



Mary Taylor, CPA
Auditor of State

CITY OF GROVE CITY
FRANKLIN COUNTY

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Mary Taylor, CPA

Auditor of State

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 43123

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, 2006, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 22, 2007. 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 as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the City's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2006-003 through 2006-009.

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A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the City's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, of the significant deficiencies described above, we believe finding numbers 2006-006 through 2006-008 are also material weaknesses.

We also noted certain internal control matters that we reported to the City's management in a separate letter dated June 22, 2007.

MATERIAL NONCOMPLIANCE

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 instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2006-001 through 2006-005.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 22, 2007.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the City's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of the audit committee, management, and City Council. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

June 22, 2007

CITY OF GROVE CITY
FRANKLIN COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2006

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

FINDING NUMBER 2006-001

Proper Public Purpose – Finding for Recovery Repaid Under Audit

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951) provides that the primary object of an expenditure of public funds should serve a public purpose. Typically the determination of what constitutes a “proper public purpose” rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only. **Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper “Public Purpose”** states that the Auditor of State’s Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect. The Bulletin further states that the Auditor of State’s Office does not view the expenditure of public funds for alcoholic beverages as a proper public purpose and will issue findings for recovery for such expenditures as manifestly arbitrary and incorrect.

On January 25, 2006, the City expended public funds in the amount of \$32.00 for the payment of pastries as a token of appreciation for a potential donor of land to the City. On April 27, 2006 the City expended \$38.27 for the payment of potted plants as tokens of appreciation to City employees in the Mayor’s office. On May 17, 2006 the Mayor’s spouse received a dinner compensated by the City as a participant of an appreciation dinner with representatives of the City’s sister city in Germany in the amount of \$48.70. City Council did not enact an ordinance or resolution which demonstrates what public purpose such expenditures serve, nor did Council have a policy permitting these types of expenditures.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. Seward v. National Surety Co., 120 Ohio St. 47 (1929); 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State ex rel. Village of Linndale v. Masten, 18 Ohio St. 3d 228 (1985).

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended would have been issued against Cheryl Grossman, Mayor, in the amount of one hundred eighteen dollars and ninety seven cents (\$118.97) in favor of the City of Grove City General Fund. On June 25, 2007, \$118.97 was repaid by check from Cheryl Grossman and posted to the City’s General Fund.

We recommend the City pass a comprehensive proper public purpose policy that provides guidance and direction to staff and supervisors as to what expenditures are viewed as a proper public purpose that accomplish the goals and mission of the City. Such a policy may entail:

- The permissiveness of various expenditure types or classifications to the City as a whole;
- Dollar limitations on the expenditure of funds for certain expenditure types or classifications;
- Restrictions on expenditures for specific types of City programs or activities;

CITY OF GROVE CITY
FRANKLIN COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2006
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2006-001 (Continued)

Proper Public Purpose – Finding for Recovery Repaid Under Audit (Continued)

- Designation regarding the appropriate uses of, allowable types of, dollar limitations to, and types of documentation that must be maintained for gifts, rewards, and incentives.
- Restrictions on expenditures for business lunches including any dollar limits, conditions for meetings, limitations on individuals that will be paid for by the City, and documentation that must be maintained (including detailed receipts of meals).

Official's Response:

This expenditure was thought to be an appropriate use of City funds. Upon learning that it was not, the City was immediately reimbursed.

FINDING NUMBER 2006-002

Retirement Party – Finding for Recovery Repaid Under Audit

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951) provides that the primary object of an expenditure of public funds should serve a public purpose. Typically the determination of what constitutes a "proper public purpose" rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only. **Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper "Public Purpose"** states that the Auditor of State's Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect. The Bulletin further states that the Auditor of State's Office does not view the expenditure of public funds for alcoholic beverages as a proper public purpose and will issue findings for recovery for such expenditures as manifestly arbitrary and incorrect.

On December 18, 2006, the City expended public funds in the amount of \$615 for the payment of a retirement party for a retiring employee, which was comprised of meals for 60 individuals including current City employees, past retirees, and the employee's family members. City Council did not enact an ordinance or resolution which demonstrates what public purpose such an expenditure serves, nor did Council have a policy permitting this type of expenditure.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. *Seward v. National Surety Co.*, 120 Ohio St. 47 (1929); 1980 Op. Att'y Gen. No. 80-074; Ohio Rev. Code Section 9.39; *State, ex rel. Village of Linndale v. Masten*, 18 Ohio St. 3d 228 (1985).

**CITY OF GROVE CITY
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2006
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2006-002 (Continued)

Retirement Party – Finding for Recovery Repaid Under Audit (Continued)

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended would have been issued against Dennis Deskins, Chief of Police, in the amount of six hundred fifteen dollars (\$615) in favor of the City of Grove City General Fund. On June 27, 2007, \$615 was repaid by check from Dennis Deskins and posted to the City's General Fund.

As noted in Finding Number 2006-001, we recommend the City pass a comprehensive proper public purpose policy that provides guidance and direction to staff and supervisors as to what expenditures are viewed as a proper public purpose that accomplish the goals and mission of the City. Such a policy may entail:

- The permissiveness of various expenditure types or classifications to the City as a whole;
- Dollar limitations on the expenditure of funds for certain expenditure types or classifications;
- Restrictions on expenditures for specific types of City programs or activities;
- Designation regarding the appropriate uses of, allowable types of, dollar limitations to, and types of documentation that must be maintained for gifts, rewards, and incentives.
- Restrictions on expenditures for business lunches including any dollar limits, conditions for meetings, limitations on individuals that will be paid for by the City, and documentation that must be maintained (including detailed receipts of meals).

Official's Response:

It has been brought to my attention that a purchase order that I authorized #06003405, dated 11/06/2006 was an incorrect expenditure of public funds. I met with a representative from the Auditor of State, who explained why the expenditure was incorrect. I have also reviewed the "Finding of Recovery" report that has been submitted to the City. I regret placing the Division of Police and the City of Grove City in this situation and accept full responsibility. Enclosed, please find my personal check #7514 in the amount of \$615, the amount indicative of such liability.

FINDING NUMBER 2006-003

Haughn Road Widening Expenditure – Noncompliance Finding/Significant Deficiency

Ohio Rev. Code Section 5705.10 requires that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

**CITY OF GROVE CITY
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2006
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2006-003 (Continued)

**Haughn Road Widening Expenditure – Noncompliance Finding/Significant Deficiency
(Continued)**

A debt expenditure of \$22,911 for the Haughn Road Widening Project was paid by the City's Water Fund when the entire project consisted of road work, which is outside the purpose of what the Water Fund was set up and derives revenues for. The project expenditure should have been paid from the City's General Fund which derives revenues for this purpose.

We recommend the City implement procedures to ensure that all debt expenditures are posted to the proper funds, in accordance with the fund accumulating monies for the retirement of the debt.

The City's financial statements and accounting records have been adjusted to properly post this expenditure to the General Fund.

Official's Response:

The City will introduce legislation to Council to appropriate \$22,911 from the General Fund payable to the Water Fund. The City booked the adjustment to their ledgers on August 7, 2007.

FINDING NUMBER 2006-004

Sanitary Sewer Expenditure - Noncompliance Finding/Significant Deficiency

Ohio Rev. Code Section 5705.10 requires that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

A contract expenditure of \$100,000 for the 2004 Sanitary Sewer Rehabilitation Project was paid by the City's Water Fund when the entire project consisted of sewer lines, which is outside the purpose of what the Water Fund was set up and derives revenues for. The project expenditure should have been paid from the City's Sewer Fund which derives revenues for this purpose.

We recommend the City implement procedures to ensure that all contract expenditures are posted to the proper funds, in accordance with the project's nature.

The City's financial statements and accounting records have been adjusted to properly post this expenditure to the Sewer Fund.

Official's Response:

Appropriate legislation will be submitted to Council for their action in July 2007. The City booked the adjustment to their ledgers August 7, 2007.

CITY OF GROVE CITY
FRANKLIN COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2006
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2006-005

Certification of Funds – Noncompliance Finding / Significant Deficiency

Ohio Rev. Code Section 5705.41(D) prohibits a subdivision or taxing entity (the City) from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. **"Then and Now" certificate** – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the City can authorize the drawing of a warrant for the payment of the amount due. The City has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the City.

2. **Blanket certificate** – Fiscal officers may prepare "blanket" certificates against any specific line item account not extending beyond the current year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. **Super Blanket certificate** – The City may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any one line item appropriation.

**CITY OF GROVE CITY
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2006
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2006-005 (Continued)

Certification of Funds – Noncompliance Finding / Significant Deficiency (Continued)

The City did not properly certify the availability of funds prior to the purchase commitment for twenty-one percent of the transactions tested and there was no evidence that the City followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the City's funds exceeding budgetary spending limitations, the City Finance Director should certify that the funds are or will be available prior to the obligation by the City. When prior certification is not possible, "then and now" certification should be used.

The City should certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The Finance Director should sign the certification at the time the City incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The Finance Director should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

Official's Response:

The City practice has dramatically reduced the number of timing issues of invoice date and purchase order date and will implement a Then and Now Certificate program to address this circumstance in July, 2007.

FINDING NUMBER 2006-006

Bank Reconciliation – Significant Deficiency / Material Weakness

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. 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 throughout 2006. The City hired an independent accounting firm to review and recreate their bank reconciliations, which was not completed until May 2007. The City was able to isolate the areas of investments and accrued interest on the reconciliation as the reason of the unreconciled nature.

**CITY OF GROVE CITY
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2006
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2006-006 (Continued)

Bank Reconciliation – Significant Deficiency / Material Weakness (Continued)

The City continues to maintain a list of outstanding reconciling items that were utilized in the monthly reconciliation process throughout the fiscal year. Also, the City did not include its payroll bank account on the cash reconciliation, which contained a \$2,792 reconciling item that has been carried since fiscal year 2002, and bond escrow accounts that were not included on the City's reconciliation or books. Furthermore, the City did not book accrued interest when securities were purchased and did not recognize realized gains or losses on sale of securities.

Unreconciled bank to book balances, in addition to uncorrected reconciling items, improper accounting of investments, and unrecorded bank accounts leads to misstated bank and/or book balances and could lead to possible theft or errors without the timely detection by management.

We recommend the City take steps to ensure all accounts are reconciled on a monthly basis and any future unreconciled variances are investigated and corrected in a timely manner. The City should additionally take steps to alleviate or adjust long outstanding reconciling items. Furthermore, the City should include the payroll bank account and escrow accounts 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.

Official's Response:

The City will address the uncorrected reconciling issues that are identified and acknowledged by the audit staff in a timely manner. The City recognizes a benefit in including impressed funds under the authority of a trustee with the monthly reconciliation although we have no authority of their control outside of the trust agreement.

FINDING NUMBER 2006-007

Sewer Tap Fees – Significant Deficiency / Material Weakness

Sewer tap fees are to be collected by the building department and are to be allocated between the City of Grove City and the City of Columbus according to the established fee schedule. The Grove City portion of the allocation is to be receipted into the Sewer Fund 502-9611, while the Columbus allocation is to be receipted into the Deposit Trust Fund 601-4300.

Manual sewer tap fees collected were inverted as to the allocation percentage between the City of Grove City and the City of Columbus resulting in a required adjustment of the allocation of \$87,833 from the Grove City Sewer Fund, and to the Deposit Trust Fund, which was posted to the City's accounting system and financial statements.

**CITY OF GROVE CITY
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2006
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2006-007 (Continued)

Sewer Tap Fees – Significant Deficiency / Material Weakness (Continued)

The City does not have any procedures in place for consistent and complete allocations of all sewer tap fees in its collection system.

We recommend the City establish appropriate collection procedures within its collection system to ensure the City is allocating sewer tap fees in accordance with the established fee schedule and percentage of allocation between funds.

Official's Response:

The City will further study the systemic problem in the allocation of sewer tap fees collected on certain subdivisions in the City and resolve the situation systemically or by financial adjustment.

FINDING NUMBER 2006-008

Financial Reporting – Significant Deficiency/Material Weakness

Sound financial reporting is the responsibility of the Director of Finance and the City Council and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The following audit adjustments / restatement were made to the financial statements and, where applicable, to the City's accounting records:

1. Adjusted two expenditures to the proper fund, as noted in Findings Number 2006-003 and 2006-004.
2. Adjusted Revenue in Lieu of Taxes Receivable to what was expected to be received for the full fiscal year.
3. Adjusted cash to post an escrow account not recorded on the City's accounting records or financial statements.
4. Adjusted Special Assessment Receivable from the Sewer Fund to the Debt Service Fund.
5. Adjusted beginning fund balance on the Water Fund Budgetary Statement.
6. Adjusted the sewer tap-in revenue to allocate the revenue appropriately per ordinance set by the City Council.
7. Restated beginning net assets due to accounting change in recording prior year infrastructure.

The following adjustments were inconsequential to the overall financial statements of the City and were not posted to the financial statements but were posted to the current year summary of unadjusted differences:

**CITY OF GROVE CITY
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2006
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2006-008 (Continued)

Financial Reporting – Significant Deficiency/Material Weakness (Continued)

1. Adjusted amounts from prior year summary of unadjusted differences for all funds.
2. Adjusted to increase accounts payable, contracts payable and intergovernmental payable.
3. Adjusted cash reconciliation to account for accrued interest.
4. Adjusted for litigation settlement
5. Adjusted to add interest and service fees not posted by the City.
6. Adjusted to reflect accurate capital assets.
7. Adjusted to increase intergovernmental receivable.
8. Adjusted sewer budgetary statement to increase final budget expenditures.

The lack of controls over the posting of financial transactions and financial reporting can result in errors and irregularities that may go undetected and decreases the reliability of financial data throughout the year.

We recommend the City Council adopt policies and procedures for controls over recording of financial transactions and over financial reporting to help ensure the information accurately reflects the activity of the City and thereby increasing the reliability of the financial data throughout the year.

Official's Response:

Thank you for your observations and for providing me the opportunity to respond. The two adjustments, the tap-in fee and the Buckeye TIF Fund will be adjusted. Furthermore, to help reduce these and other problems in the future, the City commissioned Schonhardt & Associates to create an accounting procedure manual for the City of Grove City. This manual is currently in Draft form.

FINDING NUMBER 2006-009

Landscaping Fees – Significant Deficiency

On April 18, 2005, the City Council passed Ordinance C-36-05 effectively imposing a landscape inspection fee for all plan reviews and site inspections. The commercial projects initial inspection fee is \$100 per structure, and any subsequent re-inspection fees are \$150 each. The Ordinance effective date was May 18, 2005.

Since the Ordinance inception, the City has not collected any landscaping inspection or re-inspection fees for commercial projects nor has the City enacted any procedures for consistent and complete collection of commercial landscape inspection fees. As a result, the City cannot demonstrate that it is in compliance with the aforementioned Ordinance and has generated none of the revenue for which the Ordinance provides.

**CITY OF GROVE CITY
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2006
(Continued)**

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</p>

FINDING NUMBER 2006-009 (Continued)

Landscaping Fees – /Significant Deficiency (Continued)

We recommend the City establish the appropriate collection procedures to ensure the City is collecting commercial landscape inspection fees due the City or rescind the Ordinance if it is determined that such fees will not be collected.

Official's Response:

The City Administrator will meet with the Director of Finance, Service Director and Chief Building Official to implement a collection and reporting system for the collection of the landscape inspection fee.

**CITY OF GROVE CITY
FRANKLIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDING
DECEMBER 31, 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2005-001	Gift Expenditures – Finding for Recover-Paid under Audit for the expenditure for cookies of \$143 as gifts	No	Finding 2006-001 is similar to the prior audit finding.

City of Grove City, Ohio

*2006 Comprehensive
Annual Financial Report*
For the Year Ended December 31, 2006



CITY OF GROVE CITY, OHIO

INTRODUCTORY SECTION



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Comprehensive Annual Financial Report of the City of Grove City, Ohio For the Year Ended December 31, 2006



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CITY OF GROVE CITY, OHIO
Comprehensive Annual Financial Report

For the Year Ended December 31, 2006

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The City of Grove City, Ohio

4035 Broadway • Grove City, Ohio 43123

CHERYL L. GROSSMAN
Mayor

June 22, 2007

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

We are pleased to present our Comprehensive Annual Financial Report (CAFR) of the City of Grove City for the year ended December 31, 2006. This CAFR, which includes financial statements and other financial and statistical data, conforms to generally accepted accounting principles as applicable to government entities. The intent of this report is to provide the citizens of the City of Grove City and our financial partners with comprehensive financial data in a format that enables them to gain a true understanding of the City's financial affairs as well as provide management with better financial information for future decision making.

Ohio law requires that every city file its unaudited financial statements with the Auditor of State and publish their availability within five months of the close of each year. The general purpose external financial statements from this report were filed to fulfill that requirement for the year ended December 31, 2006.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Auditor of the State of Ohio has issued an unqualified ("clean") opinion on the City of Grove City's financial statements for the year ended December 31, 2006. The independent accountants' report is located at the front of the Financial Section of this report.

Management's Discussion and Analysis immediately follows the Report of Independent Accountants' and provides a narrative introduction, overview, and analysis of the basic financial statements. Management's Discussion and Analysis complements this Letter of Transmittal and should be read in conjunction with it.

FORM OF GOVERNMENT AND REPORTING ENTITY

The City of Grove City, Ohio, is a rapidly expanding community of 32,447 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 the Indiana and Ohio line, 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 strong Mayor-Council-Administrator plan 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 ward 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 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.

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

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 South-Western City Schools, one is appointed by the Chamber of Commerce, and three are 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.

Jackson Township, which is 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 South-Western 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's budgetary process is set forth in the State code and the corporate charter of the City and provides for a preliminary tax budget in June to determine the adequacy of funding sources and a subsequent presentation and justification to support the appropriation of funds by City Council to support the operation and activities of the City for the ensuing year. All actions are subject to public notification and a series of public meetings. The annual budget of the City is appropriated by fund. All funds, other than agency funds, are legally required to be budgeted and appropriated. Appropriations from other funds of the City are done on a supplemental basis throughout the fiscal year.

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 commercial and industrial base that is expected to grow 26 percent by the year 2030. 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 \$1.2 billion 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 fourteen years, assessed value of taxable property, which includes real property, public utility property and tangible personal property, has grown from \$223 million to \$839 million. This is a result of the access and availability of well-priced land that has attracted industry leaders to locate to Grove City. Approximately 75.2 percent of the current tax base is residential/agricultural real property, 18.8 percent for commercial/industrial/public utility, 1.1 percent for public utility personal, and 4.9 percent for general business personal.

Grove City continues to experience strong fiscal management and a stable financial position that is a direct result of the increase in income tax revenues generated by its expanding employment base and a 97 percent occupancy 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, and Wal-Mart Distribution which employs over 1,500 associates. The total Grove City work force is estimated at 25,347 workers.

The largest employer in the City is the South-Western City School District with 2,700 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), Tigerpoly Manufacturing, Inc. (446 associates), Decision One (300 employees), T. Marzetti (200 employees), Airborne Express (100 employees), Phillips Consumer Electronics (75 employees), Becker Powder (35 employees), and Ashland Oil Company (20 employees).

Prominent distributors, in addition to Wal-Mart Stores, Inc., include Baccou-Dalloz (1,200 employees), Banana Republic LLC (600 employees), Roadway Package Systems (600 employees), Ross Labs (100 employees), Borders, Inc. (211 employees), American Pacific (110 employees), Parcel Direct (100 employees), Pier One (100 employees), and FedEx Ground Package Systems, Inc. (1,400 employees).

This captured employment base and the increasing residential population have expanded the number and diversity of national, regional, and locally-owned restaurants, as well as retail establishments now busily serving our community in our Town Center, Broadway, West Stringtown, Hoover Road, S. R. 665 corridors as well as the new Parkway Center corridor located on Stringtown Road East of the I 71 interchange. 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 \$10.2 million per year.

Opportunities for residential, commercial and industrial development within the City have been enhanced by major expansions of the City's water distribution, sanitary sewer and 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 S. R. 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 S. R. 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 S. R. 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 13 of its 16 platted sites currently occupied or under construction at I-71 and Stringtown Road.

The City offers a wide range of housing opportunities. Between 1980 and 2006, the average cost of a newly constructed single-family dwelling increased from \$58,000 to \$225,655. In 2006, 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 17.08 square miles currently within the City, 14.5 are developed, with the balance in agricultural use or holdings.

The Charter of the City establishes the mid-year Tax Budget process as the strategic time to review long-term financial planning including the capital budget as well as revenue and expenditure forecasts. The adoption of other policies, practices and studies are done throughout the year.

MAJOR INITIATIVES

FOR THE YEAR

Grove City continues to enjoy a vibrant, dynamic, stable and healthy business community. Commercial and industrial residents invested approximately \$37 million in new construction and alterations. Residential housing invested \$76 million in new construction and alteration with 2,537 single-family housing permits issued and 152 multifamily building permits.

During 2006, the Division of Police, an accredited agency by the Commission on Accreditation for Law Enforcement Agencies (CALEA) realized changes with new faces occupying existing positions to solidify a mature supervisory staff and the authorized strength of police officers was increased to 59, permitting us to hire an additional officer to face the challenges of a growing city.

Other major accomplishments for the Division of Police for 2006 include: the implementation of a Chaplain Program, increasing the number of Automatic External Defibrillators (AED) units available to agency staff, the initiation of the first phase of the E-911 system equipment upgrade, attained compliance with the unified national disaster preparedness standards, and implementation of geo-mapping to identify short and long-term crime and community safety situations for proper management. The Division also enjoyed a successful DARE Golf Outing which supported a portion of the cost of the instruction of 3,107 students, worked with the school district to complete site security surveys for each of their buildings and participated in a multi-jurisdictional counterfeit check task force.

The Development Department managed a large number of residential, commercial, and industrial development requests and proposals in all quadrants of the City. The major areas of activity included the Parkway Centre North and South, at Stringtown Road east of I-71 which showcases major retail and commercial uses with a few development sites still available, the addition of Parkway Centre East anchored by a 127,600 sq. ft. Target store and an additional 50,000 sq. ft. of retail space, the 640-acre golf course community immediately to the south called the Pinnacle Club and the S. R. 665 corridor with the impetus of the 9 million widening project east of I-71 and the beginning of construction of a commercial/retail center anchored by Meijer.

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 that were substantially completed in 2006 encompass total project costs of over \$24.8 million of public money which include the annual sanitary sewer rehabilitation project; the completion of the reconstruction of Stringtown Road from McDowell Road to I-71 (with the assistance of Ohio Public Works Commission); the completion of the relocation of Orders Road in conjunction of the reconstruction of the Hoover Road Bridge by ODOT over I-71, the completion of the final section of Buckeye Parkway from Holton Road south to Borror Road by the Rockford Corporation, as well as the phased program of neighborhood street lighting projects, and over \$1 million in residential and secondary street improvements as part of our annual program.

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 515 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 twelfth year and hosted a spring public tree sale as well as an Arbor Week program.

In 2006, the Department of Parks and Recreation became the fifth agency in the State of Ohio to earn national Accreditation by the Commission of Accreditation of Parks and Recreation Agencies. 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 equipped with recreational opportunities including lighted tennis courts, basketball and batting cages available to the public. Windsor is home to the Evans Center, with over 1,200 members, and our youth baseball programs, offering six little league, two pony league and three T-ball diamonds. The park hosts our nearly 1,000 league participants and several regional tournaments. The Big Splash at Evans Park, a state-of-the-art family aquatic center, celebrated its seventh full season of operation with more than 50,000 individuals passing through the facility's gates. Adult softball diamonds, 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. Fryer Park is also home to Discovery Frontier, an all-access play zone. Grove City's community amenities are a proven motivating factor in residents calling this City home. A new addition to our recreation amenities was the Grove City Skate Park which opened in late 2006 with great anticipation and excitement. This all-concrete park features 11,000 sq. ft. of bowls, ramps and street courses to excite skaters of all ages and abilities.

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

The Division of Building and Regulation, with five full-time inspectors and one zoning compliance officer, made over 11,694 inspections, in response to 3,277 permits issued for new construction and alteration of structures in excess of \$113 million of new value, and over 2,000 inspections in response to property management and other environmental code violations. The Division 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 surveillance in 2006 that realized an additional 3,191 new accounts, 117 withholding, 172 business and 2,902 individual accounts accounting for an additional \$341,563 of new taxpayer money for the City. The traditional surveillance of building license registrations has been appended by a new procedure of cross referencing City income tax records electronically with building permits issued and city inspection records. The department is also working with the service department using a similar electronic technique to track excavating contractors through the reporting requirements of the state mandated Ohio Utilities Protection Service (OUPS). These systems are still in development as of the end of 2006 but are anticipated to yield additional income tax collections when applied to annual data bases. The Finance 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 million in capital projects and \$29.1 million of the City's other programs and services. The Finance 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 other communities over the last fourteen years with an average expenditure increase of fewer than ten percent for the period. This year will mark the seventeenth year of filing financial statements according to Generally Accepted Accounting Principles (GAAP) and the sixteenth submission of a Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers Association for their Certificate of Achievement program and the fifth year of GASB Statement No. 34 reporting.

