds \$1,510,000	\$550,000	\$0	\$170,000	\$380,000	\$185,000
<u>Ohio Public Works Commission (OPWC) Loans</u>					
1993 - 0.00% Park Street Improvements Improvements \$86,907	38,237	0	6,953	31,284	6,952
1994 - 3.50% Columbus Street Reconstruction \$128,422	87,720	0	6,665	81,055	6,900
1995 - 3.00% Kingston Avenue Reconstruction \$200,624	141,559	0	9,488	132,071	9,775
1995 - 3.50% Grant Run Interceptor Phase II \$537,324	383,347	0	24,926	358,421	25,806
1999 - 3.00% Marsh Run Gravity Sewer \$703,276	650,261	0	27,715	622,546	28,553
Total OPWC Loans	1,301,124	0	75,747	1,225,377	77,986
Compensated Absences	24,860	20,542	15,275	30,127	14,887
Total Business-Type Activities	\$1,875,984	\$20,542	\$261,022	\$1,635,504	\$277,873

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 14 - OUTSTANDING DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

<i>Types / Issues</i>	<i>Balance 12/31/03</i>	<i>Issued</i>	<i>Retired</i>	<i>Balance 12/31/04</i>	<i>Due Within One Year</i>
<u>Governmental Activities</u>					
<u>General Obligation Bonds</u>					
1991 - 6.65% Various Purpose Street Improvement Bonds \$1,220,000	\$800,000	\$0	\$80,000	\$720,000	\$85,000
1993 - 2.85% - 5.25% General Obligation Refunding Bonds \$2,815,000	1,480,000	0	220,000	1,260,000	230,000
1993 - 4.30% - 5.65% Various Purpose Street Improvement/ Senior Center Addition Bonds \$2,085,000	1,425,000	0	1,425,000	0	0
2001 - 4.51% Various Purpose Improvement Bonds \$1,840,000	1,755,000	0	45,000	1,710,000	50,000
2004 - 2.00% General Obligation Refunding Bonds \$1,360,000	0	1,360,000	0	1,360,000	135,000
Deferred Loss on Refunding	0	(37,651)	0	(37,651)	0
Total General Obligation Bonds Payable	5,460,000	1,322,349	1,770,000	5,012,349	500,000
<u>Special Assessment Bonds</u>					
1988 - 7.5% Sewer Construction And Installation \$60,000	25,000	0	5,000	20,000	5,000
1990 - 7.5% Home Road Construction \$112,415	70,138	0	7,982	62,156	8,580
1998 - 6.0% Seeds Road Improvement \$200,000	100,000	0	20,000	80,000	20,000
Total Special Assessment Bonds	\$195,138	\$0	\$32,982	\$162,156	\$33,580

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 14 - OUTSTANDING DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

<u>Types / Issues</u>	<u>Balance 12/31/03</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/04</u>	<u>Due Within One Year</u>
<u>Ohio Public Works Commission</u>					
<u>(OPWC) Loans</u>					
1993 - 0.00% Park Street Improvements \$292,009	\$152,961	\$0	\$27,810	\$125,151	\$27,810
1998 - 0.00% Haughn Road Widening \$446,773	332,218	0	22,911	309,307	22,911
1997 - 0.00% Hoover Road/ SR 665 Realignment \$351,546	259,034	0	18,502	240,532	18,502
1999 - 0.00% Broadway \$409,887	338,158	0	20,494	317,664	20,494
1999 - 0.00% Hoover Road/ Buckeye Ranch/ Orders Road \$518,378	414,702	0	25,919	388,783	25,919
2000 - 0.00% Hoover Road/ Old Stringtown To Sonora Drive \$745,578	652,381	0	37,279	615,102	37,279
2001 - 0.00% Broadway \$456,181	532,681	0	36,737	495,944	36,737
2004 - 0.00% Hoover Road/ Milligan Road to Orders Road \$720,000	0	428,275	0	428,275	0
Total OPWC Loans	<u>\$2,682,135</u>	<u>\$428,275</u>	<u>\$189,652</u>	<u>\$2,920,758</u>	<u>\$189,652</u>

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 14 - OUTSTANDING DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

<i>Types / Issues</i>	<i>Balance 12/31/03</i>	<i>Issued</i>	<i>Retired</i>	<i>Balance 12/31/04</i>	<i>Due Within One Year</i>
Other Long-Term Obligations					
2003 - 1.50% Street and Infrastructure Construction Notes \$6,700,000	\$6,700,000	\$0	\$6,700,000	\$0	\$0
2004 - 3.00% Street and Infrastructure Construction Notes \$7,925,000	0	7,925,000	0	7,925,000	0
Capital Leases	11,236	0	3,681	7,555	2,561
1993 - 3.0% - 5.0% Certificates Of Participation \$2,800,000	410,000	0	410,000	0	0
Compensated Absences	826,362	481,328	335,252	972,438	443,579
Total Governmental Activities	\$16,284,871	\$10,156,952	\$9,441,567	\$17,000,256	\$1,169,372

The City's overall legal debt margin was \$47,475,199, with an unvoted debt margin of \$11,887,614 at December 31, 2004.

Annual debt service requirements to maturity for governmental long-term obligations are:

<i>Year</i>	<i>Governmental Activities</i>					
	<i>General Obligation Bonds</i>		<i>Special Assessment Bonds</i>		<i>OPWC Loans</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2005	\$500,000	\$233,124	\$33,580	\$10,642	\$189,653	\$0
2006	515,000	208,883	34,224	8,503	189,653	0
2007	545,000	186,488	34,916	6,316	189,653	0
2008	570,000	162,515	35,659	4,078	189,653	0
2009	590,000	136,545	11,459	1,783	175,748	0
2010-2014	1,200,000	411,453	12,318	924	809,213	0
2015-2019	390,000	255,190	0	0	682,744	0
2020-2024	500,000	149,570	0	0	66,166	0
2025-2027	240,000	20,075	0	0	0	0
Totals	\$5,050,000	\$1,763,843	\$162,156	\$32,246	\$2,492,483	\$0

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 14 - OUTSTANDING DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

<u>Year</u>	<u>Bond Anticipation Notes</u>	
	<u>Principal</u>	<u>Interest</u>
2005	\$7,925,000	\$123,760

Annual debt service requirements to maturity for revenue bonds and OPWC loans for business-type activities are:

<u>Year</u>	<u>Business-Type Activities</u>					
	<u>Water Revenue Bonds</u>		<u>Water OPWC Loans</u>		<u>Sewer OPWC Loans</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005	\$185,000	\$24,988	\$23,627	\$6,666	\$54,359	\$30,785
2006	195,000	12,870	24,166	6,127	56,134	29,010
2007	0	0	24,723	5,571	57,966	27,178
2008	0	0	25,297	4,996	59,859	25,286
2009	0	0	22,414	4,403	61,814	23,331
2010-2014	0	0	104,287	12,415	340,714	85,009
2015-2019	0	0	19,896	600	259,510	32,765
2020-2024	0	0	0	0	90,611	3,423
Totals	\$380,000	\$37,858	\$244,410	\$40,778	\$980,967	\$256,787

FIRST MORTGAGE REVENUE REFUNDING BONDS

The 1992 First Mortgage Refunding Revenue Bonds were issued for the purpose of advance refunding the 1985 Waterworks System First Mortgage Refunding Revenue Bonds. The bond indenture requires certain resources to be set aside for future debt payments and asset replacement and improvement. The revenue bond future debt service account is used to report resources set aside to offset future deficiencies in the refunding bond account. The revenue bond replacement and improvement account is used to accumulate resources for replacement of obsolete or worn-out equipment or improvements and extension of the system. The refunded bond issue is now fully paid.

OHIO PUBLIC WORKS COMMISSION (OPWC) LOANS

The OPWC loans consist of money owed to the Ohio Public Works Commission for various construction projects within the City. These consist of 15 or 20 year loans payable from gross revenues of the Water and Sewer Enterprise Funds and the General Fund. The liability for the Water and Sewer Funds is recorded on the fund and government-wide financial statements. The liabilities for the General Fund is not recorded on the fund financial statements, but are recorded on the government-wide financial statements.

For the Hoover Road / Milligan Road loan, the work has not been fully completed, therefore, the loan amount has not been issued in full and a final payment schedule is not available. During 2004, a liability was included for \$428,275, which represents the amount of the loan used as of year-end.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 14 - OUTSTANDING DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

COMPENSATED ABSENCES/CAPITAL LEASES

Compensated absences will be paid from the General, Street Maintenance, General Recreation, City Permissive MVL, Water, and Sewer Funds. Capital leases will be paid from the General Fund.

GENERAL OBLIGATION BONDS

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and refinancing of bond anticipation notes. General obligation bonds are direct obligations and pledge the full faith and credit of the City for repayment. These bonds are generally issued as 20 year serial bonds with equal amounts of principal maturing each year and are paid with property taxes from the Debt Service Fund.

In November 2004, the City issued \$1,360,000 in general obligation bonds for the purpose of refunding the 1993 Various Purpose Street Improvement/Senior Center Addition Bonds. The refunding resulted in a difference of \$37,651 between the net carrying amount of the debt and the acquisition price. This difference, reported in the accompanying financial statements as a decrease to bonds payable, is being amortized to interest expense over the life of the bonds using the straight-line method. Total debt service payments decreased by \$137,679 as a result of the refunding. The City also incurred an economic gain (difference between the present values of the old and new debt service payments) of \$138,823.

SPECIAL ASSESSMENT BONDS

Special assessment bonds are payable from the proceeds of assessments levied against the specific property owners who primarily benefited from the project. Special assessment monies will be received in and the debt will be retired from the Debt Service Fund. In the event that property owners fail to make their special assessment payments, the City is responsible for providing the resources to meet the annual principal and interest payments.

STREET AND INFRASTRUCTURE CONSTRUCTION NOTES

On June 24, 2004, the City issued 3.00 percent Street and Infrastructure Bond Anticipation Notes, Series 2004, in the amount of \$7,925,000. The notes will mature on June 23, 2005. A portion of these notes was used to repay the Street and Infrastructure Notes that were issued on June 26, 2003 and matured on June 25, 2004. The remaining balance will be used for street and infrastructure construction.

CERTIFICATES OF PARTICIPATION

In 1988, the City entered a lease agreement with the Grove City Area Community Improvement Corporation (CIC) for new municipal facilities. The CIC entered an agreement with a trustee through which it assigned and transferred its rights, title, and interest under the lease to National City Bank as Trustee. The Trustee issued Certificates of Participation in the lease agreement enabling holders of the Certificates to receive a portion of the semiannual lease payments. Proceeds from the issuance of the Certificates were used to construct the new facilities.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 14 - OUTSTANDING DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

In 1993, the City defeased the Certificates of Participation, 1988 Series by placing the proceeds of the Certificates of Participation, 1993 Series in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1988 Series Certificates. Accordingly, the trust account assets and the liability for the defeased certificates are not included in the City's financial statements. During 1996, the City authorized the escrow agent to pay the remaining principal of \$2,810,000 with monies held in the trust.

Terms of the 1993 Series trust indenture require a portion of the proceeds to be set aside for current and future certificate payments. The current certificate payment account is used to account for resources accumulated for payment over the next twelve months. The reserve account is used solely to make rent payments if a deficiency exists in the current certificate payment account and, if all payments are current, to make payment of the last certificate payments.

During the year, the liability for the 1993 Series Certificates was retired from the General Fund. Legal title to the facilities transferred to the City as required by the terms of the lease agreement.

INDUSTRIAL REVENUE BOND/MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS

The City has one outstanding issue of multifamily housing revenue bonds in the aggregate principal amount of \$12,270,000 at December 31, 2004 for facilities used by private corporations or other entities. The City is not obligated in any way to pay debt charges on the bonds from any of its funds, and therefore they have been excluded entirely from the City's debt presentation. There has not been, and currently is not any condition of default under the bonds or the related financing documents.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 15 – SHORT-TERM OBLIGATIONS

A summary of the short-term note transactions for the year ended December 31, 2004 follows:

<u>Types / Issues</u>	<u>Balance 12/31/03</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/04</u>
2003 - 1.75% Buckeye Parkway Construction and Improvement Notes \$7,396,000	\$7,396,000	\$0	\$7,396,000	\$0
2004 - 3.00% Buckeye Parkway Construction and Improvement Notes \$7,540,000	0	7,540,000	0	7,540,000
2004 - 3.00% Pinnacle Club Drive Construction and Improvement Notes \$8,279,000	0	8,279,000	0	8,279,000
Total Governmental Activities	<u>\$7,396,000</u>	<u>\$15,819,000</u>	<u>\$7,396,000</u>	<u>\$15,819,000</u>

On December 7, 2004, the City issued 3.00 percent Buckeye Parkway Construction and Improvement Bond Anticipation Notes, Series 2004, in the amount of \$7,540,000. The notes will mature on December 7, 2005. A portion of these notes was used to repay the Buckeye Parkway Construction and Improvement Notes that were issued on August 8, 2003 and matured on August 8, 2004. The remaining balance will be used for Buckeye Parkway construction and improvements.

