

Dave Yost • Auditor of State

CITY OF GROVE CITY
FRANKLIN COUNTY

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Dave Yost • 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, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 4, 2012, wherein we noted the City adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

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

We did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 4, 2012.

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

June 4, 2012



City of Grove City, Ohio

2011 Comprehensive Annual Financial Report



For the Year Ended December 31, 2011



City of Grove City, Ohio

INTRODUCTORY SECTION

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
of the
City of Grove City, Ohio
For the Year Ended December 31, 2011**

Issued by
Department of Finance
Michael Turner, Director

CITY OF GROVE CITY, OHIO
Comprehensive Annual Financial Report

For the Year Ended December 31, 2011

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The City of Grove City, Ohio

4035 Broadway • Grove City, Ohio 43123
(614) 277-3000

June 4, 2012

Honorable Citizens of Grove City
Members of City Council, Grove City
Mayor of Grove City

We are pleased to present our Comprehensive Annual Financial Report (CAFR) of the City of Grove City for the year ended December 31, 2011. This CAFR includes financial statements and other financial and statistical data which conforms to generally accepted accounting principles as applicable to government entities. The intent of this report is to provide the stakeholders of the City of Grove City with comprehensive financial data in a format that enables them to gain a true understanding of the City's financial affairs while providing management with better information for decision making purposes.

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 ending December 31, 2011.

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. Since sound financial management dictates that the cost of internal control should not exceed the expected benefits from the controls, the objective of this report 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, 2011. The Independent Accountants' Report is located at the front of the Financial Section of this report.

Management's Discussion and Analysis immediately follows the Independent Accountants' Report. This discussion provides a narrative introduction, overview and analysis to accompany 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 growing community of over 34,000 residents and over 1,000 businesses. The City is serviced by four interstate highway interchanges – one access point from Interstate 270 and three access points from Interstate 71. Rail service is provided by the Indiana and Ohio Railroad, which leases and operates an existing CSX track. Air service is provided by Port Columbus International Airport (15 miles) and by Rickenbacker Airport (10 miles).

Grove City operates under a Home-Rule City Charter adopted by the electorate on November 4, 1958, with an effective date of July 1, 1959. The Charter has been amended three times – December 6, 1962, November 2, 1982 and November 5, 1985. The Charter provides for a strong Mayor-Council-Administrator plan of government. The legislative powers of the City are vested in a five member City Council, with four elected by their respective wards for four year terms and one elected at-large for a two year term. The ward Councilpersons' terms are staggered with two elected every two years. Council sets compensation guidelines for the City officials and employees, and enacts by ordinance or resolution for such municipal purposes as City services, tax levies, appropriations, indebtedness, and licensing of regulated businesses and trades.

The Mayor is elected to a four year term and serves on a part-time basis. The Mayor is the Chief Executive Officer of the City. The Mayor holds the authority to appoint the City Administrator as well as all City Department Directors. The City Administrator is a full-time, professional appointment and serves as the Chief Administrative Officer of the City with the responsibility for the daily operations of the City.

Another Mayoral appointment is the Director of Finance, the Chief Financial Officer of the City. The primary objectives of the Finance Director are to assure compliance with the laws of the City of Grove City and of the State of Ohio, provide current accurate information to the City Administrator, Mayor, and City Council to enable appropriate decision making, manage the City's Investment Portfolio, raise necessary funding for major projects, manage the City's finances on a day by day basis, and record keeping.

The other departments whose Directors are Mayoral appointments are Parks and Recreation, Safety, Service, Development, and Law.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are not misleading. The primary government of the City consists of all funds and departments that provide services including public safety, public service, street maintenance, parks and recreation, a senior center, engineering, and general administrative services. The 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 14 member Board of Trustees, five of whom are elected or appointed officials of the City, one representative of Jackson Township, one representative of South-Western City Schools, one representative of the Chamber of Commerce, and six are volunteer citizens. The sole purpose of the CIC is to advance, encourage, and promote the industrial, economic, commercial and civic development of Grove City, Ohio. 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.

Other Jurisdictions which are not component units of the City but which the City complements in the provision of public services are:

- Jackson Township, which is responsible for the provision of fire prevention and emergency medical services;
- South-Western City School District; and
- Grove City Public Library.

The City is a member of the Mid-Ohio Regional Planning Commission, a jointly governed organization.

The City is a member of the Central Ohio Risk Management Association Self-Insurance Pool Inc. a risk sharing pool, for property and general liability, automobile liability, boiler and machinery liability, law enforcement liability, and public official's liability coverage.

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

The City is a member of the Ohio Municipal League Workers' Compensation Groups Rating Plan.

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 to be presented 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, department, personal services and all other objects. All funds, other than agency funds, are legally required to be budgeted and appropriated. Supplemental appropriations are made throughout the fiscal year.

ECONOMIC CONDITION

The City of Grove City is in the southwestern quadrant of the Columbus Metropolitan Area, an economy dominated by the service industry. The heavy presence of the service industry has meant that Central Ohio has experienced milder economic fluctuations than those experienced by the rest of the State of Ohio as well as the national economy. With its primary source of revenue being the income tax, this economic stability is of great value to the City of Grove City. This is well illustrated in the unemployment rate differentials. According to the Bureau of Labor Statistics, the unemployment rates for the year 2011 were as follows: national, 8.9 percent, State of Ohio, 8.6 percent, Franklin County, 7.6 percent, and Grove City, 7.0 percent. The economic stability of Grove City is further enhanced by the diversity of business in the City, including retail, banking and insurance, the distribution industry, high tech industry, and some light manufacturing.

An integral component of the City's Economic Development has been the creation of seven commercial/industrial parks:

- | | |
|-----------------------------------|--|
| • Grove City Industrial Park | 100 acres; 13 major buildings; I-71 & SR 665 |
| • South Park | 350 acres; 18 major buildings; I-71 & I-270 |
| • Capital Park South | 150 acres; 8 major buildings; I-270 & SR 62 |
| • Southpointe | 53 acres; 7 major buildings; SR 665 |
| • Gateway Business Park | 114 acres; 4 major buildings; I-71 & SR 665 |
| • Gateway Business Park West | 232 acres; in early stages of development; SR 665 |
| • Gateway to the City Office Park | 35 acres; 12 major buildings: I-71 & Stringtown Road |

All of these commercial/industrial parks have available sites for further expansion.

Principal employers in Grove City are:

South-Western City School District	1,812
Wal-Mart Associates, Inc.	1,225
FedEx Ground Package Systems, Inc.	1,000
The Gap, Inc.	544
Manheim Remarketing, Inc.	400
Wal-Mart Super Center	325
Nationwide Mutual Insurance Co.	301
Tosoh SMD, Inc.	289
Tigerpoly Manufacturing, Inc.	279
Halcore Group, Inc.	260

In cooperation with residential, commercial, and industrial development, the City of Grove City provides the necessary infrastructure to accommodate the development.

In 2011 the City benefited from an improved economy by collecting cash-basis income tax receipts of \$18,556,349. This is the highest annual amount of income tax collections ever recorded by the City. Employee withholding taxes represent 74% of the total income tax receipts and corporate net profit taxes were 18% of the total. The City relies heavily on income tax collections to support operations and will continue to monitor receipts closely throughout 2012.

LONG-TERM FINANCIAL PLANNING

The management team of the City continues to monitor income tax collections in order to best manage the finances of Grove City. The City maintains a five-year capital improvement plan. A five-year financial forecast is prepared and maintained by the Finance Director. A monthly analysis is performed to compare the forecasted revenues and expenditures to actual balances. This allows the Finance Director to analyze the effects of future capital improvement projects on forecasted fund balances. See Management's Discussion and Analysis for a breakdown in the major sources of revenues for the City.

MAJOR INITIATIVES

During 2011, the City issued 93 single-family residential construction building permits with an average value of \$224,282. The total value of all building permits issued was \$29,082,231.

- **I-71/SR665 Interchange**

Construction began in November of 2010 on the I-71/SR665 interchange. The interchange is the final phase of a 3 phase project that the City has been working on for many years with many stakeholders. This project will improve safety and congestion on I-71 and SR665. This interchange serves as a western gateway to I-71 from Rickenbacker Airport and upon its completion will become an important expansion area for logistics companies capitalizing on the area's access to the intermodal terminal. Phase I consisted of a widening of SR665 from North Meadows Road to Hoover Road to allow for planned increases in traffic flow. Phase II was the relocation of Haughn Road to allow for additional space along the exit ramp from I-71. Construction is expected to be complete by December of 2012. When completed, the interchange will have the capacity to handle 41,600 vehicles a day, more than 3 times the current capacity.

- **1.25 MG Water Tank**
A 1,250,000 gallon water storage tank is being constructed in Fryer Park as part of the Big Run/Fryer Park Water Storage Tank project. The final construction work is expected to be complete in May of 2012. The new tank will provide additional water storage capacity for businesses and area residents to accommodate recent and anticipated growth.
- **White Road Reconstruction**
2,850 feet of White Road was reconstructed and widened through a cooperative agreement between the City, Franklin County and Jackson Township. This project has an estimated cost of \$4,000,000 and is leveraged by a \$2,956,127 grant from the Ohio Public Works Commission.
- **2011 Street Program**
The City allocated \$1,500,000 to manage the annual Street Program in 2011 in order to maintain public streets, bike paths, sidewalks and curb ramps throughout the City.

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, 2011, by the Auditor of State. City management plans to continue to subject the financial statements to an annual independent audit as part of the preparation of the Comprehensive Annual Financial Report. The annual audit serves to assist in the maintenance and strengthening of the City's accounting and budgetary functions.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United State of America and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Grove City for its comprehensive annual financial report for the fiscal year ended December 31, 2010. This was the 22nd consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

Gratitude goes to Mayor Richard L. "Ike" Stage for his support and to the Honorable Members of City Council for granting the funds for this report. Special gratitude is extended to the Local Government Services Section of the Office of the Auditor of State for their role in the preparation of this report.

Respectfully submitted,



Michael Turner
Finance Director



Charles W. Boso Jr.
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, 2010

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.