FOR THE FUTURE

In 2007, Grove City will be host to the BIA Parade of Homes from Saturday, June 9, through Sunday, June 24. This event will highlight the Pinnacle residential golf course community east of Interstate 71, which will draw an estimated 40,000 people or more from around central Ohio and beyond. Cooperation among government agencies, the Visitors and Convention Bureau, the Chamber of Commerce, the Town Center, various businesses, and many individuals are anticipated to lead to the great success of this event. A sterling illustration of this spirit of cooperation will be Welcome Park which gives visitors to the Parade a serene place to relax while being exposed to all that makes Grove City special. Efforts of the City to construct Welcome Park will be bolstered with materials and labor donated or provided at decreased cost by local businesses and the South-Western Career Academy. The park, complete with landscaping, a gazebo, a putting green, and many interactive endeavors, will be staffed with volunteers from the community who will provide information on Grove City.

The City will complete the reconstruction of a portion of S. R. 665 from Hoover Road to North Meadows Drive which is the first phase of a joint \$30 million I-71/S. R. 665 Interchange Reconstruction project with ODOT. The first phase is another Issue II/City-funded project. Issue II has allowed most of the major City projects to be completed by leveraging local capital projects monies through their competitive funding program. The City has also successfully leveraged local capital for the reconstruction of the final phase of Cleveland Avenue with Community Development Block Grant funding administered through the Franklin County Commissioners.

Residential and commercial developments are expected to continue to expand in 2007. The current inventory of developed residential lots available as of December 31, 2006 was 1,600.

The Division of Building 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.

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, 2006, by the Auditor of State. City management plans to continue to subject the financial statements of 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

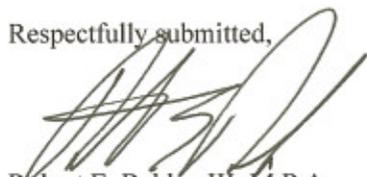
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Grove City, Ohio, for its 2005 Comprehensive Annual Financial Report. In order to be awarded a Certificate of Achievement, the City 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 Government Finance Officers Association for review and determination of its eligibility for a certificate for 2006.

ACKNOWLEDGMENTS

Sincere gratitude goes to Mayor Cheryl L. Grossman for her support and to the Honorable Members of 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 and to Jackie Kincade, Linda Williams, Kelly Geddes and Deb Reeves for their daily work and diligence on behalf of the Grove City Community.

Respectfully submitted,



Robert E. Behlen III, M.P.A.
Finance Director



Sharon L. Reichard, M.A.
City Administrator

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, 2005

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.



President

Executive Director

List of Principal Officials

Elected City Officials

MAYOR

CHERYL L. GROSSMAN

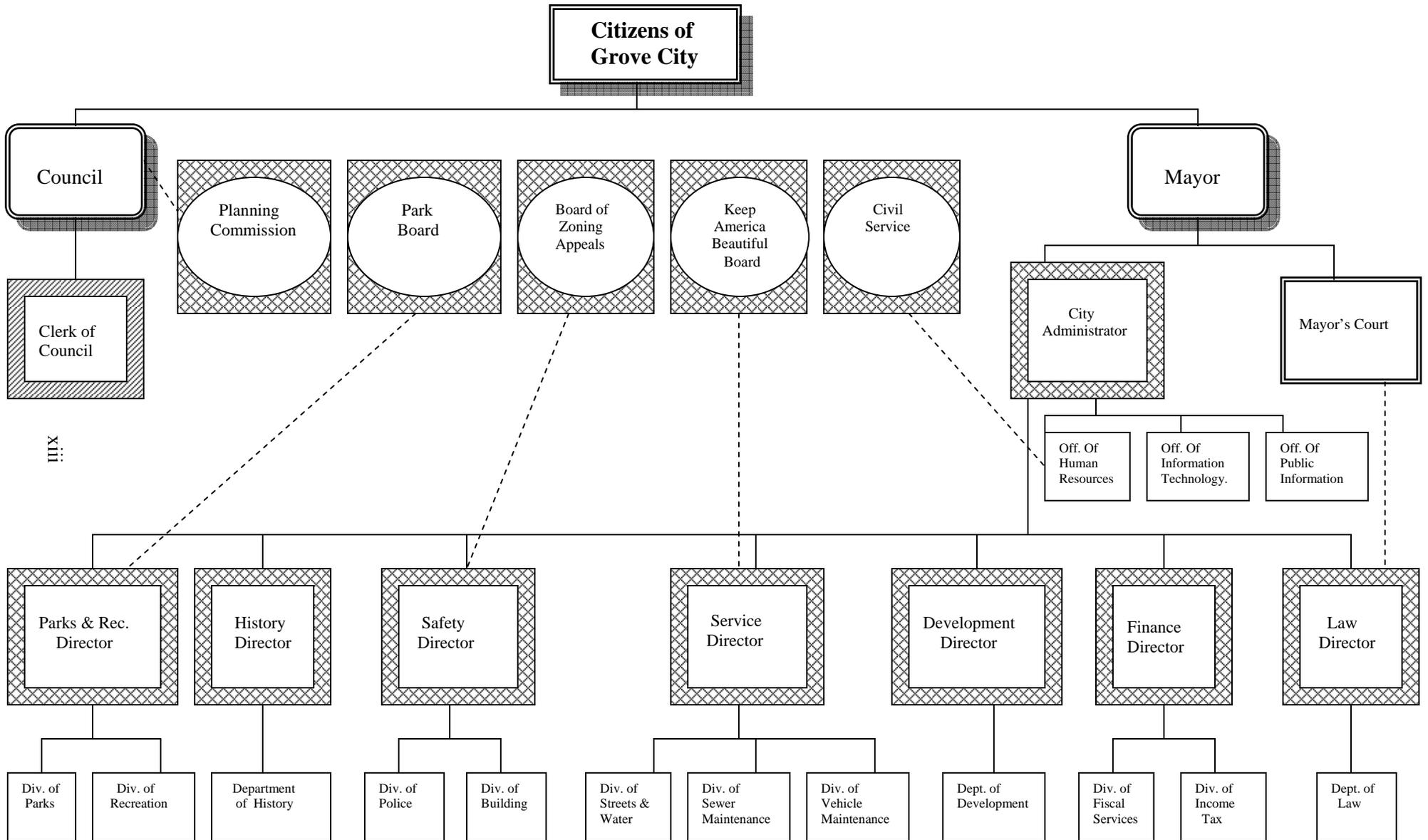
City Council

Ted A. Berry	<i>Council Member Ward 1</i>
Richard Lester	<i>Council President Council Member Ward 2</i>
Larry Corbin	<i>Council Member Ward 3</i>
Maria Klemack	<i>Council Member Ward 4</i>
Richard L. “Ike” Stage	<i>Council Member At Large</i>
Tami K. Kelly, MMC	<i>Clerk of Council</i>

Appointed City Officials

Sharon L. Reichard, M.A.	<i>City Administrator</i>
Robert E. Behlen III, M.P.A.	<i>Finance Director</i>
Thomas R. Clark	<i>Law Director</i>

City of Grove City Organizational Chart



III

	- Mayoral Appointments		- Policy / Advisory
	- Council Appointments		



CITY OF GROVE CITY, OHIO

FINANCIAL SECTION



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Mary Taylor, CPA

Auditor of State

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 the City of Grove City, Franklin County, Ohio (the City), as of and for the year ended December 31, 2006, 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 the City of Grove City, Franklin County, Ohio, as of December 31, 2006, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Police Pension funds 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, 2007, 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 cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

June 22, 2007

CITY OF GROVE CITY, OHIO
Management's Discussion and Analysis
For The Year Ended December 31, 2006
(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, 2006.

FINANCIAL HIGHLIGHTS

- The City's total net assets increased \$31,904,763. Revenues of Governmental Activities exceeded expenses and transfers by \$24,908,383. Net assets of Business-Type Activities increased by \$6,996,380, mainly due to contributed capital assets.
- General revenues of Governmental Activities accounted for \$25,476,368 or 45.56 percent of all governmental revenues. Program specific revenues in the form of charges for services, grants, contributions, and interest accounted for \$30,441,163 or 54.44 percent of total governmental revenues of \$55,917,531.
- Enterprise funds reflected a total operating loss of \$529,118. The Water Fund reflected operating income of \$17,877, while the Sewer Fund reflected an operating loss of \$546,995. 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 \$29,648,232 in expenses related to Governmental Activities. \$30,441,163 of these expenses were offset by program specific charges for services, grants, contributions, and interest. General revenues (primarily income taxes) of \$25,476,368 were more than adequate to provide for these programs. The City had \$1,962,229 in expenses related to Business-Type Activities. \$7,555,142 in program specific charges for services, capital grants, contributions, and interest, along with general revenues and transfers of \$1,403,467 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 development, 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 8. 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 and the State Auditor, 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, Police Pension, Debt Service, Buckeye Center TIF, Road Improvement, 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 2006 compared to 2005.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	Restated 2005	2006	2005	2006	Restated 2005	2006
	Assets:					
Current And Other Assets	\$41,216,549	\$41,946,681	\$4,253,203	\$5,049,102	\$45,469,752	\$46,995,783
Nondepreciable Capital Assets	49,549,102	36,784,963	88,435	322,753	49,637,537	37,107,716
Depreciable Capital Assets, Net	111,682,530	145,611,626	36,968,861	42,636,827	148,651,391	188,248,453
Total Assets	202,448,181	224,343,270	41,310,499	48,008,682	243,758,680	272,351,952
Liabilities:						
Current And Other Liabilities	32,298,476	4,420,348	60,963	33,849	32,359,439	4,454,197
Long-Term Liabilities:						
Due Within One Year	1,258,400	1,477,557	285,837	92,228	1,544,237	1,569,785
Due In More Than One Year	8,248,571	32,894,248	1,076,971	999,497	9,325,542	33,893,745
Total Liabilities	41,805,447	38,792,153	1,423,771	1,125,574	43,229,218	39,917,727
Net Assets:						
Invested In Capital Assets, Net Of Related Debt	129,747,946	152,289,386	35,711,995	41,892,487	165,459,941	194,181,873
Restricted For:						
Capital Outlay	2,750,599	2,145,785	0	0	2,750,599	2,145,785
Debt Service	2,139,259	3,621,591	0	0	2,139,259	3,621,591
Future Debt Service	0	1,243,525	0	0	0	1,243,525
Transportation	2,321,548	2,942,705	0	0	2,321,548	2,942,705
Security Of Persons And Property	723,099	621,068	0	0	723,099	621,068
Other Purposes	1,032,135	1,033,300	0	0	1,032,135	1,033,300
Revenue Bonds Current Debt Service	0	0	195,505	0	195,505	0
Revenue Bonds Improvement And Replacement	0	0	107,800	0	107,800	0
Unrestricted	21,928,148	21,653,757	3,871,428	4,990,621	25,799,576	26,644,378
Total Net Assets	\$160,642,734	\$185,551,117	\$39,886,728	\$46,883,108	\$200,529,462	\$232,434,225

Total net assets increased \$31,904,763. Net assets of the City's Governmental Activities increased by \$24,908,383. This increase is mainly reflected in infrastructure assets donated on the east side of Interstate 71 in the Buckeye Center and Pinnacle Developments.

The net assets of the City's Business-Type Activities increased by \$6,996,380. Depreciable capital assets increased by \$5,667,966 which was primarily due to water and sanitary sewer additions of donated capital assets supporting the Buckeye Center and Pinnacle Developments.

Table 2 shows the changes in net assets for the years ended December 31, 2005 and 2006.

Table 2
Changes In Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2005	2006	2005	2006	2005	2006
Revenues:						
Program Revenues:						
Charges For Services	\$3,032,805	\$2,708,678	\$1,321,203	\$1,313,221	\$4,354,008	\$4,021,899
Operating Grants, Contributions And Interest	2,011,152	1,839,548	0	0	2,011,152	1,839,548
Capital Grants, Contributions And Interest	2,308,353	25,892,937	6,930,563	6,241,921	9,238,916	32,134,858
Total Program Revenues	7,352,310	30,441,163	8,251,766	7,555,142	15,604,076	37,996,305
General Revenues:						
Property Taxes	2,657,555	3,207,742	0	0	2,657,555	3,207,742
Revenue In Lieu Of Taxes	0	2,601,794	0	0	0	2,601,794
Other Local Taxes	780,473	882,644	0	0	780,473	882,644
Municipal Income Taxes	16,730,688	15,593,062	0	0	16,730,688	15,593,062
Unrestricted Grants And Entitlements	778,752	1,796,892	0	0	778,752	1,796,892
Unrestricted Investment Earnings	558,560	1,260,942	55,911	33,274	614,471	1,294,216
Other	337,772	133,292	20,501	9,277	358,273	142,569
Total General Revenues	21,843,800	25,476,368	76,412	42,551	21,920,212	25,518,919
Total Revenues	29,196,110	55,917,531	8,328,178	7,597,693	37,524,288	63,515,224
Program Expenses:						
Security Of						
Persons And Property	8,072,763	8,756,725	0	0	8,072,763	8,756,725
Public Health	198,126	223,883	0	0	198,126	223,883
Leisure Time Activities	2,470,743	2,148,506	0	0	2,470,743	2,148,506
Community Development	1,271,478	1,120,005	0	0	1,271,478	1,120,005
Transportation	4,630,846	8,515,515	0	0	4,630,846	8,515,515
General Government	6,996,686	7,650,006	0	0	6,996,686	7,650,006
Interest And Fiscal Charges	1,087,320	1,233,592	0	0	1,087,320	1,233,592
Water	0	0	625,928	821,112	625,928	821,112
Sewer	0	0	1,138,042	1,141,117	1,138,042	1,141,117
Total Expenses	24,727,962	29,648,232	1,763,970	1,962,229	26,491,932	31,610,461
Increase In Net Assets						
Before Transfers	4,468,148	26,269,299	6,564,208	5,635,464	11,032,356	31,904,763
Transfers	(916,840)	(1,360,916)	916,840	1,360,916	0	0
Increase In Net Assets	3,551,308	24,908,383	7,481,048	6,996,380	11,032,356	31,904,763
Net Assets At Beginning						
Of Year (Restated)	157,091,426	160,642,734	32,405,680	39,886,728	189,497,106	200,529,462
Net Assets At End Of Year	\$160,642,734	\$185,551,117	\$39,886,728	\$46,883,108	\$200,529,462	\$232,434,225

Governmental Activities

The two percent income tax is the largest source of revenue for the General Fund and the City of Grove City. Employee withholding from all businesses contributes 72.47 percent of the revenue received in 2006 with business earnings contributing 9.05 percent and individuals contributing 18.48 percent. The City provides a 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 13.31 percent annually. During 2004 and 2005, a few of Grove City's employers went through reorganization and downsizing, resulting in a decrease in income tax collections from these specific sources. Growth in existing businesses and new retail and commercial enterprises that started in 2004 and are continuing to set-up shop in the Stringtown Road and S. R. 665 corridors have more than offset the loss as reflected on a cash basis and a modified accrual basis of accounting from the prior period. The City received higher collections from withholding, business and individuals as a result of the institution of mandatory filing for all residents and contracting with the Regional Income Tax Agency (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 2006, approximately \$66 million 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 2006 were as follows:

Security of Persons And Property	29.54%
Public Health	0.75%
Leisure Time Activities	7.25%
Community Development	3.78%
Transportation	28.72%
General Government	25.80%
Interest And Fiscal Charges	4.16%
	<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 capital grants are 46.31 percent of revenue. This is a large increase over the prior year's revenue, due to the donation of infrastructure assets relating to the Buckeye Center and Pinnacle Developments. Revenues provided by sources in the form of charges for services and operating grants comprise another 8.13 percent. 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.

Total revenues increased \$26,721,421 due to \$25,166,221 in donated infrastructure assets from developers. The actual increase in revenues, excluding the donated infrastructure assets is \$1,555,200. Expenses increased \$4,920,270, primarily due to an increase in depreciation expense.

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 the current operation of the system. Grove City owns the infrastructure necessary to furnish services to their citizens and is responsible for major reconstruction and the 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 the extension of new service within the community. The City of Columbus is responsible for all upkeep and expansion of the treatment and storage facilities.

Net assets of Business-Type Activities increased \$6,996,380, primarily due to capital contributions relating to the Buckeye Center and Pinnacle Developments.

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 \$30,682,740 and expenditures of \$27,931,036. Unreserved, undesignated fund balance equals \$22,319,140. The remaining fund balance of \$8,612,646 is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts, purchase orders and future debt service payments. While the bulk of the governmental fund balances are not reserved in the governmental fund statements, they lead to restricted net assets on the Statement of Net Assets due to expenditure restrictions mandated by the source of the resource, such as the State or federal government.

The General Fund's balance increased by \$2,763,196, primarily due to an increase in income tax and interest revenue. Expenditures increased in 2006 by \$993,172, due to salary increases, utility rates, gasoline prices, and capital projects undertaken. Expenditures of the General Fund represent 74.22 percent of the 2006 total governmental fund expenditures.

The Police Pension Fund's balance at December 31, 2006, was \$381,459. The increase of \$52,704 was due to an increase in property tax revenues.

The Debt Service Fund's balance at December 31, 2006, was \$2,095,923. The increase of \$182,681 was primarily due to an increase in property tax revenues.

The Buckeye Center TIF Fund's balance at December 31, 2006, was \$1,243,525. This is a new fund and it is the first year the City has received revenue in lieu of taxes. This additional revenue contributed to the overall increase in fund balance of governmental funds.

The Road Improvement Fund's balance increased \$23,581,348 due to the retirement of the bond anticipation notes with the issuance of bonds relating to the reconstruction of Stringtown and White Roads and the construction of Buckeye Parkway and the collector street associated with the Parkway Center North and South developments.

The Water Fund's net assets increased \$4,065,164, primarily due to capital contributions of \$4,083,970 associated with donated water lines.

The Sewer Fund's net assets increased \$2,931,216, primarily due to capital contributions of \$3,518,867 associated with donated sewer lines.

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 2006 there were thirty-two revisions to the budget. The effect of the revisions was an increase in the appropriations of \$8,804,999.

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 \$19,656,909. The final budgeted amount was \$19,827,087 resulting in a \$170,178 increase over the original budgeted revenue which is less than a one percent increase. The original budgeted appropriations were \$21,493,387. The final budgeted appropriations were \$30,298,386 resulting in an increase over the original budgeted appropriations. The increase in appropriations was primarily for capital outlay for the start of several projects and the completion of many other projects. Actual revenues exceeded final budgeted revenue by \$3,376,853 due to an increase in income tax collections and a larger return on the City's investments. Actual expenditures were less than final budgeted expenditures by \$2,570,513, because the City made appropriations near year-end for future construction projects and purchases. The City's ending General Fund's fund balance was \$6,225,866 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 2005	2006	2005	2006	Restated 2005	2006
	Land	\$29,090,464	\$34,988,166	\$10,000	\$10,000	\$29,100,464
Construction In Progress	20,458,638	1,796,797	78,435	312,753	20,537,073	2,109,550
Buildings	2,649,830	3,106,854	809,323	792,559	3,459,153	3,899,413
Improvements Other Than Buildings	1,504,788	1,363,235	167,454	149,693	1,672,242	1,512,928
Machinery And Equipment	1,837,678	2,045,405	97,115	116,392	1,934,793	2,161,797
Furniture And Fixtures	188,046	170,157	1,398	1,247	189,444	171,404
Vehicles	1,089,597	1,153,879	55,035	46,293	1,144,632	1,200,172
Computer Equipment	816,870	894,037	126	0	816,996	894,037
Infrastructure:						
Curbs And Gutters	6,410,207	8,806,681	0	0	6,410,207	8,806,681
Sidewalks	1,955,514	3,228,388	0	0	1,955,514	3,228,388
Streets	86,713,956	111,383,379	0	0	86,713,956	111,383,379
Street Lights	1,255,751	2,257,302	0	0	1,255,751	2,257,302
Storm Sewer Lines	5,049,057	7,520,714	0	0	5,049,057	7,520,714
Traffic Signals	1,205,822	1,498,211	0	0	1,205,822	1,498,211
Other Infrastructure	1,005,414	2,183,384	0	0	1,005,414	2,183,384
Water Lines	0	0	14,913,670	18,417,324	14,913,670	18,417,324
Sewer Lines	0	0	20,924,740	23,113,319	20,924,740	23,113,319
Totals	<u>\$161,231,632</u>	<u>\$182,396,589</u>	<u>\$37,057,296</u>	<u>\$42,959,580</u>	<u>\$198,288,928</u>	<u>\$225,356,169</u>

The majority of the increase in governmental capital assets resulted from the addition of contributed capital assets. For governmental assets the donated capital assets totaled \$25,166,221. Construction in progress decreased \$18,661,841 due to the City completing numerous large projects relating to the Parkway Center North and South development. Business-type capital assets increased \$5,902,284 primarily due to capital contributions from developers and other governmental funds for 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, 2006, the City of Grove City had \$34,305,189 in debt outstanding for governmental and business-type activities.

Table 4
Outstanding Debt at Year-end

	Governmental Activities		Business-Type Activities	
	2005	2006	2005	2006
Mortgage Revenue Bonds	\$0	\$0	\$195,000	\$0
General Obligation Bonds	4,550,000	12,765,000	0	0
Deferred Loss On Refunding	(33,468)	(29,284)	0	0
Premium On Bonds	0	63,700	0	0
Special Assessment Bonds	128,576	94,352	0	0
OPWC Loans Payable	3,833,831	4,051,117	1,147,390	1,067,093
TIF Revenue Bonds	0	16,290,000	0	0
Short-Term Bond Anticipation Notes	25,931,000	0	0	0
Capital Leases	6,217	3,211	0	0
Total	<u>\$34,416,156</u>	<u>\$33,238,096</u>	<u>\$1,342,390</u>	<u>\$1,067,093</u>

Outstanding debt decreased by \$1,453,357 from 2005, primarily due to the retirement of short-term Bond Anticipation Notes in the amount of \$25,931,000 with the issuance of, \$25,020,000 in general obligation and revenue bonds and with principal retirements made for the year.

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 Tax Increment Financing Revenue Bonds will be retired from monies received from revenue in lieu of taxes. The Water Fund's Mortgage 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 Funds' revenues. Obligations under capital lease for equipment will be paid from the General Fund.