On August 25, 2004, the City issued 3.00 percent Pinnacle Club Drive Construction and Improvement Bond Anticipation Notes, Series 2004, in the amount of \$8,279,000. These note will mature on August 25, 2005 and will be retired from the Road Improvement Capital Projects Fund from additional note proceeds.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 16 - CONSTRUCTION COMMITMENTS

The City has entered into various contracts for the construction and acquisition of capital assets. At December 31, 2004, the significant outstanding construction commitments are:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Balance At 12/31/04</u>
Various Street Improvements 2004	\$1,352,256	\$1,108,986	\$243,270
Fryer Park Site Improvements	443,208	400,920	42,288
Big Run / Demorest Road	2,131,960	0	2,131,960
Fryer Park All Children's Playground	803,978	675,612	128,366
Senior Center - Nadalin Company	246,000	209,324	36,676
Senior Center - Holdridge	41,000	18,703	22,297
Senior Center - Fetter	39,820	27,738	12,082
Buckeye Parkway And Pinnacle Club Drive	7,491,902	0	7,491,902
Westgrove Phase 2 Street Lighting	143,810	114,045	29,765
Demorest Road Retention Basin Phase One	512,705	0	512,705
Bike Paths-Gantz, Holton And Southwest	89,427	28,259	61,168
Improvement To Streets - 2003	1,226,135	1,206,958	19,177
State Route 665 Water Main Improvements	969,629	865,335	104,294
Hoover Road - Milligan To Dartmoor	2,539,786	2,327,818	211,968
Elm Street Reconstruction	536,423	338,696	197,727
Buckeye Parkway Landscape And Irrigation	1,330,321	839,091	491,230
Windsor Park Parking Lot	122,104	117,220	4,884
Stringtown Road And White Road Reonstrucion	3,727,452	3,551,177	176,275
Buckeye Parkway	6,477,452	5,760,390	717,062
Totals	<u>\$30,225,368</u>	<u>\$17,590,272</u>	<u>\$12,635,096</u>

NOTE 17 - RISK MANAGEMENT

The City maintains comprehensive insurance coverage with private carriers for real property, building contents, vehicles, general liability, and police professional liability. The City also carries Public Officials liability insurance. Settlements have not exceeded coverage in any of the last three years. There has not been a significant reduction in coverage from the prior year.

The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated on accident history and administrative costs.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 18 - INTERFUND ACTIVITY

Interfund balances at December 31, 2004, consist of the following individual fund receivable and payable:

	Payable
Receivables	Debt Service
Road Improvement	<u>\$226,928</u>

The amount due to the Road Improvement Fund from the Debt Service Fund resulted from posting the premium from sale of notes inconsistent with the proceeds.

Transfers made during the year ended December 31, 2004 were as follows:

	Transfers To
Transfers From	All Other Nonmajor Funds
General	<u>\$74,000</u>

Transfers were made to move unrestricted balances to support programs and projects accounted for in other funds.

NOTE 19 - ACCOUNTABILITY

The Road Improvement Capital Project Fund had a deficit fund balance of \$4,525,504 as of December 31, 2004. The deficit is due to the issuance of notes reported as a liability in the fund and used to provide financing or the project. The difference will be eliminated once the notes are bonded.

NOTE 20 - CONTINGENT LIABILITIES

LITIGATION

The City is party to legal proceedings. The City is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the City.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2004

(Continued)

NOTE 20 - CONTINGENT LIABILITIES (Continued)

FEDERAL AND STATE GRANTS

For the period January 1, 2004, to December 31, 2004, the City received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE 21 - SUBSEQUENT EVENT

On June 22, 2005, the City issued 3.75 percent Street and Infrastructure Notes, Series 2005, in the amount of \$9,790,000. The notes will mature on June 22, 2006. A portion of these notes was used to repay the Street and Infrastructure Notes that were issued on June 25, 2004 and matured on June 25, 2005. The remaining balance will be used for street and infrastructure construction and renovating and expanding City Hall.



Combining Financial Statements

CITY OF GROVE CITY, OHIO

Nonmajor Fund Descriptions

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by law and administrative action to expenditures for specified purposes. The following are descriptions of the City's nonmajor special revenue funds:

Nonmajor Special Revenue Funds

Street Maintenance Fund

The Street Maintenance Fund accounts for ninety-two and one-half percent (92.5%) of the State gasoline tax and motor vehicle registration fees designated for street maintenance and repair.

State Highway Fund

The State Highway Fund accounts for seven and one-half percent (7.5%) of the State gasoline tax and motor vehicle registration fees designated for maintenance and repair of State highways within the City.

Police Pension Fund

The Police Pension Fund accounts for the accumulation of property taxes levied for the payment of the current employer's pension contributions.

General Recreation Fund

The General Recreation Fund accounts for operations of City sponsored recreation programs funded by participation fees and facility rentals.

City Permissive MVL Fund

The City Permissive MVL Fund accounts for additional motor vehicle registration fees designated for maintenance and repair of streets within the City that were levied under State law by the City.

County Permissive MVL Fund

The County Permissive MVL Fund accounts for additional motor vehicle registration fees designated for maintenance and repair of specific streets within the City that were levied under State law by Franklin County.

Senior Nutrition Fund

The Senior Nutrition Fund accounts for revenues from fees and donations designated for a senior nutrition program sponsored by City Council.

Drug Law Enforcement Fund

The Drug Law Enforcement Fund accounts for confiscated monies related to criminal offenses and designated, by State statute, for expenditures that would enhance the police department.

DARE Program Fund

The DARE Program Fund accounts for revenues from donations designated for the drug abuse resistance education program, which is sponsored by City Council.

(continued)

CITY OF GROVE CITY, OHIO

***Nonmajor Fund Descriptions
(continued)***

Nonmajor Special Revenue Funds

Community Development Fund

The Community Development Fund accounts for a portion of hotel/motel taxes, grant monies for tree planting, and donations that are restricted to community development expenditures.

Community Environment Fund

The Community Environment Fund accounts for donations and grant monies received from the Franklin County Auditor, as well as tree fees for the purpose of operating a community recycling program and for the Keep America Beautiful program.

Enforcement And Education Fund

The Enforcement And Education Fund accounts for fines imposed by the courts which are used for programs aimed at further education and enforcement of D.U.I. laws.

U. S. Department Of Justice Fund

The U. S. Department Of Justice Fund accounts for federal grant monies used for the purpose of expanding policing programs within the City.

Mayor's Court Computer Fund

The Mayor's Court Computer Fund accounts for court costs collected for the acquisition and maintenance of computer equipment used in the operations of the mayor's court, pursuant to State law.

Big Splash Fund

The Big Splash Fund accounts for monies received from the operation of the Big Splash recreational water facility at Evans Park.

Senior Stage

The Senior Stage Fund was established, via contributions, for the construction and maintenance of the stage at the addition at the Grove City and Jackson Township Senior Center.

Park Donation

The Park Donation Fund accounts for monies donated by City residents to be used for the purpose of planting flowers and trees in the City parks.

(continued)

CITY OF GROVE CITY, OHIO

***Nonmajor Fund Descriptions
(continued)***

CAPITAL PROJECTS FUNDS

Capital Projects Funds are established to account for financial resources to be used for the construction of major capital facilities (other than those financed by proprietary funds).

Nonmajor Capital Projects Funds

City Improvement Fund

The City Improvement Fund accounts for various capital projects of the City, some of which were financed by the proceeds of general obligation bonds.

Recreation Development Fund

The Recreation Development Fund accounts for fees assessed on all new construction within the City. The expenditure of such fees is limited to the construction and improvement of park facilities.

Building Construction Fund

The Building Construction Fund accounts for the construction of municipal facilities financed by the proceeds from the sale of certificates of participation. The activity of this fund is handled through a trustee, for which the City does not budget. A separate budgetary comparison schedule is therefore not presented.

CITY OF GROVE CITY, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds**

December 31, 2004

	<i>Nonmajor Special Revenue Funds</i>	<i>Nonmajor Capital Projects Funds</i>	<i>Total Nonmajor Governmental Funds</i>
<u>Assets:</u>			
Equity In Pooled Cash And Cash Equivalents	\$2,927,730	\$269,422	\$3,197,152
Cash And Cash Equivalents With Fiscal Agents	133,003	0	133,003
Receivables:			
Property And Other Local Taxes Accounts	736,987 4,536	0	736,987 4,536
Due From Other Governments	835,953	0	835,953
Materials And Supplies Inventory	40,906	0	40,906
<i>Total Assets</i>	<u><u>\$4,679,115</u></u>	<u><u>\$269,422</u></u>	<u><u>\$4,948,537</u></u>
<u>Liabilities and Fund Balances</u>			
<u>Liabilities:</u>			
Accounts Payable	\$13,779	\$0	\$13,779
Contracts Payable	137	4,967	5,104
Accrued Wages	12,469	0	12,469
Due To Other Governments	252,025	0	252,025
Deferred Revenue	1,434,264	0	1,434,264
<i>Total Liabilities</i>	<u><u>1,712,674</u></u>	<u><u>4,967</u></u>	<u><u>1,717,641</u></u>
<u>Fund Balances:</u>			
Reserved For Encumbrances	258,355	61,317	319,672
Unreserved:			
Undesignated, Reported In:			
Special Revenue Funds	2,708,086	0	2,708,086
Capital Projects Funds	0	203,138	203,138
<i>Total Fund Balances</i>	<u><u>2,966,441</u></u>	<u><u>264,455</u></u>	<u><u>3,230,896</u></u>
<i>Total Liabilities And Fund Balances</i>	<u><u>\$4,679,115</u></u>	<u><u>\$269,422</u></u>	<u><u>\$4,948,537</u></u>

CITY OF GROVE CITY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds**

December 31, 2004

	<u>Street Maintenance</u>	<u>State Highway</u>	<u>Police Pension</u>	<u>General Recreation</u>
<u>Assets:</u>				
Equity In Pooled Cash And Cash Equivalents	\$730,504	\$176,079	\$570,835	\$683,566
Cash And Cash Equivalents				
With Fiscal Agents	0	0	0	0
Receivables:				
Property And Other Local Taxes	0	0	726,404	0
Accounts	0	0	0	0
Due From Other Governments	603,542	48,937	43,780	0
Materials And Supplies Inventory	2,690	38,216	0	0
Total Assets	\$1,336,736	\$263,232	\$1,341,019	\$683,566
<u>Liabilities And Fund Balances</u>				
<u>Liabilities:</u>				
Accounts Payable	\$4,985	\$0	\$0	\$6,257
Contracts Payable	137	0	0	0
Accrued Wages	9,262	0	0	2,994
Due To Other Governments	12,475	0	223,956	11,950
Deferred Revenue	504,735	40,925	767,875	0
Total Liabilities	531,594	40,925	991,831	21,201
<u>Fund Balances:</u>				
Reserved For Encumbrances	88,062	1,854	0	113,936
Unreserved,				
Undesignated	717,080	220,453	349,188	548,429
Total Fund Balances	805,142	222,307	349,188	662,365
Total Liabilities And Fund Balances	\$1,336,736	\$263,232	\$1,341,019	\$683,566

continued

<i>City Permissive MVL</i>	<i>County Permissive MVL</i>	<i>Senior Nutrition</i>	<i>Drug Law Enforcement</i>	<i>DARE Program</i>
\$17,069	\$202,684	\$5,536	\$8,427	\$12,683
0	133,003	0	0	0
0	0	0	0	0
0	0	0	0	0
71,374	34,948	0	0	0
0	0	0	0	0
<u>\$88,443</u>	<u>\$370,635</u>	<u>\$5,536</u>	<u>\$8,427</u>	<u>\$12,683</u>
\$0	\$0	\$0	\$0	\$0
0	0	0	0	0
213	0	0	0	0
2,118	0	0	0	0
60,067	29,412	0	0	0
<u>62,398</u>	<u>29,412</u>	<u>0</u>	<u>0</u>	<u>0</u>
3,741	2,000	0	7,637	0
22,304	339,223	5,536	790	12,683
<u>26,045</u>	<u>341,223</u>	<u>5,536</u>	<u>8,427</u>	<u>12,683</u>
<u>\$88,443</u>	<u>\$370,635</u>	<u>\$5,536</u>	<u>\$8,427</u>	<u>\$12,683</u>

CITY OF GROVE CITY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
(Continued)
December 31, 2004**