Linda C. Davison

President

Jeffrey R. Emer

Executive Director

CITY OF GROVE CITY, OHIO
List Of Principal Officials
As Of December 31, 2011

Elected City Officials

MAYOR

RICHARD L. "IKE" STAGE

City Council

Ted A. Berry	<i>Council President</i> <i>Council Member Ward 1</i>
Gregory N. Grinch	<i>Council Member Ward 2</i>
Melissa Albright	<i>Council Member Ward 3</i>
Maria Klemack-McGraw	<i>Council Member Ward 4</i>
Steven Bennett	<i>Council Member At Large</i>
Tami K. Kelly, MMC	<i>Clerk Of Council</i>

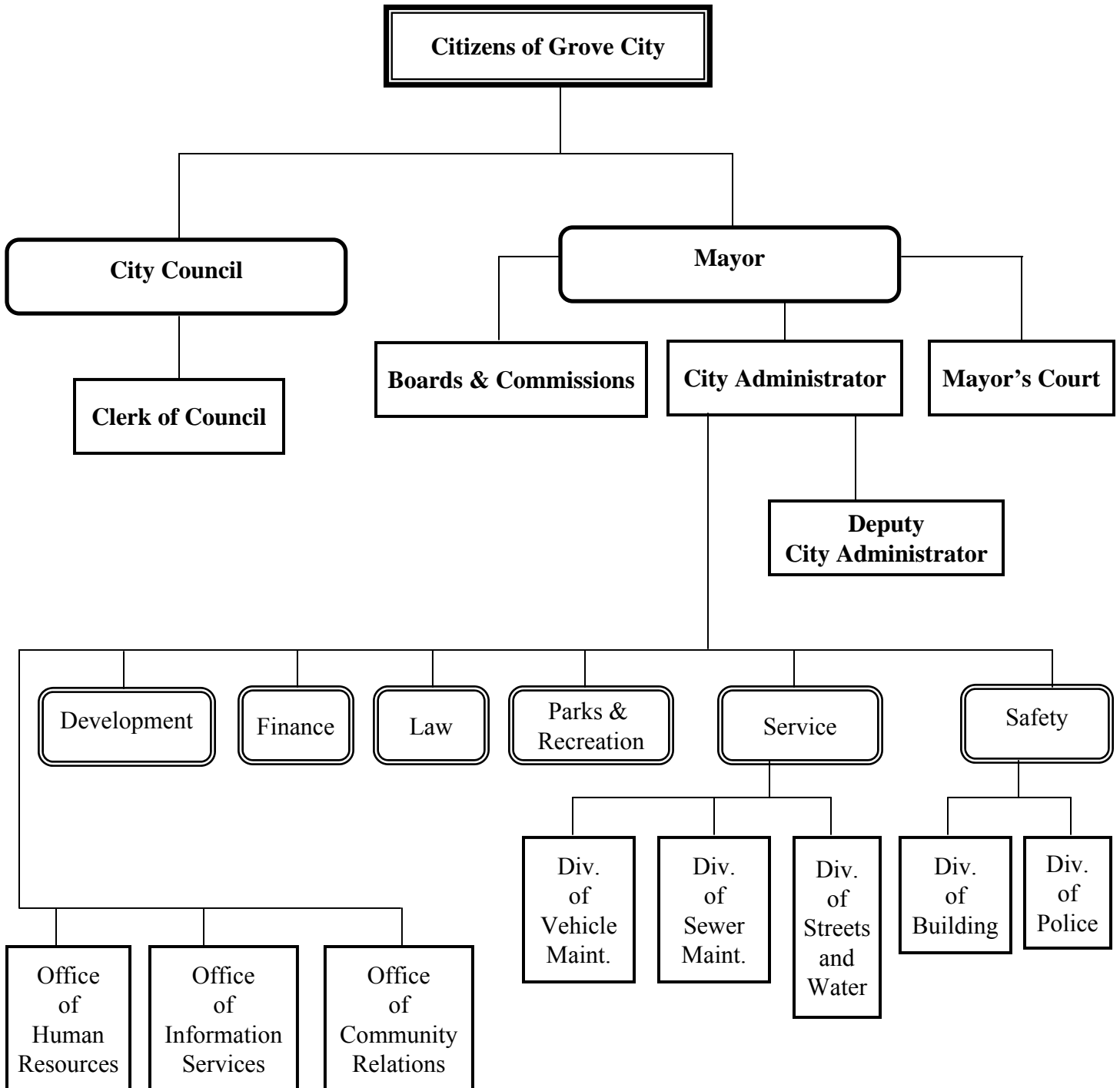
Appointed City Officials

* Philip D. Honsey	<i>City Administrator</i>
Michael Turner	<i>Finance Director</i>
Stephen J. Smith	<i>Law Director</i>
Leslie A. Spring	<i>Service Director</i>
Charles W. Boso, Jr.	<i>Development Director</i>
Kimberly K. Conrad	<i>Parks and Recreation Director</i>
Steve R. Robinette	<i>Chief of Police</i>
* Michael J. Wasyluk	<i>Safety Director</i>

* Charles W. Boso, Jr. was appointed City Administrator on February 3, 2012.

* William F. Vedra was appointed Safety Director on February 2, 2012.

City of Grove City Organizational Chart





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City of Grove City, Ohio

FINANCIAL SECTION



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the City 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, 2011, 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, 2011, 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.

As described in Note 3, during the year ended December 31, 2011, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2012, 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.

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

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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 section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



Dave Yost
Auditor of State

June 4, 2012

CITY OF GROVE CITY, OHIO
Management's Discussion And Analysis

For The Year Ended December 31, 2011
(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, 2011.

FINANCIAL HIGHLIGHTS

- The City's total net assets increased \$8,769,399. Net assets of Governmental Activities increased \$8,208,052, while net assets of Business-Type Activities increased \$561,347.
- Governmental Activities had general revenues that accounted for \$31,531,000 of all governmental revenues. Program specific revenues in the form of charges for services, grants, contributions, and interest accounted for \$18,600,347 of total governmental revenues of \$50,131,347.
- Enterprise funds reflected a total operating loss of \$942,243. The Water Fund reflected an operating loss of \$284,690, while the Sewer Fund reflected an operating loss of \$657,553. The change in net assets for the enterprise funds was an increase of \$561,347.
- The City had \$41,923,295 in expenses related to Governmental Activities. \$18,600,347 of these expenses were offset by program specific charges for services, grants, contributions, and interest. General revenues (primarily income taxes) of \$31,531,000 were more than the amount needed to provide for these programs. The City had \$2,363,586 in expenses related to Business-Type Activities. \$2,924,711 in program specific charges for services, capital grants, contributions, and interest, were 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 the 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 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 nine. 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, Pinnacle TIF, Capital 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 2011 compared to 2010.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2011	2010	2011	2010	2011
Assets:						
Current And Other Assets	\$50,799,955	\$59,742,628	\$4,753,494	\$4,402,786	\$55,553,449	\$64,145,414
Nondepreciable Capital Assets	44,476,507	45,357,695	882,272	2,805,221	45,358,779	48,162,916
Depreciable Capital Assets, Net	153,669,659	150,650,541	48,680,692	50,055,538	202,350,351	200,706,079
Total Assets	248,946,121	255,750,864	54,316,458	57,263,545	303,262,579	313,014,409
Liabilities:						
Current And Other Liabilities	8,094,805	8,041,033	189,612	325,840	8,284,417	8,366,873
Long-Term Liabilities: Due Within One Year	2,181,219	2,058,345	98,117	129,859	2,279,336	2,188,204
Due In More Than One Year	36,074,243	34,847,580	814,026	3,031,796	36,888,269	37,879,376
Total Liabilities	46,350,267	44,946,958	1,101,755	3,487,495	47,452,022	48,434,453
Net Assets:						
Invested In Capital Assets, Net Of Related Debt	163,869,512	162,830,578	48,673,020	49,743,812	212,542,532	212,574,390
Restricted For:						
Debt Service	6,715,792	10,409,462	0	0	6,715,792	10,409,462
Transportation	2,982,326	4,125,081	0	0	2,982,326	4,125,081
Security Of Persons And Property	1,736,378	1,982,749	0	0	1,736,378	1,982,749
Other Purposes	27,056	28,799	0	0	27,056	28,799
Unrestricted	27,264,790	31,427,237	4,541,683	4,032,238	31,806,473	35,459,475
Total Net Assets	\$202,595,854	\$210,803,906	\$53,214,703	\$53,776,050	\$255,810,557	\$264,579,956

Total net assets increased \$8,769,399 or 3.43 percent. Net assets of the City's Governmental Activities increased \$8,208,052 or 4.05 percent. This increase is the result of many factors, primarily being developer donated assets of \$5,471,407 and \$1,440,394 in special assessments being received. The City received the entire amount of \$1,313,927 on the special assessment related to the Haughn Road Relocation project.

The net assets of the City's Business-Type Activities increased \$561,347. Depreciable capital assets increased \$1,374,846 primarily due to developer donated assets. Non-depreciable capital assets increased \$1,922,949, which was primarily due to an increase in construction in progress related to the Big Run/Fryer Park Water Storage Tank Project. Total long-term liabilities increased \$2,249,512 due to the addition of the Haughn Road and Big Run/Fryer Park Water Storage Tank OWDA Loans.

Table 2 shows the changes in net assets for the years ended December 31, 2010 and 2011.

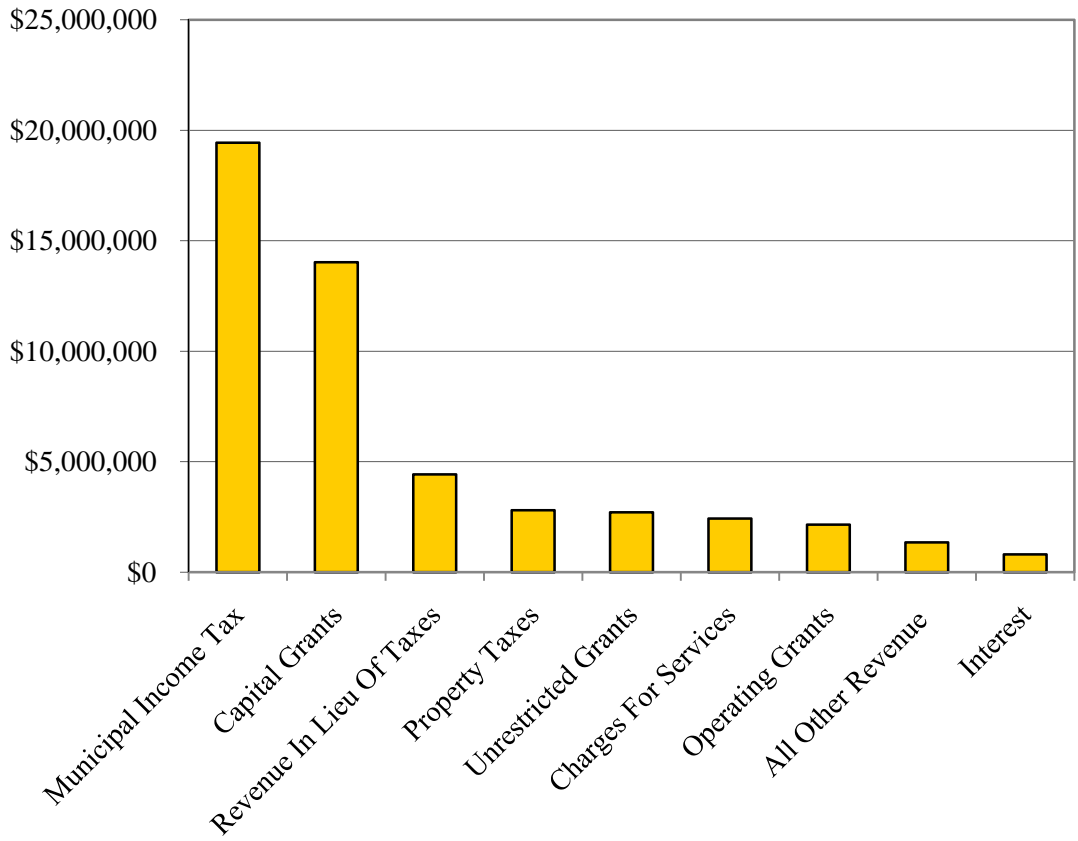
Table 2
Changes In Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2011	2010	2011	2010	2011
Revenues:						
Program Revenues:						
Charges For Services	\$2,432,983	\$2,424,041	\$1,419,237	\$1,298,444	\$3,852,220	\$3,722,485
Operating Grants, Contributions And Interest	2,365,700	2,151,053	0	0	2,365,700	2,151,053
Capital Grants, Contributions And Interest	5,540,039	14,025,253	1,054,812	1,626,267	6,594,851	15,651,520
Total Program Revenues	10,338,722	18,600,347	2,474,049	2,924,711	12,812,771	21,525,058
General Revenues:						
Property Taxes	2,972,325	2,805,972	0	0	2,972,325	2,805,972
Revenue In Lieu Of Taxes	4,020,452	4,424,227	0	0	4,020,452	4,424,227
Other Local Taxes	1,116,660	1,202,117	0	0	1,116,660	1,202,117
Municipal Income Taxes Unrestricted	17,237,914	19,436,382	0	0	17,237,914	19,436,382
Grants And Entitlements	1,970,289	2,711,904	0	0	1,970,289	2,711,904
Interest	649,141	807,467	0	0	649,141	807,467
Miscellaneous	72,916	142,931	129	222	73,045	143,153
Total General Revenues	28,039,697	31,531,000	129	222	28,039,826	31,531,222
Total Revenues	38,378,419	50,131,347	2,474,178	2,924,933	40,852,597	53,056,280
Program Expenses:						
Security Of						
Persons And Property	10,424,348	10,076,469	0	0	10,424,348	10,076,469
Public Health	270,134	279,720	0	0	270,134	279,720
Leisure Time Activities	2,163,037	2,363,655	0	0	2,163,037	2,363,655
Community Development:						
Primary Community Development	1,361,073	1,518,564	0	0	1,361,073	1,518,564
Transportation	11,164,223	12,999,424	0	0	11,164,223	12,999,424
General Government:						
Primary Government	10,808,491	11,360,425	0	0	10,808,491	11,360,425
Intergovernmental	1,370,473	1,716,884	0	0	1,370,473	1,716,884
Interest And						
Fiscal Charges	1,661,545	1,608,154	0	0	1,661,545	1,608,154
Water	0	0	685,866	910,913	685,866	910,913
Sewer	0	0	1,739,989	1,452,673	1,739,989	1,452,673
Total Expenses	39,223,324	41,923,295	2,425,855	2,363,586	41,649,179	44,286,881
Increase (Decrease) In Net						
Assets Before Transfers	(844,905)	8,208,052	48,323	561,347	(796,582)	8,769,399
Transfers	(38,321)	0	38,321	0	0	0
Increase (Decrease) In Net Assets	(883,226)	8,208,052	86,644	561,347	(796,582)	8,769,399
Net Assets At Beginning						
Of Year	203,479,080	202,595,854	53,128,059	53,214,703	256,607,139	255,810,557
Net Assets At End Of Year	\$202,595,854	\$210,803,906	\$53,214,703	\$53,776,050	\$255,810,557	\$264,579,956