The City's overall 10.5 percent legal debt margin was \$62,431,101 as of December 31, 2006. The more restrictive unvoted legal debt margin within 5.5 percent was \$20,456,505 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, OHIO

Statement Of Net Assets

December 31, 2006

	Governmental Activities	Business-Type Activities	Total
<u>Assets:</u>			
Equity In Pooled Cash And Cash Equivalents	\$28,573,718	\$4,784,070	\$33,357,788
Receivables:			
Accrued Interest Receivable	176,252	0	176,252
Accounts Receivable	28,061	242,121	270,182
Municipal Income Taxes Receivable	4,338,696	0	4,338,696
Due From Other Governments	1,801,002	0	1,801,002
Prepaid Items	23,895	0	23,895
Materials And Supplies Inventory	43,483	0	43,483
Other Local Taxes Receivable	117,419	0	117,419
Property Taxes Receivable	3,210,563	0	3,210,563
Revenue In Lieu Of Taxes Receivable	1,500,000	0	1,500,000
Cash And Cash Equivalents With Fiscal Agents	397,149	0	397,149
Cash And Cash Equivalents With Trustee	1,243,525	0	1,243,525
Deferred Charges	357,067	0	357,067
Special Assessments Receivable	158,762	0	158,762
Internal Balances	(22,911)	22,911	0
Land And Construction In Progress	36,784,963	322,753	37,107,716
Depreciable Capital Assets, Net	145,611,626	42,636,827	188,248,453
Total Assets	224,343,270	48,008,682	272,351,952
<u>Liabilities:</u>			
Accounts Payable	240,346	7,945	248,291
Accrued Wages	40,401	231	40,632
Contracts Payable	247,687	2,300	249,987
Matured Compensated Absences Payable	5,188	0	5,188
Retainage Payable	191,210	15,612	206,822
Due To Other Governments	513,650	7,761	521,411
Deferred Revenue	3,047,644	0	3,047,644
Accrued Interest Payable	134,222	0	134,222
Long-Term Liabilities:			
Due Within One Year	1,477,557	92,228	1,569,785
Due In More Than One Year	32,894,248	999,497	33,893,745
Total Liabilities	38,792,153	1,125,574	39,917,727
<u>Net Assets:</u>			
Invested In Capital Assets, Net Of Related Debt Restricted For:	152,289,386	41,892,487	194,181,873
Capital Outlay	2,145,785	0	2,145,785
Debt Service	3,621,591	0	3,621,591
Future Debt Service	1,243,525	0	1,243,525
Transportation	2,942,705	0	2,942,705
Security Of Persons And Property	621,068	0	621,068
Other Purposes	1,033,300	0	1,033,300
Unrestricted	21,653,757	4,990,621	26,644,378
Total Net Assets	\$185,551,117	\$46,883,108	\$232,434,225

See Accompanying Notes to the Basic Financial Statements

CITY OF GROVE CITY, OHIO

Statement Of Activities

For The Year Ended December 31, 2006

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges For Services</u>	<u>Operating Grants, Contributions And Interest</u>	<u>Capital Grants, Contributions And Interest</u>
<u>Governmental Activities:</u>				
Security Of Persons And Property	\$8,756,725	\$384,831	\$171,236	\$2,000
Public Health	223,883	34,730	0	0
Leisure Time Activities	2,148,506	1,388,567	36,020	0
Community Development	1,120,005	782,966	16,890	0
Transportation	8,515,515	74,744	1,615,402	19,419,977
General Government	7,650,006	42,840	0	6,470,960
Interest And Fiscal Charges	1,233,592	0	0	0
Total Governmental Activities	29,648,232	2,708,678	1,839,548	25,892,937
<u>Business-Type Activities:</u>				
Water	821,112	760,355	0	3,059,182
Sewer	1,141,117	552,866	0	3,182,739
Total Business-Type Activities	1,962,229	1,313,221	0	6,241,921
Total Activities	\$31,610,461	\$4,021,899	\$1,839,548	\$32,134,858

General Revenues:

Property Taxes Levied For:

 General Purposes

 Debt Service

 Police

Revenue In Lieu Of Taxes

Other Local Taxes

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 At Beginning Of Year - Restated (See Note 3)

Net Assets At End Of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue And Changes In Net Assets

<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>
(\$8,198,658)	\$0	(\$8,198,658)
(189,153)	0	(189,153)
(723,919)	0	(723,919)
(320,149)	0	(320,149)
12,594,608	0	12,594,608
(1,136,206)	0	(1,136,206)
(1,233,592)	0	(1,233,592)
<u>792,931</u>	<u>0</u>	<u>792,931</u>
0	2,998,425	2,998,425
0	2,594,488	2,594,488
<u>0</u>	<u>5,592,913</u>	<u>5,592,913</u>
<u>792,931</u>	<u>5,592,913</u>	<u>6,385,844</u>
1,476,272	0	1,476,272
910,242	0	910,242
821,228	0	821,228
2,601,794	0	2,601,794
882,644	0	882,644
15,593,062	0	15,593,062
1,796,892	0	1,796,892
1,260,942	33,274	1,294,216
133,292	9,277	142,569
<u>(1,360,916)</u>	<u>1,360,916</u>	<u>0</u>
<u>24,115,452</u>	<u>1,403,467</u>	<u>25,518,919</u>
24,908,383	6,996,380	31,904,763
<u>160,642,734</u>	<u>39,886,728</u>	<u>200,529,462</u>
<u>\$185,551,117</u>	<u>\$46,883,108</u>	<u>\$232,434,225</u>

CITY OF GROVE CITY, OHIO

**Balance Sheet
Governmental Funds**

December 31, 2006

	General	Police Pension	Debt Service
<u>Assets:</u>			
Equity In Pooled Cash And Cash Equivalents	\$20,656,052	\$623,647	\$2,094,770
Cash And Cash Equivalents With Fiscal Agents	0	0	0
Receivables:			
Property Taxes	1,451,905	840,787	917,871
Other Local Taxes	105,847	0	0
Revenue In Lieu Of Taxes	0	0	0
Municipal Income Taxes	4,338,696	0	0
Accounts	27,250	0	0
Special Assessments	44,529	0	114,233
Accrued Interest	64,684	0	23,442
Restricted Assets:			
Cash And Cash Equivalents With Trustee	0	0	0
Due From Other Governments	954,910	52,094	40,413
Materials And Supplies Inventory	21,214	0	0
Prepaid Items	23,895	0	0
Total Assets	\$27,688,982	\$1,516,528	\$3,190,729
<u>Liabilities And Fund Balances</u>			
<u>Liabilities:</u>			
Accounts Payable	\$196,076	\$0	\$0
Contracts Payable	246,568	0	0
Interfund Payable	22,911	0	0
Accrued Wages	39,686	0	0
Matured Compensated Absences Payabl	5,188	0	0
Retainage Payable	149,278	0	0
Due To Other Governments	229,438	243,245	0
Deferred Revenue	5,221,456	891,824	1,094,806
Total Liabilities	6,110,601	1,135,069	1,094,806
<u>Fund Balances:</u>			
Reserved For Encumbrances	5,216,142	226,076	267,629
Reserved For Future Debt Service	0	0	0
Unreserved:			
Undesignated, Reported In:			
General Fund	16,362,239	0	0
Special Revenue Funds	0	155,383	0
Debt Service Funds	0	0	1,828,294
Capital Projects Funds	0	0	0
Total Fund Balances	21,578,381	381,459	2,095,923
Total Liabilities And Fund Balances	\$27,688,982	\$1,516,528	\$3,190,729

See Accompanying Notes to the Basic Financial Statements

<i>Buckeye Center TIF</i>	<i>Road Improvement</i>	<i>Nonmajor Funds</i>	<i>Total</i>
\$0	\$1,671,594	\$3,527,655	\$28,573,718
0	0	397,149	397,149
0	0	11,572	3,222,135
0	0	0	105,847
1,500,000	0	0	1,500,000
0	0	0	4,338,696
0	0	811	28,061
0	0	0	158,762
0	88,126	0	176,252
1,243,525	0	0	1,243,525
77	0	753,508	1,801,002
0	0	22,269	43,483
0	0	0	23,895
<u>\$2,743,602</u>	<u>\$1,759,720</u>	<u>\$4,712,964</u>	<u>\$41,612,525</u>
\$0	\$0	\$44,270	\$240,346
0	0	1,119	247,687
0	0	0	22,911
0	0	715	40,401
0	0	0	5,188
0	41,932	0	191,210
0	0	40,967	513,650
1,500,077	88,126	623,057	9,419,346
<u>1,500,077</u>	<u>130,058</u>	<u>710,128</u>	<u>10,680,739</u>
0	1,241,653	417,621	7,369,121
1,243,525	0	0	1,243,525
0	0	0	16,362,239
0	0	3,240,495	3,395,878
0	0	0	1,828,294
0	388,009	344,720	732,729
<u>1,243,525</u>	<u>1,629,662</u>	<u>4,002,836</u>	<u>30,931,786</u>
<u>\$2,743,602</u>	<u>\$1,759,720</u>	<u>\$4,712,964</u>	<u>\$41,612,525</u>



CITY OF GROVE CITY, OHIO

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

December 31, 2006

Total Governmental Fund Balances	\$30,931,786
 <i>Amounts reported for governmental activities in the Statement of Net Assets are different because:</i>	
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:	
Land	34,988,166
Construction In Progress	1,796,797
Other Capital Assets	227,096,729
Accumulated Depreciation	<u>(81,485,103)</u>
Total	182,396,589
Bond issuance costs, reported as an expenditure in governmental funds, are allocated as an expense over the life of the debt on a full accrual basis.	
	357,067
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Property And Other Local Taxes	231,265
Revenue In Lieu of Taxes	1,500,000
Municipal Income Taxes	2,780,083
Due From Other Governments	1,499,065
Special Assessments	158,762
Accrued Interest	176,252
Accounts	<u>26,275</u>
Total	6,371,702
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	(134,222)
Premium On Debt Issued	(63,700)
General Obligation Bonds	(12,765,000)
Deferred Amount On Refunding	29,284
Special Assessment Bonds	(94,352)
OPWC Loans	(4,051,117)
Revenue Bonds	(16,290,000)
Capital Leases Payable	(3,211)
Compensated Absences	<u>(1,133,709)</u>
Total	<u>(34,506,027)</u>
<i>Net Assets Of Governmental Activities</i>	<u><u>\$185,551,117</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, 2006

	<u>General</u>	<u>Police Pension</u>	<u>Debt Service</u>
<u>Revenues:</u>			
Property Taxes	\$1,481,026	\$823,952	\$913,172
Revenue In Lieu Of Taxes	0	0	0
Municipal Income Taxes	17,065,753	0	0
Other Local Taxes	651,332	0	0
Intergovernmental	1,720,097	86,800	96,271
Charges For Services	144,015	0	0
Licenses And Permits	706,782	0	0
Fines And Forfeitures	214,973	0	0
Special Assessments	48,814	0	38,720
Interest	1,157,363	0	115,743
Increase In Fair Value Of Investments	3,148	0	1,141
Rent	29,491	0	0
Contributions And Donations	2,000	0	0
Miscellaneous	108,980	0	0
Total Revenues	23,333,774	910,752	1,165,047
<u>Expenditures:</u>			
Current Operations And Maintenance:			
Security Of Persons And Property	7,195,579	858,048	0
Public Health	196,806	0	0
Leisure Time Activities	454,616	0	0
Community Development	863,419	0	0
Transportation	0	0	0
General Government	5,583,336	0	0
Capital Outlay	6,192,898	0	0
Debt Service:			
Principal Retirement	242,022	0	549,224
Interest And Fiscal Charges	402	0	311,644
Issuance Costs	0	0	63,700
Total Expenditures	20,729,078	858,048	924,568
Excess Of Revenues Over (Under) Expenditures	2,604,696	52,704	240,479
<u>Other Financing Sources (Uses):</u>			
Issuance Of OPWC Loan	0	0	0
Premium On Debt Issued	0	0	63,700
General Obligation Bonds Issued	0	0	0
Revenue Bonds Issued	0	0	0
Transfers - In	187,500	0	0
Transfers - Out	(29,000)	0	(121,498)
Total Other Financing Sources (Uses)	158,500	0	(57,798)
Net Change In Fund Balance	2,763,196	52,704	182,681
Fund Balances (Deficit) At Beginning Of Year	18,815,185	328,755	1,913,242
Fund Balances At End Of Year	\$21,578,381	\$381,459	\$2,095,923

See Accompanying Notes to the Basic Financial Statements

<i>Buckeye Center TIF</i>	<i>Road Improvement</i>	<i>Nonmajor Funds</i>	<i>Total</i>
\$0	\$0	\$0	\$3,218,150
1,101,794	0	0	1,101,794
0	0	0	17,065,753
0	0	175,296	826,628
18,984	134,782	1,769,847	3,826,781
0	0	1,212,095	1,356,110
0	0	260,518	967,300
0	0	34,446	249,419
0	0	0	87,534
6,193	432,889	23,543	1,735,731
0	4,288	0	8,577
0	0	21,990	51,481
0	0	52,190	54,190
0	0	24,312	133,292
<u>1,126,971</u>	<u>571,959</u>	<u>3,574,237</u>	<u>30,682,740</u>
0	0	39,099	8,092,726
0	0	27,077	223,883
0	0	1,307,878	1,762,494
0	0	205,070	1,068,489
0	0	1,100,085	1,100,085
0	0	37,645	5,620,981
0	1,370,211	230,631	7,793,740
0	0	0	791,246
605	807,674	0	1,120,325
0	293,367	0	357,067
<u>605</u>	<u>2,471,252</u>	<u>2,947,485</u>	<u>27,931,036</u>
<u>1,126,366</u>	<u>(1,899,293)</u>	<u>626,752</u>	<u>2,751,704</u>
0	456,302	0	456,302
0	0	0	63,700
0	8,730,000	0	8,730,000
1,237,937	15,052,063	0	16,290,000
0	1,242,276	29,000	1,458,776
(1,120,778)	0	(187,500)	(1,458,776)
<u>117,159</u>	<u>25,480,641</u>	<u>(158,500)</u>	<u>25,540,002</u>
1,243,525	23,581,348	468,252	28,291,706
0	(21,951,686)	3,534,584	2,640,080
<u>\$1,243,525</u>	<u>\$1,629,662</u>	<u>\$4,002,836</u>	<u>\$30,931,786</u>



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, 2006

Net Change In Fund Balances - Total Governmental Funds		\$28,291,706
<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital Outlay	7,962,655	
Donated Capital Assets	25,166,221	
Depreciation	<u>(9,126,680)</u>	
Excess of Capital Outlay over Depreciation Expense		24,002,196
Governmental funds only report the disposal of capital 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		(1,476,323)
Assets transferred from governmental activities during the year to enterprise funds.		
Capital Assets		(1,360,916)
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 amount consist of:		
General Obligation Bond Principal Payments	515,000	
Special Assessment Bond Principal Payments	34,224	
Ohio Public Works Commission Loan Principal Payments	239,016	
Capital Lease Payments	<u>3,006</u>	
		791,246
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	(1,472,691)	
Property Taxes	(10,408)	
Revenue In Lieu Of Taxes	1,500,000	
Other Local Taxes	56,016	
Intergovernmental	78,005	
Special Assessments	(50,285)	
Charges for Services	25,525	
Fines And Forfeitures	(3,725)	
Accrued Interest	<u>(53,867)</u>	
		68,570
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	(8,730,000)	
Revenue Bonds Payable	(16,290,000)	
OPWC Loans Payable	(456,302)	
Premium On Debt Issued	(63,700)	
Current Year Issuance Cost	<u>357,067</u>	
		(25,182,935)
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 in the Statement of Activities is the result of the following:		
Net Increase In Accrued Interest		(109,083)
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		(111,894)
In the Statement of Activities, the gain or loss on refunding is amortized over the term of the bonds, whereas in the governmental funds the expenditure is reported when the bonds are issued.		
Amortization Of Loss On Refunding		<u>(4,184)</u>
<i>Change In Net Assets Of Governmental Activities</i>		<u><u>\$24,908,383</u></u>

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, 2006

Net Change In Fund Balances - Total Governmental Funds		\$28,291,706
<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
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Special Assessment Bond Principal Payments	34,224	
Ohio Public Works Commission Loan Principal Payments	239,016	
Capital Lease Payments	<u>3,006</u>	
		791,246
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	(1,472,691)	
Property Taxes	(10,408)	
Revenue In Lieu Of Taxes	1,500,000	
Other Local Taxes	56,016	
Intergovernmental	78,005	
Special Assessments	(50,285)	
Charges for Services	25,525	
Fines And Forfeitures	(3,725)	
Accrued Interest	<u>(53,867)</u>	
		68,570
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	(8,730,000)	
Revenue Bonds Payable	(16,290,000)	
OPWC Loans Payable	(456,302)	
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Current Year Issuance Cost	<u>357,067</u>	
		(25,182,935)
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Amortization Of Loss On Refunding		<u>(4,184)</u>
<i>Change In Net Assets Of Governmental Activities</i>		<u><u>\$24,908,383</u></u>

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, 2006

	Original Budget	Revised Budget	Budgetary Actual	Variance Positive (Negative)
<u>Revenues:</u>				
Property Taxes	\$1,275,779	\$1,415,412	\$1,481,026	\$65,614
Municipal Income Taxes	15,275,130	15,305,675	16,859,571	1,553,896
Other Local Taxes	550,000	550,000	694,943	144,943
Intergovernmental	1,350,000	1,350,000	1,746,864	396,864
Charges For Services	124,000	124,000	144,015	20,015
Licenses And Permits	454,000	454,000	706,782	252,782
Fines And Forfeitures	155,000	155,000	218,390	63,390
Special Assessments	23,000	23,000	48,814	25,814
Interest	300,000	300,000	1,163,273	863,273
Rent	0	0	29,491	29,491
Contributions And Donations	100,000	100,000	2,000	(98,000)
Miscellaneous	50,000	50,000	108,771	58,771
Total Revenues	19,656,909	19,827,087	23,203,940	3,376,853
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property	7,649,374	7,958,950	7,626,244	332,706
Public Health	201,500	203,740	198,609	5,131
Leisure Time Activities	568,933	618,938	525,075	93,863
Community Development	1,010,382	1,137,480	968,577	168,903
General Government	6,390,819	7,568,648	6,779,320	789,328
Capital Outlay	5,301,279	12,399,530	11,293,943	1,105,587
Debt Service:				
Principal Retirement	291,100	291,100	216,105	74,995
Total Expenditures	21,413,387	30,178,386	27,607,873	2,570,513
Excess Of Revenues Over (Under) Expenditures	(1,756,478)	(10,351,299)	(4,403,933)	5,947,366
<u>Other Financing Sources (Uses):</u>				
Transfers - In	0	0	187,500	187,500
Transfers - Out	(80,000)	(120,000)	(29,000)	91,000
Total Other Financing Sources (Uses)	(80,000)	(120,000)	158,500	278,500
Net Change In Fund Balance	(1,836,478)	(10,471,299)	(4,245,433)	6,225,866
Fund Balance At Beginning Of Year	11,892,968	11,892,968	11,892,968	0
Prior Year Encumbrances	7,234,108	7,234,108	7,234,108	0
Fund Balance At End Of Year	\$17,290,598	\$8,655,777	\$14,881,643	\$6,225,866

See Accompanying Notes to the Basic Financial Statements

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Property Taxes	\$738,412	\$816,979	\$823,952	\$6,973
Intergovernmental	88,189	105,872	87,597	(18,275)
<i>Total Revenues</i>	826,601	922,851	911,549	(11,302)
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property	974,000	1,064,835	1,064,835	0
Net Change In Fund Balance	(147,399)	(141,984)	(153,286)	(11,302)
Fund Balance At Beginning Of Year	460,022	460,022	460,022	0
Prior Year Encumbrances	90,835	90,835	90,835	0
<i>Fund Balance At End Of Year</i>	<u>\$403,458</u>	<u>\$408,873</u>	<u>\$397,571</u>	<u>(\$11,302)</u>

See Accompanying Notes to the Basic Financial Statements

CITY OF GROVE CITY, OHIO

**Statement Of Fund Net Assets
Enterprise Funds**

December 31, 2006

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Assets:</u>			
<u>Current Assets:</u>			
Equity In Pooled Cash And Cash Equivalents	\$2,015,483	\$2,768,587	\$4,784,070
Receivables:			
Accounts	135,148	106,973	242,121
Interfund	122,911	0	122,911
Total Current Assets	2,273,542	2,875,560	5,149,102
<u>Non-Current Assets:</u>			
Land And Construction In Progress	240,628	82,125	322,753
Depreciable Capital Assets, Net	19,344,908	23,291,919	42,636,827
Total Non-Current Assets	19,585,536	23,374,044	42,959,580
Total Assets	21,859,078	26,249,604	48,108,682
<u>Liabilities:</u>			
<u>Current Liabilities:</u>			
Accounts Payable	48	7,897	7,945
Contracts Payable	2,300	0	2,300
Interfund Payable	0	100,000	100,000
Accrued Wages	51	180	231
Compensated Absences Payable	675	8,865	9,540
Retainage Payable	15,612	0	15,612
Due To Other Governments	1,028	6,733	7,761
OPWC Loans Payable	24,722	57,966	82,688
Total Current Liabilities	44,436	181,641	226,077
<u>Long-Term Liabilities (Net Of Current Portion):</u>			
OPWC Loans Payable	171,896	812,509	984,405
Compensated Absences Payable	909	14,183	15,092
Total Long-Term Liabilities	172,805	826,692	999,497
Total Liabilities	217,241	1,008,333	1,225,574
<u>Net Assets:</u>			
Invested In Capital Assets, Net Of Related Debt	19,388,918	22,503,569	41,892,487
Unrestricted	2,252,919	2,737,702	4,990,621
Total Net Assets	\$21,641,837	\$25,241,271	\$46,883,108

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, 2006

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Operating Revenues:</u>			
Charges For Services	\$517,464	\$552,866	\$1,070,330
Tap-In Fees	242,891	0	242,891
Miscellaneous	8,677	600	9,277
<i>Total Operating Revenues</i>	<u>769,032</u>	<u>553,466</u>	<u>1,322,498</u>
<u>Operating Expenses:</u>			
Salaries	44,858	311,183	356,041
Purchased Services	117,950	66,231	184,181
Materials And Supplies	5,540	39,589	45,129
Depreciation	571,359	666,058	1,237,417
Other Operating Expenses	11,448	17,400	28,848
<i>Total Operating Expenses</i>	<u>751,155</u>	<u>1,100,461</u>	<u>1,851,616</u>
Operating Income (Loss)	<u>17,877</u>	<u>(546,995)</u>	<u>(529,118)</u>
<u>Non-Operating Revenues (Expenses):</u>			
Interest	33,274	0	33,274
Loss On Disposal Of Capital Assets	(53,563)	(11,645)	(65,208)
Interest And Fiscal Charges	(16,394)	(29,011)	(45,405)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(36,683)</u>	<u>(40,656)</u>	<u>(77,339)</u>
Loss Before Capital Contributions	(18,806)	(587,651)	(606,457)
Capital Contributions	4,083,970	3,518,867	7,602,837
Change In Net Assets	4,065,164	2,931,216	6,996,380
Net Assets At Beginning Of Year	<u>17,576,673</u>	<u>22,310,055</u>	<u>39,886,728</u>
<i>Net Assets At End Of Year</i>	<u>\$21,641,837</u>	<u>\$25,241,271</u>	<u>\$46,883,108</u>

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, 2006

	<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	\$511,106	\$575,462	\$1,086,568
Cash Payments For Personal Services	(43,759)	(308,982)	(352,741)
Cash Payments To Suppliers For Goods And Services	(158,173)	(140,724)	(298,897)
Other Operating Revenues	8,677	600	9,277
Tap-In Fees	242,891	0	242,891
<i>Net Cash Provided By Operating Activities</i>	<u>560,742</u>	<u>126,356</u>	<u>687,098</u>
<u>Cash Flows From Capital And Related Financing Activities:</u>			
Tap-In Fees	0	771,334	771,334
Acquisition Of Capital Assets	(270,228)	(87,566)	(357,794)
Principal Paid On Revenue Bonds	(195,000)	0	(195,000)
Principal Paid On OPWC Loans	(47,075)	(56,133)	(103,208)
Interest And Fiscal Charges Paid On Revenue Bonds	(7,870)	0	(7,870)
Interest And Fiscal Charges Paid On OPWC Loans	(6,127)	(29,011)	(35,138)
<i>Net Cash Provided By (Used For) Capital And Related Financing Activities</i>	<u>(526,300)</u>	<u>598,624</u>	<u>72,324</u>
<u>Cash Flows From Investing Activities:</u>			
Interest	32,715	0	32,715
<i>Net Increase In Cash And Cash Equivalents</i>	67,157	724,980	792,137
<i>Cash And Cash Equivalents At Beginning Of Year</i>	<u>1,948,326</u>	<u>2,043,607</u>	<u>3,991,933</u>
<i>Cash And Cash Equivalents At End Of Year</i>	<u>\$2,015,483</u>	<u>\$2,768,587</u>	<u>\$4,784,070</u>

(Continued)

CITY OF GROVE CITY, OHIO

**Statement Of Cash Flows
Enterprise Funds
(Continued)**

For The Year Ended December 31, 2006

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Reconciliation Of Operating Income (Loss) To Net Cash Provided By Operating Activities:</u>			
Operating Income (Loss)	\$17,877	(\$546,995)	(\$529,118)
<u>Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided By Operating Activities:</u>			
Depreciation	571,359	666,058	1,237,417
Changes In Assets And Liabilities:			
Increase In Accounts Receivable	(6,358)	(5,107)	(11,465)
Decrease In Special Assessments Receivable	0	27,703	27,703
Decrease In Accounts Payable	(25,601)	(11,318)	(36,919)
Increase (Decrease) In Contracts Payable	2,300	(3,512)	(1,212)
Decrease In Retainage Payable	0	(3,291)	(3,291)
Decrease In Accrued Wages Payable	(392)	(835)	(1,227)
Increase In Due To Other Governments	110	886	996
Increase In Compensated Absences Payable	1,447	2,767	4,214
<u>Net Cash Provided By Operating Activities</u>	<u>\$560,742</u>	<u>\$126,356</u>	<u>\$687,098</u>
<u>Noncash Capital Financing Activities:</u>			
Service Line Contributed By Governmental Funds And Capitalized At Cost	\$1,024,788	\$336,128	\$1,360,916
Service Lines Donated By Developers And Capitalized At Fair Market Value	3,059,182	2,411,405	5,470,587
<u>Total Noncash Capital Financing Activities</u>	<u>\$4,083,970</u>	<u>\$2,747,533</u>	<u>\$6,831,503</u>

See Accompanying Notes to the Basic Financial Statements

CITY OF GROVE CITY, OHIO

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

December 31, 2006

<u>Assets:</u>	
Equity In Pooled Cash And Cash Equivalents	\$1,230,946
Receivables:	
Other Local Taxes	<u>11,572</u>
<i>Total Assets</i>	<u><u>\$1,242,518</u></u>
<u>Liabilities:</u>	
Undistributed Assets	\$28,806
Deposits Held And Due To Others	<u>1,213,712</u>
<i>Total Liabilities</i>	<u><u>\$1,242,518</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, 2006

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 charter provides for the strong Mayor-Council-Administrator plan 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 ward 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 Administrative Assistant 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 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. Council and the Mayor have direct responsibility for these activities. The City of Columbus provides water and sewer treatment services.

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.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

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

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 South-Western City Schools, one is appointed by the Chamber of Commerce, and three are 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.

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 six 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, 2007. 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 19.

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 Pronouncements and Interpretations issued after November 30, 1989 to its 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.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 of the City are typically financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the 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.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Police Pension Special Revenue Fund - This fund accounts for the accumulation of property taxes levied for the payment of the current employer's pension contributions.

Debt Service Fund - 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.

Buckeye Center TIF Debt Service Fund - This fund accounts for the resources that are used for payment of principal and interest and fiscal charges on the tax increment financing debt.

Road Improvement Capital Projects Fund - 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 bond proceeds.

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 and businesses of the City.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 City 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 the distribution of hotel/motel tax to the Convention Bureau.

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. The 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.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 agency 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. "Measurable" means the amount of the transaction can be determined and "available" means 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.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, revenue in lieu of 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 and revenue in lieu of 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.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property taxes for which there is an enforceable legal claim as of December 31, 2006, but were levied to finance 2007 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.

CASH AND CASH EQUIVALENTS

To improve cash management, cash received by the City, except cash held by a fiscal agent, 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 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 balance in this account is presented on the balance sheet as "Cash And Cash Equivalents With Fiscal Agents". The City utilizes a trustee account to hold monies as a reserve required by the debt covenant relating to the tax increment financing revenue bonds. The balance in this account is presented on the balance sheet as "Restricted Assets: Cash And Cash Equivalents With Trustee".