	<i>Community Development</i>	<i>Community Environment</i>	<i>Enforcement And Education</i>	<i>U. S. Department Of Justice</i>
<u>Assets:</u>				
Equity In Pooled Cash And Cash Equivalents	\$99,445	\$268,705	\$2,946	\$99,454
Cash And Cash Equivalents				
With Fiscal Agents	0	0	0	0
Receivables:				
Property And Other Local Taxes	10,583	0	0	0
Accounts	0	4,536	0	0
Due From Other Governments	0	1,712	410	31,250
Materials And Supplies Inventory	0	0	0	0
Total Assets	\$110,028	\$274,953	\$3,356	\$130,704
<u>Liabilities And Fund Balances</u>				
<u>Liabilities:</u>				
Accounts Payable	\$2,537	\$0	\$0	\$0
Contracts Payable	0	0	0	0
Accrued Wages	0	0	0	0
Due To Other Governments	231	0	0	0
Deferred Revenue	0	0	0	31,250
Total Liabilities	2,768	0	0	31,250
<u>Fund Balances:</u>				
Reserved For Encumbrances	26,827	51	0	317
Unreserved,				
Undesignated	80,433	274,902	3,356	99,137
Total Fund Balances	107,260	274,953	3,356	99,454
Total Liabilities And Fund Balances	\$110,028	\$274,953	\$3,356	\$130,704

<i>Mayor's Court Computer</i>	<i>Big Splash</i>	<i>Senior Stage</i>	<i>Park Donation</i>	<i>Total</i>
\$35,959	\$7,086	\$3,394	\$3,358	\$2,927,730
0	0	0	0	133,003
0	0	0	0	736,987
0	0	0	0	4,536
0	0	0	0	835,953
0	0	0	0	40,906
<u>\$35,959</u>	<u>\$7,086</u>	<u>\$3,394</u>	<u>\$3,358</u>	<u>\$4,679,115</u>
\$0	\$0	\$0	\$0	\$13,779
0	0	0	0	137
0	0	0	0	12,469
0	1,295	0	0	252,025
0	0	0	0	1,434,264
<u>0</u>	<u>1,295</u>	<u>0</u>	<u>0</u>	<u>1,712,674</u>
13,830	100	0	0	258,355
22,129	5,691	3,394	3,358	2,708,086
<u>35,959</u>	<u>5,791</u>	<u>3,394</u>	<u>3,358</u>	<u>2,966,441</u>
<u>\$35,959</u>	<u>\$7,086</u>	<u>\$3,394</u>	<u>\$3,358</u>	<u>\$4,679,115</u>



CITY OF GROVE CITY, OHIO

**Combining Statement Of Revenues, Expenditures
And Changes In Fund Balances
Nonmajor Governmental Funds**

For The Year Ended December 31, 2004

	<i>Nonmajor Special Revenue Funds</i>	<i>Nonmajor Capital Projects Funds</i>	<i>Total Nonmajor Governmental Funds</i>
<u>Revenues:</u>			
Property Taxes	\$650,004	\$0	\$650,004
Other Local Taxes	159,660	0	159,660
Intergovernmental	1,780,183	0	1,780,183
Charges For Services	1,231,961	0	1,231,961
Licenses And Permits	107,324	103,727	211,051
Fines And Forfeitures	24,684	0	24,684
Rent	20,210	0	20,210
Contributions and Donations	42,931	0	42,931
Miscellaneous	18,618	0	18,618
<i>Total Revenues</i>	<u>4,035,575</u>	<u>103,727</u>	<u>4,139,302</u>
<u>Expenditures:</u>			
Current Operations And Maintenance:			
Security Of Persons And Property	810,880	0	810,880
Public Health	15,529	0	15,529
Leisure Time Activities	1,254,025	0	1,254,025
Community Development	225,374	0	225,374
Transportation	1,206,133	0	1,206,133
Capital Outlay	623,571	36,493	660,064
Debt Service:			
Principal Retirement	0	28,821	28,821
Interest And Fiscal Charges	0	10,008	10,008
<i>Total Expenditures</i>	<u>4,135,512</u>	<u>75,322</u>	<u>4,210,834</u>
Excess Of Revenues Over (Under) Expenditures	(99,937)	28,405	(71,532)
<u>Other Financing Sources:</u>			
Transfers - In	<u>74,000</u>	<u>0</u>	<u>74,000</u>
Net Change In Fund Balance	(25,937)	28,405	2,468
Fund Balances At Beginning Of Year	<u>2,992,378</u>	<u>236,050</u>	<u>3,228,428</u>
<i>Fund Balances At End Of Year</i>	<u><u>\$2,966,441</u></u>	<u><u>\$264,455</u></u>	<u><u>\$3,230,896</u></u>

CITY OF GROVE CITY, OHIO

**Combining Statement Of Revenues, Expenditures And Changes In Fund Balances
Nonmajor Special Revenue Funds**

For The Year Ended December 31, 2004

	<u>Street Maintenance</u>	<u>State Highway</u>	<u>Police Pension</u>	<u>General Recreation</u>
<u>Revenues:</u>				
Property Taxes	\$0	\$0	\$650,004	\$0
Other Local Taxes	0	0	0	0
Intergovernmental	1,155,859	99,220	84,145	13,132
Charges For Services	0	0	0	1,053,805
Licenses And Permits	0	0	0	0
Fines And Forfeitures	0	0	0	0
Rent	0	0	0	15,236
Contributions and Donations	0	0	0	1,075
Miscellaneous	3,049	454	0	7,602
Total Revenues	1,158,908	99,674	734,149	1,090,850
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property	0	0	778,247	0
Public Health	0	0	0	0
Leisure Time Activities	0	0	0	977,267
Community Development	0	0	0	0
Transportation	907,806	79,074	0	0
Capital Outlay	16,771	0	0	0
Total Expenditures	924,577	79,074	778,247	977,267
Excess Of Revenues Over (Under) Expenditures	234,331	20,600	(44,098)	113,583
<u>Other Financing Sources:</u>				
Transfers - In	0	0	0	0
Net Change In Fund Balance	234,331	20,600	(44,098)	113,583
Fund Balances At Beginning Of Year	570,811	201,707	393,286	548,782
Fund Balances At End Of Year	\$805,142	\$222,307	\$349,188	\$662,365

continued

<i>City Permissive MVL</i>	<i>County Permissive MVL</i>	<i>Senior Nutrition</i>	<i>Drug Law Enforcement</i>	<i>DARE Program</i>
\$0	\$0	\$0	\$0	\$0
0	0	0	0	0
131,835	180,749	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	6,559	0
0	0	0	0	0
0	0	15,130	0	22,368
1,001	0	0	308	0
<u>132,836</u>	<u>180,749</u>	<u>15,130</u>	<u>6,867</u>	<u>22,368</u>
0	0	0	7,648	14,018
0	0	15,529	0	0
0	0	0	0	0
0	0	0	0	0
149,957	69,296	0	0	0
0	605,816	0	0	0
<u>149,957</u>	<u>675,112</u>	<u>15,529</u>	<u>7,648</u>	<u>14,018</u>
(17,121)	(494,363)	(399)	(781)	8,350
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(17,121)	(494,363)	(399)	(781)	8,350
<u>43,166</u>	<u>835,586</u>	<u>5,935</u>	<u>9,208</u>	<u>4,333</u>
<u>\$26,045</u>	<u>\$341,223</u>	<u>\$5,536</u>	<u>\$8,427</u>	<u>\$12,683</u>

CITY OF GROVE CITY, OHIO

Combining Statement Of Revenues, Expenditures And Changes In Fund Balances

Nonmajor Special Revenue Funds

(Continued)

For The Year Ended December 31, 2004

	<u>Community Development</u>	<u>Community Environment</u>	<u>Enforcement And Education</u>
<u>Revenues:</u>			
Property Taxes	\$0	\$0	\$0
Other Local Taxes	159,660	0	0
Intergovernmental	0	21,493	0
Charges For Services	0	0	0
Licenses And Permits	0	107,324	0
Fines And Forfeitures	0	0	3,249
Rent	0	0	0
Contributions and Donations	1,000	0	0
Miscellaneous	83	5,619	0
Total Revenues	160,743	134,436	3,249
<u>Expenditures:</u>			
Current Operations And Maintenance:			
Security Of Persons And Property	0	0	10,967
Public Health	0	0	0
Leisure Time Activities	0	0	0
Community Development	139,548	85,826	0
Transportation	0	0	0
Capital Outlay	0	0	0
Total Expenditures	139,548	85,826	10,967
Excess Of Revenues Over (Under) Expenditures	21,195	48,610	(7,718)
<u>Other Financing Sources:</u>			
Transfers - In	0	0	0
Net Change In Fund Balance	21,195	48,610	(7,718)
Fund Balances At Beginning Of Year	86,065	226,343	11,074
Fund Balances At End Of Year	\$107,260	\$274,953	\$3,356

<i>U. S. Department Of Justice</i>	<i>Mayor's Court Computer</i>	<i>Big Splash</i>	<i>Senior Stage</i>	<i>Park Donation</i>	<i>Total</i>
\$0	\$0	\$0	\$0	\$0	\$650,004
0	0	0	0	0	159,660
93,750	0	0	0	0	1,780,183
0	0	178,156	0	0	1,231,961
0	0	0	0	0	107,324
0	14,876	0	0	0	24,684
0	0	4,974	0	0	20,210
0	0	0	0	3,358	42,931
0	0	436	66	0	18,618
<u>93,750</u>	<u>14,876</u>	<u>183,566</u>	<u>66</u>	<u>3,358</u>	<u>4,035,575</u>
0	0	0	0	0	810,880
0	0	0	0	0	15,529
0	0	276,758	0	0	1,254,025
0	0	0	0	0	225,374
0	0	0	0	0	1,206,133
564	420	0	0	0	623,571
<u>564</u>	<u>420</u>	<u>276,758</u>	<u>0</u>	<u>0</u>	<u>4,135,512</u>
93,186	14,456	(93,192)	66	3,358	(99,937)
<u>0</u>	<u>0</u>	<u>74,000</u>	<u>0</u>	<u>0</u>	<u>74,000</u>
93,186	14,456	(19,192)	66	3,358	(25,937)
<u>6,268</u>	<u>21,503</u>	<u>24,983</u>	<u>3,328</u>	<u>0</u>	<u>2,992,378</u>
<u>\$99,454</u>	<u>\$35,959</u>	<u>\$5,791</u>	<u>\$3,394</u>	<u>\$3,358</u>	<u>\$2,966,441</u>

CITY OF GROVE CITY, OHIO

***Combining Statement Of Revenues, Expenditures And Changes In Fund Balances
Nonmajor Capital Projects Funds***

For The Year Ended December 31, 2004

	<i>Recreation Development</i>	<i>Building Construction</i>	<i>Total</i>
<i>Revenues:</i>			
Licenses And Permits	\$103,727	\$0	\$103,727
<i>Expenditures:</i>			
Capital Outlay	36,493	0	36,493
Debt Service:			
Principal Retirement	0	28,821	28,821
Interest And Fiscal Charges	0	10,008	10,008
<i>Total Expenditures</i>	<i>36,493</i>	<i>38,829</i>	<i>75,322</i>
Net Change In Fund Balance	67,234	(38,829)	28,405
Fund Balances At Beginning Of Year	197,221	38,829	236,050
<i>Fund Balances At End Of Year</i>	<i>\$264,455</i>	<i>\$0</i>	<i>\$264,455</i>

CITY OF GROVE CITY, OHIO

Agency Fund Descriptions

Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, other governmental units, and/or other funds.

Section 125 Cafeteria Plan Fund

The Section 125 Cafeteria Plan Fund accounts for deposits made by the City employees through payroll deductions who elect to use the plan as a medical spending account or for dependent child care. Employees have until the end of March of the following year to spend the monies in their account. Any monies not spent become the property of the City. The City has determined it to be the best practice to retain the unspent monies from prior years within this fund, to continue to finance the plan and to properly account for its intended use.

Deposit Trust Fund

The Deposit Trust Fund accounts for deposits from contractors and sewer tap-in-fees, held by the City, to insure compliance with various City ordinances and contracts regarding development within the City.

Mayor's Court Fund

The Mayor's Court Fund accounts for the collection and distribution of court fines and forfeitures to other governments.

Convention Bureau Fund

The Convention Bureau Fund accounts for the portion of hotel/motel tax collections that are paid to the Grove City Area Convention and Visitor's Bureau, who uses the funds to promote the City for the purpose of attracting business and industry to the community.