Governmental Activities

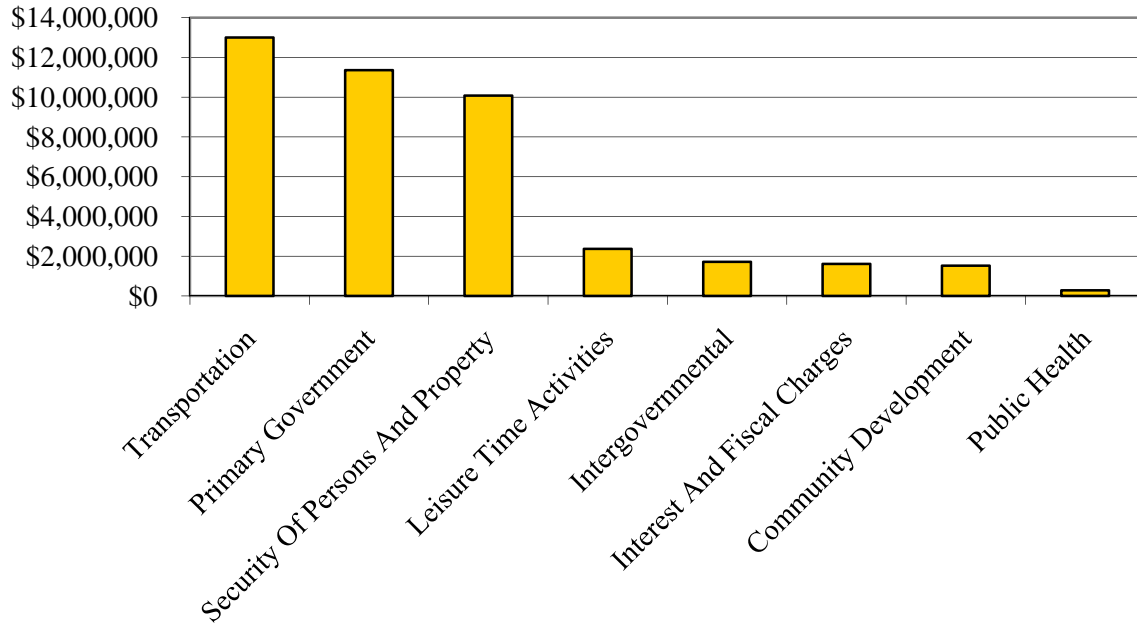
The two percent municipal income tax is the largest source of revenue for the Governmental Activities and the City of Grove City. Employee withholdings from all businesses contributed 74 percent of the tax revenue received in 2011 with business net profit contributing 18 percent and individuals contributing eight percent. The City provides a full tax credit for taxes paid to another municipality and an exemption for residents under the age of 18.

Revenues by Source (Accrual Basis) - Governmental Activities



Administration and Council has a quality of life commitment to the citizens and businesses located in the City of Grove City. With this in mind, Council has appropriated resources with an emphasis on transportation and security of persons and property.

Expenses (Accrual Basis) - Governmental Activities



When looking at the sources of income to support Governmental Activities, it should be noted that program revenues totaled \$18,600,347. This is an increase of \$8,261,625 primarily due to donated capital assets and grants relating to the I-71/SR 665 Interchange project. The remaining revenues are primarily generated locally through property and income taxes and revenue in lieu of taxes. City Council relies on these revenues to furnish the quality of life to businesses and citizens to which they and previous Councils have always been committed.

Total revenues increased \$11,752,928. This increase is related to a significant increase in capital grants, contributions and interest and municipal income taxes. Capital grants, contributions and interest increased \$8,485,214 primarily due to developer donated assets. Municipal income tax increased \$2,198,468 primarily due to an increase in business profits over the prior year. Revenue in lieu of taxes increased \$403,775 due to the collection of monies for the SR 665 TIF. Expenses increased \$2,699,971, the majority of which is due to transportation, primary government and intergovernmental expenditures in the amounts of \$1,835,201, \$551,934 and \$346,411, respectively. The increase in the transportation is due primarily to non-capitalized expenditures relating to the I-71/SR 665 Interchange project. The increase in the primary government is due primarily to non-capitalized engineering costs, non-capitalized asset purchases and right-of-way acquisitions. The increase in intergovernmental is due to the required payment made to the School District according to the TIF agreement.

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 necessary 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. The City of 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 \$561,347, primarily due to the donation of water and sewer lines by developers. Charges for Services decreased by \$120,793 due to fewer large size taps than in the prior year. Capital grant, contributions and interest increased by \$571,455 due to an increase in developer donated assets.

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 and other financing sources of \$40,229,153 and \$828,178, respectively, and expenditures and other financing uses of \$35,686,976 and \$791,297, respectively. Unassigned fund balance equals \$21,772,230. The restricted fund balance of \$12,843,216 is restricted to indicate constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

The General Fund's balance at December 31, 2011, increased \$5,110,849, due to reduced expenditures for engineering costs and a decrease in the amount of transfers to the Capital Improvement Fund compared to prior year.

The Police Pension Fund's balance at December 31, 2011, was \$1,350,945. For 2011, property tax revenues were greater than expenditures due to inside property tax millage being higher than what is required to cover expenditures. The City is in the process of decreasing the inside millage to get revenues more in line with expenditures, but the effect of this change will not occur until the 2012 collection year.

The Debt Service Fund's balance at December 31, 2011, was \$674,099. The decrease of \$218,384 was due to the debt service requirements exceeding revenues.

The Buckeye Center TIF Fund's balance at December 31, 2011, was \$3,285,775. The increase of \$146,668 was due to the receipt of revenue in lieu of taxes exceeding the required debt payment.

The Pinnacle TIF Fund's balance at December 31, 2011, was \$3,626,823. The increase of \$965,337 was due to the receipt of revenue in lieu of taxes exceeding the required debt payment.

The Capital Improvement Fund's balance at December 31, 2011, was \$4,650,355. The decrease of \$1,483,998 was due to the City spending more for various construction projects than what was transferred in for 2011.

The Water Fund's net assets increased \$283,684 due to capital contributions associated with water lines donated from developers.

The Sewer Fund's net assets increased \$277,663 primarily due to capital contributions associated with donated sewer lines from developers.

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, department, personal services and all other objects basis. During 2011, there were seven revisions to the General Fund budget. The effect of the revisions was an increase in the appropriations of \$949,595.

Original General Fund budgeted revenues were \$21,617,325. The final budgeted amount was \$21,617,325 resulting in no change over the original budgeted revenue. The original budgeted appropriations and other financing uses were \$25,468,824. The final budgeted appropriations and other financing uses were \$26,418,419 resulting in an increase over the original budgeted appropriations and other financing uses of \$949,595. The increase in appropriations was primarily for transfers. Actual revenues exceeded final budgeted revenues by \$4,269,473 due to an increase in municipal income taxes, special assessments and intergovernmental revenue. Municipal income taxes increased due to better collections relating growth within the City. Special assessments increased due to a business paying the entire amount of their assessment. Intergovernmental revenue increased due to reimbursements for right-of-way acquisitions as part of the I-71/SR 665 interchange project. Actual expenditures were less than final budgeted expenditures by \$1,775,862 because City Council made a conservative estimate regarding final appropriations. The City's ending General Fund balance was \$3,076,374 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	
	2010	2011	2010	2011	2010	2011
Land	\$43,156,367	\$44,125,758	\$23,000	\$23,000	\$43,179,367	\$44,148,758
Construction In Progress	1,320,140	1,231,937	859,272	2,782,221	2,179,412	4,014,158
Buildings	2,659,077	2,585,551	725,501	708,737	3,384,578	3,294,288
Improvements Other Than Buildings	2,182,026	2,061,036	75,902	62,547	2,257,928	2,123,583
Machinery And Equipment	2,036,447	1,696,743	125,563	116,973	2,162,010	1,813,716
Furniture And Fixtures	106,690	82,956	0	0	106,690	82,956
Vehicles	1,235,546	1,242,942	61,297	55,604	1,296,843	1,298,546
Computer Equipment	833,781	761,907	0	0	833,781	761,907
Infrastructure	144,616,092	142,219,406	47,692,429	49,111,677	192,308,521	191,331,083
Totals	<u>\$198,146,166</u>	<u>\$196,008,236</u>	<u>\$49,562,964</u>	<u>\$52,860,759</u>	<u>\$247,709,130</u>	<u>\$248,868,995</u>

The majority of the decrease in governmental capital assets is due to current year depreciation exceeding current year additions for depreciable assets. The City received \$5,471,407 in donated assets for governmental activities, \$757,277 for land, \$368,605 for curbs and gutter, \$122,868 for sidewalks, \$3,220,135 for streets and \$1,002,522 for storm sewer lines. Business-Type capital assets increased \$3,297,795 primarily due to water and sewer line improvements that were both donated by developers and an increase in construction in progress relating to the Big Run/Fryer Park Water Tower project. The values of the water and sewer lines donated by developers were \$671,825 and \$954,442, respectively.