During the year, investments were limited to Federal Home Loan Bank Consolidation Bonds, Federal Home Loan Bank Bonds, Federal Home Loan Mortgage Corporation Bonds, Federal National Mortgage Association Bonds, Repurchase Agreement, and a Negotiable Certificate 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.

Interest income is distributed to the funds according to Ohio constitutional and statutory requirements. Interest revenue credited to the General Fund during 2006 amounted to \$1,157,363, which includes \$544,606 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.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2006, 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.

CAPITAL ASSETS

General capital assets are capital assets that are associated with governmental activities. These assets 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.

Capital assets are capitalized at cost (or estimated historical cost which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and deletions during the year. Donated capital assets are recorded at their fair market values on the date received. 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.

All reported 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. In the case of the initial capitalization of general infrastructure assets, the City chose to include all infrastructure items regardless of their acquisition date.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	<u>YEARS</u>
Buildings	50
Improvements Other Than Buildings	10-20
Machinery And Equipment	10-20
Furniture And Fixtures	10-20
Vehicles	3-10
Computer Equipment	3-10
Water And Sewer Lines	50
Infrastructure:	
Curbs And Gutters	15
Sidewalks	15
Streets	20-50
Street Lights	30
Storm Sewer Lines	50
Traffic Signals	30
Other Infrastructure	20-50
Water Lines	50
Sewer Lines	50

COMPENSATED ABSENCES

Vacation benefits and compensatory time 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 and compensatory time when earned for all employees with more than one year of service.

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.

The entire compensated absences liability is reported on the government-wide financial statements. On governmental fund financial statements, compensated absences are reported as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations or retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the funds from which the employees are paid. In the proprietary funds, the entire amount of compensated absences is reported as a fund liability.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(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, 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.

BOND PREMIUM/UNAMORTIZED BOND ISSUANCE COSTS/LOSS

Bond premiums and issuance costs 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 short-term notes issued during 2006 were immaterial. Bond premiums are presented as an addition to the face amount of the bonds payable whereas issuance costs are recorded as deferred charges.

The accounting loss on refunded bonds (difference between the reacquisition price and the net carrying amount of the old debt) is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.

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, grants or outside contributions of resources restricted to capital acquisition, and from the construction or transfers of capital assets between governmental and business-type activities.

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 and future debt service. The reserve for future debt service is the amount required by the tax increment financing revenue bond covenant to be maintained in a separate trustee account.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 are for monies held in a trustee account as a reserve required by the debt covenant relating to the tax increment financing revenue bonds.

INTERNAL ACTIVITY

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities.

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.

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 recreational activities and improving the living environment of the City.

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

The government-wide Statement of Net Assets reports \$11,607,974 of restricted net assets for governmental activities, of which \$429,503 is restricted by enabling legislation.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 non-operating.

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.

BUDGETS AND BUDGETARY ACCOUNTING

All funds other than agency funds are legally required to be budgeted and appropriated. The budget documents prepared are the tax budget, the certificate of estimated resources, and the appropriation 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 appropriation 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 effect 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, including all supplemental appropriations.

Contrary to Ohio Revised Code 5705.41D, the City Finance Director did not always properly certify that the amount required to meet a commitment was lawfully appropriated and in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances for a portion of the City's expenditures. The Finance Director will closely monitor budgetary compliance procedures and implement a "Then and Now" certificate program as authorized to assure full compliance.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR NET ASSETS

CHANGES IN ACCOUNTING PRINCIPLES

During 2006, the City has implemented *GASB Statement No. 44, "Economic Condition Reporting: The Statistical Section"* and *GASB Statement No. 47, "Accounting for Termination Benefits."*

GASB Statement No. 44 establishes and modifies requirements related to the supplementary information presented in the statistical section.

GASB Statement No. 47 establishes accounting and financial reporting standards for termination benefits. This statement clarifies and establishes reporting requirements for those benefits provided by employers to employees as an incentive or settlement for voluntary early termination or as a consequence of the involuntary early termination of services. The implementation of this statement had no effect on the City's financial statements for 2006.

RESTATEMENT OF PRIOR YEAR NET ASSETS

Due to accounting changes in recording prior year infrastructure assets, it was necessary to restate net assets at December 31, 2005 as follows:

	<i>Governmental</i>
	<u><i>Activities</i></u>
Net Assets, December 31, 2005	\$138,568,376
Restatement of Capital Assets	<u>22,074,358</u>
Net Assets, December 31, 2005 as Restated	<u><u>\$160,642,734</u></u>

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 and the Police Pension Special Revenue 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).

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (Continued)

- (c) 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 and the Police Pension Special Revenue Fund are as follows:

	<i>Net Change In Fund Balance</i>	
	<u>General</u>	<u>Police Pension</u>
GAAP Basis	\$2,763,196	\$52,704
<i><u>Increases (Decreases) Due To:</u></i>		
Revenue Accrual	(33,535)	797
Expenditure Accrual	(1,128,914)	19,289
Encumbrances Outstanding		
At Year-end (Budget Basis)	(5,749,881)	(226,076)
Change In Fair Value		
Of Investments - 2005	(64,751)	0
Unrecorded Cash - 2005	15,571	0
Change In Fair Value		
Of Investments - 2006	(61,603)	0
Unrecorded Cash - 2006	<u>14,484</u>	<u>0</u>
Budget Basis	<u>(\$4,245,433)</u>	<u>(\$153,286)</u>

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

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.

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

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in 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 (STAROhio).
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time.

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;

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

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. Investments may only be made through specified dealers and institutions.

DEPOSITS

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party. At fiscal year-end, \$11,992,795 of the City's bank balance of \$12,371,641 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

INVESTMENTS

As of December 31, 2006, the City had the following investments:

	<i>Fair Value</i>	<i>Investment Maturities (in Years)</i>			<i>Call Date</i>
		<i>Less than 1</i>	<i>1 - 2</i>	<i>2 - 5</i>	
Federal Home Loan Bank					1/25/2007 to
Consolidation Bonds	\$5,638,238	\$2,861,332	\$1,855,088	\$921,818	3/30/2007
					1/28/07 to
Federal Home Loan Bank Bonds	2,899,324	0	2,201,168	698,156	3/28/2007
Federal Home Loan Mortgage					1/13/2007 to
Corporation Bonds	2,440,887	2,440,887	0	0	3/23/2007
Federal National Mortgage					1/10/2007 to
Association Bonds	4,376,342	941,326	1,201,950	2,233,066	10/3/2007
Repurchase Agreement	8,688,563	8,688,563	0	0	----
Negotiable Certificate Of Deposit	99,193	99,193	0	0	----
Totals	<u>\$24,142,547</u>	<u>\$15,031,301</u>	<u>\$5,258,206</u>	<u>\$3,853,040</u>	

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

INTEREST RATE RISK

As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that, to the extent possible, investments will match anticipated cash flow requirements. No investment shall be made unless the Finance Director, at the time of making the investment, reasonably expects it can be held to its maturity. Unless matched to a specific obligation or debt of the City, the City will not directly invest in securities maturing more than five years from the date of investment.

CREDIT RISK

The Federal Home Loan Bank Consolidation Bonds, Federal Home Loan Bank Bonds, Federal Home Loan Mortgage Corporation Bonds, and Federal National Mortgage Association Bonds carry a rating of Aaa by Moody's and AAA by Standard and Poor's. The negotiable certificate of deposit did not have credit risk. The Repurchase Agreement (underlying investments of Federal Home Loan Mortgage Corporation Bond and Federal National Mortgage Association Bonds) has a credit rating of Aaa by Moody's and AAA by Standard and Poor's. The City has no policy regarding credit risk.

CONCENTRATION OF CREDIT RISK

The City places no limit on the amount it may invest in any one issuer. The City's investments in Federal Home Loan Bank Consolidation Bonds, Federal Home Loan Bank Bonds, Federal Home Loan Mortgage Corporation Bonds, Federal National Mortgage Association Bonds, and Certificate of Deposit represent 23.35 percent, 12.01 percent, 10.11 percent, 18.13 percent, and .41 percent respectively, of the City's total investments. The remaining 35.99 percent is invested in a Repurchase Agreement.

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. The City utilized the Regional Income Tax Agency (RITA) for the collection of income taxes on its behalf.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

NOTE 7 - PROPERTY TAX

Property taxes include amounts levied against all real, public utility, and tangible personal property (used in business) located in the City. Property tax revenue received during 2006 for real and public utility property taxes represents collections of 2005 taxes. Property tax payments received during 2006 for tangible personal property (other than public utility property) are for 2006 taxes.

2006 real property taxes are levied after October 1, 2006 on the assessed value as of January 1, 2006, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2006 real property taxes are collected in and intended to finance 2007.

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. 2006 public utility property taxes became a lien December 31, 2005, are levied after October 1, 2006, and are collected in 2007 with real property taxes.

2006 tangible personal property taxes are levied after October 1, 2005, on the value as of December 31, 2005. Collections are made in 2006. In prior years, tangible personal property was assessed at 25 percent of true value for capital assets and 23 percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2006 is 18.75 percent. This will be reduced to 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

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 represents real and tangible personal property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2006, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2006 operations, and the collections of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

NOTE 7 - PROPERTY TAX (Continued)

The full tax rate for all City operations for the year ended December 31, 2006, was \$3.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2006 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	
Residential/Agricultural	\$631,402,930
Commercial/Industrial/Public Utility	157,846,600
Public Utility Personal	9,288,930
General Business Personal	40,953,477
Total Property Taxes	<u>\$839,491,937</u>

NOTE 8 - RECEIVABLES

Receivables at December 31, 2006, consisted of property and other local taxes, revenue in lieu of taxes, municipal income taxes, accounts, special assessments, interest on investments, and intergovernmental receivables arising from grants, entitlements or shared revenues. All receivables are considered fully collectible and will be received within one year with the exception of property taxes, income taxes and special assessments. Water and sewer charges receivable which, if delinquent, may be certified and collected as a special assessment, are subject to foreclosure for nonpayment. Property and income taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. Special assessments expected to be collected in more than one year for the City amount to \$107,000. The City had \$2,668 delinquent special assessments at December 31, 2006.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

NOTE 8 – RECEIVABLES (Continued)

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
<u>Governmental Activities:</u>	
Local Government	\$687,610
Local Government Revenue Assistance	58,812
Liquor Permits	34,926
U. S. Department Of Justice	
Bulletproof Vest Grant	3,231
STOP Program	4,168
ODNR/SWACO Clean Community Grant	4,692
Estate Tax	94,068
Fines And Forfeitures	85
Personal Property Exemption	4,036
Homestead And Rollback	145,337
Pari-Mutuel Tax	15,060
Gasoline Tax	511,931
Motor Vehicle License Tax	120,388
Permissive Motor Vehicle License Tax	116,449
Other Governmental Entities	209
Total Intergovernmental Receivable	<u><u>\$1,801,002</u></u>

REVENUE IN LIEU OF TAXES

During 2006, the City began receiving revenue in lieu of taxes from Tax Increment Financing Agreements entered into between the City and Stringtown Partners North, Stringtown Partners South, Parkway Village LLC, Epcon Fountainview LLC, Ronald R. Eberhard, and M/I Homes of Central Ohio for the purpose of constructing the Parkway Center North and South retail center and a golf course community consisting of a golf course, single-family homes and attached and detached residential condominiums.

To encourage these improvements, the companies and home owners were granted an exemption from paying any property taxes on the new construction; however, payment in lieu of taxes are made to the City in an amount equal to the real property taxes that otherwise would have been due in that current year. These payments are being used to finance public improvements and will continue over thirty years. Additional payments are made to the South-Western City School District since it is impacted by the exemption for a period of up to thirty years. The City is not able to record a receivable for all future payments because the payments are based upon the projected collections. A receivable has been recorded in the amount of \$1,500,000, which represents amounts measurable at December 31, 2006.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

NOTE 9 - CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2006, was as follows:

	<i>Restated Balance At 12/31/2005</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance At 12/31/2006</i>
<u>Governmental Activities</u>				
Capital Assets, Not Being Depreciated:				
Land	\$29,090,464	\$5,897,702 *	\$0	\$34,988,166
Construction In Progress	20,458,638	6,070,572	(24,732,413)	1,796,797
Total Capital Assets, Not Being Depreciated	<u>49,549,102</u>	<u>11,968,274</u>	<u>(24,732,413)</u>	<u>36,784,963</u>
Depreciable Capital Assets:				
Buildings	5,664,468	525,196	0	6,189,664
Improvements Other Than Buildings	2,943,694	109,978	0	3,053,672
Machinery And Equipment	4,069,585	607,314	(88,708)	4,588,191
Furniture And Fixtures	450,022	12,169	0	462,191
Vehicles	2,125,470	289,856	(108,254)	2,307,072
Computer Equipment	1,918,931	404,506	(204,652)	2,118,785
Infrastructure:				
Curbs And Gutters	13,961,663	3,463,624 *	(70,666)	17,354,621
Sidewalks	4,066,901	1,597,443 *	(4,423)	5,659,921
Streets	140,433,455	32,236,459 *	(1,912,750)	170,757,164
Street Lights	1,328,224	1,061,623	0	2,389,847
Storm Sewer Lines	5,569,945	2,571,457	(2,654)	8,138,748
Traffic Signals	1,310,867	352,139	0	1,663,006
Other Infrastructure	1,113,512	1,300,335	0	2,413,847
Total Depreciable Capital Assets	<u>\$184,956,737</u>	<u>\$44,532,099</u>	<u>(\$2,392,107)</u>	<u>\$227,096,729</u>

(Continued)

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

NOTE 9 - CAPITAL ASSETS (Continued)

	<i>Restated Balance At 12/31/2005</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance At 12/31/2006</i>
Less Accumulated Depreciation:				
Buildings	(\$3,014,638)	(\$68,172)	\$0	(\$3,082,810)
Improvements Other Than Buildings	(1,438,906)	(251,531)	0	(1,690,437)
Machinery And Equipment	(2,231,907)	(383,098)	72,219	(2,542,786)
Furniture And Fixtures	(261,976)	(30,058)	0	(292,034)
Vehicles	(1,035,873)	(202,768)	85,448	(1,153,193)
Computer Equipment	(1,102,061)	(322,320)	199,633	(1,224,748)
Infrastructure:				
Curbs And Gutters	(7,551,456)	(1,031,437)	34,953	(8,547,940)
Sidewalks	(2,111,387)	(324,569)	4,423	(2,431,533)
Streets	(53,719,499)	(6,172,757)	518,471	(59,373,785)
Street Lights	(72,473)	(60,072)	0	(132,545)
Storm Sewer Lines	(520,888)	(97,783)	637	(618,034)
Traffic Signals	(105,045)	(59,750)	0	(164,795)
Other Infrastructure	(108,098)	(122,365)	0	(230,463)
Total Accumulated Depreciation	<u>(73,274,207)</u>	<u>(9,126,680)</u>	<u>915,784</u>	<u>(81,485,103)</u>
Depreciable Capital Assets, Net	<u>111,682,530</u>	<u>35,405,419</u>	<u>(1,476,323)</u>	<u>145,611,626</u>
Governmental Activities Capital Assets, Net	<u>\$161,231,632</u>	<u>\$47,373,693</u>	<u>(\$26,208,736)</u>	<u>\$182,396,589</u>

* \$25,166,221 of the additions consisted of assets donated by developers.

Depreciation expense was charged to governmental programs as follows:

Security Of Persons And Property	\$582,189
Leisure Time Activities	369,484
Community Development	28,761
Transportation	6,286,291
General Government	1,859,955
Total Depreciation Expense	<u>\$9,126,680</u>

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

NOTE 9 - CAPITAL ASSETS (Continued)

	<u>Balance At</u> <u>12/31/2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance At</u> <u>12/31/2006</u>
<u>Business-Type Activities</u>				
Capital Assets Not Being Depreciated:				
Land	\$10,000	\$0	\$0	\$10,000
Construction In Progress	78,435	334,318	(100,000)	312,753
Total Capital Assets, Not Being Depreciated	88,435	334,318	(100,000)	322,753
Depreciable Capital Assets:				
Buildings	868,211	0	0	868,211
Improvements Other Than Buildings	569,402	0	0	569,402
Machinery And Equipment	195,553	29,146	(1,236)	223,463
Furniture And Fixtures	1,511	0	0	1,511
Vehicles	113,555	0	0	113,555
Computer Equipment	10,597	0	(3,362)	7,235
Infrastructure:				
Water Lines	19,472,368	4,093,912	(89,011)	23,477,269
Sewer Lines	26,947,455	2,847,533	(20,433)	29,774,555
Total Depreciable Capital Assets	48,178,652	6,970,591	(114,042)	55,035,201
Total Capital Assets At Historical Cost	48,267,087	7,304,909	(214,042)	55,357,954
Less Accumulated Depreciation:				
Buildings	(\$58,888)	(\$16,764)	\$0	(\$75,652)
Improvements Other Than Buildings	(401,948)	(17,761)	0	(419,709)
Machinery And Equipment	(98,438)	(8,633)	0	(107,071)
Furniture And Fixtures	(113)	(151)	0	(264)
Vehicles	(58,520)	(8,742)	0	(67,262)
Computer Equipment	(10,471)	0	3,236	(7,235)
Infrastructure:				
Water Lines	(4,558,698)	(536,821)	35,574	(5,059,945)
Sewer Lines	(6,022,715)	(648,545)	10,024	(6,661,236)
Total Accumulated Depreciation	(11,209,791)	(1,237,417)	48,834	(12,398,374)
Depreciable Capital Assets, Net	36,968,861	5,733,174	(65,208)	42,636,827
Business-Type Activities Capital Assets, Net	\$37,057,296	\$6,067,492	(\$165,208)	\$42,959,580

For the year ended December 31, 2006, the City's enterprise funds received water and sewer lines that were both donated by developers and paid for from other governmental funds. The water and sewer lines were recorded as capital assets in the respective funds. The value of the water and sewer lines were \$3,059,182 and \$2,411,405, respectively as donated by developers and \$1,024,788 and \$336,128, respectively as paid from other governmental funds.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

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 percent 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 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

For the year ended December 31, 2006, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 9 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 percent. The City's contribution rate for pension benefits for 2006 was 9.2 percent, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 12.43 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006, 2005, and 2004 were \$440,706, \$410,971 and \$422,630 respectively; 87.03 percent has been contributed for 2006 and 100 percent for 2005 and 2004. Contributions to the member-directed plan for 2006 were \$43,633 made by the City and \$28,664 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.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

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 and 16.25 percent for firefighters. The City has no firefighters. Contributions are authorized by State statute. The City's contributions to OP&F for police were \$530,442 for the year ended December 31, 2006, \$475,527 for the year ended December 31, 2005 and \$485,208 for the year ended December 31, 2004. The full amount has been contributed for 2005 and 2004. 71.62 percent has been contributed for 2006.

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 qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. 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 State statute. The 2006 local government employer contribution rate was 13.7 percent of covered payroll (16.93 percent for public safety and law enforcement); 4.5 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the individual entry age actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4.0 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .5 percent and 6.3 percent based on additional annual pay increases. Health care costs were assumed to increase between .5 and 6.0 percent annually for the next nine years and 4.0 percent annually after nine years.

All investments are carried at market value. 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, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 369,214. The number of active contributing participants for both plans used in the December 31, 2005, actuarial valuation was 358,804. Actual employer contributions for 2006 which were used to fund postemployment benefits were \$215,563. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. To improve the solvency of the Health Care Fund, OPERS created a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

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 Ohio Revised Code 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 2006 and 2005. In addition, since July 1, 1992, most retirees and survivors 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. Grove City has no fire personnel; therefore, OP&F covers police personnel only.

The City's actual contributions for 2006 that were used to fund postemployment benefits were \$349,866 for police. The OP&F's total health care expense for the year ended December 31, 2005, (the latest information available) was \$108,039,449, which was net of member contributions of \$55,271,881. The number of OP&F participants eligible to receive health care benefits as of December 31, 2005, was 13,922 for police and 10,537 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.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

NOTE 12 - EMPLOYEE BENEFITS (Continued)

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.

HEALTH CARE BENEFITS

The City provides health care benefits through the Central Ohio Health Care Consortium (the "Pool"), a risk-sharing pool that provides basic hospital, surgical and prescription drug coverage. See Note 19 for further information.

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 entered into capitalized leases for equipment. 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 \$12,105. This amount represents the present value of the minimum lease payments at the time of acquisition. Principal payments in 2006 totaled \$3,006 in the governmental funds.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

NOTE 13 - CAPITAL LEASES - LESSEE DISCLOSURE (Continued)

The assets acquired through capital leases as of December 31, 2006, are as follows:

	<i>Asset Value</i>	<i>Accumulated Depreciation</i>	<i>Net Book Value</i>
Machinery And Equipment	<u>\$12,105</u>	<u>\$9,086</u>	<u>\$3,019</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, 2006:

<i>Year Ending December 31,</i>	<i>Payments</i>
2007	\$2,637
2008	324
2009	324
2010	162
Total	<u>3,447</u>
Less: Amount Representing Interest	<u>(236)</u>
Present Value of Minimum Lease Payment	<u>\$3,211</u>

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

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, 2006, were as follows:

<i>Types / Issues</i>	<i>Balance 12/31/05</i>	<i>Issued</i>	<i>Retired</i>	<i>Balance 12/31/06</i>	<i>Due Within One Year</i>
<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	195,000	\$0	\$195,000	\$0	\$0
<u>Ohio Public Works Commission (OPWC) Loans</u>					
1993 - 0.00% Park Street Improvements \$86,907	24,332	0	6,951	17,381	6,952
1994 - 3.50% Columbus Street Reconstruction \$128,422	74,155	0	7,143	67,012	7,395
1995 - 3.00% Kingston Avenue Reconstruction \$200,624	122,295	0	10,070	112,225	10,375
1995 - 3.50% Grant Run Interceptor Phase II \$537,324	332,615	0	26,717	305,898	27,661
1999 - 3.00% Marsh Run Gravity Sewer \$703,276	593,993	0	29,416	564,577	30,305
Total OPWC Loans	1,147,390	0	80,297	1,067,093	82,688
Compensated Absences	20,418	12,387	8,173	24,632	9,540
Total Business-Type Activities	\$1,362,808	\$12,387	\$283,470	\$1,091,725	\$92,228

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

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

<u>Types / Issues</u>	<u>Balance 12/31/05</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/06</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>					
<u>General Obligation Bonds</u>					
1991 - 6.65% Various Purpose Street Improvement Bonds \$1,220,000	\$635,000	\$0	\$90,000	\$545,000	\$95,000
1993 - 2.85% - 5.25% General Obligation Refunding Bonds \$2,815,000	1,030,000	0	240,000	790,000	250,000
2001 - 4.51% Various Purpose Improvement Bonds \$1,840,000	1,660,000	0	50,000	1,610,000	55,000
2004 - 2.00% General Obligation Refunding Bonds \$1,360,000	1,225,000	0	135,000	1,090,000	145,000
Deferred Loss On Refunding	(33,468)	0	(4,184)	(29,284)	0
2006 - Pinnacle Club Drive Construction And Improvement Bonds					
Serial Bonds 4.00 % - 5.25% \$4,225,000	0	4,225,000	0	4,225,000	110,000
Term Bonds 4.00 % \$4,505,000	0	4,505,000	0	4,505,000	0
Premium On Bonds	0	63,700	0	63,700	0
Total General Obligation Bonds Payable	<u>4,516,532</u>	<u>8,793,700</u>	<u>510,816</u>	<u>12,799,416</u>	<u>655,000</u>
<u>Special Assessment Bonds</u>					
<u>With Governmental Commitment</u>					
1988 - 7.5% Sewer Construction And Installation \$60,000	15,000	0	5,000	10,000	5,000
1990 - 7.5% Home Road Construction \$112,415	53,576	0	9,224	44,352	9,916
1998 - 6.0% Seeds Road Improvement \$200,000	60,000	0	20,000	40,000	20,000
Total Special Assessment Bonds	<u>\$128,576</u>	<u>\$0</u>	<u>\$34,224</u>	<u>\$94,352</u>	<u>\$34,916</u>

(Continued)

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

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

<i>Types / Issues</i>	<i>Balance 12/31/05</i>	<i>Issued</i>	<i>Retired</i>	<i>Balance 12/31/06</i>	<i>Due Within One Year</i>
<u>Ohio Public Works Commission</u>					
<u>(OPWC) Loans</u>					
1993 - 0.00% Park Street Improvements \$292,009	\$97,341	\$0	\$27,810	\$69,531	\$27,811
1998 - 0.00% Haughn Road Widening \$446,773	286,396	0	22,911	263,485	22,911
1997 - 0.00% Hoover Road/ SR 665 Realignment \$351,546	222,030	0	18,502	203,528	18,503
1999 - 0.00% Broadway \$409,887	297,170	0	20,494	276,676	20,494
1999 - 0.00% Hoover Road/ Buckeye Ranch/ Orders Road \$518,378	362,864	0	25,919	336,945	25,919
2000 - 0.00% Hoover Road/ Old Stringtown To Sonora Drive \$745,578	577,823	0	37,279	540,544	37,279
2001 - 0.00% Broadway \$456,181	459,207	0	36,737	422,470	36,737
2004 - 0.00% Hoover Road/ Milligan Road To Orders Road \$720,000	697,888	0	35,789	662,099	35,789
2005 - 0.00% Demorest Road/ Big Run Road \$543,017	228,967	314,050	13,575	529,442	27,151
2005 - 0.00% Stringtown Road/ Interstate 71 To McDowell Road \$1,235,678	604,145	142,252	0	746,397	0
Total OPWC Loans	3,833,831	456,302	239,016	4,051,117	252,594
<u>Tax Increment Financing</u>					
<u>Revenue Bonds</u>					
2006 - 5.13% - 5.38% Buckeye Center TIF Revenue Bonds \$16,290,000	\$0	\$16,290,000	\$0	\$16,290,000	\$30,000

(Continued)

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

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

<i>Types / Issues</i>	<i>Balance 12/31/05</i>	<i>Issued</i>	<i>Retired</i>	<i>Balance 12/31/06</i>	<i>Due Within One Year</i>
Other Long-Term Obligations					
Capital Leases	\$6,217	\$0	\$3,006	\$3,211	\$2,480
Compensated Absences	1,021,815	478,972	367,078	1,133,709	502,567
Total Other Long-Term Obligations	1,028,032	478,972	370,084	1,136,920	505,047
Total Governmental Activities	<u>\$9,506,971</u>	<u>\$26,018,974</u>	<u>\$1,154,140</u>	<u>\$34,371,805</u>	<u>\$1,477,557</u>

The City's overall legal debt margin was \$62,431,101, with an unvoted debt margin of \$20,456,505 at December 31, 2006.