CITY OF GROVE CITY, OHIO

**Combining Balance Sheet
Agency Funds**

December 31, 2004

	<u>Section 125 Cafeteria Plan</u>	<u>Deposit Trust</u>
<u>Assets:</u>		
Equity In Pooled Cash And Cash Equivalents	\$1,221	\$1,217,984
Receivables:		
Other Local Taxes	<u>0</u>	<u>0</u>
 <i>Total Assets</i>	 <u><u>\$1,221</u></u>	 <u><u>\$1,217,984</u></u>
<u>Liabilities:</u>		
Undistributed Assets	\$0	\$0
Deposits Held And Due To Others	<u>1,221</u>	<u>1,217,984</u>
 <i>Total Liabilities</i>	 <u><u>\$1,221</u></u>	 <u><u>\$1,217,984</u></u>

<i>Convention Bureau</i>	<i>Total</i>
<u> </u>	<u> </u>
\$12,632	\$1,231,837
<u>10,583</u>	<u>10,583</u>
<u><u>\$23,215</u></u>	<u><u>\$1,242,420</u></u>
\$23,215	\$23,215
<u>0</u>	<u>1,219,205</u>
<u><u>\$23,215</u></u>	<u><u>\$1,242,420</u></u>

CITY OF GROVE CITY, OHIO

**Combining Statement Of Changes In Assets And Liabilities
Agency Funds**

For The Year Ended December 31, 2004

	<i>Balance January 1, 2004</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance December 31, 2004</i>
<u>SECTION 125 CAFETERIA PLAN</u>				
<u>Assets:</u>				
Equity In Pooled Cash And Cash Equivalents	\$1,372	\$12,785	\$12,936	\$1,221
<u>Liabilities:</u>				
Deposits Held And Due To Others	\$1,372	\$12,785	\$12,936	\$1,221
 <u>DEPOSIT TRUST</u>				
<u>Assets:</u>				
Equity In Pooled Cash And Cash Equivalents	\$752,496	\$2,128,861	\$1,663,373	\$1,217,984
<u>Liabilities:</u>				
Deposits Held And Due To Others	\$752,496	\$2,128,861	\$1,663,373	\$1,217,984
 <u>MAYOR'S COURT</u>				
<u>Assets:</u>				
Equity In Pooled Cash And Cash Equivalents	\$0	\$34,058	\$34,058	\$0
<u>Liabilities:</u>				
Deposits Held And Due To Others	\$0	\$34,058	\$34,058	\$0

continued

CITY OF GROVE CITY, OHIO

**Combining Statement Of Changes In Assets And Liabilities
Agency Funds
(Continued)
For The Year Ended December 31, 2004**

	<i>Balance January 1, 2004</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance December 31, 2004</i>
<u>CONVENTION BUREAU</u>				
<u>Assets:</u>				
Equity In Pooled Cash And Cash Equivalents	\$11,004	\$158,150	\$156,522	\$12,632
Receivables:				
Other Local Taxes	9,072	10,583	9,072	10,583
Total Assets	\$20,076	\$168,733	\$165,594	\$23,215
<u>Liabilities:</u>				
Undistributed Assets	\$20,076	\$168,733	\$165,594	\$23,215
 <u>TOTAL - ALL AGENCY FUNDS</u>				
<u>Assets:</u>				
Equity In Pooled Cash And Cash Equivalents	\$764,872	\$2,333,854	\$1,866,889	\$1,231,837
Receivables:				
Other Local Taxes	9,072	10,583	9,072	10,583
Total Assets	\$773,944	\$2,344,437	\$1,875,961	\$1,242,420
<u>Liabilities:</u>				
Undistributed Assets	\$20,076	\$168,733	\$165,594	\$23,215
Deposits Held And Due To Others	753,868	2,175,704	1,710,367	1,219,205
Total Liabilities	\$773,944	\$2,344,437	\$1,875,961	\$1,242,420

CITY OF GROVE CITY, OHIO

General Fund

Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual
(Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Property Taxes	\$1,182,343	\$1,182,343	\$1,183,376	\$1,033
Municipal Income Taxes	13,537,387	13,948,669	14,008,419	59,750
Other Local Taxes	591,943	609,927	612,540	2,613
Intergovernmental	1,862,282	1,918,861	1,927,080	8,219
Charges For Services	124,631	141,809	142,359	550
Licenses And Permits	705,699	732,144	735,259	3,115
Fines And Forfeitures	154,066	168,872	169,552	680
Special Assessments	44,007	45,344	45,538	194
Interest	240,883	248,202	254,006	5,804
Rent	0	22,520	22,520	0
Contributions and Donations	100,944	106,510	106,956	446
Miscellaneous	116,052	66,036	66,548	512
Total Revenues	18,660,237	19,191,237	19,274,153	82,916
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Personal Services	5,761,058	5,750,647	5,711,447	39,200
Materials And Supplies	204,642	209,948	203,473	6,475
Contractual Services	459,777	468,589	468,497	92
Other Operating Charges	5,100	1,593	254	1,339
Total Police Department	6,430,577	6,430,777	6,383,671	47,106
Garage				
Personal Services	65,578	65,578	57,664	7,914
Materials And Supplies	135,079	165,626	155,570	10,056
Contractual Services	2,000	2,000	480	1,520
Total Garage	202,657	233,204	213,714	19,490
Safety Administration				
Personal Services	25,000	25,000	21,681	3,319
Total Security Of Persons And Property	6,658,234	6,688,981	6,619,066	69,915
Public Health				
Health Department				
Contractual Services	\$252,278	\$252,278	\$252,259	\$19

continued

CITY OF GROVE CITY, OHIO

General Fund

Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual

(Non-GAAP Budgetary Basis)

(Continued)

For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
Leisure Time Activities				
Parks				
Personal Services	\$407,285	\$436,843	\$436,719	\$124
Materials And Supplies	23,674	22,899	16,612	6,287
Contractual Services	163,767	153,855	129,922	23,933
Total Leisure Time Activities	<u>594,726</u>	<u>613,597</u>	<u>583,253</u>	<u>30,344</u>
Community Development				
Development				
Personal Services	214,732	227,989	226,101	1,888
Materials And Supplies	7,024	7,024	5,758	1,266
Contractual Services	112,019	133,815	127,736	6,079
Total Development	<u>333,775</u>	<u>368,828</u>	<u>359,595</u>	<u>9,233</u>
Building Department				
Personal Services	600,730	600,730	563,577	37,153
Materials And Supplies	49,854	49,854	44,672	5,182
Contractual Services	25,332	25,332	24,603	729
Total Building Department	<u>675,916</u>	<u>675,916</u>	<u>632,852</u>	<u>43,064</u>
Total Community Development	<u>1,009,691</u>	<u>1,044,744</u>	<u>992,447</u>	<u>52,297</u>
General Government				
City Council				
Personal Services	91,831	103,342	100,739	2,603
Materials And Supplies	3,847	3,802	3,417	385
Contractual Services	27,145	15,679	15,679	0
Total City Council	<u>122,823</u>	<u>122,823</u>	<u>119,835</u>	<u>2,988</u>
Administration				
Personal Services	344,870	357,789	354,974	2,815
Materials And Supplies	31,420	28,851	23,451	5,400
Contractual Services	104,881	95,531	90,959	4,572
Total Administration	<u>\$481,171</u>	<u>\$482,171</u>	<u>\$469,384</u>	<u>\$12,787</u>

continued

CITY OF GROVE CITY, OHIO

General Fund

Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual

(Non-GAAP Budgetary Basis)

(Continued)

For The Year Ended December 31, 2004

	Original Budget	Revised Budget	Budgetary Actual	Variance Positive (Negative)
Finance				
Personal Services	\$294,828	\$295,433	\$276,595	\$18,838
Materials And Supplies	13,930	13,930	13,310	620
Contractual Services	628,457	627,852	530,669	97,183
Total Finance	937,215	937,215	820,574	116,641
Law				
Personal Services	92,408	92,408	92,408	0
Materials And Supplies	5,100	5,100	4,485	615
Contractual Services	308,385	403,788	403,788	0
Total Law	405,893	501,296	500,681	615
Lands And Buildings				
Personal Services	431,724	431,725	418,146	13,579
Materials And Supplies	136,972	136,962	104,796	32,166
Contractual Services	540,365	543,865	508,843	35,022
Total Lands And Buildings	1,109,061	1,112,552	1,031,785	80,767
General Miscellaneous				
Personal Services	782,271	698,591	650,996	47,595
Materials And Supplies	22,170	19,671	14,510	5,161
Contractual Services	921,841	773,921	683,328	90,593
Other Operating Charges	310,202	310,202	295,942	14,260
Total General Miscellaneous	2,036,484	1,802,385	1,644,776	157,609
Engineering				
Contractual Services	474,458	403,822	370,642	33,180
Planning Commission				
Contractual Services	14,000	14,000	12,793	1,207
Civil Service				
Materials And Supplies	200	200	0	200
Contractual Services	41,969	51,916	42,825	9,091
Total Civil Service	42,169	52,116	42,825	9,291
Information System				
Personal Services	0	89,061	89,061	0
Materials And Supplies	0	877	877	0
Contractual Services	0	215,025	215,025	0
Total Information System	\$0	\$304,963	\$304,963	\$0

continued

CITY OF GROVE CITY, OHIO

General Fund

Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual

(Non-GAAP Budgetary Basis)

(Continued)

For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
History				
Materials And Supplies	\$500	\$500	\$0	\$500
Contractual Services	10,000	6,308	1,140	5,168
 Total History	 10,500	 6,808	 1,140	 5,668
 Total General Government	 5,633,774	 5,740,151	 5,319,398	 420,753
 Capital Outlay:				
Police Department	784,058	784,658	784,321	337
Parks	1,903,599	2,257,400	2,240,400	17,000
Development	2,000	2,000	2,000	0
Building	19,510	19,510	17,890	1,620
Lands And Buildings	1,154,205	1,504,707	657,629	847,078
City Council	3,000	3,000	2,713	287
Administration	4,000	4,000	4,000	0
Finance	8,000	8,000	7,386	614
General Miscellaneous	535,943	363,752	248,207	115,545
Engineering	6,954,815	7,300,608	6,685,733	614,875
Information System	0	75,169	75,169	0
History	50,000	49,857	49,857	0
 Total Capital Outlay	 11,419,130	 12,372,661	 10,775,305	 1,597,356
 Debt Service:				
Principal Retirement	310,600	310,600	220,831	89,769
 <i>Total Expenditures</i>	 25,878,433	 27,023,012	 24,762,559	 2,260,453
 Excess Of Revenues Over (Under) Expenditures	 (7,218,196)	 (7,831,775)	 (5,488,406)	 2,343,369
 <u>Other Financing Uses:</u>				
Transfers - Out	(50,000)	(74,000)	(74,000)	0
 Net Change In Fund Balance	 (7,268,196)	 (7,905,775)	 (5,562,406)	 2,343,369
 Fund Balance At Beginning Of Year	 12,490,025	 12,490,025	 12,490,025	 0
 Prior Year Encumbrances	 4,418,404	 4,418,404	 4,418,404	 0
 <i>Fund Balance At End Of Year</i>	 <u>\$9,640,233</u>	 <u>\$9,002,654</u>	 <u>\$11,346,023</u>	 <u>\$2,343,369</u>

CITY OF GROVE CITY, OHIO

Road Improvement Capital Projects Fund
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual
 (Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$501,796	\$1,960,553	\$370,756	(\$1,589,797)
Interest	167,391	796,872	266,543	(530,329)
<i>Total Revenues</i>	<u>669,187</u>	<u>2,757,425</u>	<u>637,299</u>	<u>(2,120,126)</u>
<u>Expenditures:</u>				
Capital Outlay:				
Infrastructure	2,966,403	22,318,938	19,811,482	2,507,456
Debt Service:				
Principal Retirement	0	14,096,000	14,096,000	0
Interest And Fiscal Charges	0	228,648	228,648	0
Debt Service	0	14,324,648	14,324,648	0
<i>Total Expenditures</i>	<u>2,966,403</u>	<u>36,643,586</u>	<u>34,136,130</u>	<u>2,507,456</u>
Excess Of Revenues Over (Under) Expenditures	(2,297,216)	(33,886,161)	(33,498,831)	387,330
<u>Other Financing Sources:</u>				
Issuance Of OPWC Loan	0	428,275	428,275	0
Issuance Of Bond Anticipation Notes	0	23,744,000	23,744,000	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>24,172,275</u>	<u>24,172,275</u>	<u>0</u>
Net Change In Fund Balance	(2,297,216)	(9,713,886)	(9,326,556)	387,330
Fund Balance At Beginning Of Year	7,045,659	7,045,659	7,045,659	0
Prior Year Encumbrances	2,966,403	2,966,403	2,966,403	0
<i>Fund Balance At End Of Year</i>	<u>\$7,714,846</u>	<u>\$298,176</u>	<u>\$685,506</u>	<u>\$387,330</u>

CITY OF GROVE CITY, OHIO

Debt Service Fund

Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual
(Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Property Taxes	\$736,842	\$736,842	\$724,106	(\$12,736)
Intergovernmental	97,432	190,242	93,442	(96,800)
Special Assessments	42,306	82,606	40,574	(42,032)
Interest	4,841	9,453	4,643	(4,810)
Miscellaneous	559	1,091	536	(555)
Total Revenues	881,980	1,020,234	863,301	(156,933)
<u>Expenditures:</u>				
Debt Service:				
Principal Retirement	802,000	501,908	487,982	13,926
Interest And Fiscal Charges	10,200	400,514	394,667	5,847
Total Expenditures	812,200	902,422	882,649	19,773
Excess Of Revenues Over (Under) Expenditures	69,780	117,812	(19,348)	(137,160)
<u>Other Financing Sources:</u>				
Payment Of Refunded Bonds		(1,315,000)	(1,315,000)	
Issuance Of Refunding Bonds	0	1,360,000	1,360,000	0
Premium On Notes	0	0	271,635	271,635
Total Other Financing Sources	0	45,000	316,635	271,635
Net Change In Fund Balance	69,780	162,812	297,287	134,475
Fund Balance At Beginning Of Year	1,462,393	1,462,393	1,462,393	0
Fund Balance At End Of Year	\$1,532,173	\$1,625,205	\$1,759,680	\$134,475