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

Debt

At December 31, 2011, the City of Grove City had \$38,400,710 in debt outstanding for governmental and business-type activities.

Table 4
Outstanding Debt at Year-end

	Governmental Activities		Business-Type Activities	
	2010	2011	2010	2011
General Obligation Bonds	\$17,370,000	\$16,605,000	\$0	\$0
Deferred Loss On Refunding	(12,550)	(8,367)	0	0
Premium On Bonds	53,508	50,960	0	0
OPWC Loans Payable	4,001,188	3,686,689	731,640	645,539
TIF Revenue Bonds	15,350,000	14,930,000	0	0
OWDA Loan Payable	0	0	158,304	2,471,408
Capital Leases	99,226	19,481	0	0
Total	<u>\$36,861,372</u>	<u>\$35,283,763</u>	<u>\$889,944</u>	<u>\$3,116,947</u>

Outstanding governmental debt decreased \$1,577,609 from 2010 due to annual debt service payments. Business-Type Activities debt increased \$2,227,003 from 2010 due to the OWDA loan on the Big Run/Fryer Park Water Storage Tank and the Haughn Road Water Main projects.

All general obligation bond issues will be paid through the Debt Service Fund with property tax revenues with the exception of the Pinnacle Club Drive Construction and Improvement Bonds that will be paid through the Pinnacle TIF Fund from revenue in lieu of taxes. The Governmental Activities' OPWC loans will be paid through the Debt Service Fund with property tax revenues. The Tax Increment Financing Revenue Bonds will be retired from Buckeye Center TIF Fund monies received from revenue in lieu of taxes. The Business-Type Activities' OPWC loans will be paid from the Water and Sewer Enterprise Funds' revenues. The OWDA loan will be paid from the Water Enterprise Fund's revenues. Obligations under capital lease for equipment will be paid from the General Fund.

The City's overall legal debt margin was \$68,368,337, with an unvoted debt margin of \$28,225,843 at December 31, 2011.

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 Mike Turner, Director of Finance, City of Grove City, 4035 Broadway, Grove City, Ohio 43123.



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CITY OF GROVE CITY, OHIO

Statement Of Net Assets

December 31, 2011

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets:</u>			
Equity In Pooled Cash And Cash Equivalents	\$40,852,393	\$4,326,353	\$45,178,746
Cash And Cash Equivalents With Fiscal Agents	941,781	0	941,781
Cash And Cash Equivalents With Trustee	1,249,588	0	1,249,588
Accrued Interest Receivable	174,765	0	174,765
Accounts Receivable	165,788	76,433	242,221
Municipal Income Taxes Receivable	4,048,029	0	4,048,029
Due From Other Governments	2,351,730	0	2,351,730
Prepaid Items	134,210	0	134,210
Materials And Supplies Inventory	131,053	0	131,053
Other Local Taxes Receivable	170,202	0	170,202
Property Taxes Receivable	2,609,866	0	2,609,866
Revenue In Lieu Of Taxes Receivable	3,427,094	0	3,427,094
Deferred Charges	424,651	0	424,651
Special Assessments Receivable	2,806,657	0	2,806,657
Loans Receivable	254,821	0	254,821
Land And Construction In Progress	45,357,695	2,805,221	48,162,916
Depreciable Capital Assets, Net	150,650,541	50,055,538	200,706,079
Total Assets	255,750,864	57,263,545	313,014,409
<u>Liabilities:</u>			
Accounts Payable	862,132	38,089	900,221
Accrued Wages And Benefits Payable	202,792	5,855	208,647
Contracts Payable	342,834	128,735	471,569
Retainage Payable	10,488	143,526	154,014
Due To Other Governments	581,252	9,635	590,887
Deferred Revenue	5,918,427	0	5,918,427
Accrued Interest Payable	123,108	0	123,108
Long-Term Liabilities:			
Due Within One Year	2,058,345	129,859	2,188,204
Due In More Than One Year	34,847,580	3,031,796	37,879,376
Total Liabilities	44,946,958	3,487,495	48,434,453
<u>Net Assets:</u>			
Invested In Capital Assets, Net Of Related Debt	162,830,578	49,743,812	212,574,390
Restricted For:			
Debt Service	10,409,462	0	10,409,462
Transportation	4,125,081	0	4,125,081
Security Of Persons And Property	1,982,749	0	1,982,749
Other Purposes	28,799	0	28,799
Unrestricted	31,427,237	4,032,238	35,459,475
Total Net Assets	\$210,803,906	\$53,776,050	\$264,579,956

See Accompanying Notes To The Basic Financial Statements

CITY OF GROVE CITY, OHIO

Statement Of Activities

For The Year Ended December 31, 2011

	<i>Expenses</i>	<i>Program Revenues</i>		
		<i>Charges For Services</i>	<i>Operating Grants, Contributions And Interest</i>	<i>Capital Grants, Contributions And Interest</i>
<u>Governmental Activities:</u>				
Security Of Persons And Property	\$10,076,469	\$566,733	\$407,191	\$0
Public Health	279,720	13,259	0	0
Leisure Time Activities	2,363,655	1,238,995	27,343	1,277
Community Development	1,518,564	425,657	47,550	22,500
Transportation	12,999,424	88,253	1,668,969	10,098,473
General Government:				
Primary Government	11,360,425	91,144	0	3,903,003
Intergovernmental	1,716,884	0	0	0
Interest And Fiscal Charges	1,608,154	0	0	0
<i>Total Governmental Activities</i>	<u>41,923,295</u>	<u>2,424,041</u>	<u>2,151,053</u>	<u>14,025,253</u>
<u>Business-Type Activities:</u>				
Water	910,913	522,772	0	671,825
Sewer	1,452,673	775,672	0	954,442
<i>Total Business-Type Activities</i>	<u>2,363,586</u>	<u>1,298,444</u>	<u>0</u>	<u>1,626,267</u>
<i>Total Activities</i>	<u>\$44,286,881</u>	<u>\$3,722,485</u>	<u>\$2,151,053</u>	<u>\$15,651,520</u>

General Revenues:

Property Taxes Levied For:
 General Purposes
 Police
 Debt Service
Revenue In Lieu Of Taxes
Other Local Taxes
Municipal Income Taxes Levied For General Purposes
Grants And Entitlements Not Restricted To Specific Programs
Interest
Miscellaneous

Total General Revenues

Change In Net Assets

Net Assets At Beginning Of Year

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>
(\$9,102,545)	\$0	(\$9,102,545)
(266,461)	0	(266,461)
(1,096,040)	0	(1,096,040)
(1,022,857)	0	(1,022,857)
(1,143,729)	0	(1,143,729)
(7,366,278)	0	(7,366,278)
(1,716,884)	0	(1,716,884)
(1,608,154)	0	(1,608,154)
<u>(23,322,948)</u>	<u>0</u>	<u>(23,322,948)</u>
0	283,684	283,684
0	277,441	277,441
<u>0</u>	<u>561,125</u>	<u>561,125</u>
<u>(23,322,948)</u>	<u>561,125</u>	<u>(22,761,823)</u>
914,945	0	914,945
837,166	0	837,166
1,053,861	0	1,053,861
4,424,227	0	4,424,227
1,202,117	0	1,202,117
19,436,382	0	19,436,382
2,711,904	0	2,711,904
807,467	0	807,467
142,931	222	143,153
<u>31,531,000</u>	<u>222</u>	<u>31,531,222</u>
8,208,052	561,347	8,769,399
<u>202,595,854</u>	<u>53,214,703</u>	<u>255,810,557</u>
<u>\$210,803,906</u>	<u>\$53,776,050</u>	<u>\$264,579,956</u>

CITY OF GROVE CITY, OHIO

**Balance Sheet
Governmental Funds**

December 31, 2011

	<u>General</u>	<u>Police Pension</u>	<u>Debt Service</u>
<u>Assets:</u>			
Equity In Pooled Cash And Cash Equivalents	\$24,105,125	\$1,452,005	\$674,099
Cash And Cash Equivalents With Fiscal Agents	0	0	0
Restricted Assets: Cash And Cash Equivalents With Trustee	0	0	0
Receivables: Property Taxes	896,176	820,497	893,193
Other Local Taxes	156,123	0	0
Revenue In Lieu Of Taxes	0	0	0
Municipal Income Taxes	4,048,029	0	0
Accounts	161,476	0	0
Special Assessments	559	0	2,806,098
Accrued Interest	164,122	0	0
Due From Other Governments	1,294,540	47,950	52,309
Materials And Supplies Inventory	8,870	0	0
Loans Receivable	254,821	0	0
Prepaid Items	134,210	0	0
Total Assets	\$31,224,051	\$2,320,452	\$4,425,699
<u>Liabilities And Fund Balances:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$647,037	\$0	\$0
Contracts Payable	55,863	0	0
Accrued Wages And Benefits Payable	181,772	0	0
Retainage Payable	0	0	0
Due To Other Governments	424,726	101,060	0
Deferred Revenue	4,747,041	868,447	3,751,600
Total Liabilities	6,056,439	969,507	3,751,600
<u>Fund Balances:</u>			
Nonspendable	397,901	0	0
Restricted	0	1,350,945	674,099
Committed	0	0	0
Assigned	2,997,481	0	0
Unassigned	21,772,230	0	0
Total Fund Balances	25,167,612	1,350,945	674,099
Total Liabilities And Fund Balances	\$31,224,051	\$2,320,452	\$4,425,699

See Accompanying Notes To The Basic Financial Statements

<i>Buckeye Center TIF</i>	<i>Pinnacle TIF</i>	<i>Capital Improvement</i>	<i>Nonmajor Governmental Funds</i>	<i>Total</i>
\$2,038,464	\$3,627,740	\$5,057,522	\$3,897,438	\$40,852,393
0	0	0	941,781	941,781
1,249,588	0	0	0	1,249,588
0	0	0	0	2,609,866
0	0	0	14,079	170,202
1,236,413	1,515,000	0	675,681	3,427,094
0	0	0	0	4,048,029
0	0	0	4,312	165,788
0	0	0	0	2,806,657
0	0	0	10,643	174,765
0	97,860	0	859,071	2,351,730
0	0	0	122,183	131,053
0	0	0	0	254,821
0	0	0	0	134,210
<u>\$4,524,465</u>	<u>\$5,240,600</u>	<u>\$5,057,522</u>	<u>\$6,525,188</u>	<u>\$59,317,977</u>
\$2,277	\$917	\$109,708	\$102,193	\$862,132
0	0	286,971	0	342,834
0	0	0	21,020	202,792
0	0	10,488	0	10,488
0	0	0	55,466	581,252
1,236,413	1,612,860	0	1,402,582	13,618,943
1,238,690	1,613,777	407,167	1,581,261	15,618,441
0	0	0	122,183	520,084
3,285,775	3,626,823	0	3,905,574	12,843,216
0	0	4,650,355	916,170	5,566,525
0	0	0	0	2,997,481
0	0	0	0	21,772,230
<u>3,285,775</u>	<u>3,626,823</u>	<u>4,650,355</u>	<u>4,943,927</u>	<u>43,699,536</u>
<u>\$4,524,465</u>	<u>\$5,240,600</u>	<u>\$5,057,522</u>	<u>\$6,525,188</u>	<u>\$59,317,977</u>