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

<i>Year</i>	<i>Governmental Activities</i>				<i>Special Assessment Bonds With Governmental Commitment</i>	
	<i>General Obligation Bonds</i>				<i>Principal</i>	<i>Interest</i>
	<i>Serial Bonds</i>		<i>Term Bonds</i>			
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>		
2007	\$655,000	\$447,141	\$0	\$229,254	\$34,916	\$6,316
2008	785,000	361,620	0	180,200	35,659	4,078
2009	815,000	324,363	0	180,200	11,459	1,783
2010	555,000	284,508	0	180,200	12,318	924
2011	595,000	257,749	0	180,200	0	0
2012-2016	2,040,000	932,085	0	901,000	0	0
2017-2021	1,745,000	453,790	365,000	901,000	0	0
2022-2026	555,000	197,875	2,070,000	669,400	0	0
2027-2031	515,000	61,800	2,070,000	257,800	0	0
Totals	<u>\$8,260,000</u>	<u>\$3,320,931</u>	<u>\$4,505,000</u>	<u>\$3,679,254</u>	<u>\$94,352</u>	<u>\$13,101</u>

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

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

<i>Year</i>	<i>Governmental Activities</i>			
	<i>OPWC Loans</i>		<i>Revenue Bonds</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2007	\$252,594	\$0	\$30,000	\$873,330
2008	252,593	0	185,000	864,575
2009	238,688	0	330,000	855,094
2010	224,783	0	395,000	838,181
2011	224,782	0	420,000	817,937
2012-2016	1,123,913	0	2,430,000	3,745,288
2017-2021	739,926	0	3,140,000	3,039,293
2022-2026	247,441	0	4,075,000	2,100,820
2027-2031	0	0	5,285,000	881,768
Totals	\$3,304,720	\$0	\$16,290,000	\$14,016,286

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

<i>Year</i>	<i>Business-Type Activities</i>			
	<i>Water OPWC Loans</i>		<i>Sewer OPWC Loans</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2007	\$24,722	\$5,571	\$57,966	\$27,178
2008	25,297	4,996	59,859	25,286
2009	22,414	4,403	61,814	23,331
2010	19,550	3,790	63,833	21,312
2011	20,183	3,157	65,918	19,226
2012-2016	84,452	6,067	344,285	62,374
2017-2021	0	0	216,800	18,284
Totals	\$196,618	\$27,984	\$870,475	\$196,991

FIRST MORTGAGE REVENUE REFUNDING BONDS

The 1992 Waterworks System First Mortgage Revenue Refunding Bonds were issued for the purpose of advance refunding the 1985 Waterworks System First Mortgage Refunding Revenue Bonds. This refunded bond issue was fully retired in 2006.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

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

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 in 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 Stringtown Road / Interstate 71 to McDowell 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 2006, a liability was included for \$746,397, which represents the amount of the loan used as of year-end.

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 current 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.

On August 23, 2006, the City issued \$8,730,000 in general obligation bonds for the purpose of retiring the Pinnacle Club Drive Construction and Improvement Notes. Of these bonds, \$4,225,000, are serial bonds and \$4,505,000 are term bonds. The bonds were issued for a twenty-five year period with final maturity in December 2031. The Serial Bonds mature from December 1, 2007 to December 1, 2020 and on December 1, 2029. The bonds will be retired from the Debt Service Fund.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

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

The term bonds, issued at \$4,505,000, maturing on December 1, 2021 to December 1, 2028 and December 1, 2030 and December 1, 2031 are subject to a mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount plus accrued interest to the date of redemption, on December 1, in the years and in the respective amounts as follows:

<u>Year</u>	<u>Amount</u>
2021	\$365,000
2022	380,000
2023	395,000
2024	415,000
2025	430,000
2026	450,000
2027	470,000
2028	495,000
2030	540,000
2031	565,000
	<u>\$4,505,000</u>

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. The special assessment bonds are backed by the full faith and credit of the City. 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.

TAX INCREMENT FINANCING REVENUE BONDS

On November 28, 2006, the City issued \$16,290,000 in tax increment financing revenue bonds for the purpose of retiring the 2006 Street and Infrastructure Construction Notes and the 2005 Buckeye Parkway Construction and Improvement Notes. The Series 2006 Revenue Bonds are special obligations of the City and do not constitute general obligations or pledge the faith and credit of the City but are payable from revenue in lieu of taxes. The bonds were issued for a twenty-five year period with final maturity in December 2031.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

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

The term bonds, issued at \$3,790,000, maturing on December 1, 2007 to December 1, 2016 are subject to a mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount plus accrued interest to the date of redemption, on December 1 in each of the years 2007 through 2016.

<u>Year</u>	<u>Amount</u>
2007	\$30,000
2008	185,000
2009	330,000
2010	395,000
2011	420,000
2012	440,000
2013	460,000
2014	485,000
2015	510,000
2016	535,000
	<u>\$3,790,000</u>

The term bonds, issued at \$12,500,000 maturing on December 1, 2017 to December 1, 2031 are subject to a mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount plus accrued interest to the date of redemption, on December 1 in each of the years 2017 through 2031.

<u>Year</u>	<u>Amount</u>
2017	\$565,000
2018	595,000
2019	625,000
2020	660,000
2021	695,000
2022	730,000
2023	770,000
2024	815,000
2025	855,000
2026	905,000
2027	950,000
2028	1,000,000
2029	1,055,000
2030	1,110,000
2031	1,170,000
	<u>\$12,500,000</u>

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

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

MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS

The City has one outstanding issue of multifamily housing revenue bonds in the aggregate principal amount of \$12,230,000 at December 31, 2006 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.

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.

NOTE 15 - SHORT-TERM OBLIGATIONS

A summary of the short-term note transactions for the year ended December 31, 2006 follows:

<i>Types / Issues</i>	<i>Balance 12/31/05</i>	<i>Issued</i>	<i>Retired</i>	<i>Balance 12/31/06</i>
2006 - 4.50% Street And Infrastructure Construction Notes \$8,327,000	\$0	\$8,327,000	\$8,327,000	\$0
2005 - 3.75% Street And Infrastructure Construction Notes \$9,790,000	9,790,000	0	9,790,000	0
2005 - 4.00% Pinnacle Club Drive Construction And Improvement Notes \$8,418,000	8,418,000	0	8,418,000	0
2005 - 4.50% Buckeye Parkway Construction And Improvement Notes \$7,723,000	7,723,000	0	7,723,000	0
Total Governmental Activities	<u>\$25,931,000</u>	<u>\$8,327,000</u>	<u>\$34,258,000</u>	<u>\$0</u>

On June 6, 2006, the City issued 4.50 percent Street and Infrastructure Construction Bond Anticipation Notes, Series 2006, in the amount of \$8,327,000. This note was used to repay the Street and Infrastructure Notes that were issued in June 22, 2005. The notes matured on December 6, 2006, and were retired with the issuance of the 2006 Buckeye Center TIF Revenue Bonds.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

NOTE 15 - SHORT-TERM OBLIGATIONS (Continued)

The Buckeye Parkway Construction and Improvement Notes matured on December 7, 2006, and were retired with the issuance of the 2006 Buckeye Center TIF Revenue Bonds.

The Pinnacle Club Drive Construction and Improvement Notes matured on August 24, 2006 and were retired with the issuance of the 2006 Pinnacle Club Drive Construction and Improvement Bonds.

NOTE 16 - CONSTRUCTION COMMITMENTS

The City has entered into various contracts for the construction and acquisition of capital assets. At December 31, 2006, the significant outstanding construction commitments are:

<i>Project</i>	<i>Contract Amount</i>	<i>Amount Expended</i>	<i>Balance At 12/31/06</i>
Improvement To Streets 2006 Contract A	\$1,181,247	\$966,334	\$214,913
Improvement To Streets 2006 Contract B	136,860	113,436	23,424
Meadow Grove Street Lighting Phase II	127,645	119,025	8,620
Groves Sanitary Sewer Rehab	67,544	10,979	56,565
Burr Oak , Meadow Lane, White Road Lane Improvements	516,134	232,032	284,102
City Hall New Roof	71,608	53,732	17,876
Totals	<u>\$2,101,038</u>	<u>\$1,495,538</u>	<u>\$605,500</u>

NOTE 17 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. 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, 2006

(Continued)

NOTE 18 - INTERFUND ACTIVITY

TRANSFERS

Transfers made during the year ended December 31, 2006 were as follows:

		<i>Transfers To</i>			
		<i>General</i>	<i>Road Improvement</i>	<i>Nonmajor Funds</i>	<i>Total</i>
<i>Transfers From</i>	<i>General</i>	\$0	\$0	\$29,000	\$29,000
	<i>Debt Service</i>	0	121,498	0	121,498
	<i>Buckeye Center TIF</i>	0	1,120,778	0	1,120,778
	<i>Nonmajor Funds</i>	187,500	0	0	187,500
	<i>Total</i>	<u>\$187,500</u>	<u>\$1,242,276</u>	<u>\$29,000</u>	<u>\$1,458,776</u>

A transfer was made to move unrestricted balances to support programs and projects accounted for in other funds. The transfers from the Debt Service Fund and the Buckeye Center TIF Debt Service Fund were made to move fund balance, on a GAAP basis, to the correct fund for the retirement of the 2005 Buckeye Parkway Construction and Improvement Notes and the 2006 Street and Infrastructure Construction Notes. The transfer from the Nonmajor Funds to the General Fund was to move the fund balance of a fund that was closed during the year that represented a portion of the U. S. Department of Justice Fund Balances.

INTERFUND PAYABLE/RECEIVABLE

Interfund balances at December 31, 2006 consisted of the following individual fund receivables and payables:

		<i>Payable</i>		
		<i>General Fund</i>	<i>Sewer Fund</i>	<i>Total</i>
<i>Receivable</i>	Water Fund	<u>\$22,911</u>	<u>\$100,000</u>	<u>\$122,911</u>

The General Fund payable to the Water fund is due to the Water Fund paying for an OPWC debt obligation of the General Fund. The Sewer Fund payable to the Water Fund is due to the Water Fund partially paying for a Sewer Fund project expenditure.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

(Continued)

NOTE 19 - SHARED RISK POOL

On January 1, 1992, the City joined the Central Ohio Health Care Consortium (the "Pool"), a risk-sharing pool, which provides employee health care benefits for all full-time employees who wish to participate in the Pool. The Pool consists of six 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 Pool 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 Pool 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 Pool for aggregate claims paid in excess of \$7,350,026 to a maximum of \$1,000,000 annually. In the event that the losses of the Pool in any year exceeds amounts paid to the Pool, 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. In the event that an entity should withdraw from the plan, the withdrawing member is required to either reimburse the Pool for any claims paid on its behalf or the member must pay the claims directly.

NOTE 20 - CONTINGENT LIABILITIES

LITIGATION

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

FEDERAL AND STATE GRANTS

For the period January 1, 2006, to December 31, 2006, 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 March 15, 2007, the City issued \$9,530,240 in S. R. 665 Construction and Improvement Notes, Series 2007. The notes were issued at a rate of 4.0 percent and will mature on March 14, 2008. The notes were issued for the purpose of widening, reconstructing, and improving S. R. 665.

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.

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.

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.

(Continued)

CITY OF GROVE CITY, OHIO

***Nonmajor Fund Descriptions
(Continued)***

Nonmajor Special Revenue Funds

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 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.

Garden At Gantz Fund

The Garden At Gantz Fund accounts for resources obtained from the sale of plants and donations for the upkeep of the gardens located at the Gantz City Park.

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 and used for the operation of the Big Splash recreational water facility at Evans Park.

FEMA Fund

The FEMA Fund accounts for federal monies received by the City to assist in the cost of repairs and clean up of natural emergencies.

Senior Stage Fund

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 Fund

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's 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 Fund

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.

CITY OF GROVE CITY, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds**

December 31, 2006

	<i>Nonmajor Special Revenue Funds</i>	<i>Nonmajor Capital Projects Fund</i>	<i>Total Nonmajor Governmental Funds</i>
<u>Assets:</u>			
Equity In Pooled Cash And Cash Equivalents	\$3,097,820	\$429,835	\$3,527,655
Cash And Cash Equivalents With Fiscal Agents	397,149	0	397,149
Receivables:			
Property And Other Local Taxes Accounts	11,572 811	0 0	11,572 811
Due From Other Governments	753,508	0	753,508
Materials And Supplies Inventory	22,269	0	22,269
<i>Total Assets</i>	<u>\$4,283,129</u>	<u>\$429,835</u>	<u>\$4,712,964</u>
<u>Liabilities And Fund Balances</u>			
<u>Liabilities:</u>			
Accounts Payable	\$43,551	\$719	\$44,270
Contracts Payable	0	1,119	1,119
Accrued Wages	715	0	715
Due To Other Governments	40,967	0	40,967
Deferred Revenue	623,057	0	623,057
<i>Total Liabilities</i>	<u>708,290</u>	<u>1,838</u>	<u>710,128</u>
<u>Fund Balances:</u>			
Reserved For Encumbrances	334,344	83,277	417,621
Unreserved:			
Undesignated, Reported In:			
Special Revenue Funds	3,240,495	0	3,240,495
Capital Projects Fund	0	344,720	344,720
<i>Total Fund Balances</i>	<u>3,574,839</u>	<u>427,997</u>	<u>4,002,836</u>
<i>Total Liabilities And Fund Balances</i>	<u>\$4,283,129</u>	<u>\$429,835</u>	<u>\$4,712,964</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, 2006

	<i>Nonmajor Special Revenue Funds</i>	<i>Nonmajor Capital Projects Fund</i>	<i>Total Nonmajor Governmental Funds</i>
<u>Revenues:</u>			
Other Local Taxes	\$175,296	\$0	\$175,296
Intergovernmental	1,769,847	0	1,769,847
Charges For Services	1,212,095	0	1,212,095
Licenses And Permits	71,306	189,212	260,518
Fines And Forfeitures	34,446	0	34,446
Interest	23,543	0	23,543
Rent	21,990	0	21,990
Contributions And Donations	52,190	0	52,190
Miscellaneous	24,312	0	24,312
<i>Total Revenues</i>	<u>3,385,025</u>	<u>189,212</u>	<u>3,574,237</u>
<u>Expenditures:</u>			
Current Operations And Maintenance:			
Security Of Persons And Property	39,099	0	39,099
Public Health	27,077	0	27,077
Leisure Time Activities	1,306,040	1,838	1,307,878
Community Development	205,070	0	205,070
Transportation	1,100,085	0	1,100,085
General Government	37,645	0	37,645
Capital Outlay	115,028	115,603	230,631
<i>Total Expenditures</i>	<u>2,830,044</u>	<u>117,441</u>	<u>2,947,485</u>
Excess Of Revenues Over Expenditures	<u>554,981</u>	<u>71,771</u>	<u>626,752</u>
<u>Other Financing Sources (Uses):</u>			
Transfers - In	29,000	0	29,000
Transfers - Out	<u>(187,500)</u>	<u>0</u>	<u>(187,500)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(158,500)</u>	<u>0</u>	<u>(158,500)</u>
Net Change In Fund Balance	396,481	71,771	468,252
Fund Balances At Beginning Of Year	<u>3,178,358</u>	<u>356,226</u>	<u>3,534,584</u>
<i>Fund Balances At End Of Year</i>	<u><u>\$3,574,839</u></u>	<u><u>\$427,997</u></u>	<u><u>\$4,002,836</u></u>

CITY OF GROVE CITY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds**

December 31, 2006

	Street Maintenance	State Highway	General Recreation	City Permissive MVL
<u>Assets:</u>				
Equity In Pooled Cash And Cash Equivalents	\$1,264,345	\$211,468	\$550,396	\$166,527
Cash And Cash Equivalents				
With Fiscal Agents	0	0	0	0
Receivables:				
Property And Other Local Taxes	0	0	0	0
Accounts	0	0	425	0
Due From Other Governments	584,895	47,424	0	78,171
Materials And Supplies Inventory	4,113	18,156	0	0
Total Assets	\$1,853,353	\$277,048	\$550,821	\$244,698
<u>Liabilities And Fund Balances</u>				
<u>Liabilities:</u>				
Accounts Payable	\$8,273	\$566	\$31,018	\$195
Accrued Wages	57	0	539	0
Due To Other Governments	15,651	0	20,954	858
Deferred Revenue	485,666	39,378	0	65,796
Total Liabilities	509,647	39,944	52,511	66,849
<u>Fund Balances:</u>				
Reserved For Encumbrances	92,376	0	121,847	16,664
Unreserved, Undesignated	1,251,330	237,104	376,463	161,185
Total Fund Balances	1,343,706	237,104	498,310	177,849
Total Liabilities And Fund Balances	\$1,853,353	\$277,048	\$550,821	\$244,698

<i>County Permissive MVL</i>	<i>Senior Nutrition</i>	<i>Drug Law Enforcement</i>	<i>DARE Program</i>	<i>Community Development</i>
\$183,801	\$15,004	\$4,817	\$44,282	\$171,115
397,149	0	0	0	0
0	0	0	0	11,572
0	0	0	0	386
38,276	0	0	0	0
0	0	0	0	0
<u>\$619,226</u>	<u>\$15,004</u>	<u>\$4,817</u>	<u>\$44,282</u>	<u>\$183,073</u>
\$0	\$0	\$0	\$0	\$301
0	0	0	0	0
0	0	0	0	323
32,217	0	0	0	0
<u>32,217</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>624</u>
65,178	0	0	3,198	27,917
<u>521,831</u>	<u>15,004</u>	<u>4,817</u>	<u>41,084</u>	<u>154,532</u>
587,009	15,004	4,817	44,282	182,449
<u>\$619,226</u>	<u>\$15,004</u>	<u>\$4,817</u>	<u>\$44,282</u>	<u>\$183,073</u>

(Continued)

CITY OF GROVE CITY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
(Continued)**

December 31, 2006

	<i>Community Environment</i>	<i>Enforcement And Education</i>	<i>Gardens At Gantz</i>	<i>U. S. Department Of Justice</i>
<u>Assets:</u>				
Equity In Pooled Cash And Cash Equivalents	\$329,013	\$9,730	\$300	\$36,537
Cash And Cash Equivalents				
With Fiscal Agents	0	0	0	0
Receivables:				
Property And Other Local Taxes	0	0	0	0
Accounts	0	0	0	0
Due From Other Governments	4,692	50	0	0
Materials And Supplies Inventory	0	0	0	0
Total Assets	\$333,705	\$9,780	\$300	\$36,537
<u>Liabilities And Fund Balances</u>				
<u>Liabilities:</u>				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages	0	0	0	0
Due To Other Governments	0	0	0	0
Deferred Revenue	0	0	0	0
Total Liabilities	0	0	0	0
<u>Fund Balances:</u>				
Reserved For Encumbrances	0	0	0	0
Unreserved, Undesignated	333,705	9,780	300	36,537
Total Fund Balances	333,705	9,780	300	36,537
Total Liabilities And Fund Balances	\$333,705	\$9,780	\$300	\$36,537

<i>Mayor's Court Computer</i>	<i>Big Splash</i>	<i>Senior Stage</i>	<i>Park Donation</i>	<i>Total</i>
\$50,487	\$47,341	\$5,444	\$7,213	\$3,097,820
0	0	0	0	397,149
0	0	0	0	11,572
0	0	0	0	811
0	0	0	0	753,508
0	0	0	0	22,269
<u>\$50,487</u>	<u>\$47,341</u>	<u>\$5,444</u>	<u>\$7,213</u>	<u>\$4,283,129</u>
\$0	\$3,198	\$0	\$0	\$43,551
0	119	0	0	715
0	3,181	0	0	40,967
0	0	0	0	623,057
<u>0</u>	<u>6,498</u>	<u>0</u>	<u>0</u>	<u>708,290</u>
1,200	5,964	0	0	334,344
<u>49,287</u>	<u>34,879</u>	<u>5,444</u>	<u>7,213</u>	<u>3,240,495</u>
<u>50,487</u>	<u>40,843</u>	<u>5,444</u>	<u>7,213</u>	<u>3,574,839</u>
<u>\$50,487</u>	<u>\$47,341</u>	<u>\$5,444</u>	<u>\$7,213</u>	<u>\$4,283,129</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, 2006

	<i>Street Maintenance</i>	<i>State Highway</i>	<i>General Recreation</i>	<i>City Permissive MVL</i>
<u>Revenues:</u>				
Other Local Taxes	\$0	\$0	\$0	\$0
Intergovernmental	1,277,122	100,498	12,000	153,583
Charges For Services	0	0	955,161	0
Licenses And Permits	0	0	0	0
Fines And Forfeitures	0	0	0	0
Interest	13,878	2,298	0	1,595
Rent	0	0	15,110	0
Contributions And Donations	0	0	16,710	0
Miscellaneous	4,845	0	7,646	220
Total Revenues	1,295,845	102,796	1,006,627	155,398
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property	0	0	0	0
Public Health	0	0	0	0
Leisure Time Activities	0	0	1,069,907	0
Community Development	0	0	0	0
Transportation	943,721	75,413	0	53,577
General Government	0	0	0	0
Capital Outlay	15,000	0	0	0
Total Expenditures	958,721	75,413	1,069,907	53,577
Excess Of Revenues Over (Under) Expenditures	337,124	27,383	(63,280)	101,821
<u>Other Financing Sources (Uses):</u>				
Transfers - In	0	0	0	0
Transfers - Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change In Fund Balance	337,124	27,383	(63,280)	101,821
Fund Balances At Beginning Of Year	1,006,582	209,721	561,590	76,028
Fund Balances At End Of Year	\$1,343,706	\$237,104	\$498,310	\$177,849

<i>County Permissive MVL</i>	<i>Senior Nutrition</i>	<i>Drug Law Enforcement</i>	<i>DARE Program</i>	<i>Community Development</i>
\$0	\$0	\$0	\$0	\$175,296
209,754	0	0	0	0
0	34,730	0	0	0
0	0	0	0	0
0	0	8,400	0	0
5,772	0	0	0	0
0	0	0	0	0
0	0	0	28,170	0
0	90	1,475	0	6,111
<u>215,526</u>	<u>34,820</u>	<u>9,875</u>	<u>28,170</u>	<u>181,407</u>
0	0	12,888	11,866	0
0	27,077	0	0	0
0	0	0	0	0
0	0	0	0	126,794
27,374	0	0	0	0
0	0	0	0	0
100,028	0	0	0	0
<u>127,402</u>	<u>27,077</u>	<u>12,888</u>	<u>11,866</u>	<u>126,794</u>
<u>88,124</u>	<u>7,743</u>	<u>(3,013)</u>	<u>16,304</u>	<u>54,613</u>
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
88,124	7,743	(3,013)	16,304	54,613
498,885	7,261	7,830	27,978	127,836
<u>\$587,009</u>	<u>\$15,004</u>	<u>\$4,817</u>	<u>\$44,282</u>	<u>\$182,449</u>

(Continued)

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, 2006

	Community Environment	Enforcement And Education	Garden At Gantz	U. S. Department Of Justice
<u>Revenues:</u>				
Other Local Taxes	\$0	\$0	\$0	\$0
Intergovernmental	16,890	0	0	0
Charges For Services	0	0	0	0
Licenses And Permits	71,306	0	0	0
Fines And Forfeitures	0	3,219	0	0
Interest	0	0	0	0
Rent	0	0	0	0
Contributions And Donations	0	0	0	0
Miscellaneous	3,372	0	0	0
Total Revenues	91,568	3,219	0	0
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property	0	0	0	0
Public Health	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Development	78,276	0	0	0
Transportation	0	0	0	0
General Government	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	78,276	0	0	0
Excess Of Revenues Over (Under) Expenditures	13,292	3,219	0	0
<u>Other Financing Sources (Uses):</u>				
Transfers - In	0	0	0	0
Transfers - Out	0	0	0	(187,500)
Total Other Financing Sources (Uses)	0	0	0	(187,500)
Net Change In Fund Balance	13,292	3,219	0	(187,500)
Fund Balances At Beginning Of Year	320,413	6,561	300	224,037
Fund Balances At End Of Year	\$333,705	\$9,780	\$300	\$36,537