CITY OF GROVE CITY, OHIO

Water Enterprise Fund
Schedule Of Revenues, Expenses And Changes In Fund Equity - Budget And Actual
(Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Charges For Services	\$546,000	\$546,000	\$434,708	(\$111,292)
Tap-In Fees	23,000	23,000	59,486	36,486
Interest	10,000	10,000	13,413	3,413
Miscellaneous	0	0	618	618
Total Revenues	<u>579,000</u>	<u>579,000</u>	<u>508,225</u>	<u>(70,775)</u>
<u>Expenses:</u>				
Personal Services	70,590	70,590	47,391	23,199
Contractual Services	46,625	46,625	2,534	44,091
Supplies And Materials	19,679	19,679	8,329	11,350
Capital Outlay	395,023	395,023	368,462	26,561
Debt Service:				
Principal Retirement	294,177	251,233	193,105	58,128
Interest And Fiscal Charges	0	42,942	42,942	0
Total Expenses	<u>826,094</u>	<u>826,092</u>	<u>662,763</u>	<u>163,329</u>
Net Change In Fund Equity	(247,094)	(247,092)	(154,538)	92,554
Fund Equity At Beginning Of Year	1,000,223	1,000,223	1,000,223	0
Prior Year Encumbrances	<u>252,098</u>	<u>252,098</u>	<u>252,098</u>	<u>0</u>
Fund Equity At End Of Year	<u><u>\$1,005,227</u></u>	<u><u>\$1,005,229</u></u>	<u><u>\$1,097,783</u></u>	<u><u>\$92,554</u></u>

CITY OF GROVE CITY, OHIO

Sewer Enterprise Fund
Schedule Of Revenues, Expenses And Changes In Fund Equity - Budget And Actual
 (Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Charges For Services	\$422,300	\$422,300	\$342,747	(\$79,553)
Tap-In Fees	200,000	200,000	331,091	131,091
Miscellaneous	4,000	4,000	2,515	(1,485)
Total Revenues	626,300	626,300	676,353	50,053
<u>Expenses:</u>				
Personal Services	346,819	354,089	311,319	42,770
Contractual Services	141,232	141,231	120,678	20,553
Supplies And Materials	64,139	64,139	55,947	8,192
Other Operating Charges	100,000	223,650	223,650	0
Capital Outlay	119,247	119,247	53,606	65,641
Debt Service:				
Principal Retirement	88,000	55,498	52,642	2,856
Interest And Fiscal Charges	0	32,502	32,502	0
Total Expenses	859,437	990,356	850,344	140,012
Net Change In Fund Equity	(233,137)	(364,056)	(173,991)	190,065
Fund Equity At Beginning Of Year	1,569,942	1,569,942	1,569,942	0
Prior Year Encumbrances	65,400	65,400	65,400	0
Fund Equity At End Of Year	\$1,402,205	\$1,271,286	\$1,461,351	\$190,065

CITY OF GROVE CITY, OHIO

Street Maintenance Special Revenue Fund
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual
 (Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$825,000	\$1,058,021	\$1,128,155	\$70,134
Contributions And Donations	7,000	8,494	9,057	563
Miscellaneous	1,000	2,859	3,049	190
Total Revenues	833,000	1,069,374	1,140,261	70,887
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Transportation				
Street Maintenance				
Personal Services	726,992	743,373	722,266	21,107
Materials And Supplies	139,085	129,531	121,981	7,550
Contractual Services	119,990	121,945	110,745	11,200
Other Operating Charges	10,153	10,153	5,149	5,004
Total Transportation	996,220	1,005,002	960,141	44,861
Capital Outlay:				
Engineering	152,872	152,872	148,500	4,372
Total Expenditures	1,149,092	1,157,874	1,108,641	49,233
Net Change In Fund Balance	(316,092)	(88,500)	31,620	120,120
Fund Balance At Beginning Of Year	389,899	389,899	389,899	0
<i>Prior Year Encumbrances</i>	207,643	207,643	207,643	0
Fund Balance At End Of Year	\$281,450	\$509,042	\$629,162	\$120,120

CITY OF GROVE CITY, OHIO

State Highway Special Revenue Fund
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual
 (Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$77,000	\$93,562	\$98,855	\$5,293
Miscellaneous	0	0	454	454
Total Revenues	<u>77,000</u>	<u>93,562</u>	<u>99,309</u>	<u>5,747</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Transportation				
Street Maintenance				
Materials And Supplies	67,695	67,695	63,748	3,947
Contractual Services	10,000	10,000	0	10,000
Total Expenditures	<u>77,695</u>	<u>77,695</u>	<u>63,748</u>	<u>13,947</u>
Net Change In Fund Balance	(695)	15,867	35,561	19,694
Fund Balance At Beginning Of Year	137,969	137,969	137,969	0
Prior Year Encumbrances	695	695	695	0
Fund Balance At End Of Year	<u><u>\$137,969</u></u>	<u><u>\$154,531</u></u>	<u><u>\$174,225</u></u>	<u><u>\$19,694</u></u>

CITY OF GROVE CITY, OHIO

Police Pension Special Revenue Fund
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual
 (Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Property Taxes	\$674,948	\$674,948	\$650,000	(\$24,948)
Intergovernmental	81,177	81,177	83,723	2,546
<i>Total Revenues</i>	<u>756,125</u>	<u>756,125</u>	<u>733,723</u>	<u>(22,402)</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Personal Services	<u>827,600</u>	<u>827,600</u>	<u>699,837</u>	<u>127,763</u>
Net Change In Fund Balance	(71,475)	(71,475)	33,886	105,361
Fund Balance At Beginning Of Year	460,349	460,349	460,349	0
Prior Year Encumbrances	<u>76,600</u>	<u>76,600</u>	<u>76,600</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$465,474</u></u>	<u><u>\$465,474</u></u>	<u><u>\$570,835</u></u>	<u><u>\$105,361</u></u>

CITY OF GROVE CITY, OHIO

General Recreation Special Revenue Fund
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual
 (Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$11,312	\$13,079	\$13,132	(\$53)
Charges For Services	907,801	1,049,511	1,053,805	4,294
Rent	13,125	15,174	15,236	62
Contributions and Donations	2,713	3,136	3,149	13
Miscellaneous	6,549	7,571	7,602	31
<i>Total Revenues</i>	<u>941,500</u>	<u>1,088,471</u>	<u>1,092,924</u>	<u>4,453</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Leisure Time Activities				
Recreation				
Personal Services	724,096	724,096	621,293	102,803
Materials And Supplies	287,603	290,603	257,973	32,630
Contractual Services	229,376	229,376	207,370	22,006
Other Operating Charges	9,500	9,500	9,047	453
<i>Total Expenditures</i>	<u>1,250,575</u>	<u>1,253,575</u>	<u>1,095,683</u>	<u>157,892</u>
Net Change In Fund Balance	(309,075)	(165,104)	(2,759)	162,345
Fund Balance At Beginning Of Year	465,091	465,091	465,091	0
<i>Prior Year Encumbrances</i>	<u>97,602</u>	<u>97,602</u>	<u>97,602</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u>\$253,618</u>	<u>\$397,589</u>	<u>\$559,934</u>	<u>\$162,345</u>

CITY OF GROVE CITY, OHIO

City Permissive MVL Special Revenue Fund
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual
 (Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$158,000	\$158,000	\$133,030	(\$24,970)
Contributions and Donations	0	0	692	692
Miscellaneous	0	0	1,001	1,001
<i>Total Revenues</i>	<u>158,000</u>	<u>158,000</u>	<u>134,723</u>	<u>(23,277)</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Transportation				
Street Maintenance				
Personal Services	99,375	99,375	93,514	5,861
Materials And Supplies	61,000	61,000	59,948	1,052
Total Transportation	160,375	160,375	153,462	6,913
Capital Outlay:				
Engineering	1,355	1,355	1,355	0
<i>Total Expenditures</i>	<u>161,730</u>	<u>161,730</u>	<u>154,817</u>	<u>6,913</u>
Net Change In Fund Balance	(3,730)	(3,730)	(20,094)	(16,364)
Fund Balance At Beginning Of Year	24,085	24,085	24,085	0
<i>Prior Year Encumbrances</i>	<u>9,288</u>	<u>9,288</u>	<u>9,288</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$29,643</u></u>	<u><u>\$29,643</u></u>	<u><u>\$13,279</u></u>	<u><u>(\$16,364)</u></u>

CITY OF GROVE CITY, OHIO

County Permissive MVL Special Revenue Fund
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual
 (Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	85,000	85,000	65,138	(\$19,862)
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Transportation				
Street Maintenance				
Materials And Supplies	72,162	72,162	60,526	11,636
Contractual Services	12,000	12,000	11,970	30
Total Transportation	84,162	84,162	72,496	11,666
Capital Outlay:				
Engineering	752,778	752,778	752,778	0
Total Expenditures	836,940	836,940	825,274	11,666
Net Change In Fund Balance	(751,940)	(751,940)	(760,136)	(8,196)
Fund Balance At Beginning Of Year	205,882	205,882	205,882	0
Prior Year Encumbrances	754,938	754,938	754,938	0
Fund Balance At End Of Year	208,880	208,880	200,684	(\$8,196)

CITY OF GROVE CITY, OHIO

Senior Nutrition Special Revenue Fund
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual
 (Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Contributions And Donations	\$5,000	\$15,529	\$15,130	(\$399)
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Public Health				
Other Public Health Services				
Other Operating Charges	<u>5,000</u>	<u>19,410</u>	<u>15,529</u>	<u>3,881</u>
Net Change In Fund Balance	0	(3,881)	(399)	3,482
Fund Balance At Beginning Of Year	<u>5,935</u>	<u>5,935</u>	<u>5,935</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$5,935</u></u>	<u><u>\$2,054</u></u>	<u><u>\$5,536</u></u>	<u><u>\$3,482</u></u>

CITY OF GROVE CITY, OHIO

Drug Law Enforcement Special Revenue Fund
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual
 (Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Fines And Forfeitures	\$6,569	\$6,569	\$6,559	(\$10)
Miscellaneous	308	308	308	0
<i>Total Revenues</i>	6,877	6,877	6,867	(10)
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Materials And Supplies	6,877	15,939	15,285	654
Net Change In Fund Balance	0	(9,062)	(8,418)	644
Fund Balance At Beginning Of Year	9,208	9,208	9,208	0
<i>Fund Balance At End Of Year</i>	<u>\$9,208</u>	<u>\$146</u>	<u>\$790</u>	<u>\$644</u>

CITY OF GROVE CITY, OHIO

DARE Program Special Revenue Fund
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual
 (Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Contributions And Donations	\$7,500	\$26,670	\$22,368	(\$4,302)
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Materials And Supplies	<u>0</u>	<u>25,026</u>	<u>14,018</u>	<u>11,008</u>
Net Change In Fund Balance	7,500	1,644	8,350	6,706
Fund Balance At Beginning Of Year	<u>4,333</u>	<u>4,333</u>	<u>4,333</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$11,833</u></u>	<u><u>\$5,977</u></u>	<u><u>\$12,683</u></u>	<u><u>\$6,706</u></u>

CITY OF GROVE CITY, OHIO

Community Development Special Revenue Fund
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual
 (Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Other Local Taxes	\$155,000	\$158,149	\$158,149	\$0
Contributions and Donations	0	1,000	1,000	0
Miscellaneous	0	83	83	0
<i>Total Revenues</i>	<u>155,000</u>	<u>159,232</u>	<u>159,232</u>	<u>0</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Community Development				
Personal Services	13,852	13,852	13,133	719
Materials And Supplies	7,106	7,106	6,881	225
Contractual Services	155,775	165,775	150,822	14,953
<i>Total Expenditures</i>	<u>176,733</u>	<u>186,733</u>	<u>170,836</u>	<u>15,897</u>
Net Change In Fund Balance	(21,733)	(27,501)	(11,604)	15,897
Fund Balance At Beginning Of Year	47,702	47,702	47,702	0
<i>Prior Year Encumbrances</i>	<u>33,983</u>	<u>33,983</u>	<u>33,983</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$59,952</u></u>	<u><u>\$54,184</u></u>	<u><u>\$70,081</u></u>	<u><u>\$15,897</u></u>

CITY OF GROVE CITY, OHIO

Community Environment Special Revenue Fund
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual
 (Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$0	\$19,658	\$19,781	\$123
Licenses And Permits	7,000	106,654	107,324	670
Miscellaneous	0	1,076	1,083	7
<i>Total Revenues</i>	<u>7,000</u>	<u>127,388</u>	<u>128,188</u>	<u>800</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Community Development				
Materials And Supplies	0	6,000	5,744	256
Contractual Services	56,061	132,170	129,846	2,324
<i>Total Expenditures</i>	<u>56,061</u>	<u>138,170</u>	<u>135,590</u>	<u>2,580</u>
Net Change In Fund Balance	(49,061)	(10,782)	(7,402)	3,380
Fund Balance At Beginning Of Year	225,995	225,995	225,995	0
Prior Year Encumbrances	50,061	50,061	50,061	0
<i>Fund Balance At End Of Year</i>	<u><u>\$226,995</u></u>	<u><u>\$265,274</u></u>	<u><u>\$268,654</u></u>	<u><u>\$3,380</u></u>