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CITY OF GROVE CITY, OHIO

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

December 31, 2011

Total Governmental Fund Balances	\$43,699,536
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	44,125,758
Construction In Progress	1,231,937
Other Capital Assets	273,900,750
Accumulated Depreciation	<u>(123,250,209)</u>

Total	196,008,236
-------	-------------

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. 424,651

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Municipal Income Taxes	2,575,028
Property Taxes	118,533
Other Local Taxes	45,766
Due From Other Governments	1,990,996
Special Assessments	2,806,657
Interest	152,871
Accounts	<u>10,665</u>

Total	7,700,516
-------	-----------

In the Statement of Activities interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (123,108)

Some liabilities are not due and payable in the current period and therefore are not reported in the funds:

Premium On Debt Issued	(50,960)
General Obligation Bonds	(16,605,000)
Deferred Amount On Refunding	8,367
OPWC Loans	(3,686,689)
Revenue Bonds	(14,930,000)
Capital Leases Payable	(19,481)
Compensated Absences Payable	<u>(1,622,162)</u>

Total	<u>(36,905,925)</u>
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<i>Net Assets Of Governmental Activities</i>	<u><u>\$210,803,906</u></u>
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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, 2011

	<u>General</u>	<u>Police Pension</u>	<u>Debt Service</u>
<u>Revenues:</u>			
Property Taxes	\$925,699	\$1,071,955	\$839,011
Revenue In Lieu Of Taxes	0	0	0
Municipal Income Taxes	18,304,508	0	0
Other Local Taxes	1,018,265	0	0
Intergovernmental	2,398,869	128,506	100,923
Charges For Services	176,639	0	0
Licenses And Permits	410,299	0	0
Fines And Forfeitures	371,038	0	0
Special Assessments	1,327,214	0	113,180
Interest	638,503	0	0
Rent	33,582	0	0
Contributions And Donations	1,427	0	0
Miscellaneous	98,842	0	0
Total Revenues	25,704,885	1,200,461	1,053,114
<u>Expenditures:</u>			
Current Operations And Maintenance:			
Security Of Persons And Property	8,131,458	1,104,789	0
Public Health	260,359	0	0
Leisure Time Activities	790,859	0	0
Community Development	1,052,305	0	0
Transportation	0	0	0
General Government:			
Primary Government	8,088,186	0	12,207
Intergovernmental	0	0	0
Capital Outlay	1,427,650	0	0
Debt Service:			
Principal Retirement	79,745	0	834,499
Interest And Fiscal Charges	3,216	0	424,792
Total Expenditures	19,833,778	1,104,789	1,271,498
Excess Of Revenues Over (Under) Expenditures	5,871,107	95,672	(218,384)
<u>Other Financing Sources (Uses):</u>			
Proceeds From Sale Of Capital Assets	31,039	0	0
Transfers - In	0	0	0
Transfers - Out	(791,297)	0	0
Total Other Financing Sources (Uses)	(760,258)	0	0
Net Change In Fund Balances	5,110,849	95,672	(218,384)
Fund Balances At Beginning Of Year	20,056,763	1,255,273	892,483
Fund Balances At End Of Year	\$25,167,612	\$1,350,945	\$674,099

See Accompanying Notes To The Basic Financial Statements

<i>Buckeye Center TIF</i>	<i>Pinnacle TIF</i>	<i>Capital Improvement</i>	<i>Nonmajor Governmental Funds</i>	<i>Total</i>
\$0	\$0	\$0	\$0	\$2,836,665
2,950,053	1,390,686	0	83,488	4,424,227
0	0	0	0	18,304,508
0	0	0	234,557	1,252,822
0	187,152	3,831,244	2,109,177	8,755,871
0	0	0	1,168,938	1,345,577
0	0	0	80,120	490,419
0	0	0	61,637	432,675
0	0	0	0	1,440,394
11,822	0	0	42,313	692,638
0	0	0	22,442	56,024
0	0	0	52,975	54,402
0	0	0	44,089	142,931
<u>2,961,875</u>	<u>1,577,838</u>	<u>3,831,244</u>	<u>3,899,736</u>	<u>40,229,153</u>
0	0	0	59,988	9,296,235
0	0	0	19,361	279,720
0	0	0	1,302,455	2,093,314
0	0	0	449,512	1,501,817
0	0	109,708	1,242,294	1,352,002
0	3,414	0	16,539	8,120,346
1,574,880	19,303	0	122,701	1,716,884
0	0	5,972,831	753,814	8,154,295
420,000	245,000	0	0	1,579,244
820,327	344,784	0	0	1,593,119
<u>2,815,207</u>	<u>612,501</u>	<u>6,082,539</u>	<u>3,966,664</u>	<u>35,686,976</u>
<u>146,668</u>	<u>965,337</u>	<u>(2,251,295)</u>	<u>(66,928)</u>	<u>4,542,177</u>
0	0	0	5,842	36,881
0	0	767,297	24,000	791,297
0	0	0	0	(791,297)
<u>0</u>	<u>0</u>	<u>767,297</u>	<u>29,842</u>	<u>36,881</u>
146,668	965,337	(1,483,998)	(37,086)	4,579,058
3,139,107	2,661,486	6,134,353	4,981,013	39,120,478
<u>\$3,285,775</u>	<u>\$3,626,823</u>	<u>\$4,650,355</u>	<u>\$4,943,927</u>	<u>\$43,699,536</u>



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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, 2011

Net Change In Fund Balances - Total Governmental Funds	\$4,579,058
 <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	2,952,266
Depreciation	<u>(10,061,789)</u>
Excess Of Depreciation Expense Over Capital Outlay	(7,109,523)
Capital Assets Donated By Developers	5,471,407
 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.	
Proceeds From Sale Of Capital Assets	(36,881)
Loss On Disposal Of Capital Assets	<u>(462,933)</u>
	(499,814)
 Repayment of long-term obligations is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. In the current year, these amounts consist of:	
General Obligation Bond Principal Payments	765,000
Ohio Public Works Commission Loans Principal Payments	314,499
Revenue Bond Payments	420,000
Capital Leases Payments	<u>79,745</u>
	1,579,244
 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	1,131,874
Property Taxes	(30,693)
Other Local Taxes	(50,705)
Intergovernmental	439,818
Special Assessments	2,784,567
Charges for Services	(1,045)
Fines And Forfeitures	4,100
Accrued Interest	<u>152,871</u>
	4,430,787
 Amortization of bond issuance costs, bond premiums, bond discounts, the deferred loss on the refunding of debt, as well as accrued interest payable on the bonds are not reported in the funds, but are allocated as expenses over the life of the debt in the Statement of Activities.	
Amortization Of Premium On Bonds	2,548
Amortization Of Bond Issuance Costs	(20,014)
Amortization Of Loss On Refunding	(4,183)
Net Decrease In Accrued Interest	<u>6,614</u>
	(15,035)
 Some expenses reported 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.	
Increase In Compensated Absences	<u>(228,072)</u>
 <i>Change In Net Assets Of Governmental Activities</i>	 <u><u>\$8,208,052</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, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Property Taxes	\$945,256	\$945,256	\$925,699	(\$19,557)
Municipal Income Taxes	16,340,000	16,340,000	18,556,349	2,216,349
Other Local Taxes	870,000	870,000	956,594	86,594
Intergovernmental	1,444,069	1,444,069	2,425,039	980,970
Charges For Services	167,000	167,000	176,639	9,639
Licenses And Permits	504,000	504,000	410,038	(93,962)
Fines And Forfeitures	260,000	260,000	371,519	111,519
Special Assessments	12,000	12,000	1,327,214	1,315,214
Interest	800,000	800,000	598,677	(201,323)
Rent	0	0	33,582	33,582
Contributions And Donations	200,000	200,000	1,427	(198,573)
Miscellaneous	75,000	75,000	104,021	29,021
Total Revenues	<u>21,617,325</u>	<u>21,617,325</u>	<u>25,886,798</u>	<u>4,269,473</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property	8,490,150	8,532,093	8,219,321	312,772
Public Health	268,454	268,454	266,182	2,272
Leisure Time Activities	909,097	909,097	839,433	69,664
Community Development	1,148,794	1,268,793	1,184,279	84,514
General Government	11,319,360	11,127,566	9,849,205	1,278,361
Capital Outlay	3,332,969	3,521,119	3,492,840	28,279
Total Expenditures	<u>25,468,824</u>	<u>25,627,122</u>	<u>23,851,260</u>	<u>1,775,862</u>
Excess Of Revenues Over (Under) Expenditures	<u>(3,851,499)</u>	<u>(4,009,797)</u>	<u>2,035,538</u>	<u>6,045,335</u>
<u>Other Financing Sources (Uses):</u>				
Proceeds From Sale Of Capital Assets	0	0	31,039	31,039
Transfers - In	3,000,000	3,000,000	0	(3,000,000)
Transfers - Out	0	(791,297)	(791,297)	0
Total Other Financing Sources (Uses)	<u>3,000,000</u>	<u>2,208,703</u>	<u>(760,258)</u>	<u>(2,968,961)</u>
Net Change In Fund Balance	(851,499)	(1,801,094)	1,275,280	3,076,374
Fund Balance At Beginning Of Year	14,491,400	14,491,400	14,491,400	0
Prior Year Encumbrances	4,502,448	4,502,448	4,502,448	0
Fund Balance At End Of Year	<u>\$18,142,349</u>	<u>\$17,192,754</u>	<u>\$20,269,128</u>	<u>\$3,076,374</u>

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, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Property Taxes	\$1,016,945	\$1,016,945	\$1,071,955	\$55,010
Intergovernmental	191,491	191,491	128,506	(62,985)
<i>Total Revenues</i>	1,208,436	1,208,436	1,200,461	(7,975)
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property	1,114,491	1,114,491	1,100,617	13,874
Net Change In Fund Balance	93,945	93,945	99,844	5,899
Fund Balance At Beginning Of Year	1,352,161	1,352,161	1,352,161	0
<i>Fund Balance At End Of Year</i>	<u>\$1,446,106</u>	<u>\$1,446,106</u>	<u>\$1,452,005</u>	<u>\$5,899</u>

See Accompanying Notes To The Basic Financial Statements

CITY OF GROVE CITY, OHIO

**Statement Of Fund Net Assets
Enterprise Funds**

December 31, 2011

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Assets:</u>			
<u>Current Assets:</u>			
Equity In Pooled Cash And Cash Equivalents	\$2,557,590	\$1,768,763	\$4,326,353
Receivables:			
Accounts	39,025	37,408	76,433
Total Current Assets	2,596,615	1,806,171	4,402,786
<u>Non-Current Assets:</u>			
Land And Construction In Progress	2,795,221	10,000	2,805,221
Depreciable Capital Assets, Net	22,417,010	27,638,528	50,055,538
Total Non-Current Assets	25,212,231	27,648,528	52,860,759
Total Assets	27,808,846	29,454,699	57,263,545
<u>Liabilities:</u>			
<u>Current Liabilities:</u>			
Accounts Payable	5,948	32,141	38,089
Contracts Payable	128,735	0	128,735
Accrued Wages And Benefits Payable	0	5,855	5,855
Compensated Absences Payable	0	16,964	16,964
Retainage Payable	143,526	0	143,526
Due To Other Governments	0	9,635	9,635
OPWC Loans Payable	20,836	68,071	88,907
OWDA Loans Payable	23,988	0	23,988
Total Current Liabilities	323,033	132,666	455,699
<u>Long-Term Liabilities (Net Of Current Portion):</u>			
Compensated Absences Payable	0	27,744	27,744
OPWC Loans Payable	63,615	493,017	556,632
OWDA Loans Payable	2,447,420	0	2,447,420
Total Long-Term Liabilities	2,511,035	520,761	3,031,796
Total Liabilities	2,834,068	653,427	3,487,495
<u>Net Assets:</u>			
Invested In Capital Assets, Net Of Related Debt	22,656,372	27,087,440	49,743,812
Unrestricted	2,318,406	1,713,832	4,032,238
Total Net Assets	\$24,974,778	\$28,801,272	\$53,776,050