<i>Mayor's Court Computer</i>	<i>Big Splash</i>	<i>FEMA</i>	<i>Senior Stage</i>	<i>Park Donation</i>	<i>Total</i>
\$0	\$0	\$0	\$0	\$0	\$175,296
0	0	0	0	0	1,769,847
0	222,204	0	0	0	1,212,095
0	0	0	0	0	71,306
22,827	0	0	0	0	34,446
0	0	0	0	0	23,543
0	6,880	0	0	0	21,990
0	0	0	2,050	5,260	52,190
0	553	0	0	0	24,312
<u>22,827</u>	<u>229,637</u>	<u>0</u>	<u>2,050</u>	<u>5,260</u>	<u>3,385,025</u>
14,345	0	0	0	0	39,099
0	0	0	0	0	27,077
0	233,830	0	0	2,303	1,306,040
0	0	0	0	0	205,070
0	0	0	0	0	1,100,085
0	0	37,645	0	0	37,645
0	0	0	0	0	115,028
<u>14,345</u>	<u>233,830</u>	<u>37,645</u>	<u>0</u>	<u>2,303</u>	<u>2,830,044</u>
<u>8,482</u>	<u>(4,193)</u>	<u>(37,645)</u>	<u>2,050</u>	<u>2,957</u>	<u>554,981</u>
0	29,000	0	0	0	29,000
0	0	0	0	0	(187,500)
<u>0</u>	<u>29,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(158,500)</u>
8,482	24,807	(37,645)	2,050	2,957	396,481
42,005	16,036	37,645	3,394	4,256	3,178,358
<u>\$50,487</u>	<u>\$40,843</u>	<u>\$0</u>	<u>\$5,444</u>	<u>\$7,213</u>	<u>\$3,574,839</u>



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 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, 2006

	<u>Section 125 Cafeteria Plan</u>	<u>Deposit Trust</u>
<u>Assets:</u>		
Equity In Pooled Cash And Cash Equivalents	\$9,300	\$1,204,412
Receivables:		
Other Local Taxes	<u>0</u>	<u>0</u>
 <i>Total Assets</i>	 <u><u>\$9,300</u></u>	 <u><u>\$1,204,412</u></u>
<u>Liabilities:</u>		
Undistributed Assets	\$0	\$0
Deposits Held And Due To Others	<u>9,300</u>	<u>1,204,412</u>
 <i>Total Liabilities</i>	 <u><u>\$9,300</u></u>	 <u><u>\$1,204,412</u></u>

<i>Convention Bureau</i>	<i>Total</i>
\$17,234	\$1,230,946
<u>11,572</u>	<u>11,572</u>
<u>\$28,806</u>	<u>\$1,242,518</u>
\$28,806	\$28,806
<u>0</u>	<u>1,213,712</u>
<u>\$28,806</u>	<u>\$1,242,518</u>

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2006

	<i>Balance January 1, 2006</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance December 31, 2006</i>
<u>SECTION 125 CAFETERIA PLAN</u>				
<u>Assets:</u>				
Equity In Pooled Cash And Cash Equivalents	\$4,981	\$30,754	\$26,435	\$9,300
<u>Liabilities:</u>				
Deposits Held And Due To Others	\$4,981	\$30,754	\$26,435	\$9,300
 <u>DEPOSIT TRUST</u>				
<u>Assets:</u>				
Equity In Pooled Cash And Cash Equivalents	\$1,335,620	\$2,024,356	\$2,155,564	\$1,204,412
<u>Liabilities:</u>				
Deposits Held And Due To Others	\$1,335,620	\$2,024,356	\$2,155,564	\$1,204,412
 <u>MAYOR'S COURT</u>				
<u>Assets:</u>				
Equity In Pooled Cash And Cash Equivalents	\$0	\$60,617	\$60,617	\$0
<u>Liabilities:</u>				
Deposits Held And Due To Others	\$0	\$60,617	\$60,617	\$0

(Continued)

CITY OF GROVE CITY, OHIO

**Combining Statement Of Changes In Assets And Liabilities
Agency Funds
(Continued)**

For The Year Ended December 31, 2006

	<i>Balance January 1, 2006</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance December 31, 2006</i>
<u>CONVENTION BUREAU</u>				
<u>Assets:</u>				
Equity In Pooled Cash And Cash Equivalents	\$11,500	\$172,483	\$166,749	\$17,234
Receivables:				
Other Local Taxes	8,759	11,572	8,759	11,572
Total Assets	\$20,259	\$184,055	\$175,508	\$28,806
<u>Liabilities:</u>				
Undistributed Assets	\$20,259	\$184,055	\$175,508	\$28,806
 <u>TOTAL - ALL AGENCY FUNDS</u>				
<u>Assets:</u>				
Equity In Pooled Cash And Cash Equivalents	\$1,352,101	\$2,288,210	\$2,409,365	\$1,230,946
Receivables:				
Other Local Taxes	8,759	11,572	8,759	11,572
Total Assets	\$1,360,860	\$2,299,782	\$2,418,124	\$1,242,518
<u>Liabilities:</u>				
Undistributed Assets	\$20,259	\$184,055	\$175,508	\$28,806
Deposits Held And Due To Others	1,340,601	2,115,727	2,242,616	1,213,712
Total Liabilities	\$1,360,860	\$2,299,782	\$2,418,124	\$1,242,518

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, 2006

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Property Taxes	\$1,275,779	\$1,415,412	\$1,481,026	\$65,614
Municipal Income Taxes	15,275,130	15,305,675	16,859,571	1,553,896
Other Local Taxes	550,000	550,000	694,943	144,943
Intergovernmental	1,350,000	1,350,000	1,746,864	396,864
Charges For Services	124,000	124,000	144,015	20,015
Licenses And Permits	454,000	454,000	706,782	252,782
Fines And Forfeitures	155,000	155,000	218,390	63,390
Special Assessments	23,000	23,000	48,814	25,814
Interest	300,000	300,000	1,163,273	863,273
Rent	0	0	29,491	29,491
Contributions And Donations	100,000	100,000	2,000	(98,000)
Miscellaneous	50,000	50,000	108,771	58,771
Total Revenues	19,656,909	19,827,087	23,203,940	3,376,853
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Personal Services	6,637,629	6,807,252	6,535,374	271,878
Materials And Supplies	237,031	279,931	277,331	2,600
Contractual Services	446,290	503,102	489,275	13,827
Other Operating Charges	10,000	10,000	10,000	0
Total Police Department	7,330,950	7,600,285	7,311,980	288,305
Garage				
Personal Services	60,734	62,636	60,390	2,246
Materials And Supplies	227,650	265,989	229,869	36,120
Contractual Services	3,000	3,000	555	2,445
Total Garage	291,384	331,625	290,814	40,811
Safety Administration				
Personal Services	27,040	27,040	23,450	3,590
Total Security Of Persons And Property	7,649,374	7,958,950	7,626,244	332,706
Public Health				
Health Department				
Contractual Services	201,500	203,740	198,609	5,131
Leisure Time Activities				
Parks				
Personal Services	343,983	362,461	310,375	52,086
Materials And Supplies	30,100	33,569	25,904	7,665
Contractual Services	194,850	222,908	188,796	34,112
Total Leisure Time Activities	\$568,933	\$618,938	\$525,075	\$93,863

(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, 2006

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
Community Development				
Development				
Personal Services	\$180,132	\$191,181	\$187,081	\$4,100
Materials And Supplies	5,000	5,101	3,584	1,517
Contractual Services	<u>65,000</u>	<u>79,769</u>	<u>68,692</u>	<u>11,077</u>
Total Development	<u>250,132</u>	<u>276,051</u>	<u>259,357</u>	<u>16,694</u>
Building Department				
Personal Services	665,917	738,579	594,541	144,038
Materials And Supplies	47,793	65,250	57,528	7,722
Contractual Services	<u>46,540</u>	<u>57,600</u>	<u>57,151</u>	<u>449</u>
Total Building Department	<u>760,250</u>	<u>861,429</u>	<u>709,220</u>	<u>152,209</u>
Total Community Development	<u>1,010,382</u>	<u>1,137,480</u>	<u>968,577</u>	<u>168,903</u>
General Government				
City Council				
Personal Services	109,808	116,426	114,114	2,312
Materials And Supplies	1,200	1,433	1,242	191
Contractual Services	<u>20,300</u>	<u>22,642</u>	<u>15,898</u>	<u>6,744</u>
Total City Council	<u>131,308</u>	<u>140,501</u>	<u>131,254</u>	<u>9,247</u>
Administration				
Personal Services	273,464	283,399	244,635	38,764
Materials And Supplies	16,510	18,824	11,588	7,236
Contractual Services	<u>20,500</u>	<u>24,627</u>	<u>24,420</u>	<u>207</u>
Total Administration	<u>310,474</u>	<u>326,850</u>	<u>280,643</u>	<u>46,207</u>
History				
Materials And Supplies	500	500	0	500
Contractual Services	<u>10,000</u>	<u>10,000</u>	<u>4,526</u>	<u>5,474</u>
Total History	<u>10,500</u>	<u>10,500</u>	<u>4,526</u>	<u>5,974</u>
Finance				
Personal Services	303,896	327,054	276,597	50,457
Materials And Supplies	14,675	16,265	13,944	2,321
Contractual Services	<u>622,000</u>	<u>689,491</u>	<u>639,588</u>	<u>49,903</u>
Total Finance	<u>\$940,571</u>	<u>\$1,032,810</u>	<u>\$930,129</u>	<u>\$102,681</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, 2006

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
Law				
Personal Services	\$99,123	\$139,654	\$126,793	\$12,861
Materials And Supplies	5,100	5,120	4,316	804
Contractual Services	<u>352,000</u>	<u>381,042</u>	<u>317,998</u>	<u>63,044</u>
Total Law	<u>456,223</u>	<u>525,816</u>	<u>449,107</u>	<u>76,709</u>
Lands And Buildings				
Personal Services	609,272	619,685	604,632	15,053
Materials And Supplies	146,850	167,544	127,925	39,619
Contractual Services	<u>681,908</u>	<u>778,381</u>	<u>715,871</u>	<u>62,510</u>
Total Lands And Buildings	<u>1,438,030</u>	<u>1,565,610</u>	<u>1,448,428</u>	<u>117,182</u>
General Miscellaneous				
Personal Services	725,123	720,557	662,332	58,225
Materials And Supplies	17,834	20,097	12,355	7,742
Contractual Services	957,900	1,019,408	828,725	190,683
Other Operating Charges	<u>190,000</u>	<u>213,925</u>	<u>180,356</u>	<u>33,569</u>
Total General Miscellaneous	<u>1,890,857</u>	<u>1,973,987</u>	<u>1,683,768</u>	<u>290,219</u>
Engineering				
Contractual Services	<u>395,000</u>	<u>1,106,201</u>	<u>1,090,310</u>	<u>15,891</u>
Planning Commission				
Contractual Services	<u>18,000</u>	<u>18,000</u>	<u>0</u>	<u>18,000</u>
Civil Service				
Contractual Services	<u>0</u>	<u>4,460</u>	<u>4,320</u>	<u>140</u>
Information System				
Personal Services	235,461	243,858	212,094	31,764
Materials And Supplies	2,500	2,137	2,082	55
Contractual Services	<u>176,660</u>	<u>199,449</u>	<u>199,445</u>	<u>4</u>
Total Information System	<u>414,621</u>	<u>445,444</u>	<u>413,621</u>	<u>31,823</u>
Public Information				
Personal Services	125,594	127,997	123,714	4,283
Materials And Supplies	10,500	11,435	6,991	4,444
Contractual Services	<u>117,500</u>	<u>141,796</u>	<u>137,134</u>	<u>4,662</u>
Total Public Information	<u>\$253,594</u>	<u>\$281,228</u>	<u>\$267,839</u>	<u>\$13,389</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, 2006

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
Human Resource				
Personal Services	\$61,441	\$61,441	\$61,441	\$0
Materials And Supplies	200	200	0	200
Contractual Services	70,000	75,600	13,934	61,666
Total Human Resource	<u>131,641</u>	<u>137,241</u>	<u>75,375</u>	<u>61,866</u>
Total General Government	<u>6,390,819</u>	<u>7,568,648</u>	<u>6,779,320</u>	<u>789,328</u>
Capital Outlay:				
Police Department	515,000	917,110	916,491	619
Parks And Recreation	657,450	1,059,744	772,849	286,895
Development	4,000	6,000	5,149	851
Building Department	11,000	38,128	35,564	2,564
Lands And Buildings	1,208,500	1,581,781	1,370,661	211,120
City Council	3,000	3,000	2,814	186
Administration	7,000	7,000	5,287	1,713
History	0	34,871	34,871	0
Finance	2,000	2,000	0	2,000
General Miscellaneous	30,000	69,570	42,200	27,370
Engineering	2,429,829	8,247,169	7,675,477	571,692
Information System	431,000	430,657	430,080	577
Public Information	2,500	2,500	2,500	0
Total Capital Outlay	<u>5,301,279</u>	<u>12,399,530</u>	<u>11,293,943</u>	<u>1,105,587</u>
Debt Service:				
Principal Retirement	291,100	291,100	216,105	74,995
Total Expenditures	<u>21,413,387</u>	<u>30,178,386</u>	<u>27,607,873</u>	<u>2,570,513</u>
Excess Of Revenues Over (Under) Expenditures	<u>(1,756,478)</u>	<u>(10,351,299)</u>	<u>(4,403,933)</u>	<u>5,947,366</u>
<u>Other Financing Sources (Uses):</u>				
Transfers - In	0	0	187,500	187,500
Transfers - Out	(80,000)	(120,000)	(29,000)	91,000
Total Other Financing Sources (Uses)	<u>(80,000)</u>	<u>(120,000)</u>	<u>158,500</u>	<u>278,500</u>
Net Change In Fund Balance	(1,836,478)	(10,471,299)	(4,245,433)	6,225,866
Fund Balance At Beginning Of Year	11,892,968	11,892,968	11,892,968	0
Prior Year Encumbrances	7,234,108	7,234,108	7,234,108	0
Fund Balance At End Of Year	<u>\$17,290,598</u>	<u>\$8,655,777</u>	<u>\$14,881,643</u>	<u>\$6,225,866</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, 2006

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Property Taxes	\$738,412	\$816,979	\$823,952	\$6,973
Intergovernmental	88,189	105,872	87,597	(18,275)
<i>Total Revenues</i>	826,601	922,851	911,549	(11,302)
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Personal Services	974,000	1,064,835	1,064,835	0
Net Change In Fund Balance	(147,399)	(141,984)	(153,286)	(11,302)
Fund Balance At Beginning Of Year	460,022	460,022	460,022	0
Prior Year Encumbrances	90,835	90,835	90,835	0
<i>Fund Balance At End Of Year</i>	<u>\$403,458</u>	<u>\$408,873</u>	<u>\$397,571</u>	<u>(\$11,302)</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, 2006

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Property Taxes	\$805,370	\$891,849	\$913,172	\$21,323
Intergovernmental	76,084	204,017	97,141	(106,876)
Special Assessments	30,327	81,320	38,720	(42,600)
Interest	62,976	168,870	117,878	(50,992)
<i>Total Revenues</i>	<u>974,757</u>	<u>1,346,056</u>	<u>1,166,911</u>	<u>(179,145)</u>
<u>Expenditures:</u>				
Debt Service:				
Principal Retirement	802,000	8,967,224	8,967,224	0
Interest And Fiscal Charges	14,000	827,812	786,466	41,346
Issuance Costs	0	124,675	124,675	0
<i>Total Expenditures</i>	<u>816,000</u>	<u>9,919,711</u>	<u>9,878,365</u>	<u>41,346</u>
Excess Of Revenues Over (Under) Expenditures	<u>158,757</u>	<u>(8,573,655)</u>	<u>(8,711,454)</u>	<u>(137,799)</u>
<u>Other Financing Sources:</u>				
Proceeds Of Bonds	0	8,767,472	8,730,000	(37,472)
Premium On Debt Issued	0	63,700	63,700	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>8,831,172</u>	<u>8,793,700</u>	<u>(37,472)</u>
Net Change In Fund Balance	158,757	257,517	82,246	(175,271)
Fund Balance At Beginning Of Year	1,924,402	1,924,402	1,924,402	0
Prior Year Encumbrances	8,148	8,148	8,148	0
<i>Fund Balance At End Of Year</i>	<u><u>\$2,091,307</u></u>	<u><u>\$2,190,067</u></u>	<u><u>\$2,014,796</u></u>	<u><u>(\$175,271)</u></u>

CITY OF GROVE CITY, OHIO

Buckeye Center TIF 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, 2006

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Revenue In Lieu Of Taxes	\$619,175	\$1,189,505	\$1,101,794	(\$87,711)
Intergovernmental	20,495	20,495	18,984	(1,511)
<i>Total Revenues</i>	<u>639,670</u>	<u>1,210,000</u>	<u>1,120,778</u>	<u>(89,222)</u>
<u>Expenditures:</u>				
Debt Service:				
Principal Retirement	639,670	15,978,010	15,940,449	37,561
Issuance Costs	0	232,392	232,392	0
<i>Total Expenditures</i>	<u>639,670</u>	<u>16,210,402</u>	<u>16,172,841</u>	<u>37,561</u>
Excess Of Revenues Under Expenditures	0	(15,000,402)	(15,052,063)	(51,661)
<u>Other Financing Sources:</u>				
Revenue Bonds Issued	0	16,290,000	16,290,000	0
Net Change In Fund Balance	0	1,289,598	1,237,937	(51,661)
Fund Balance At Beginning Of Year	0	0	0	0
<i>Fund Balance At End Of Year</i>	<u>\$0</u>	<u>\$1,289,598</u>	<u>\$1,237,937</u>	<u>(\$51,661)</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, 2006

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$0	\$95,706	\$134,782	\$39,076
Interest	0	313,087	440,916	127,829
<i>Total Revenues</i>	<u>0</u>	<u>408,793</u>	<u>575,698</u>	<u>166,905</u>
<u>Expenditures:</u>				
Capital Outlay:				
Infrastructure	647,928	3,877,854	3,478,870	398,984
Debt Service:				
Principal Retirement	0	9,899,551	9,899,551	0
Interest And Fiscal Charges	0	936,408	936,408	0
<i>Total Debt Service</i>	<u>0</u>	<u>10,835,959</u>	<u>10,835,959</u>	<u>0</u>
<i>Total Expenditures</i>	<u>647,928</u>	<u>14,713,813</u>	<u>14,314,829</u>	<u>398,984</u>
Excess Of Revenues Over (Under) Expenditures	<u>(647,928)</u>	<u>(14,305,020)</u>	<u>(13,739,131)</u>	<u>565,889</u>
<u>Other Financing Sources:</u>				
Issuance Of OPWC Loan	0	718,756	456,302	(262,454)
Issuance Of Bond Anticipation Notes	0	8,327,000	8,327,000	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>9,045,756</u>	<u>8,783,302</u>	<u>(262,454)</u>
Net Change In Fund Balance	(647,928)	(5,259,264)	(4,955,829)	303,435
Fund Balance At Beginning Of Year	1,637,275	1,637,275	1,637,275	0
Prior Year Encumbrances	3,625,161	3,625,161	3,625,161	0
<i>Fund Balance At End Of Year</i>	<u>\$4,614,508</u>	<u>\$3,172</u>	<u>\$306,607</u>	<u>\$303,435</u>

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, 2006

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Charges For Services	\$530,000	\$803,437	\$511,106	(\$292,331)
Tap-In Fees	70,000	381,815	242,891	(138,924)
Interest	18,000	39,404	25,067	(14,337)
Miscellaneous	0	14,896	8,677	(6,219)
<i>Total Revenues</i>	<u>618,000</u>	<u>1,239,552</u>	<u>787,741</u>	<u>(451,811)</u>
<u>Expenses:</u>				
Personal Services	48,330	56,609	44,526	12,083
Contractual Services	11,585	19,809	9,958	9,851
Supplies And Materials	19,429	23,054	11,065	11,989
Other Operating Charges	0	26,448	26,448	0
Capital Outlay	385,000	636,811	620,966	15,845
Debt Service:				
Principal Retirement	294,177	280,683	242,075	38,608
Interest And Fiscal Charges	0	13,494	13,997	(503)
<i>Total Expenses</i>	<u>758,521</u>	<u>1,056,908</u>	<u>969,035</u>	<u>87,873</u>
Net Change In Fund Equity	(140,521)	182,644	(181,294)	(363,938)
Fund Equity At Beginning Of Year	1,648,540	1,648,540	1,648,540	0
Prior Year Encumbrances	<u>298,387</u>	<u>298,387</u>	<u>298,387</u>	<u>0</u>
<i>Fund Equity At End Of Year</i>	<u>\$1,806,406</u>	<u>\$2,129,571</u>	<u>\$1,765,633</u>	<u>(\$363,938)</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, 2006

	<i>Original Budget</i>	<i>Revised Budget</i>	<i>Budgetary Actual</i>	<i>Variance Positive (Negative)</i>
<i>Revenues:</i>				
Charges For Services	\$415,000	\$428,943	\$575,462	\$146,519
Tap-In Fees	300,000	921,805	771,334	(150,471)
Miscellaneous	4,500	3,840	600	(3,240)
<i>Total Revenues</i>	719,500	1,354,588	1,347,396	(7,192)
<i>Expenses:</i>				
Personal Services	341,717	399,570	318,087	81,483
Contractual Services	207,100	281,685	141,249	140,436
Supplies And Materials	28,450	67,656	61,392	6,264
Other Operating Charges	100,000	116,800	17,400	99,400
Capital Outlay	420,000	535,627	295,632	239,995
Debt Service:				
Principal Retirement	88,000	58,989	56,133	2,856
Interest And Fiscal Charges	0	29,011	29,011	0
<i>Total Expenses</i>	1,185,267	1,489,338	918,904	570,434
Net Change In Fund Equity	(465,767)	(134,750)	428,492	563,242
Fund Equity At Beginning Of Year	1,765,090	1,765,090	1,765,090	0
Prior Year Encumbrances	274,070	274,070	274,070	0
<i>Fund Equity At End Of Year</i>	\$1,573,393	\$1,904,410	\$2,467,652	\$563,242

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, 2006

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$860,000	\$860,000	\$1,261,190	\$401,190
Interest	0	0	13,878	13,878
Contributions And Donations	6,000	6,000	0	(6,000)
Miscellaneous	1,000	1,000	4,845	3,845
<i>Total Revenues</i>	<u>867,000</u>	<u>867,000</u>	<u>1,279,913</u>	<u>412,913</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Transportation				
Street Maintenance				
Personal Services	721,853	774,634	740,175	34,459
Materials And Supplies	176,475	190,472	182,396	8,076
Contractual Services	102,900	119,487	67,203	52,284
Other Operating Charges	10,200	12,837	12,603	234
Total Transportation	1,011,428	1,097,430	1,002,377	95,053
Capital Outlay:				
Engineering	0	55,396	55,396	0
<i>Total Expenditures</i>	<u>1,011,428</u>	<u>1,152,826</u>	<u>1,057,773</u>	<u>95,053</u>
Net Change In Fund Balance	(144,428)	(285,826)	222,140	507,966
Fund Balance At Beginning Of Year	790,463	790,463	790,463	0
Prior Year Encumbrances	141,398	141,398	141,398	0
<i>Fund Balance At End Of Year</i>	<u><u>\$787,433</u></u>	<u><u>\$646,035</u></u>	<u><u>\$1,154,001</u></u>	<u><u>\$507,966</u></u>

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, 2006

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$76,000	\$76,000	\$99,206	\$23,206
Miscellaneous	0	0	2,298	2,298
<i>Total Revenues</i>	<u>76,000</u>	<u>76,000</u>	<u>101,504</u>	<u>25,504</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Transportation				
Street Maintenance				
Materials And Supplies	67,000	75,190	72,256	2,934
Contractual Services	10,000	10,000	3,621	6,379
<i>Total Expenditures</i>	<u>77,000</u>	<u>85,190</u>	<u>75,877</u>	<u>9,313</u>
Net Change In Fund Balance	(1,000)	(9,190)	25,627	34,817
Fund Balance At Beginning Of Year	177,651	177,651	177,651	0
Prior Year Encumbrances	8,190	8,190	8,190	0
<i>Fund Balance At End Of Year</i>	<u><u>\$184,841</u></u>	<u><u>\$176,651</u></u>	<u><u>\$211,468</u></u>	<u><u>\$34,817</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, 2006

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$13,781	\$13,781	\$12,000	(\$1,781)
Charges For Services	1,072,148	1,072,148	955,538	(116,610)
Rent	19,542	19,542	15,110	(4,432)
Contributions And Donations	20,679	20,679	16,710	(3,969)
Miscellaneous	10,350	10,350	7,646	(2,704)
<i>Total Revenues</i>	<u>1,136,500</u>	<u>1,136,500</u>	<u>1,007,004</u>	<u>(129,496)</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Leisure Time Activities				
Recreation				
Personal Services	785,293	867,763	712,480	155,283
Materials And Supplies	286,500	333,151	274,634	58,517
Contractual Services	211,800	246,934	220,331	26,603
Other Operating Charges	12,000	22,355	14,326	8,029
<i>Total Expenditures</i>	<u>1,295,593</u>	<u>1,470,203</u>	<u>1,221,771</u>	<u>248,432</u>
Net Change In Fund Balance	(159,093)	(333,703)	(214,767)	118,936
Fund Balance At Beginning Of Year	434,118	434,118	434,118	0
Prior Year Encumbrances	172,609	172,609	172,609	0
<i>Fund Balance At End Of Year</i>	<u>\$447,634</u>	<u>\$273,024</u>	<u>\$391,960</u>	<u>\$118,936</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, 2006