CITY OF GROVE CITY, OHIO

Enforcement And Education Special Revenue Fund
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual
 (Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Fines And Forfeitures	\$3,000	\$2,864	\$2,864	\$0
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Contractual Services	<u>2,864</u>	<u>11,074</u>	<u>10,967</u>	<u>107</u>
Net Change In Fund Balance	136	(8,210)	(8,103)	107
Fund Balance At Beginning Of Year	<u>11,049</u>	<u>11,049</u>	<u>11,049</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$11,185</u></u>	<u><u>\$2,839</u></u>	<u><u>\$2,946</u></u>	<u><u>\$107</u></u>

CITY OF GROVE CITY, OHIO

U. S. Department Of Justice Special Revenue Fund
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual
 (Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$0	\$93,747	\$93,750	\$3
<u>Expenditures:</u>				
Capital Outlay:				
Security Of Persons And Property	<u>6,268</u>	<u>6,268</u>	<u>881</u>	<u>5,387</u>
Net Change In Fund Balance	(6,268)	87,479	92,869	5,390
Prior Year Encumbrances	<u>6,268</u>	<u>6,268</u>	<u>6,268</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$0</u></u>	<u><u>\$93,747</u></u>	<u><u>\$99,137</u></u>	<u><u>\$5,390</u></u>

CITY OF GROVE CITY, OHIO

Mayor's Court Computer Special Revenue Fund
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual
 (Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Fines And Forfeitures	\$15,000	\$15,000	\$14,867	(\$133)
<u>Expenditures:</u>				
Capital Outlay:				
Police Department	<u>15,000</u>	<u>15,000</u>	<u>14,250</u>	<u>750</u>
Net Change In Fund Balance	0	0	617	617
Fund Balance At Beginning Of Year	<u>20,252</u>	<u>20,252</u>	<u>20,252</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$20,252</u></u>	<u><u>\$20,252</u></u>	<u><u>\$20,869</u></u>	<u><u>\$617</u></u>

CITY OF GROVE CITY, OHIO

Big Splash Special Revenue Fund

Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual

(Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Charges For Services	\$249,250	\$251,430	\$179,397	(\$72,033)
Rent	5,400	6,971	4,974	(1,997)
Miscellaneous	1,000	1,249	891	(358)
Total Revenues	<u>255,650</u>	<u>259,650</u>	<u>185,262</u>	<u>(74,388)</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Leisure Time Activities				
Recreation				
Personal Services	194,364	219,368	216,926	2,442
Materials And Supplies	18,800	16,239	16,106	133
Contractual Services	38,403	40,617	39,615	1,002
Other Operating Charges	6,340	5,987	5,974	13
Total Expenditures	<u>257,907</u>	<u>282,211</u>	<u>278,621</u>	<u>3,590</u>
Excess Of Revenues Under Expenditures	<u>(2,257)</u>	<u>(22,561)</u>	<u>(93,359)</u>	<u>(70,798)</u>
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Receipt	0	(1,696)	(1,696)	0
Operating Transfers - In	0	0	74,000	74,000
Operating Transfers - Out	(2,000)	0	0	0
Total Other Financing Sources (Uses)	<u>(2,000)</u>	<u>(1,696)</u>	<u>72,304</u>	<u>74,000</u>
Net Change In Fund Balance	(4,257)	(24,257)	(21,055)	3,202
Fund Balance At Beginning Of Year	26,336	26,336	26,336	0
Prior Year Encumbrances	1,705	1,705	1,705	0
Fund Balance At End Of Year	<u>\$23,784</u>	<u>\$3,784</u>	<u>\$6,986</u>	<u>\$3,202</u>

CITY OF GROVE CITY, OHIO

Senior Stage Special Revenue Fund
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual
 (Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Miscellaneous	\$0	\$0	\$66	\$66
<u>Expenditures:</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change In Fund Balance	0	0	66	66
Fund Balance At Beginning Of Year	<u>3,328</u>	<u>3,328</u>	<u>3,328</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$3,328</u></u>	<u><u>\$3,328</u></u>	<u><u>\$3,394</u></u>	<u><u>\$66</u></u>

CITY OF GROVE CITY, OHIO

Park Donation Special Revenue Fund
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual
 (Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Miscellaneous	\$0	\$0	\$3,358	\$3,358
<u>Expenditures:</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change In Fund Balance	0	0	3,358	3,358
Fund Balance At Beginning Of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$3,358</u></u>	<u><u>\$3,358</u></u>

CITY OF GROVE CITY, OHIO

City Improvement Capital Projects Fund
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual
 (Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
Capital Outlay:				
Buildings	<u>326</u>	<u>326</u>	<u>326</u>	<u>0</u>
Net Change In Fund Balance	(326)	(326)	(326)	0
Fund Balance At Beginning Of Year	0	0	0	0
Prior Year Encumbrances	<u>326</u>	<u>326</u>	<u>326</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

CITY OF GROVE CITY, OHIO

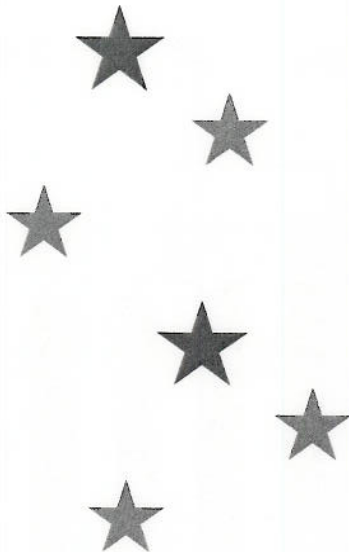
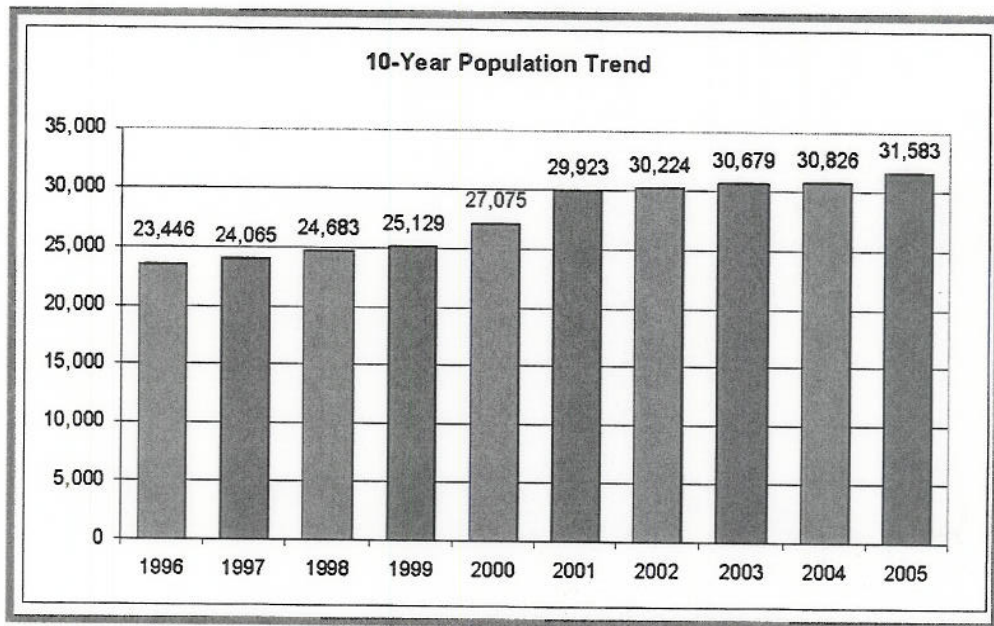
Recreation Development Capital Projects Fund
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual
 (Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Licenses And Permits	\$0	\$0	\$103,727	\$103,727
<u>Expenditures:</u>				
Capital Outlay:				
Parks And Recreation	171,508	171,508	106,699	64,809
Net Change In Fund Balance	(171,508)	(171,508)	(2,972)	168,536
Fund Balance At Beginning Of Year	186,602	186,602	186,602	0
Prior Year Encumbrances	19,508	19,508	19,508	0
<i>Fund Balance At End Of Year</i>	<u>\$34,602</u>	<u>\$34,602</u>	<u>\$203,138</u>	<u>\$168,536</u>

CITY OF GROVE CITY, OHIO

STATISTICAL SECTION





CITY OF GROVE CITY, OHIO
 General Government Expenditures (1) By Function
 Last Ten Years
 TABLE 1

<u>Year</u>	<u>Security Of Persons And Property</u>	<u>Public Health</u>	<u>Leisure Time Activities</u>	<u>Community Development</u>
1995	\$3,361,076	\$134,155	\$1,240,012	\$538,154
1996	3,465,289	132,575	1,307,813	625,553
1997	3,738,520	147,277	1,344,080	589,431
1998	4,001,393	160,275	2,191,902	659,990
1999	4,497,899	176,003	1,404,377	654,022
2000	4,767,693	269,098	1,589,606	822,290
2001	5,191,487	325,658	1,824,651	844,130
2002	5,630,838	317,182	2,068,798	869,367
2003	6,042,973	276,176	1,639,443	1,053,869
2004	7,169,373	255,097	1,789,778	1,123,302

Source: City Financial Records - GAAP basis financial data

(1) Includes all governmental funds.

<u><i>Transportation</i></u>	<u><i>General Government</i></u>	<u><i>Capital Outlay</i></u>	<u><i>Debt Service</i></u>	<u><i>Total</i></u>
\$805,662	\$1,773,677	\$4,538,129	\$1,298,848	\$13,689,713
641,280	1,908,756	3,883,851	1,298,169	13,263,286
747,959	2,128,362	4,326,016	1,344,871	14,366,516
885,314	2,618,287	6,046,940	1,289,754	17,853,855
847,889	3,239,772	8,109,098	1,329,127	20,258,187
975,507	2,335,244	7,869,269	1,464,272	20,092,979
886,156	3,216,062	6,967,423	1,424,801	20,680,368
1,043,677	3,329,204	12,430,636	1,387,741	27,077,443
1,045,232	3,730,631	13,258,603	7,564,429	34,611,356
1,206,133	4,754,778	16,757,169	8,460,876	41,516,506

CITY OF GROVE CITY, OHIO
 General Government Revenues (1) By Source
 Last Ten Years
 TABLE 2

<i>Year</i>	<i>Property Taxes</i>	<i>Municipal Income Taxes</i>	<i>Other Local Taxes</i>	<i>Inter-Governmental</i>	<i>Charges For Services</i>	<i>Licenses And Permits</i>	<i>Fines And Forfeitures</i>
1995	\$1,608,600	\$6,426,759	\$456,513	\$3,170,350	\$880,285	\$484,257	\$147,407
1996	1,572,562	7,241,879	518,698	2,503,068	853,948	435,970	203,809
1997	1,811,197	7,870,588	546,205	3,802,296	901,731	448,184	158,830
1998	1,868,314	9,224,779	576,837	4,040,704	1,015,984	510,155	152,302
1999	1,863,136	10,698,896	619,640	4,529,523	1,107,631	753,284	149,261
2000	2,168,790	12,001,602	713,219	4,253,894	1,182,128	737,471	185,957
2001	2,269,870	13,347,610	697,804	3,334,238	1,215,388	595,803	200,183
2002	2,430,982	15,248,743	750,185	5,594,874	1,332,815	542,107	188,333
2003	2,627,857	14,458,885	723,303	4,481,523	1,653,811	997,929	187,276
2004	2,557,486	13,624,118	781,617	4,339,465	1,374,320	946,310	198,211

Source: City Financial Records - GAAP basis financial data

(1) Includes all governmental funds.

<i>Special Assessments</i>	<i>Interest</i>	<i>Decrease in Fair Value Of Investments</i>	<i>Rent</i>	<i>Contributions And Donations</i>	<i>Miscellaneous</i>	<i>Total</i>
\$103,851	\$438,285	\$0	\$0	\$0	\$181,496	\$13,897,803
96,151	505,755	0	0	0	330,005	14,261,845
109,671	583,917	0	0	0	333,773	16,566,392
112,900	692,330	0	0	0	389,931	18,584,236
135,143	692,905	0	0	0	369,654	20,919,073
249,172	1,142,395	0	0	0	196,175	22,830,803
155,408	857,554	0	0	0	325,670	22,999,528
68,030	492,714	0	0	0	333,507	26,982,290
80,814	335,697	0	21,722	0	515,356	26,084,173
86,112	549,955	(116,005)	42,730	45,430	92,912	24,522,661

CITY OF GROVE CITY, OHIO
 Government-Wide Expenses By Program - Governmental Activities
 Last Three Years
 TABLE 3

<u><i>Year(1)</i></u>	<u><i>Security Of Persons And Property</i></u>	<u><i>Public Health</i></u>	<u><i>Leisure Time Activities</i></u>	<u><i>Community Development</i></u>
2002	\$6,213,923	\$316,933	\$2,468,187	\$917,167
2003	6,620,720	276,176	1,895,869	1,061,094
2004	7,777,311	255,097	2,290,652	1,152,824

Source: City Financial Records - GAAP basis financial data

(1) 2002 is the first year reported according to *GASB Statement No. 34*.