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, 2011

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Operating Revenues:</u>			
Charges For Services	\$421,277	\$489,394	\$910,671
Tap-In Fees	101,495	286,278	387,773
Miscellaneous	0	222	222
<i>Total Operating Revenues</i>	<u>522,772</u>	<u>775,894</u>	<u>1,298,666</u>
<u>Operating Expenses:</u>			
Personal Services	0	433,595	433,595
Purchased Services	196,117	189,416	385,533
Materials And Supplies	0	47,252	47,252
Depreciation	611,345	763,184	1,374,529
<i>Total Operating Expenses</i>	<u>807,462</u>	<u>1,433,447</u>	<u>2,240,909</u>
Operating Loss	(284,690)	(657,553)	(942,243)
<u>Non-Operating Expenses:</u>			
Interest And Fiscal Charges	<u>(103,451)</u>	<u>(19,226)</u>	<u>(122,677)</u>
Loss Before Capital Contributions	(388,141)	(676,779)	(1,064,920)
Capital Contributions	<u>671,825</u>	<u>954,442</u>	<u>1,626,267</u>
Change In Net Assets	283,684	277,663	561,347
Net Assets At Beginning Of Year	<u>24,691,094</u>	<u>28,523,609</u>	<u>53,214,703</u>
<i>Net Assets At End Of Year</i>	<u><u>\$24,974,778</u></u>	<u><u>\$28,801,272</u></u>	<u><u>\$53,776,050</u></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, 2011

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Increases (Decreases) In Cash And Cash Equivalents:</u>			
Cash Flows From Operating Activities:			
Cash Received From Customers	\$422,397	\$492,075	\$914,472
Cash Payments For Personal Services	0	(410,691)	(410,691)
Cash Payments To Suppliers For Goods And Services	(30,418)	(266,534)	(296,952)
Other Operating Revenues	0	222	222
Tap-In Fees	101,495	286,278	387,773
	<hr/>	<hr/>	<hr/>
<i>Net Cash Provided By Operating Activities</i>	493,474	101,350	594,824
	<hr/>	<hr/>	<hr/>
Cash Flows From Capital And Related Financing Activities:			
Acquisition Of Capital Assets	(3,046,057)	0	(3,046,057)
Proceeds Of OWDA Loan	2,401,072	0	2,401,072
Principal Paid On OPWC Loans	(20,183)	(65,918)	(86,101)
Principal Paid On OWDA Loans	(87,968)	0	(87,968)
Interest And Fiscal Charges Paid On OPWC Loans	(3,158)	(19,226)	(22,384)
Interest And Fiscal Charges Paid On OWDA Loans	(100,293)	0	(100,293)
	<hr/>	<hr/>	<hr/>
<i>Net Cash Used For Capital And Related Financing Activities</i>	(856,587)	(85,144)	(941,731)
	<hr/>	<hr/>	<hr/>
<i>Net Increase (Decrease) In Cash And Cash Equivalents</i>	(363,113)	16,206	(346,907)
	<hr/>	<hr/>	<hr/>
Cash And Cash Equivalents At Beginning Of Year	2,920,703	1,752,557	4,673,260
	<hr/>	<hr/>	<hr/>
<i>Cash And Cash Equivalents At End Of Year</i>	<u>\$2,557,590</u>	<u>\$1,768,763</u>	<u>\$4,326,353</u>

(Continued)

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2011

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Reconciliation Of Operating Loss To Net Cash Provided By Operating Activities:</u>			
Operating Loss	(\$284,690)	(\$657,553)	(\$942,243)
<u>Adjustments To Reconcile Operating Loss To Net Cash Provided By Operating Activities:</u>			
Depreciation	611,345	763,184	1,374,529
Changes In Assets And Liabilities:			
Decrease In Accounts Receivable	1,120	2,681	3,801
Increase In Accounts Payable	5,948	2,086	8,034
Increase In Contracts Payable	16,225	0	16,225
Decrease In Accrued Wages Payable	0	(269)	(269)
Increase In Compensated Absences Payable	0	22,509	22,509
Increase (Decrease) In Retainage Payable	143,526	(31,999)	111,527
Increase In Due To Other Governments	0	711	711
Net Cash Provided By Operating Activities	<u>\$493,474</u>	<u>\$101,350</u>	<u>\$594,824</u>
<u>Noncash Capital Financing Activities:</u>			
Service Lines Donated By Developers	<u>\$671,825</u>	<u>\$954,442</u>	<u>\$1,626,267</u>

See Accompanying Notes To The Basic Financial Statements

CITY OF GROVE CITY, OHIO

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

December 31, 2011

<u>Assets:</u>	
Equity In Pooled Cash And Cash Equivalents	\$825,523
Receivables:	
Other Local Taxes	<u>14,079</u>
<i>Total Assets</i>	<u><u>\$839,602</u></u>
<u>Liabilities:</u>	
Due To Other Governments	\$14,079
Undistributed Assets	33,614
Deposits Held And Due To Others	<u>791,909</u>
<i>Total Liabilities</i>	<u><u>\$839,602</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, 2011

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 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 City Administrator and other Directors, including the Director of Finance and the Director of Law.

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

THE 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, 2011

(Continued)

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

The City is associated with five organizations, two of which are defined as jointly governed organizations, two as shared risk pools and one insurance purchasing pool. These organizations are the Grove City Area Community Improvement Corporation, the Mid-Ohio Regional Planning Commission, the Central Ohio Risk Management Association Self-Insurance Pool, Inc., the Central Ohio Health Care Consortium and the Ohio Municipal League Workers' Compensation Group Rating Plan. See Notes 18, 19 and 20.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

BASIS OF PRESENTATION

The City's basic financial statements consist of government-wide statements, including a Statement of Net Assets and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities.

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.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND FINANCIAL STATEMENTS

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

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.

The following are the City's major governmental funds:

General Fund - This fund accounts for all unassigned 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 restricted property taxes levied for the payment of the employer's pension contributions.

Debt Service Fund - This fund accounts for the resources that are restricted 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 restricted for payment of principal and interest and fiscal charges on the tax increment financing revenue bonds and payments to other governmental entities per the agreement.

Pinnacle TIF Debt Service Fund - This fund accounts for the resources that are restricted for payment of principal and interest and fiscal charges on the bonds and payments to other governmental entities per the agreement.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Improvement Capital Projects Fund - This fund accounts for various construction and improvement projects within the City. These projects are financed from committed local resources, bond proceeds and federal and State grants, including Ohio Public Works Commission grants and loans.

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.

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 the distribution of mayor's court fines, individuals and organizations for medical spending, money held for other governments, compliance with building codes, and the distribution of hotel/motel tax to the Grove City Area Visitors and Convention Bureau.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS

Government-Wide Financial Statements

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

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 31 days of year-end.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Property taxes and revenue in lieu of taxes for which there is an enforceable legal claim as of December 31, 2011, but were levied to finance 2012 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met have also been recorded as deferred revenue.

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

EXPENSES/EXPENDITURES

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CASH AND CASH EQUIVALENTS

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "Equity In Pooled Cash And Cash Equivalents" on the financial statements. The City 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 trustee accounts to hold monies for the payment of principal and interest and a reserve required by the debt covenant relating to the Buckeye Center 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, Federal National Mortgage Association Notes, Federal Farm Credit Bank Bonds, Federal Farm Credit Bank Consolidation Bonds, STAROhio, and Negotiable Certificates of Deposit. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices.

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during 2011. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's net asset value per share which is the price the investment could be sold for on December 31, 2011.

Interest income and gains or losses on investments are distributed to the funds according to Ohio constitutional and statutory requirements. Interest revenue and gains or losses on investments credited to the General Fund during 2011 amounted to \$638,503, which includes \$333,550 assigned from other funds.

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

MATERIALS AND SUPPLIES INVENTORY

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

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond December 31, 2011, 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/expense 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 \$5,000. 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 expensed.

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.

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

<u>Description</u>	<u>Governmental And Business-Type Activities Estimated Lives</u>
Buildings	50 years
Improvements Other Than Buildings	10 - 20 years
Machinery And Equipment	10 - 20 years
Furniture And Fixtures	10 - 20 years
Vehicles	3 -10 years
Computer Equipment	3 -10 years
Infrastructure	15 - 50 years

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City's infrastructure consists of curbs and gutters, sidewalks, streets, street lights, storm sewer lines, traffic signals, other infrastructure, water lines and sewer lines.

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.

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 DISCOUNT, PREMIUM/ISSUANCE COSTS

On the government-wide financial statements (and in the enterprise funds), bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line (bonds outstanding) method, which approximates the effective interest method. Bond premiums/discounts are presented as additions/reductions to the face amount of bonds payable. Issuance costs are amortized on a straight-line basis over the term of the bonds and are reported as deferred charges.

On the governmental fund financial statements, issuance costs and bond premiums and discounts are recognized in the period when the debt is issued.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As permitted by State statute, the City paid bond issuance costs from the bond proceeds and therefore does not consider that portion of the debt to be capital-related debt. That portion of the debt was offset against the unamortized bond issuance costs which were included in the determination of unrestricted net assets. Reporting both within the same element of net assets prevents one classification from being overstated while another is understated by the same amount.

LOSS ON ADVANCE REFUNDING

The accounting gain/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 transfer of capital assets between governmental and business-type activities.

FUND BALANCE

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

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

Restricted – The restricted fund balance category includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the City.

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

The City has not adopted a formal fund balance policy.

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

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 relating to the tax increment financing revenue bonds.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INTERNAL ACTIVITY

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

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

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 non-operating 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, although the entire debt is being paid from governmental activities, 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.

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.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance, 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 ordinance 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, department, personal services and all other objects level for all funds.

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 ordinance 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 ordinance 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.

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES

CHANGE IN ACCOUNTING PRINCIPLES

During 2011, the City has implemented *Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions"*.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES (Continued)

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement did not result in any changes to the City's financial statements.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations and changes in fund balance 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).
- (c) Encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned 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 basis) rather than at cost (budget basis).

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (Continued)

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:

Net Change In Fund Balance

	<u>General</u>	<u>Police Pension</u>
GAAP Basis	\$5,110,849	\$95,672
<u><i>Increases (Decreases) Due To:</i></u>		
Revenue Accruals	415,926	0
Expenditure Accruals	(366,238)	4,172
Encumbrances Outstanding		
At Year-End (Budget Basis)	(3,651,244)	0
Change In Fair Value Of Investments - 2011	(1,833)	0
Unrecorded Cash - 2011	(182,920)	0
Change In Fair Value Of Investments - 2010	(198,529)	0
Unrecorded Cash - 2010	149,269	0
Budget Basis	<u>\$1,275,280</u>	<u>\$99,844</u>

NOTE 5 - DEPOSITS AND INVESTMENTS

The investment and deposit of City monies are governed by the Ohio Revised Code and the City's charter. 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.