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$182,000	\$182,000	\$154,338	(\$27,662)
Interest	0	0	1,595	1,595
Miscellaneous	1,000	1,000	220	(780)
<i>Total Revenues</i>	<u>183,000</u>	<u>183,000</u>	<u>156,153</u>	<u>(26,847)</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Transportation				
Street Maintenance				
Personal Services	54,501	62,702	26,315	36,387
Materials And Supplies	54,000	59,968	38,513	21,455
Contractual Services	13,000	13,000	10,436	2,564
<i>Total Expenditures</i>	<u>121,501</u>	<u>135,670</u>	<u>75,264</u>	<u>60,406</u>
Net Change In Fund Balance	61,499	47,330	80,889	33,559
Fund Balance At Beginning Of Year	54,468	54,468	54,468	0
Prior Year Encumbrances	14,169	14,169	14,169	0
<i>Fund Balance At End Of Year</i>	<u><u>\$130,136</u></u>	<u><u>\$115,967</u></u>	<u><u>\$149,526</u></u>	<u><u>\$33,559</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, 2006

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$90,000	\$90,000	\$75,571	(\$14,429)
Interest	0	0	5,772	5,772
<i>Total Revenues</i>	<u>90,000</u>	<u>90,000</u>	<u>81,343</u>	<u>(8,657)</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Transportation				
Street Maintenance				
Materials And Supplies	80,000	81,780	81,300	480
Contractual Services	12,000	12,000	11,252	748
<i>Total Transportation</i>	<u>92,000</u>	<u>93,780</u>	<u>92,552</u>	<u>1,228</u>
Capital Outlay:				
Engineering	110,000	110,000	100,028	9,972
<i>Total Expenditures</i>	<u>202,000</u>	<u>203,780</u>	<u>192,580</u>	<u>11,200</u>
Net Change In Fund Balance	(112,000)	(113,780)	(111,237)	2,543
Fund Balance At Beginning Of Year	228,079	228,079	228,079	0
Prior Year Encumbrances	1,783	1,783	1,783	0
<i>Fund Balance At End Of Year</i>	<u><u>\$117,862</u></u>	<u><u>\$116,082</u></u>	<u><u>\$118,625</u></u>	<u><u>\$2,543</u></u>

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, 2006

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Charges For Services	\$5,000	\$35,000	\$34,730	(\$270)
Miscellaneous	0	0	90	90
<i>Total Revenues</i>	5,000	35,000	34,820	(180)
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Public Health				
Other Public Health Services				
Other Operating Charges	5,000	28,000	27,077	923
Net Change In Fund Balance	0	7,000	7,743	743
Fund Balance At Beginning Of Year	7,261	7,261	7,261	0
<i>Fund Balance At End Of Year</i>	<u>\$7,261</u>	<u>\$14,261</u>	<u>\$15,004</u>	<u>\$743</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, 2006

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Fines And Forfeitures	\$0	\$8,400	\$8,400	\$0
Miscellaneous	0	1,475	1,475	0
<i>Total Revenues</i>	0	9,875	9,875	0
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Materials And Supplies	7,830	15,451	12,888	2,563
Net Change In Fund Balance	(7,830)	(5,576)	(3,013)	2,563
Fund Balance At Beginning Of Year	7,830	7,830	7,830	0
<i>Fund Balance At End Of Year</i>	\$0	\$2,254	\$4,817	\$2,563

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, 2006

	<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	\$14,021	\$28,170	\$14,149
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Materials And Supplies	<u>0</u>	<u>16,000</u>	<u>15,064</u>	<u>936</u>
Net Change In Fund Balance	7,500	(1,979)	13,106	15,085
Fund Balance At Beginning Of Year	<u>27,978</u>	<u>27,978</u>	<u>27,978</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$35,478</u></u>	<u><u>\$25,999</u></u>	<u><u>\$41,084</u></u>	<u><u>\$15,085</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, 2006

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Other Local Taxes	\$140,000	\$140,000	\$172,483	\$32,483
Miscellaneous	0	0	5,725	5,725
<i>Total Revenues</i>	<u>140,000</u>	<u>140,000</u>	<u>178,208</u>	<u>38,208</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Community Development				
Community Development				
Personal Services	17,273	19,077	10,737	8,340
Materials And Supplies	7,000	7,568	7,369	199
Contractual Services	1,000	1,000	0	1,000
Other Operating Charges	128,750	148,504	137,574	10,930
<i>Total Expenditures</i>	<u>154,023</u>	<u>176,149</u>	<u>155,680</u>	<u>20,469</u>
Net Change In Fund Balance	(14,023)	(36,149)	22,528	58,677
Fund Balance At Beginning Of Year	98,503	98,503	98,503	0
Prior Year Encumbrances	<u>22,127</u>	<u>22,127</u>	<u>22,127</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$106,607</u></u>	<u><u>\$84,481</u></u>	<u><u>\$143,158</u></u>	<u><u>\$58,677</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, 2006

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$0	\$0	\$15,160	\$15,160
Licenses And Permits	7,500	7,500	71,306	63,806
Miscellaneous	0	0	3,372	3,372
<i>Total Revenues</i>	<u>7,500</u>	<u>7,500</u>	<u>89,838</u>	<u>82,338</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Community Development				
Materials And Supplies	7,000	7,000	6,721	279
Contractual Services	0	82,613	71,555	11,058
<i>Total Expenditures</i>	<u>7,000</u>	<u>89,613</u>	<u>78,276</u>	<u>11,337</u>
Net Change In Fund Balance	500	(82,113)	11,562	93,675
Fund Balance At Beginning Of Year	311,575	311,575	311,575	0
Prior Year Encumbrances	5,876	5,876	5,876	0
<i>Fund Balance At End Of Year</i>	<u><u>\$317,951</u></u>	<u><u>\$235,338</u></u>	<u><u>\$329,013</u></u>	<u><u>\$93,675</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, 2006

	<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	\$3,000	\$3,295	\$295
<u>Expenditures:</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change In Fund Balance	3,000	3,000	3,295	295
Fund Balance At Beginning Of Year	<u>6,435</u>	<u>6,435</u>	<u>6,435</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$9,435</u></u>	<u><u>\$9,435</u></u>	<u><u>\$9,730</u></u>	<u><u>\$295</u></u>

CITY OF GROVE CITY, OHIO

Garden At Gantz 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, 2006

	<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>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change In Fund Balance	0	0	0	0
Fund Balance At Beginning Of Year	<u>300</u>	<u>300</u>	<u>300</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$300</u></u>	<u><u>\$300</u></u>	<u><u>\$300</u></u>	<u><u>\$0</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, 2006

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$0	\$0	\$31,150	\$31,150
<u>Expenditures:</u>				
Capital Outlay:				
Police Department	<u>5,351</u>	<u>5,351</u>	<u>0</u>	<u>5,351</u>
Excess Of Revenues Over (Under) Expenditures	(5,351)	(5,351)	31,150	36,501
<u>Other Financing Uses:</u>				
Operating Transfers - Out	<u>(187,500)</u>	<u>(187,500)</u>	<u>(187,500)</u>	<u>0</u>
Net Change In Fund Balance	(192,851)	(192,851)	(156,350)	36,501
Fund Balance At Beginning Of Year	<u>192,887</u>	<u>192,887</u>	<u>192,887</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$36</u></u>	<u><u>\$36</u></u>	<u><u>\$36,537</u></u>	<u><u>\$36,501</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, 2006

	<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	22,827	7,827
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Contractual Services	18,000	18,000	15,545	2,455
Capital Outlay:				
Police Department	4,500	4,500	0	4,500
Total Expenditures	22,500	22,500	15,545	6,955
Net Change In Fund Balance	(7,500)	(7,500)	7,282	14,782
Fund Balance At Beginning Of Year	40,385	40,385	40,385	0
Fund Balance At End Of Year	32,885	32,885	47,667	14,782

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, 2006

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Charges For Services	\$250,250	\$250,250	\$222,204	(\$28,046)
Rent	5,400	5,400	6,880	1,480
Miscellaneous	0	0	553	553
Total Revenues	255,650	255,650	229,637	(26,013)
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Leisure Time Activities				
Recreation				
Personal Services	193,449	193,449	175,320	18,129
Materials And Supplies	22,200	22,200	21,043	1,157
Contractual Services	41,500	44,860	37,208	7,652
Other Operating Charges	7,140	7,140	6,626	514
Total Expenditures	264,289	267,649	240,197	27,452
Excess Of Revenues Over (Under) Expenditures	(8,639)	(11,999)	(10,560)	1,439
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Receipts	(2,000)	(2,000)	(1,215)	785
Transfers - In	0	0	29,000	29,000
Total Other Financing Sources (Uses)	(2,000)	(2,000)	27,785	29,785
Net Change In Fund Balance	(10,639)	(13,999)	17,225	31,224
Fund Balance At Beginning Of Year	16,548	16,548	16,548	0
Prior Year Encumbrances	3,359	3,359	3,359	0
Fund Balance At End Of Year	\$9,268	\$5,908	\$37,132	\$31,224

CITY OF GROVE CITY, OHIO

FEMA 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, 2006

	<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>				
Current Operations And Maintenance:				
General Government				
General Miscellaneous				
Other Operating Charges	<u>37,645</u>	<u>37,645</u>	<u>37,645</u>	<u>0</u>
Net Change In Fund Balance	(37,645)	(37,645)	(37,645)	0
Fund Balance At Beginning Of Year	0	0	0	0
Prior Year Encumbrances	<u>37,645</u>	<u>37,645</u>	<u>37,645</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

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, 2006

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Contributions And Donations	\$0	\$1,550	\$2,050	\$500
<u>Expenditures:</u>				
Capital Outlay:				
Parks And Recreation	<u>3,354</u>	<u>4,904</u>	<u>0</u>	<u>4,904</u>
Net Change In Fund Balance	(3,354)	(3,354)	2,050	5,404
Fund Balance At Beginning Of Year	<u>3,394</u>	<u>3,394</u>	<u>3,394</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$40</u></u>	<u><u>\$40</u></u>	<u><u>\$5,444</u></u>	<u><u>\$5,404</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, 2006

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Contributions And Donations	0	\$8,653	\$5,260	(\$3,393)
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Leisure Time Activities				
Recreation				
Materials And Supplies	0	5,705	2,000	3,705
Capital Outlay:				
Parks And Recreation	2,000	2,000	303	1,697
Total Expenditures	<u>2,000</u>	<u>7,705</u>	<u>2,303</u>	<u>5,402</u>
Net Change In Fund Balance	(2,000)	948	2,957	2,009
Fund Balance At Beginning Of Year	<u>4,256</u>	<u>4,256</u>	<u>4,256</u>	<u>0</u>
Fund Balance At End Of Year	<u><u>\$2,256</u></u>	<u><u>\$5,204</u></u>	<u><u>\$7,213</u></u>	<u><u>\$2,009</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, 2006

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Licenses And Permits	\$100,000	\$100,000	\$189,212	\$89,212
<u>Expenditures:</u>				
Capital Outlay:				
Parks And Recreation	221,500	228,909	201,869	27,040
Net Change In Fund Balance	(121,500)	(128,909)	(12,657)	116,252
Fund Balance At Beginning Of Year	350,008	350,008	350,008	0
Prior Year Encumbrances	7,409	7,409	7,409	0
<i>Fund Balance At End Of Year</i>	<u>\$235,917</u>	<u>\$228,508</u>	<u>\$344,760</u>	<u>\$116,252</u>

CITY OF GROVE CITY, OHIO

STATISTICAL SECTION



18 52

OHIO



STATISTICAL TABLES

This part of the City of Grove City’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

<u>CONTENTS</u>	<u>PAGES</u>
Financial Trends	123-129
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
Revenue Capacity	130-131
These schedules contain information to help the reader assess the City’s most significant local revenue sources, income taxes.	
Debt Capacity	132-139
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Demographic and Economic Information	140-141
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	
Operating Information	142-146
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented *GASB Statement No. 34* in 2002. Schedules presenting government-wide information include information beginning in that year.



CITY OF GROVE CITY, OHIO

*Net Assets By Components
Last Five Years
(accrual basis of accounting)*

TABLE 1

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental Activities:					
Invested in Capital Assets, Net of Related Debt	\$118,271,112	\$128,823,756	\$131,541,261	\$129,747,946	\$152,289,386
Restricted	5,456,247	15,342,440	7,171,787	8,966,640	11,607,974
Unrestricted	<u>16,511,889</u>	<u>6,969,952</u>	<u>18,378,378</u>	<u>21,928,148</u>	<u>21,653,757</u>
<i>Total Governmental Activities Net Assets</i>	<u>140,239,248</u>	<u>151,136,148</u>	<u>157,091,426</u>	<u>160,642,734</u>	<u>185,551,117</u>
Business-Type Activities:					
Invested in Capital Assets, Net of Related Debt	26,825,486	26,720,560	29,097,153	35,711,995	41,892,487
Restricted	277,380	277,306	277,704	303,305	0
Unrestricted	<u>2,618,333</u>	<u>2,836,065</u>	<u>3,030,823</u>	<u>3,871,428</u>	<u>4,990,621</u>
<i>Total Business-Type Activities</i>	<u>29,721,199</u>	<u>29,833,931</u>	<u>32,405,680</u>	<u>39,886,728</u>	<u>46,883,108</u>
Primary Government:					
Invested in Capital Assets, Net of Related Debt	145,096,598	155,544,316	160,638,414	165,459,941	194,181,873
Restricted	5,733,627	15,619,746	7,449,491	9,269,945	11,607,974
Unrestricted	<u>19,130,222</u>	<u>9,806,017</u>	<u>21,409,201</u>	<u>25,799,576</u>	<u>26,644,378</u>
<i>Total Primary Government Net Assets</i>	<u>\$169,960,447</u>	<u>\$180,970,079</u>	<u>\$189,497,106</u>	<u>\$200,529,462</u>	<u>\$232,434,225</u>

CITY OF GROVE CITY, OHIO

**Changes In Net Assets
Last Five Years
(accrual basis of accounting)**

TABLE 2

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Program Revenues:					
Governmental Activities:					
Charges For Services:					
Security Of Persons And Property	\$309,365	\$325,025	\$326,449	\$345,816	\$384,831
Public Health	90,645	0	0	13,350	34,730
Leisure Time Activities	1,247,357	1,363,264	1,355,898	1,493,001	1,388,567
Community Development	403,313	874,309	848,772	916,819	782,966
Transportation	0	0	176,669	233,387	74,744
General Government	12,575	276,418	35,399	30,432	42,840
Operating Grants, Contributions And Interest	1,601,207	1,662,922	1,574,992	2,011,152	1,839,548
Capital Grants, Contributions And Interest	2,193,223	794,556	967,111	2,308,353	25,892,937
<i>Total Governmental Activities Program Revenues</i>	<u>5,857,685</u>	<u>5,296,494</u>	<u>5,285,290</u>	<u>7,352,310</u>	<u>30,441,163</u>
Business-Type Activities:					
Charges For Services:					
Water	426,079	504,933	544,006	902,148	760,355
Sewer	321,391	344,215	379,919	419,055	552,866
Capital Grants, Contributions And Interest	714,582	492,312	1,113,278	6,930,563	6,241,921
<i>Total Business-Type Activities Program Revenues</i>	<u>1,462,052</u>	<u>1,341,460</u>	<u>2,037,203</u>	<u>8,251,766</u>	<u>7,555,142</u>
<i>Total Primary Government Program Revenues</i>	<u>7,319,737</u>	<u>6,637,954</u>	<u>7,322,493</u>	<u>15,604,076</u>	<u>37,996,305</u>
Expenses:					
Governmental Activities:					
Security Of Persons And Property	6,213,923	6,620,720	7,777,311	8,072,763	8,756,725
Public Health	316,933	276,176	255,097	198,126	223,883
Leisure Time Activities	2,468,187	1,895,869	2,290,652	2,470,743	2,148,506
Community Development	917,167	1,080,886	1,152,824	1,271,478	1,120,005
Transportation	1,014,035	1,091,121	1,353,924	4,630,846	8,515,515
General Government	4,363,435	3,660,892	5,213,511	6,996,686	7,650,006
Interest And Fiscal Charges	477,561	579,482	581,264	1,087,320	1,233,592
<i>Total Governmental Activities Expenses</i>	<u>15,771,241</u>	<u>15,205,146</u>	<u>18,624,583</u>	<u>24,727,962</u>	<u>29,648,232</u>
Business-Type Activities:					
Water	568,830	435,147	482,039	625,928	821,112
Sewer	895,000	1,012,708	897,353	1,138,042	1,141,117
<i>Total Business-Type Activities Expenses</i>	<u>1,463,830</u>	<u>1,447,855</u>	<u>1,379,392</u>	<u>1,763,970</u>	<u>1,962,229</u>
<i>Total Primary Government Expenses</i>	<u>\$17,235,071</u>	<u>\$16,653,001</u>	<u>\$20,003,975</u>	<u>\$26,491,932</u>	<u>\$31,610,461</u>

(Continued)

CITY OF GROVE CITY, OHIO

*Changes in Net Assets
Last Five Years
(accrual basis of accounting)
(continued)*

TABLE 2

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Net (Expense) / Revenues:					
Governmental Activities	(\$9,913,556)	(\$9,908,652)	(\$13,339,293)	(\$17,375,652)	\$792,931
Business-Type Activities	(1,778)	(106,395)	657,811	6,487,796	5,592,913
<i>Total Primary Government Net Assets</i>	<u>(9,915,334)</u>	<u>(10,015,047)</u>	<u>(12,681,482)</u>	<u>(10,887,856)</u>	<u>6,385,844</u>
General Revenues and Transfers:					
Governmental Activities:					
Property Taxes Levied For General Purposes	1,718,790	1,768,060	1,799,108	1,228,149	1,476,272
Property Taxes Levied For Debt Service	754,820	763,926	716,408	752,816	910,242
Property Taxes Levied For Police	587,781	637,412	646,524	676,590	821,228
Property Taxes Levied For Community Development	165,387	154,732	159,660	0	0
Revenue In Lieu Of Taxes	0	0	0	0	2,601,794
Other Local Taxes	0	0	0	780,473	882,644
Municipal Income Tax Levied For General Purposes	15,372,667	14,859,483	15,342,810	16,730,688	15,593,062
Grants And Entitlements Not Restricted	2,031,459	2,011,979	1,940,042	778,752	1,796,892
Rent	0	21,722	0	0	0
Unrestricted Investment Earnings	459,190	271,514	222,169	558,560	1,260,942
Other	333,507	515,356	364,547	337,772	133,292
Transfers	(139,162)	(198,632)	(1,896,697)	(916,840)	(1,360,916)
<i>Total Governmental Activities</i>	<u>21,284,439</u>	<u>20,805,552</u>	<u>19,294,571</u>	<u>20,926,960</u>	<u>24,115,452</u>
Business-Type Activities:					
Grants And Entitlements Not Restricted	22,015	18,416	0	55,911	33,274
Unrestricted Investment Earnings	170,503	2,079	17,241	20,501	9,277
Transfers	139,162	198,632	1,896,697	916,840	1,360,916
<i>Total Business-Type Activities</i>	<u>331,680</u>	<u>219,127</u>	<u>1,913,938</u>	<u>993,252</u>	<u>1,403,467</u>
Change In Net Assets:					
Governmental Activities	11,370,883	10,896,900	5,955,278	3,551,308	24,908,383
Business-Type Activities	329,902	112,732	2,571,749	7,481,048	6,996,380
<i>Total Primary Government</i>	<u>\$11,700,785</u>	<u>\$11,009,632</u>	<u>\$8,527,027</u>	<u>\$11,032,356</u>	<u>\$31,904,763</u>

CITY OF GROVE CITY, OHIO

**Fund Balances - Governmental Funds
Last Ten Years
(modified accrual basis of accounting)**

TABLE 3

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
General Fund					
Reserved	\$2,150,640	\$4,210,692	\$3,209,188	\$3,525,065	\$3,096,839
Unreserved	5,803,812	5,382,524	7,346,877	9,927,178	13,175,538
<i>Total General Fund</i>	<u>7,954,452</u>	<u>9,593,216</u>	<u>10,556,065</u>	<u>13,452,243</u>	<u>16,272,377</u>
All Other Governmental Funds					
Reserved	1,534,311	2,019,865	3,130,147	618,985	1,209,386
Unreserved, Undesignated (Deficit)					
Reported In:					
Special Revenue Funds	1,381,639	1,455,954	2,449,424	2,237,424	2,719,747
Debt Service Funds	1,147,727	963,878	753,793	1,027,129	1,196,785
Capital Projects Funds	(1,521,133)	(1,951,718)	(2,763,887)	(1,506,541)	(867,744)
<i>Total All Other Governmental Funds</i>	<u>2,542,544</u>	<u>2,487,979</u>	<u>3,569,477</u>	<u>2,376,997</u>	<u>4,258,174</u>
<i>Total Governmental Funds</i>	<u>\$10,496,996</u>	<u>\$12,081,195</u>	<u>\$14,125,542</u>	<u>\$15,829,240</u>	<u>\$20,530,551</u>

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
\$5,442,276	\$3,761,539	\$3,810,321	\$5,626,637	\$5,216,142
12,267,796	14,439,903	13,726,108	13,188,548	16,362,239
<u>17,710,072</u>	<u>18,201,442</u>	<u>17,536,429</u>	<u>18,815,185</u>	<u>21,578,381</u>
4,396,943	3,529,671	10,579,170	3,233,582	3,396,504
2,645,987	2,070,442	2,708,086	3,047,244	3,395,878
1,297,592	1,419,428	1,762,199	1,905,094	1,828,294
937,313	(139,887)	(15,828,723)	(24,361,025)	732,729
<u>9,277,835</u>	<u>6,879,654</u>	<u>(779,268)</u>	<u>(16,175,105)</u>	<u>9,353,405</u>
<u>\$26,987,907</u>	<u>\$25,081,096</u>	<u>\$16,757,161</u>	<u>\$2,640,080</u>	<u>\$30,931,786</u>

CITY OF GROVE CITY, OHIO

**Changes In Fund Balances - Governmental Funds
Last Ten Years
(modified accrual basis of accounting)**

TABLE 4

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Revenues:				
Property Taxes	\$1,811,197	\$1,868,314	\$1,863,136	\$2,168,790
Revenue In Lieu Of Taxes	0	0	0	0
Municipal Income Taxes	7,870,588	9,224,779	10,698,896	12,001,602
Other Local Taxes	546,205	576,837	619,640	713,219
Intergovernmental	3,802,296	4,040,704	5,139,965	3,790,545
Charges For Services	901,731	1,015,984	1,107,631	1,182,128
Licenses And Permits	448,184	510,155	753,284	737,471
Fines And Forfeitures	158,830	152,302	149,261	185,957
Special Assessments	109,671	112,900	135,143	249,172
Interest	583,917	692,330	692,905	1,142,395
Increase (Decrease) In Fair Value Of Investments	0	0	0	0
Rent	0	0	0	0
Contributions And Donations	0	0	0	0
Miscellaneous	334,688	391,201	369,769	197,738
<i>Total Revenues</i>	<u>16,567,307</u>	<u>18,585,506</u>	<u>21,529,630</u>	<u>22,369,017</u>
Expenditures:				
Current Operations And Maintenance:				
Security of Persons And Property	3,738,520	3,975,713	4,425,832	6,110,569
Public Health	147,277	160,275	176,003	269,098
Leisure Time Activities	1,345,214	2,192,457	1,404,377	1,589,606
Community Development	589,431	659,990	654,022	822,290
Transportation	747,959	885,314	847,889	975,507
General Government	2,128,362	2,614,399	3,233,356	2,350,469
Capital Outlay	4,327,631	6,046,940	8,109,880	7,869,269
Debt Service:				
Principal Retirement	743,163	788,505	854,594	929,817
Interest And Fiscal Charges	601,708	501,249	474,533	534,455
Issuance Costs	0	0	0	0
Deferred Charges	0	0	0	0
<i>Total Expenditures</i>	<u>14,369,265</u>	<u>17,824,842</u>	<u>20,180,486</u>	<u>21,451,080</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,198,042</u>	<u>760,664</u>	<u>1,349,144</u>	<u>917,937</u>
Other Financing Sources (Uses):				
Issuance Of OPWC Loan	0	458,229	669,515	628,689
Premium On Debt Issued	0	0	0	0
General Obligation Bonds Issued	0	200,000	0	0
Revenue Bonds Issued	0	0	0	0
Notes Issued	0	0	0	0
Inception Of Capital Lease	0	0	25,688	0
Current Refunding	0	0	0	0
Proceeds From Sale Of Capital Assets	0	165,306	0	157,072
Issuance Of Refunding Bonds	0	0	0	0
Payment Of Refunded Bonds	0	0	0	0
Transfers - In	393,123	324,178	354,155	509,500
Transfers - Out	(387,387)	(324,178)	(354,155)	(509,500)
<i>Total Other Financing Sources (Uses)</i>	<u>5,736</u>	<u>823,535</u>	<u>695,203</u>	<u>785,761</u>
<i>Net Change in Fund Balances</i>	<u>\$2,203,778</u>	<u>\$1,584,199</u>	<u>\$2,044,347</u>	<u>\$1,703,698</u>
<i>Debt Service As A Percentage Of Noncapital Expenditures</i>	13.4%	11.0%	11.0%	10.8%