<u><i>Transportation</i></u>	<u><i>General Government</i></u>	<u><i>Interest And Fiscal Charges</i></u>	<u><i>Total</i></u>
\$1,014,035	\$4,363,435	\$477,561	\$15,771,241
1,091,121	3,660,892	579,482	15,185,354
1,353,924	5,213,511	581,264	18,624,583

CITY OF GROVE CITY, OHIO
 Government-Wide Revenues By Source - Governmental Activities
 Last Three Years
 TABLE 4

<u>Year (1)</u>	<u>Program Revenues</u>			
	<u>Charges For Services</u>	<u>Operating Grants, Contribution, And Interest</u>	<u>Capital Grants, Contribution, And Interest</u>	<u>Property And Other Local Taxes</u>
2002	\$2,063,255	\$1,601,207	\$2,193,223	\$3,226,778
2003	2,839,016	1,662,922	794,556	3,324,130
2004	2,743,187	1,574,992	967,111	3,321,700

Source: City Financial Records - GAAP basis financial data

(1) Year 2002 is the first year reported according to *GASB Statement No. 34*.

General Revenues

<i>Municipal Income Taxes</i>	<i>Grants And Entitlements</i>	<i>Rent</i>	<i>Unrestricted Investment Earnings</i>	<i>Other</i>	<i>Total</i>
\$15,372,667	\$2,031,459	\$0	\$459,190	\$333,507	\$27,281,286
14,859,483	2,011,979	21,722	271,514	515,356	26,300,678
15,342,810	1,940,042	0	222,169	364,547	26,476,558

CITY OF GROVE CITY, OHIO
Real Property Tax Levies And Collections
Last Ten Years
TABLE 5

<i>Collection Year</i>	<i>Current Tax (1) Levy</i>	<i>Delinquent Tax (2) Levy</i>	<i>Total Tax Levy</i>	<i>Current Tax (1) Collections</i>	<i>Percentage Of Current Collections To Current Levy</i>
1995	\$1,413,672	\$44,503	\$1,458,175	\$1,387,603	98.16%
1996	1,488,325	39,803	1,528,128	1,460,238	98.11
1997	1,676,494	53,122	1,729,616	1,661,423	99.10
1998	1,728,167	51,611	1,779,778	1,691,705	97.89
1999	1,779,726	47,092	1,826,818	1,743,985	97.99
2000	2,222,416	55,468	2,277,884	2,180,387	98.11
2001	2,170,833	63,011	2,233,844	2,112,533	97.31
2002	2,226,609	86,618	2,313,227	2,173,362	97.61
2003	2,514,749	91,014	2,605,763	2,452,720	97.53
2004	2,556,986	96,878	2,653,864	2,501,293	97.82

Source: Franklin County Auditor

(1) State reimbursement of rollback and homestead exemptions are included.

(2) Amounts listed include penalties and interest.

<i>Delinquent Tax Collections</i>	<i>Total Tax Collections</i>	<i>Percentage Of Total Collections To Total Tax Levy</i>	<i>Outstanding Delinquent Taxes (2)</i>	<i>Percentage Of Outstanding Delinquent Taxes To Total Tax Levy</i>
\$31,792	\$1,419,395	97.34%	\$38,780	2.66%
25,397	1,485,635	97.22	42,493	2.78
34,465	1,695,888	98.05	33,728	1.95
35,761	1,727,466	97.06	52,312	2.94
35,485	1,779,470	97.41	47,348	2.59
42,110	2,222,497	97.57	55,387	2.43
42,788	2,155,321	96.48	78,523	3.52
54,159	2,227,521	96.29	85,706	3.71
60,336	2,513,056	96.44	92,707	3.56
76,890	2,578,183	97.15	75,681	2.85

CITY OF GROVE CITY, OHIO
Tangible Personal Property Tax Levies And Collections
Last Ten Years
TABLE 6

<u>Collection Year</u>	<u>Current Tax Levy</u>	<u>Delinquent Tax Levy</u>	<u>Total Tax Levy</u>	<u>Current Tax Collection</u>	<u>Percentage Of Current Collection To Current Levy</u>
1995	\$225,982	\$151,049	\$377,031	\$214,380	94.87%
1996	252,862	27,718	280,580	228,158	90.23
1997	288,201	56,976	345,177	265,203	92.02
1998	323,916	45,362	369,278	312,080	96.35
1999	275,964	38,229	314,193	272,607	98.78
2000	322,574	35,331	357,905	304,911	94.52
2001	352,265	83,540	435,805	327,850	93.07
2002	371,169	209,283	580,452	366,137	98.64
2003	350,292	156,071	506,363	342,026	97.64
2004	316,294	92,419	408,713	309,775	97.94

Source: Franklin County Auditor

<u><i>Delinquent Tax Collection</i></u>	<u><i>Total Tax Collection</i></u>	<u><i>Percentage Of Total Collection To Total Tax Levy</i></u>	<u><i>Outstanding Delinquent Taxes</i></u>	<u><i>Percentage Of Outstanding Delinquent Taxes To Total Tax Levy</i></u>
\$136,654	\$351,034	93.10%	\$25,997	6.90%
17,644	245,802	87.60	34,778	12.40
45,196	310,399	89.92	34,778	10.08
15,689	327,769	88.76	41,509	11.24
16,851	289,458	92.13	24,735	7.87
18,586	323,497	90.39	34,408	9.61
38,829	366,679	84.14	69,126	15.86
106,770	472,907	81.47	107,545	18.53
90,816	432,842	85.48	73,521	14.52
25,792	335,567	82.10	73,146	17.90

CITY OF GROVE CITY, OHIO
 Assessed And Estimated Actual Value Of Taxable Property
 Last Ten Years
 TABLE 7

Collection Year	Real Property		Public Utility Property	
	Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value
1995	\$270,520,020	\$772,914,343	\$16,158,500	\$18,361,932
1996	287,455,570	821,301,629	16,525,360	18,778,818
1997	329,135,000	940,385,714	16,603,670	18,867,807
1998	361,205,530	1,032,015,800	16,873,820	19,174,795
1999	442,468,070	1,264,194,486	17,511,040	19,898,909
2000	462,637,930	1,321,822,657	16,202,580	18,412,023
2001	491,667,450	1,404,764,143	13,362,700	15,184,886
2002	570,587,460	1,630,249,886	10,036,670	11,405,307
2003	595,552,240	1,701,577,829	10,368,820	11,782,750
2004	628,364,980	1,795,328,514	10,826,320	12,302,636

Source: Franklin County Auditor

<i>Tangible Personal Property</i>		<i>Total</i>		<i>Percentage Of Total Assessed Value To Total Est. Actual Value</i>
<i>Assessed Value</i>	<i>Est. Actual Value</i>	<i>Assessed Value</i>	<i>Est. Actual Value</i>	
\$44,505,400	\$178,021,600	\$331,183,920	\$969,297,875	34.17%
51,593,239	209,372,956	355,574,169	1,049,453,403	33.88
58,410,921	233,643,684	404,149,591	1,192,897,205	33.88
67,327,217	269,308,868	445,406,567	1,320,499,463	33.73
57,083,355	228,333,420	517,062,465	1,512,426,815	34.19
68,407,781	273,631,124	547,248,291	1,613,865,804	33.91
83,722,702	334,890,808	588,752,852	1,754,839,837	33.55
84,348,339	337,393,356	664,972,469	1,979,048,549	33.60
78,892,863	315,571,452	684,813,923	2,028,932,031	33.75
72,560,399	290,241,596	711,751,699	2,097,872,747	33.93

CITY OF GROVE CITY, OHIO
Property Tax Rates - Direct And Overlapping Governments
Per \$1,000 Of Assessed Valuation
Last Ten Years
TABLE 8

<i>Collection Year</i>	<i>City Of Grove City</i>				<i>Southwestern City School District</i>
	<i>General Fund</i>	<i>Special Funds(1)</i>	<i>Debt Service</i>	<i>Total Levy</i>	
1995	\$1.90	\$1.10	\$2.00	\$5.00	\$52.56
1996	1.90	1.10	1.90	4.90	52.48
1997	1.90	1.10	1.90	4.90	52.30
1998	1.90	1.10	1.80	4.80	57.18
1999	1.90	1.10	1.70	4.70	57.18
2000	1.90	1.10	1.50	4.50	56.97
2001	1.90	1.10	1.40	4.40	56.61
2002	1.90	1.10	1.30	4.30	56.44
2003	1.90	1.10	1.20	4.20	56.43
2004	1.90	1.10	1.20	4.20	55.23

Source: Franklin County Auditor

(1) Police Pension Fund

<i><u>Franklin County Commissioners</u></i>	<i><u>Jackson Township</u></i>	<i><u>Pleasant Township</u></i>	<i><u>Total Tax Levy</u></i>
\$14.57	\$20.20	\$0.00	\$92.42
14.82	20.20	0.00	92.40
15.22	20.20	0.00	92.62
17.54	20.20	0.00	99.72
17.54	20.20	0.00	99.62
17.64	20.20	0.00	99.31
17.64	20.20	0.00	98.85
17.64	20.20	0.00	98.58
17.64	20.20	0.00	98.47
18.44	20.20	0.80	98.87



CITY OF GROVE CITY, OHIO

Special Assessment Billings

And Collections

Last Ten Years

TABLE 9

<u>Collection Year</u>	<u>Special Assessment Billings(1)</u>	<u>Total Assessments Collected(2)</u>	<u>Amount Delinquent</u>	<u>Percentage Of Collection To Amount Billed</u>
1995	\$105,054	\$103,851	\$1,203	98.85%
1996	116,289	96,151	20,138	82.68
1997	120,609	110,090	10,519	91.28
1998	141,300	112,900	28,400	79.90
1999	137,730	135,143	2,587	98.12
2000	259,126	249,172	9,954	96.16
2001	155,408	155,408	0	100.00
2002	83,968	68,030	15,938	81.02
2003	81,912	80,814	1,098	98.66
2004	86,445	86,112	333	99.61

Source: Franklin County Auditor

(1) Only governmental fund type City assessments are included in this table.
City assessments include service assessments and debt service assessments. The debt service assessments include interest.

(2) Prepayments of future assessments are not included.

CITY OF GROVE CITY, OHIO

Principal Property Taxpayers

December 31, 2004

TABLE 10

<i>Taxpayer</i>	<i>Type of Business</i>	<i>Real/Public Utility Property Assessed Valuation</i>
Wal-Mart Stores, Inc.	Retail Warehouse	3,074,750
TOSOH SMD, Inc.	Manufacturing	2,127,400
Tigerpoly Manufacturing, Inc.	Manufacturing	2,764,000
Columbus Southern Power	Utility	4,601,670
DDR Derby Square, LLC	Developer	4,531,470
Ohio Bell Telephone Co.	Utility	4,209,280
Buckeye Grove Shopping	Shopping Center	3,033,860
Regency Arms Apartments	Residential Housing	3,526,390
Groves Apartments, LTD	Residential Housing	3,311,010
FedEx Ground Package Systems, Inc.	Freight Distribution	1,332,810
Heritage Glen, LTD	Residential Housing	\$3,272,540
Heartland Jockey Club, LTD	Race Track/Slots	2,871,050
Grove City Plaza Co.	Retail	2,322,160
Gateway Lakes, LTD	Residential Housing	2,650,350
Ashland Oil Company	Distribution	1,335,960
T Marzetti Company	Distribution	0
Manheim Services Corp./Auto Auction	Vehicle Auction	1,748,250
U.S. Industrial Reit	Commercial Real Estate	2,104,180
Sterling Park	Residential Housing	1,828,780
GAP, Inc.	Distribution	0
Ikon Office Solutions	Distribution	0
Pitney Bowes Credit Corporation	Equipment Leasing	0
SPT Misc Properties	Commercial Real Estate	1,523,060
Cummins Bridgeway, LLC	Construction	0
Minnesota Mining	Manufacturing	1,146,230
Total Principal Taxpayers		53,315,200
Total City		\$639,191,300

Source: Franklin County Auditor

Note: (1)Taxpayers required to file a personal property tax return do so based on their fiscal year.