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.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

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;
4. Commercial paper and bankers acceptances if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2); and
7. The State Treasurer's investment pool (STAROhio).

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS

As of December 31, 2011, the City had the following investments:

	<i>Fair Value</i>	<i>Investment Maturities (In Years)</i>		<i>Percentage Of Total Investments</i>	<i>Standards And Poor's/ Moody's</i>	<i>Call Date</i>
		<i>Less Than 1</i>	<i>1 - 5</i>		<i>Ratings</i>	
Federal Home Loan Bank Consolidation Bonds	\$520,470	\$0	\$520,470	N/A	Aaa	-----
Federal Home Loan Bank Bonds	10,393,025	2,072,020	8,321,005	25.00	Aaa	1/4/12 to 7/9/2012
Federal Home Loan Mortgage Corporation Bonds	2,983,234	0	2,983,234	7.18	Aaa	2/24/12 to 9/28/2012
Federal National Mortgage Association Bonds	9,938,732	0	9,938,732	23.90	Aaa	1/11/12 to 12/27/2012
Federal National Mortgage Association Notes	3,788,879	100,281	3,688,598	9.11	AA2 to Aaa	3/12/12 to 12/3/2012
Federal Farm Credit Bank Bonds	4,885,562	0	4,885,562	11.75	Aaa	2/17/12 to 9/12/2012
Federal Farm Credit Bank Consolidation Bonds	1,799,064	0	1,799,064	N/A	Aaa	1/4/2012
STAROhio	2,166,795	2,166,795	0	N/A	AAAm	-----
Negotiable Certificates Of Deposit	5,100,424	2,419,475	2,680,949	12.27	-----	1/20/12 to 3/15/2012
Totals	\$41,576,185	\$6,758,571	\$34,817,614			

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.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

CUSTODIAL CREDIT RISK

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The investments listed in the table above, with the exception of STAROhio, are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the City's name. The City has no policy for custodial credit risk beyond the requirements of State statute.

CREDIT RISK

Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The City's investment policy limits investments to those authorized by State statute which restricts investments to those that are highly rated or issued by United States Government sponsored enterprises. See the table above for the investment ratings.

CONCENTRATION OF CREDIT RISK

The City places a limit on the amount it may invest in any one financial institution. The aggregate investments with any one financial institution will at no time exceed 25 percent of the investment portfolio and funds invested in STAROhio or any financial institution in which the City is using as its primary bank for active deposits shall not exceed 40 percent of the investment portfolio. The percentage that each investment represents of total investments is listed in the above table.

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

NOTE 7 - PROPERTY TAX

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2011 for real and public utility property taxes represents collections of 2010 taxes.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 7 - PROPERTY TAX (Continued)

2011 real property taxes were levied after October 1, 2011, on the assessed value as of January 1, 2011, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2011 real property taxes are collected in and intended to finance 2012.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2011 public utility property taxes which became a lien December 31, 2010, are levied after October 1, 2011, and are collected in 2012 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2011, was \$3.50 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2011 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	
Residential/Agricultural	\$572,524,350
Commercial/Industrial/Public Utility	218,728,060
Public Utility Personal	11,597,480
Total Property Taxes	<u>\$802,849,890</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2011, and for which there was an enforceable legal claim. In the governmental funds, the entire receivable has been deferred since current taxes were not levied to finance 2011 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On the accrual basis, collectible delinquent property taxes have been recorded as revenue while on the modified accrual basis the revenue has been deferred.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 8 - RECEIVABLES

Receivables at December 31, 2011, consisted of property taxes, other local taxes, revenue in lieu of taxes, municipal income taxes, accounts, special assessments, interest on investments, due from other governments arising from grants, entitlements or shared revenues and loans. All receivables are considered fully collectible and will be received within one year with the exception of property taxes, revenue in lieu of taxes, income taxes, special assessments and loans. Water and sewer charges receivable which, if delinquent, may be certified and collected as a special assessment, are subject to foreclosure for nonpayment. Property taxes 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 \$2,696,865. The City had \$559 in delinquent special assessments at December 31, 2011. Revenue in lieu of taxes will be received over the designated period established by the agreements.

Loans receivable represent low-interest loans to stimulate new economic development by creating and/or expanding investment and employment in the Grove City Town Center. Loans will bear interest at a minimum rate of three percent. The loans are to be repaid over a period of five to 20 years. \$9,773 of the \$254,821 is expected to be received within the next year.

A summary of the principal items of due from other governments follows:

	<u>Amount</u>
<u>Governmental Activities:</u>	
Local Government	\$593,464
Liquor Permits	41,413
Cigarette Tax	1,171
911 Wireless	65,000
JAG Internet Crimes Against Children Grant	518
Bulletproof Vest Grant	2,638
DUI Taskforce Grant	1,242
Drug Enforcement Agency Grant	5,184
Ohio Department of Transportation Grant	337,245
DARE Grant	30,505
Estate Tax	148,763
Fines And Forfeitures	116
Homestead And Rollback	258,691
Pari-Mutual Tax	15,000
Gasoline Tax	597,197
Motor Vehicle License Tax	127,550
Permissive Motor Vehicle License Tax	126,033
Total Due From Other Governments	<u>\$2,351,730</u>

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 8 – RECEIVABLES (Continued)

REVENUE IN LIEU OF TAXES

In 2002, the City entered into the Buckeye Center Tax Increment Financing Agreement between the City and Stringtown Partners North, Stringtown Partners South, and Lucas State Street Stringtown Limited, for the purpose of constructing the Parkway Center North and South retail center. To encourage these improvements, the companies and home owners were granted a 100 percent, 30 year exemption from paying any property taxes on the new construction; however, revenue in lieu of taxes are paid to the City in an amount equal to the real property taxes that otherwise would have been due in that year. These payments are being used to finance public infrastructure improvements. Additional payments are made to the South-Western City School District since they are impacted by the exemption.

In 2004, the City entered into the Pinnacle Tax Increment Financing Agreement between the City and Pinnacle Development Company, Ltd., and M/I Homes of Central Ohio for the purpose of constructing 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 a 100 percent, 30 year exemption from paying any property taxes on the new construction; however, revenue in lieu of taxes are paid to the City in an amount equal to the real property taxes that otherwise would have been due in that year. These payments are being used to finance public infrastructure improvements. Per the tax increment financing agreement, service payments are made to the South-Western City School District directly from Franklin County. Jackson Township will be reimbursed through capital assets additions, purchased by the City.

In 2006, the City entered into the Rockford Homes Tax Increment Financing Agreement between the City and Rockford Home Builders for the purpose of constructing single-family homes. In the agreement, the developer agreed to pay for the infrastructure cost and will be reimbursed by the City from the Rockford TIF Special Revenue Fund. Per the tax increment financing agreement, service payments are made to the South-Western City School District directly from Franklin County.

In 2007, the City created the SR665/I71 Municipal Public Improvement Tax Increment Financing District for the continued commercial development of SR665/I71 corridor of the City. This agreement is for 30 years and allows 100 percent exemption on improvements in the TIF district; however, revenue in lieu of taxes are paid to the City in an amount equal to the real property taxes that otherwise would have been due in that year. These payments are being used to finance public infrastructure improvements. Per the tax increment financing agreement, service payments are made to the South-Western City School District directly from Franklin County. A separate agreement was signed with Jackson Township; however; depending upon where the infrastructure improvements are made and location of the parcel in the TIF district depends upon how much the Township is to be reimbursed.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 9 - CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2011, was as follows:

	<i>Balance At 12/31/2010</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance At 12/31/2011</i>
<u>Governmental Activities</u>				
Capital Assets, Not Being Depreciated:				
Land	\$43,156,367	\$970,641 *	(\$1,250)	\$44,125,758
Construction In Progress	1,320,140	2,605,611	(2,693,814)	1,231,937
Total Capital Assets, Not Being Depreciated	<u>44,476,507</u>	<u>3,576,252</u>	<u>(2,695,064)</u>	<u>45,357,695</u>
Depreciable Capital Assets:				
Buildings	6,003,816	0	0	6,003,816
Improvements Other Than Buildings	4,603,005	39,394	0	4,642,399
Machinery And Equipment	4,476,404	18,330	(45,552)	4,449,182
Furniture And Fixtures	240,372	0	(5,439)	234,933
Vehicles	2,756,373	282,209	(158,653)	2,879,929
Computer Equipment	2,504,831	255,538	(7,126)	2,753,243
Infrastructure:				
Curbs And Gutters	20,167,164	607,977 *	0	20,775,141
Sidewalks	7,072,578	277,756 *	0	7,350,334
Streets	182,271,856	4,233,944 *	(2,222,275)	184,283,525
Street Lights	3,389,686	0	0	3,389,686
Storm Sewer Lines	29,034,795	1,002,522 *	0	30,037,317
Traffic Signals	2,484,816	116,691	0	2,601,507
Other Infrastructure	3,797,514	706,874	(4,650)	4,499,738
Total Depreciable Capital Assets	<u>\$268,803,210</u>	<u>\$7,541,235</u>	<u>(\$2,443,695)</u>	<u>\$273,900,750</u>

(Continued)

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 9 - CAPITAL ASSETS (Continued)

	<u>Balance At</u> <u>12/31/2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance At</u> <u>12/31/2011</u>
Governmental Activities				
Less Accumulated Depreciation:				
Buildings	(\$3,344,739)	(\$73,526)	\$0	(\$3,418,265)
Improvements Other Than Buildings	(2,420,979)	(160,384)	0	(2,581,363)
Machinery And Equipment	(2,439,957)	(356,275)	43,793	(2,752,439)
Furniture And Fixtures	(133,682)	(23,229)	4,934	(151,977)
Vehicles	(1,520,827)	(228,709)	112,549	(1,636,987)
Computer Equipment	(1,671,050)	(327,100)	6,814	(1,991,336)
Infrastructure:				
Curbs And Gutters	(12,393,223)	(1,033,206)	0	(13,426,429)
Sidewalks	(3,832,365)	(347,659)	0	(4,180,024)
Streets	(78,689,819)	(6,487,333)	1,776,320	(83,400,832)
Street Lights	(503,463)	(111,602)	0	(615,065)
Storm Sewer Lines	(6,790,891)	(587,099)	0	(7,377,990)
Traffic Signals	(470,279)	(92,983)	0	(563,262)
Other Infrastructure	(922,277)	(232,684)	721	(1,154,240)
Total Accumulated Depreciation	<u>(115,133,551)</u>	<u>(10,061,789)</u>	<u>1,945,131</u>	<u>(123,250,209)</u>
Depreciable Capital Assets, Net	<u>153,669,659</u>	<u>(2,520,554)</u>	<u>(498,564)</u>	<u>150,650,541</u>
Governmental Activities Capital Assets, Net	<u>\$198,146,166</u>	<u>\$1,055,698</u>	<u>(\$3,193,628)</u>	<u>\$196,008,236</u>

* \$5,471,407 of the additions consisted of assets donated by developers.