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
\$2,269,870	\$2,430,982	\$2,627,857	\$2,557,486	\$2,633,055	\$3,218,150
0	0	0	0	0	1,101,794
13,347,610	15,248,743	14,458,885	13,624,118	15,679,344	17,065,753
697,804	750,185	723,303	781,617	768,143	826,628
3,334,238	5,594,874	4,481,523	4,339,465	4,687,994	3,826,781
1,254,477	1,332,815	1,653,811	1,374,320	1,323,490	1,356,110
595,803	542,107	997,929	946,310	1,211,756	967,300
200,183	188,333	187,276	198,211	207,624	249,419
155,408	68,030	80,814	86,112	81,799	87,534
857,554	492,714	335,697	549,955	1,084,906	1,735,731
0	0	0	(116,005)	(60,428)	8,577
0	0	21,722	42,730	44,357	51,481
0	0	0	45,430	55,379	54,190
326,071	333,507	515,356	92,912	73,382	133,292
<u>23,039,018</u>	<u>26,982,290</u>	<u>26,084,173</u>	<u>24,522,661</u>	<u>27,790,801</u>	<u>30,682,740</u>
5,161,180	5,614,357	6,215,034	7,169,373	7,539,806	8,092,726
325,658	317,182	276,176	255,097	198,126	223,883
1,824,651	2,064,003	1,653,070	1,789,778	1,851,767	1,762,494
844,130	866,989	1,084,086	1,123,302	1,122,303	1,068,489
886,156	1,041,692	1,053,306	1,206,133	1,126,447	1,100,085
3,202,712	3,325,872	3,749,317	4,754,778	5,439,363	5,620,981
6,967,423	12,430,636	13,258,603	16,757,169	16,138,194	7,793,740
992,722	977,693	7,038,085	7,791,315	743,800	791,246
432,079	410,048	526,344	631,910	1,209,421	1,120,325
0	0	0	0	0	357,067
0	0	0	37,651	0	0
<u>20,636,711</u>	<u>27,048,472</u>	<u>34,854,021</u>	<u>41,516,506</u>	<u>35,369,227</u>	<u>27,931,036</u>
2,402,307	(66,182)	(8,769,848)	(16,993,845)	(7,578,426)	2,751,704
434,127	397,693	94,868	428,275	1,120,620	456,302
0	0	34,773	271,635	264,390	63,700
1,840,000	0	0	0	0	8,730,000
0	0	0	0	0	16,290,000
0	6,000,000	6,700,000	7,925,000	0	0
12,592	0	10,485	0	1,335	0
0	0	0	0	(7,925,000)	0
12,285	125,845	0	0	0	0
0	0	0	1,360,000	0	0
0	0	0	(1,315,000)	0	0
0	0	72,911	74,000	40,000	1,458,776
0	0	(50,000)	(74,000)	(40,000)	(1,458,776)
<u>2,299,004</u>	<u>6,523,538</u>	<u>6,863,037</u>	<u>8,669,910</u>	<u>(6,538,655)</u>	<u>25,540,002</u>
<u>\$4,701,311</u>	<u>\$6,457,356</u>	<u>(\$1,906,811)</u>	<u>(\$8,323,935)</u>	<u>(\$14,117,081)</u>	<u>\$28,291,706</u>
10.4%	8.9%	35.0%	34.2%	10.2%	11.4%

CITY OF GROVE CITY, OHIO

**Income Tax Revenue By Payer Type (1)
Last Ten Years
(cash basis of accounting)**

TABLE 5

<i>Year</i>	<i>Individual</i>					<i>Business Accounts</i>		<i>Total</i>	
	<i>Withholding</i>	<i>Percentage Of Total</i>	<i>Non-Withholding</i>	<i>Percentage Of Total</i>	<i>Total Individual</i>	<i>Percentage Of Total</i>	<i>Business Accounts</i>		
1997	\$6,240,513	82%	\$709,169	9%	\$6,949,682	91%	\$724,577	9%	\$7,674,259
1998	7,012,659	78%	697,472	8%	7,710,131	86%	1,326,475	14%	9,036,606
1999	8,131,674	79%	807,211	8%	8,938,885	87%	1,308,484	13%	10,247,369
2000	9,952,680	82%	798,767	7%	10,751,447	89%	1,413,420	11%	12,164,867
2001	10,551,096	82%	971,005	8%	11,522,101	90%	1,419,799	10%	12,941,900
2002	10,960,730	80%	1,005,683	7%	11,966,413	87%	1,817,686	13%	13,784,099
2003	11,020,416	76%	1,301,125	9%	12,321,541	85%	2,143,022	15%	14,464,563
2004	11,208,037	79%	1,095,884	8%	12,303,921	87%	1,921,150	13%	14,225,071
2005	10,607,902	74%	1,457,238	10%	12,065,140	84%	2,218,294	16%	14,283,434
2006	12,222,273	73%	1,525,159	9%	13,747,432	82%	3,117,743	18%	16,865,175

Source: City of Columbus Ohio, Division of Income Tax and Regional Income Tax Agency

(1) These amounts are reported gross and do not take into account tax refunds or adjustments. Income tax revenues are credited to the General Fund.

The City levies a municipal income tax of 2.0 percent. This rate has been the same for all ten years presented.

CITY OF GROVE CITY, OHIO

**Principal Income Taxpayers - Individual Filers
12/31/2005 (1)**

TABLE 6

<i>Range of Withholding Amount</i>	<i>2005 (1)</i>	
	<i>Number Of Individual Filers</i>	<i>Percentage Of Individual Filers</i>
\$200,000 and higher	80	0.75%
\$175,000 - 199,999	66	0.62%
\$150,000 - 174,999	147	1.38%
\$125,000 - 149,999	316	2.97%
\$100,000 - 124,999	762	7.15%
\$75,000 - 99,999	1,357	12.74%
\$50,000 - 74,999	1,956	18.36%
\$25,000 - 49,999	2,517	23.62%
\$24,999 and lower	3,453	32.41%
Total	10,654	100.00%

(1) This is the latest information available

Source: Regional Income Tax Agency

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

Information prior to 2005 was not available.

CITY OF GROVE CITY, OHIO

**Computation Of Legal Debt Margin
Last Ten Years**

TABLE 7

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Total Assessed Valuation	\$404,149,591	\$445,428,807	\$517,062,465	\$547,248,291
Overall debt limitation - 10.5% of assessed valuation	<u>42,435,707</u>	<u>46,770,025</u>	<u>54,291,559</u>	<u>57,461,071</u>
Gross indebtedness authorized by Council	12,500,259	12,000,968	15,246,074	13,277,688
Less Debt Outside Limitation	<u>(6,425,843)</u>	<u>(6,300,156)</u>	<u>(6,528,866)</u>	<u>(6,539,084)</u>
Net Debt Subject to Limitation	6,074,416	5,700,812	8,717,208	6,738,604
Less amount available in the Debt Service Funds	<u>(1,147,727)</u>	<u>(963,878)</u>	<u>(753,793)</u>	<u>(1,027,129)</u>
Total Net Debt Subject to Limitation	<u>4,926,689</u>	<u>4,736,934</u>	<u>7,963,415</u>	<u>5,711,475</u>
Legal debt margin within 10.5% limitation	<u>\$37,509,018</u>	<u>\$42,033,091</u>	<u>\$46,328,144</u>	<u>\$51,749,596</u>
Legal Debt Margin as a Percentage of the Debt Limit	88.4%	89.9%	85.3%	90.1%
<hr/>				
Unvoted debt limitation 5.5% of assessed valuation	\$22,228,228	\$24,498,584	\$28,438,436	\$30,098,656
Gross indebtedness authorized by Council	12,500,259	12,000,968	15,246,074	13,277,688
Less Debt Outside Limitation	<u>(6,425,843)</u>	<u>(6,300,156)</u>	<u>(6,528,866)</u>	<u>(6,539,084)</u>
Net Debt Subject to Limitation	<u>6,074,416</u>	<u>5,700,812</u>	<u>8,717,208</u>	<u>6,738,604</u>
Debt within 10.5% limitation	6,074,416	5,700,812	8,717,208	6,738,604
Less amount available in the Debt Service Funds	<u>(1,147,727)</u>	<u>(963,878)</u>	<u>(753,793)</u>	<u>(1,027,129)</u>
Total Net Debt Subject to Limitation	<u>4,926,689</u>	<u>4,736,934</u>	<u>7,963,415</u>	<u>5,711,475</u>
Legal debt margin within 10% limitation	<u>\$17,301,539</u>	<u>\$19,761,650</u>	<u>\$20,475,021</u>	<u>\$24,387,181</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	77.8%	80.7%	72.0%	81.0%

Ohio Bond Law sets a limit of 10.5% for voted debt and 5.5% for unvoted debt.

<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>
\$588,752,852	\$664,972,469	\$684,813,923	\$711,751,699	\$812,782,633	\$839,491,937
61,819,049	69,822,109	71,905,462	74,733,928	85,342,176	88,146,653
12,569,422	17,770,815	24,694,397	33,482,291	35,785,797	34,267,562
(6,254,422)	(5,870,815)	(5,138,397)	(4,688,291)	(5,304,797)	(5,212,562)
6,315,000	11,900,000	19,556,000	28,794,000	30,481,000	29,055,000
(1,196,785)	(1,297,592)	(1,419,428)	(1,535,271)	(1,913,242)	(3,339,448)
5,118,215	10,602,408	18,136,572	27,258,729	28,567,758	25,715,552
<u>\$56,700,834</u>	<u>\$59,219,701</u>	<u>\$53,768,890</u>	<u>\$47,475,199</u>	<u>\$56,774,418</u>	<u>\$62,431,101</u>
91.7%	84.8%	74.8%	63.5%	66.5%	70.8%
\$32,381,407	\$36,573,486	\$37,664,766	\$39,146,343	\$44,703,045	\$46,172,057
12,569,422	17,770,815	24,694,397	33,482,291	35,785,797	34,267,562
(6,254,422)	(5,870,815)	(5,138,397)	(4,688,291)	(5,304,797)	(5,212,562)
6,315,000	11,900,000	19,556,000	28,794,000	30,481,000	29,055,000
6,315,000	11,900,000	19,556,000	28,794,000	30,481,000	29,055,000
(1,196,785)	(1,297,592)	(1,419,428)	(1,535,271)	(1,913,242)	(3,339,448)
5,118,215	10,602,408	18,136,572	27,258,729	28,567,758	25,715,552
<u>\$27,263,192</u>	<u>\$25,971,078</u>	<u>\$19,528,194</u>	<u>\$11,887,614</u>	<u>\$16,135,287</u>	<u>\$20,456,505</u>
84.2%	71.0%	51.8%	30.4%	36.1%	44.3%

CITY OF GROVE CITY, OHIO

**Ratio Of Outstanding Debt By Type
Last Ten Years**

TABLE 8

Year	Governmental Activities						
	General Obligation Bonds	Special Assessment Bonds	OPWC Loans Payable	Bond Anticipation Notes Payable	Capital Leases	TIF Revenue Bonds	Certificates Of Participation
1997	\$6,074,416	\$308,188	319,822	\$0	\$0	\$0	\$2,495,000
1998	5,700,812	461,620	1,090,332	0	0	0	2,185,000
1999	5,307,208	394,664	1,690,623	0	20,878	0	1,865,000
2000	4,898,604	327,291	2,213,921	0	12,428	0	1,525,000
2001	6,315,000	259,470	2,513,773	0	12,998	0	1,170,000
2002	5,900,000	227,563	2,758,551	6,000,000	5,127	0	800,000
2003	5,460,000	195,138	2,682,135	6,700,000	11,236	0	310,000
2004	5,012,349	162,156	2,920,758	7,925,000	7,555	0	0
2005	4,516,532	128,576	3,833,831	0	6,217	0	0
2006	12,799,416	94,352	4,051,117	0	3,211	16,290,000	0

(1) "Population Estimates," published by the Mid-Ohio Regional Planning Commission

(2) Computation of per capita personal income multiplied by population (in thousands)

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements

<i>Business-Type Activities</i>						
<i>Revenue Bonds</i>	<i>OPWC Loans Payable</i>	<i>Total Primary Government</i>	<i>Population (1)</i>	<i>Personal Income (2)</i>	<i>Debt Per Capita</i>	<i>Percentage Of Personal Income</i>
\$1,420,160	\$913,779	\$11,531,365	24,065	\$430,980	\$479	2.68%
1,270,000	873,204	11,580,968	24,683	456,191	469	2.54%
1,135,000	1,443,579	11,856,952	25,129	481,673	472	2.46%
1,000,000	1,472,871	11,450,115	27,075	538,278	423	2.13%
865,000	1,446,179	12,582,420	29,923	624,643	420	2.01%
710,000	1,374,701	17,775,942	30,224	651,116	588	2.73%
550,000	1,301,124	17,209,633	30,679	680,736	561	2.53%
380,000	1,225,377	17,633,195	30,826	704,497	572	2.50%
195,000	1,147,390	9,827,546	31,580	741,783	311	1.32%
0	1,067,093	34,305,189	32,447	785,023	1,057	4.37%

CITY OF GROVE CITY, OHIO

**Ratio Of General Obligation Bonded Debt To
Estimated Actual Value And General
Obligation Bonded Debt Per Capita
Last Ten Years**

TABLE 9

Year	General Obligation Bonded Debt	Estimated Actual Value Of Taxable Property (1)	Population (2)	Percentage Of Bonded Debt To Estimated Actual Value	Bonded Debt Per Capita
1997	\$6,074,416	\$1,192,897,205	24,065	0.51%	\$252.42
1998	5,700,812	1,320,499,463	24,683	0.43%	230.96
1999	5,307,208	1,512,426,815	25,129	0.35%	211.20
2000	3,871,475	1,613,865,804	27,075	0.24%	142.99
2001	6,315,000	1,754,839,837	29,923	0.36%	211.04
2002	5,900,000	1,979,048,549	30,224	0.30%	195.21
2003	5,460,000	2,028,932,031	30,679	0.27%	177.97
2004	5,012,349	2,097,872,747	30,826	0.24%	162.60
2005	4,516,532	2,368,849,877	31,580	0.19%	143.02
2006	12,799,416	2,429,368,167	32,447	0.53%	394.47

(1) Franklin County Auditor

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

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF GROVE CITY, OHIO

**Computation Of Direct And Overlapping Governmental Debt
December 31, 2006**

TABLE 10

<u>Jurisdiction</u>	<u>Long-Term Debt Outstanding</u>	<u>Percentage Applicable To City Of Grove City (2)</u>	<u>Amount Applicable To City Of Grove City</u>
Direct:			
City of Grove City			
General Obligation Bonds	\$12,799,416	100.00%	\$12,799,416
TIF Revenue Bonds	16,290,000	100.00%	16,290,000
Special Assessment Bonds	94,352	100.00%	94,352
OPWC Loans Payable	4,051,117	100.00%	4,051,117
Capital Leases	3,211	100.00%	3,211
Total Direct	<u>\$33,238,096</u>		<u>\$33,238,096</u>
Overlapping:			
South-Western City School District (1)			
General Obligation Bonds	121,199,972	31.71%	38,432,511
Energy Conservation Bonds	3,620,000	31.71%	1,147,902
Notes Payable	12,961,160	31.71%	4,109,984
Franklin County			
General Obligation Bonds	119,830,000	2.97%	3,558,951
Lease Revenue Bonds	295,000	2.97%	8,762
Notes Payable	2,416,000	2.97%	71,755
Total Overlapping	<u>260,322,132</u>		<u>47,329,865</u>
Total Direct And Overlapping Debt	<u>\$293,560,228</u>		<u>\$80,567,961</u>

Source: Franklin County Auditor

(1) The debt outstanding for South-Western City School District is at June 30, 2006

(2) Percentages determined by dividing each overlapping subdivisions' assessed valuation within the City by the subdivisions' total assessed valuation

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

CITY OF GROVE CITY, OHIO

**Pledged Revenue Coverage
Last Ten Years**

TABLE 11

<u>Year</u>	<u>Operating Revenues</u>	<u>Less: Operating Expenses (1)</u>	<u>Net Revenue Available For Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
Water Revenue Bonds							
1997	\$356,796	\$58,698	\$298,098	\$125,000	\$92,748	\$217,748	1.37
1998	428,029	40,958	387,071	115,000	86,185	201,185	1.92
1999	447,054	38,541	408,513	135,000	79,860	214,860	1.90
2000	537,108	90,643	446,465	135,000	72,165	207,165	2.16
2001	441,885	141,836	300,049	135,000	64,200	199,200	1.51
2002	426,150	152,622	273,528	155,000	55,965	210,965	1.30
2003	504,943	45,527	459,416	160,000	46,278	206,278	2.23
2004	544,006	93,712	450,294	170,000	36,038	206,038	2.19
2005	902,148	177,563	724,585	185,000	24,988	209,988	3.45
2006	769,032	179,796	589,236	195,000	7,870	202,870	2.90
Sewer Revenue Bonds							
1997	300,748	271,453	29,295	32,122	6,959	39,081	0.75
1998	354,769	324,987	29,782	35,160	2,969	38,129	0.78
1999	355,684	391,100	(35,416)	0	0	0	0.00
2000	421,911	399,564	22,347	0	0	0	0.00
2001	695,529	897,954	(202,425)	0	0	0	0.00
2002	491,823	439,199	52,624	0	0	0	0.00
2003	346,284	536,639	(190,355)	0	0	0	0.00
2004	379,919	390,332	(10,413)	0	0	0	0.00
2005	439,556	551,243	(111,687)	0	0	0	0.00
2006	553,466	434,403	119,063	0	0	0	0.00

(Continued)

(1) Operating expenses do not include depreciation expense

(2) Tax Increment Financing Revenue Bonds are backed by the revenue in lieu of taxes charged and collected in the same manner and in the same amount as real property taxes. Next year, the City will begin making debt service principal and interest payments, and those amounts and the coverage ratio will be presented in this table.

CITY OF GROVE CITY, OHIO

***Pledged Revenue Coverage
Last Ten Years
(Continued)
TABLE 11***

<u>Year</u>	<u>Revenue In Lieu Of Taxes (2)</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
<i>TIF Revenue Bonds</i>					
1987	\$0	\$0	\$0	\$0	0.00
1998	0	0	0	0	0.00
1999	0	0	0	0	0.00
2000	0	0	0	0	0.00
2001	0	0	0	0	0.00
2002	0	0	0	0	0.00
2003	0	0	0	0	0.00
2004	0	0	0	0	0.00
2005	0	0	0	0	0.00
2006	2,601,794	0	0	0	0.00

CITY OF GROVE CITY, OHIO

**Demographic Statistics
Last Ten Years**

TABLE 12

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (3)</u>	<u>Per Capita Income (4)</u>	<u>Franklin County Unemployment Rate (2)</u>
1997	24,065	\$430,980	\$17,909	2.7%
1998	24,683	456,191	18,482	2.4%
1999	25,129	481,673	19,168	2.5%
2000	27,075	538,278	19,881	2.7%
2001	29,923	624,643	20,875	2.9%
2002	30,224	651,116	21,543	3.7%
2003	30,679	680,736	22,189	4.6%
2004	30,826	704,497	22,854	5.4%
2005	31,580	741,783	23,489	5.3%
2006	32,447	785,023	24,194	4.8%

Source:

- (1) "Population Estimates", published by the Mid-Ohio Regional Planning Commission
- (2) Ohio Bureau of Employment Services, Division of Labor Force Research and Statistics
- (3) Computation of per capita personal income multiplied by population (in thousands)
- (4) "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

CITY OF GROVE CITY, OHIO

**Principal Employers
December 31, 2006**

TABLE 13

<i>Employer</i>	2006		<i>Percentage of Total Employment</i>
	<i>Number of Employees</i>	<i>Rank</i>	
South-Western City School District	2,700	1	10.65%
Wal-Mart Associates	1,500	2	5.92%
FedEx Ground Package Systems, Inc.	1,400	3	5.52%
Baccou-Dalloz	1,200	4	4.73%
Roadway Package Systems	600	5	2.37%
Banana Republic LLC	600	6	2.37%
Ohio Auto Auction	600	7	2.37%
Nationwide	600	8	2.37%
Tigerpoly Manufacturing, Inc.	446	9	1.76%
Decision One	300	10	1.18%
Total Employees	9,946		39.24%
All Other Employers	15,401		60.76%
Total Employment within the City	25,347		100.00%

Source: Estimates from Mid Ohio Regional Planning Commission

Information prior to 2006 was not available.

CITY OF GROVE CITY, OHIO

**Operating Indicators By Function/Program
Last Ten Years**

TABLE 14

Function/Program	1997	1998	1999	2000	2001
General Government:					
Active Income Tax Accounts					
Individual	N/A	N/A	N/A	N/A	N/A
Business	N/A	N/A	N/A	N/A	N/A
Withholding	N/A	N/A	N/A	N/A	N/A
Clerk of Courts					
Criminal Cases	N/A	N/A	N/A	N/A	N/A
Traffic Court Cases	N/A	N/A	1,856	2,215	1,728
Parking Cases	N/A	N/A	567	493	471
Security Of Persons And Property:					
Police Calls (1)	62,019	68,630	71,185	69,449	68,357
Physical Arrests	1,016	2,113	2,299	1,715	1,533
Class A Crimes	1,130	1,199	1,183	1,288	1,087
Top Ten Parking Violations	568	522	511	443	436
Community Development:					
Trees Planted	N/A	N/A	N/A	N/A	N/A
Trees Pruned	N/A	N/A	N/A	N/A	N/A
Trees Removed	N/A	N/A	N/A	N/A	N/A
Leaves Collected (in tons)	N/A	N/A	N/A	N/A	N/A
Landscape Inspections	N/A	N/A	N/A	N/A	N/A
Leisure Time Activities:					
Recreation Revenue	\$746,652	\$904,853	\$833,388	\$806,597	\$874,232

Source: City Departments

(1) Beginning in 2003, a change in reporting criteria results in significantly lower numbers.

N/A - Information not available

<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>
N/A	N/A	10,825	13,297	16,199
N/A	N/A	737	971	1,143
N/A	N/A	660	832	949
404	483	456	342	416
1,451	1,454	1,329	1,743	2,257
534	484	618	595	691
71,637	53,556	52,715	51,311	49,867
1,783	1,206	3,168	3,675	1,877
1,301	1,267	1,211	1,245	1,245
N/A	461	515	727	827
N/A	N/A	1,051	725	515
N/A	N/A	1,853	1,838	1,439
N/A	N/A	304	312	221
N/A	N/A	N/A	N/A	484
N/A	N/A	N/A	229	331
\$966,390	\$1,047,158	\$1,092,023	\$1,012,187	\$1,009,822

CITY OF GROVE CITY, OHIO

**Capital Assets Statistics By Function/Program
Last Ten Years**

TABLE 15

Function/Program	1997	1998	1999	2000	2001
General Government:					
Government Center	1	1	1	1	1
Security Of Persons And Property:					
Number Of Police Stations	1	1	1	1	1
Number Of Fire Stations (1)	3	3	3	3	3
Leisure Time Activities:					
Number of Parks	7	7	7	7	7
Park Area (acres)	289	289	289	289	289
Number Of Playgrounds	7	7	7	7	7
Number Of Swimming Pools	1	1	1	1	1
Number Of Tennis Courts	6	6	6	6	6
Number Of Community Centers	3	3	3	3	3
Number Of Public Libraries	1	1	1	1	1
Basic Utility Services:					
Miles Of Water Distribution	80.7	85.2	86.0	0.0	88.3
Miles Of Sanitary Sewers	77.7	79.2	80.7	82.3	82.3
Miles Of Storm Sewers	24.8	26.7	26.7	28.9	28.9
Transportation:					
Miles Of Streets	N/A	N/A	N/A	N/A	N/A
Number Of Street Lights	2,375	2,486	2,652	2,696	2,696
Number Of Traffic Signs	2,638	2,658	2,708	2,708	2,708
Number Of Traffic Lights	21	23	25	27	27

(1) Fire Protection provided by Jackson Township

N/A - Information not available

<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>
1	1	1	1	1
1	1	1	1	1
3	3	3	3	3
7	7	7	7	8
289	289	289	289	289
7	7	7	7	7
1	1	1	1	1
6	6	6	6	6
3	3	3	3	3
1	1	1	1	1
0.0	94.9	96.2	137.2	190.6
83.7	85.6	86.3	145.7	181.3
29.4	31.3	32.7	108.2	232.4
N/A	N/A	N/A	117.1	134.7
2,736	2,807	3,207	3,207	3,397
2,751	2,801	2,915	2,915	3,225
33	36	38	38	41

CITY OF GROVE CITY, OHIO

**City Government Employees By Function/Program
Last Five Years**

TABLE 16

Function/Program	2002		2003		2004		2005		2006	
	Full-Time	All								
Security Of Persons And Property	71	76	76	85	78	84	79	85	78	83
Public Health	0	0	0	0	0	0	0	0	0	0
Leisure Time Activities	18	49	18	60	20	58	20	57	21	61
Community Development	12	16	12	17	13	16	11	13	11	13
Transportation	14	16	12	14	16	17	12	12	13	14
General Government	11	18	11	19	11	19	16	24	17	25
<i>Total Number of Employees</i>	<u>126</u>	<u>175</u>	<u>129</u>	<u>195</u>	<u>138</u>	<u>194</u>	<u>138</u>	<u>191</u>	<u>140</u>	<u>196</u>

Source: City Payroll Records

Information prior to 2002 was not available.



Mary Taylor, CPA
Auditor of State

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
SEPTEMBER 25, 2007**