<i>Tangible Personal Property Assessed Valuation (1)</i>	<i>Total Assessed Valuation</i>	<i>% Of Total City Assessed Valuation (2004 Collection Year)</i>
14,048,770	17,123,520	2.41%
6,307,730	8,435,130	1.19
3,038,670	5,802,670	0.82
0	4,601,670	0.65
0	4,531,470	0.64
0	4,209,280	0.59
526,040	3,559,900	0.50
0	3,526,390	0.50
0	3,311,010	0.47
1,964,880	3,297,690	0.46
\$0	\$3,272,540	0.46
0	2,871,050	0.40
526,040	2,848,200	0.40
0	2,650,350	0.37
1,148,590	2,484,550	0.35
2,314,480	2,314,480	0.33
391,608	2,139,858	0.30
0	2,104,180	0.30
0	1,828,780	0.26
1,654,230	1,654,230	0.23
1,641,770	1,641,770	0.23
1,526,120	1,526,120	0.21
0	1,523,060	0.21
1,518,880	1,518,880	0.21
319,930	1,466,160	0.21
<u>36,927,738</u>	<u>90,242,938</u>	<u>12.70%</u>
<u>\$72,560,399</u>	<u>\$711,751,699</u>	

CITY OF GROVE CITY, OHIO

Legal Debt Margin

December 31, 2004

TABLE 11

Total assessed valuation		\$711,751,699
Overall debt limitation - 10.5% of assessed valuation		74,733,928
Gross indebtedness authorized by council	\$33,482,291	
Less debt outside limitation:	<u>(4,688,291)</u>	
Debt within 10.5% limitation	28,794,000	
Less amount available in debt service fund	<u>(1,535,271)</u>	
Net debt within 10.5% limitation		<u>27,258,729</u>
Legal debt margin within 10.5% limitation		<u><u>\$47,475,199</u></u>
Unvoted debt limitation - 5.5% of assessed valuation		\$39,146,343
Gross indebtedness authorized by council	\$33,482,291	
Less debt outside limitation:	<u>(4,688,291)</u>	
Debt within 5.5% limitation	28,794,000	
Less: amount available in debt service fund	<u>(1,535,271)</u>	
Net debt within 5.5% limitation		<u>27,258,729</u>
Legal debt margin within 5.5% limitation		<u><u>\$11,887,614</u></u>

CITY OF GROVE CITY, OHIO
Ratio Of Net General Obligation Bonded Debt
To Assessed Value And Net General
Obligation Bonded Debt Per Capita
Last Ten Years
TABLE 12

<i>Year</i>	<i>Net General Bonded Debt (1)</i>	<i>Assessed Value (2)</i>	<i>Population (3)</i>	<i>Percentage Of Net Bonded Debt To Assessed Value</i>	<i>Net Bonded Debt Per Capita</i>
1995	\$5,528,221	\$331,184	22,970	1.67%	\$241
1996	5,173,950	355,574	23,446	1.46	220.68
1997	4,926,689	404,150	24,683	1.22	199.60
1998	4,736,934	445,429	25,821	1.06	183.45
1999	4,553,415	517,062	26,717	0.88	170.43
2000	3,871,475	547,248	27,856	0.71	138.98
2001	5,118,215	588,752	29,178	0.87	175.41
2002	4,602,408	664,972	30,679	0.69	150.02
2003	4,040,572	684,814	31,511	0.59	128.23
2004	3,514,729	711,752	31,925	0.49	110.09

(1) Net general bonded debt equals the amount of general obligation bonds outstanding minus the debt service fund balance available to pay general obligation debt.

(2) Shown in thousands of dollars

(3) Source: "Population Estimates and Projections", published by the U.S. Department of Commerce, Bureau of the Census

CITY OF GROVE CITY, OHIO
Ratio Of Annual Debt Service Expenditures For
General Bonded Debt To Total General Government Expenditures
Last Ten Years
TABLE 13

<i>Year</i>	<i>Principal (1)</i>	<i>Interest And Fiscal Charges</i>	<i>Debt Service On General Obligation Bonded Debt</i>	<i>General Government Expenditures</i>	<i>Ratio</i>
1995	\$333,604	\$376,222	\$709,826	\$13,689,713	5.19%
1996	348,604	360,050	708,654	13,263,286	5.34
1997	363,604	342,780	706,384	14,366,516	4.92
1998	373,604	324,393	697,997	17,853,855	3.91
1999	393,604	305,200	698,804	20,258,187	3.45
2000	408,604	285,461	694,065	20,092,979	3.45
2001	423,604	264,958	688,562	20,680,368	3.33
2002	415,000	334,135	749,135	27,077,443	2.77
2003	440,000	307,661	747,661	34,611,356	2.16
2004	1,770,000 *	287,803	2,057,803	41,516,506	4.96

(1) Includes only General Obligation Debt payable from property taxes

(*) Includes the refunding of the 1993 Various Purpose Street Improvement/Senior Center Addition Bonds for \$1,315,000.

CITY OF GROVE CITY, OHIO
 Computation Of Direct And Overlapping
 General Obligation Bonded Debt
 December 31, 2004
 TABLE 14

<u><i>Jurisdiction</i></u>	<u><i>Net Debt Outstanding (1)</i></u>	<u><i>Percentage Applicable To City Of Grove City (2)</i></u>	<u><i>Amount Applicable To City Of Grove City</i></u>
Direct:			
City of Grove City	<u>\$3,514,729</u>	100.00%	<u>\$3,514,729</u>
Overlapping:			
South-Western City School District	128,178,180	28.93	37,081,947
Franklin County	129,920,000	2.76	3,585,792
Jackson Township	<u>0</u>	84.20	<u>0</u>
Total Overlapping	<u>258,098,180</u>		<u>40,667,739</u>
Total Direct And Overlapping Debt	<u>\$261,612,909</u>		<u>\$44,182,468</u>

Source: Franklin County Auditor

- (1) Net debt outstanding equals the amount of general obligation bonds outstanding minus the debt service fund balance available to pay non-special assessment general obligation debt.
- (2) Percentages determined by dividing each overlapping subdivision's assessed valuation within the City by the subdivision's total assessed valuation.

CITY OF GROVE CITY, OHIO

Revenue Bond Coverage

Enterprise Funds

Last Ten Years

TABLE 15

Water Enterprise Fund

<u>Year</u>	<u>Gross Revenues (1)</u>	<u>Operating Expenses (2)</u>	<u>Net Revenue Available For Debt Service</u>
1995	\$390,512	\$153,607	\$236,905
1996	430,063	81,465	348,598
1997	356,796	58,698	298,098
1998	428,029	40,958	387,071
1999	447,054	38,541	408,513
2000	537,108	90,643	446,465
2001	441,885	141,836	300,049
2002	426,150	152,622	273,528
2003	504,943	45,527	459,416
2004	544,006	93,712	450,294

Sewer Enterprise Fund

1995	\$328,616	\$433,382	(\$104,766)
1996	391,341	416,633	(25,292)
1997	300,748	271,453	29,295
1998	354,769	324,987	29,782
1999	355,684	391,100	(35,416)
2000	421,911	399,564	22,347
2001	695,529	897,954	(202,425)
2002	491,823	439,199	52,624
2003	346,284	536,639	(190,355)
2004	379,919	390,332	(10,413)

(1) Total revenues exclusive of interest income and capital contribution.

(2) Total operating expenses exclusive of depreciation.

<i>Debt Service Requirements</i>			
<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Coverage</i>
\$105,000	\$91,748	\$196,748	1.20
110,000	88,671	198,671	1.75
125,000	83,192	208,192	1.43
115,000	104,219	219,219	1.77
135,000	79,860	214,860	1.90
135,000	60,542	195,542	2.28
135,000	57,371	192,371	1.56
155,000	54,121	209,121	1.31
160,000	46,278	206,278	2.23
170,000	35,754	205,754	2.19
\$14,000	\$5,120	\$19,120	(5.48)
33,114	9,406	42,520	(0.59)
32,122	6,959	39,081	0.75
35,160	2,969	38,129	0.78
0	0	0	0.00
0	0	0	0.00
0	0	0	0.00
0	0	0	0.00
0	0	0	0.00
0	0	0	0.00



CITY OF GROVE CITY, OHIO

Demographic Statistics

Last Ten Years

TABLE 16

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Income (1)</u>	<u>School Enrollment (2)</u>	<u>Franklin County Unemployment Rate (3)</u>
1995	22,970	\$16,800	6,097	3.1%
1996	23,446	17,388	6,301	2.9
1997	24,683	17,909	6,343	2.7
1998	25,821	18,482	6,402	2.4
1999	26,717	19,168	6,472	2.5
2000	27,856	19,881	6,421	2.7
2001	29,178	20,875	6,930	2.9
2002	30,679	21,543	6,685	3.7
2003	31,511	22,189	7,754	4.6
2004	31,925	22,854	8,262	5.4

Source:

(1) "Population Estimates and Projections", published by the Department of Commerce, Bureau of the Census.
When unavailable, estimates are interpolated based on increases in construction of single and double family homes.

(2) Southwestern City School District - number of students residing within the City limits

(3) Ohio Bureau of Employment Services,
Division of Labor Force Research and Statistics

CITY OF GROVE CITY, OHIO

Property Value, Construction

And Bank Deposits

Last Ten Years

TABLE 17

<i>Year</i>	<i>Real Property Value</i>		
	<i>Agricultural/ Residential/ Value (I)</i>	<i>Commercial/ Industrial/ Value (I)</i>	<i>Total Value</i>
1995	\$198,197,320	\$72,322,700	\$270,520,020
1996	217,974,780	69,480,790	287,455,570
1997	249,488,520	79,646,480	329,135,000
1998	275,305,530	85,900,000	361,205,530
1999	338,540,410	103,927,660	442,468,070
2000	357,716,980	104,920,950	462,637,930
2001	377,615,340	114,052,110	491,667,450
2002	438,600,610	131,986,850	570,587,460
2003	460,857,000	134,695,220	595,552,220
2004	488,290,050	140,074,930	628,364,980

Source:

(1) Franklin County Auditor

(2) City of Grove City Building Department

(3) Federal Reserve Bank of Cleveland shown in thousands of dollars
for Franklin County

(*) The large decrease from 2003 to 2004 is related to the issuance of
building permits relating to the Parkview North and South retail
shopping centers and the Pinnacle Club golf course community.

(**) The large increase is due to the merger of Bank One and
JP Morgan Chase Banks.

<i>Residential</i>		<i>Commercial</i>		<i>Industrial</i>		<i>Domestic Bank Deposits In County (3)</i>
<i>Number Of Units</i>	<i>Construction Value (2)</i>	<i>Number Of Units</i>	<i>Construction Value (2)</i>	<i>Number Of Units</i>	<i>Construction Value (2)</i>	
275	\$40,228,407	21	\$8,271,265	11	\$39,564,000	\$19,120,842
223	33,453,776	23	6,501,185	9	30,265,944	20,786,114
224	33,736,162	80	17,657,766	5	13,014,000	40,835,093
280	45,736,466	12	10,862,743	2	11,400,000	39,976,199
242	41,656,313	15	11,350,000	4	6,825,000	40,785,421
272	50,525,247	267	19,295,900	8	2,065,967	36,305,554
231	45,958,993	136	11,181,515	5	1,545,995	38,669,548
221	45,213,074	69	27,491,148	6	2,923,917	35,950,798
350	61,659,994	157	17,335,956	4	113,500,000	37,969,996
330	65,681,535	78	44,566,502	10	7,948,719 *	389,270,086 **

CITY OF GROVE CITY, OHIO

Miscellaneous Statistics

December 31, 2004

TABLE 18

Date of Incorporation:	1852
Effective Date of Charter:	July 1, 1959
Form of Government:	Mayor-Council-Administrator
Area: (Square Miles)	16.69
Miles of Streets:	168.5
Number of Street Lights:	3,207
Number of Traffic Signs:	2,915
Number of Traffic Lights:	38
Miles of Sanitary Sewers:	86.3
Miles of Storm Sewers:	32.7
Miles of Water Distribution:	96.2
Fire Protection:	Jackson Township (1)
Number of Stations	3
Number of Firemen and Officers (FT)	77
Number of Firemen (PT)	20
Number of Certified EMT - Basic	33
Number of Certified EMT - Paramedics	64
Number of Nurses	1
Police Protection:	Grove City Police
Number of Stations	1
Number of Policemen and Officers	56
City Employees:	
Number of Full Time Employees	169
Number of Part Time Employees	38
Municipal Water Department:	Served by City of Columbus

Sources: (1) Jackson Township

(2) South-Western City Schools - Within Corporate Boundaries

(continued)

CITY OF GROVE CITY, OHIO

Miscellaneous Statistics

December 31, 2004

TABLE 18

(Continued)

Education (2):	
Elementary Schools	7
Secondary Schools	4
Number of Teachers	
Elementary Teachers	229
Secondary Teachers	292
Total Teachers	521
2003/2004 Student Enrollment	
Elementary Enrollment	3,823
Secondary Enrollment	4,439
Total Enrollment	8,262
Recreation and Culture:	
Number of Parks	7
Number of Playgrounds	7
Number of Swimming Pools	1
Number of Tennis Courts	6
Number of Community Centers	3
Acreage of Parks	289
Public Libraries	1

Public Transportation:

Central Ohio Transit Authority





**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

CITY OF GROVE CITY

FRANKLIN 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 9, 2005**