Depreciation expense was charged to governmental programs as follows:

Security Of Persons And Property	\$537,579
Leisure Time Activities	208,185
Community Development	9,299
Transportation	6,626,859
General Government	2,679,867
Total Depreciation Expense	<u>\$10,061,789</u>

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 9 - CAPITAL ASSETS (Continued)

	<i>Balance At 12/31/2010</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance At 12/31/2011</i>
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$23,000	\$0	\$0	\$23,000
Construction In Progress	859,272	2,877,048	(954,099)	2,782,221
Total Capital Assets, Not Being Depreciated	882,272	2,877,048	(954,099)	2,805,221
Depreciable Capital Assets:				
Buildings	868,211	0	0	868,211
Improvements Other Than Buildings	562,218	0	0	562,218
Machinery And Equipment	213,445	0	(3,088)	210,357
Vehicles	143,588	0	0	143,588
Computer Equipment	7,235	0	0	7,235
Infrastructure:				
Water Lines	28,469,930	1,794,933	0	30,264,863
Sewer Lines	37,457,209	954,442	0	38,411,651
Total Depreciable Capital Assets	67,721,836	2,749,375	(3,088)	70,468,123
Less Accumulated Depreciation:				
Buildings	(142,710)	(16,764)	0	(159,474)
Improvements Other Than Buildings	(486,316)	(13,355)	0	(499,671)
Machinery And Equipment	(87,882)	(8,590)	3,088	(93,384)
Vehicles	(82,291)	(5,693)	0	(87,984)
Computer Equipment	(7,235)	0	0	(7,235)
Infrastructure:				
Water Lines	(8,024,508)	(581,948)	0	(8,606,456)
Sewer Lines	(10,210,202)	(748,179)	0	(10,958,381)
Total Accumulated Depreciation	(19,041,144)	(1,374,529)	3,088	(20,412,585)
Depreciable Capital Assets, Net	48,680,692	1,374,846	0	50,055,538
Business-Type Activities Capital Assets, Net	\$49,562,964	\$4,251,894	(\$954,099)	\$52,860,759

For the year ended December 31, 2011, the City's enterprise funds received water and sewer lines that were donated by developers. The water and sewer lines were recorded as capital assets in the respective funds. The value of the water and sewer lines were \$671,825 and \$954,442, respectively.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 10 - DEFINED BENEFIT PENSION PLANS

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description – The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension 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. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, 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 Pension 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. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll. For the year ended December 31, 2011, members in state and local divisions contributed 10 percent of covered payroll. For 2011, member and employer contribution rates were consistent across all three plans.

The City's 2011 contribution rate was 14.0 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 4.0 percent for 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2011. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2011, 2010, and 2009 were \$553,600, \$496,805, and \$434,191, respectively. For 2011, 90.07 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009. Contributions to the Member-Directed Plan for 2011 were \$24,519 made by the City and \$17,513 made by plan members.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

OHIO POLICE AND FIRE PENSION FUND

Plan Description – 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 OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code requires plan members to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters.

The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. The portion of employer contributions used to fund pension benefits was 12.75 percent of covered payroll for police officers and 17.25 percent of covered payroll for firefighters. The City has no firefighters. The City's contributions to OP&F for police pension for the years ended December 31, 2011, 2010, and 2009 were \$697,205, \$514,880, and \$666,030, respectively. For 2011, 90.52 percent for police has been contributed with the balance being report as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

NOTE 11 - POST-EMPLOYMENT BENEFITS

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 11 - POST-EMPLOYMENT BENEFITS (Continued)

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, state and local employers contributed at a rate of 14.0 percent of covered payroll. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0 percent for 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2011.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2011, 2010, and 2009 were \$221,440, \$276,003, and \$313,414, respectively. For 2011, 90.07 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. Rates for law enforcement and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 11 - POST-EMPLOYMENT BENEFITS (Continued)

OHIO POLICE AND FIRE PENSION FUND

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

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required by Ohio Revised Code to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. The City has no firefighters. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2011, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 11 - POST-EMPLOYMENT BENEFITS (Continued)

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police for the year ended December 31, 2011, 2010, and 2009 were \$369,108, \$272,584, and \$352,604, respectively. For 2011, 90.52 percent has been contributed for police with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

NOTE 12 - EMPLOYEE BENEFITS

COMPENSATED ABSENCES

Vacation leave is earned at rates which vary depending upon length of service and are credited to the employees on a bi-weekly basis. Current policy allows the unused balance to be accrued at levels which depend upon years of service. City employees are paid for earned, unused vacation leave at the time of termination of employment.

Sick leave is earned at the rate of four and six-tenths hours for every 80 hours worked and can be accumulated without limit. Each employee with the City is paid at one-half of the portion that exceeds 360 hours of the employees' 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 shared risk 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 postage systems and a telephone system. 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 debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 13 - CAPITAL LEASES - LESSEE DISCLOSURE (Continued)

Capital assets acquired by lease were capitalized in the amount of \$379,836. This amount represents the present value of the minimum lease payments at the time of acquisition. Principal payments in 2011 totaled \$79,745 in the governmental funds.

The assets acquired through capital leases as of December 31, 2011, are as follows:

	<i>Asset Value</i>	<i>Accumulated Depreciation</i>	<i>Net Book Value</i>
Machinery And Equipment	<u>\$379,836</u>	<u>\$198,211</u>	<u>\$181,625</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, 2011:

<i>Year Ending December 31,</i>	<i>Payments</i>
<u>2012</u>	<u>\$19,705</u>
Less: Amount Representing Interest	<u>(224)</u>
Present Value of Minimum Lease Payment	<u>\$19,481</u>

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(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, 2011, was as follows:

<i>Types / Issues</i>	<i>Balance 12/31/10</i>	<i>Issued</i>	<i>Retired</i>	<i>Balance 12/31/11</i>	<i>Due Within One Year</i>
<u>Business-Type Activities</u>					
<u>Ohio Public Works Commission</u>					
<u>(OPWC) Loans</u>					
1994 - 3.50% Columbus Street Reconstruction \$128,422	35,827	\$0	\$8,496	\$27,331	\$8,796
1995 - 3.00% Kingston Avenue Reconstruction \$200,624	68,807	0	11,687	57,120	12,040
1995 - 3.50% Grant Run Interceptor Phase II \$537,324	189,257	0	31,779	157,478	32,901
1999 - 3.00% Marsh Run Gravity Sewer \$703,276	437,749	0	34,139	403,610	35,170
Total OPWC Loans	731,640	0	86,101	645,539	88,907
<u>Ohio Water Development</u>					
<u>Authority (OWDA) Loans</u>					
2010 - 3.89% Big Run/Fryer Park Water Storage Tank \$2,600,000	158,304	1,729,734	87,968	1,800,070	0
2011 - 3.37% Haughn Road Water Main \$671,338	0	671,338	0	671,338	23,988
Total OWDA Loans	158,304	2,401,072	87,968	2,471,408	23,988
<u>Other Long-Term Obligations</u>					
Compensated Absences	22,199	48,711	26,202	44,708	16,964
Total Business-Type Activities	\$912,143	\$2,449,783	\$200,271	\$3,161,655	\$129,859

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

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

<i>Types / Issues</i>	<i>Balance 12/31/10</i>	<i>Issued</i>	<i>Retired</i>	<i>Balance 12/31/11</i>	<i>Due Within One Year</i>
Governmental Activities					
General Obligation Bonds					
1991 - 6.65% Various Purpose Street Improvement Serial Bonds \$1,220,000	\$125,000	\$0	\$125,000	\$0	\$0
2001 - 3.8% - 5.5% Various Purpose Improvement Serial Bonds \$1,840,000	1,390,000	0	65,000	1,325,000	60,000
2004 - 1.9% - 3.5% General Obligation Refunding Bonds \$1,360,000	495,000	0	160,000	335,000	165,000
Deferred Loss On Refunding	(12,550)	0	(4,183)	(8,367)	0
2006 - Pinnacle Club Drive Construction And Improvement Bonds					
Serial Bonds 4.0% - 5.25% \$4,225,000	3,440,000	0	245,000	3,195,000	250,000
Term Bonds 4.0% \$4,505,000	4,505,000	0	0	4,505,000	0
Premium On Bonds	53,508	0	2,548	50,960	0
2009 - SR 665 Construction And Improvements Bonds					
Serial Bonds 2.5% - 4.375% \$3,155,000	2,985,000	0	170,000	2,815,000	175,000
Term Bonds 4.5% - 5.125% \$4,430,000	4,430,000	0	0	4,430,000	0
Total General Obligation Bonds Payable	\$17,410,958	\$0	\$763,365	\$16,647,593	\$650,000

(Continued)

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

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

<i>Types / Issues</i>	<i>Balance 12/31/10</i>	<i>Issued</i>	<i>Retired</i>	<i>Balance 12/31/11</i>	<i>Due Within One Year</i>
<u>Ohio Public Works Commission</u>					
<u>(OPWC) Loans</u>					
1997 - 0.00% Hoover Road/ SR 665 Realignment \$351,546	\$129,519	\$0	\$18,502	\$111,017	\$18,502
1998 - 0.00% Haughn Road Widening \$446,773	171,841	0	22,911	148,930	22,911
1999 - 0.00% Broadway \$409,887	194,700	0	20,494	174,206	20,494
1999 - 0.00% Hoover Road/ Buckeye Ranch/ Orders Road \$518,378	233,269	0	25,919	207,350	25,919
2000 - 0.00% Hoover Road/ Old Stringtown To Sonora Drive \$745,578	391,428	0	37,279	354,149	37,279
2001 - 0.00% Broadway \$456,181	275,522	0	36,737	238,785	36,737
2004 - 0.00% Hoover Road/ Milligan Road To Orders Road \$720,000	518,943	0	35,789	483,154	35,789
2005 - 0.00% Demorest Road/ Big Run Road \$543,017	420,838	0	27,151	393,687	27,151
2005 - 0.00% Stringtown Road/ Interstate 71 To McDowell Road \$1,235,678	663,566	0	40,216	623,350	40,216
2008 - 0.00% Old Stringtown Road Reconstruction \$678,014	627,162	0	33,901	593,261	33,901
2009 - 0.00% Grove City Road Reconstruction \$390,000	374,400	0	15,600	358,800	15,600
Total OPWC Loans	4,001,188	0	314,499	3,686,689	314,499
<u>Tax Increment Financing</u>					
<u>Revenue Bonds</u>					
2006 - 5.13% - 5.38% Buckeye Center TIF Revenue Bonds \$16,290,000	\$15,350,000	\$0	\$420,000	\$14,930,000	\$440,000

(Continued)

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

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

<i>Types / Issues</i>	<i>Balance 12/31/10</i>	<i>Issued</i>	<i>Retired</i>	<i>Balance 12/31/11</i>	<i>Due Within One Year</i>
<u>Other Long-Term Obligations</u>					
Capital Leases	\$99,226	\$0	\$79,745	\$19,481	\$19,481
Compensated Absences	1,394,090	850,012	621,940	1,622,162	634,365
Total Other Long-Term Obligations	1,493,316	850,012	701,685	1,641,643	653,846
Total Governmental Activities	<u>\$38,255,462</u>	<u>\$850,012</u>	<u>\$2,199,549</u>	<u>\$36,905,925</u>	<u>\$2,058,345</u>

The City's overall legal debt margin was \$68,368,337, with an unvoted debt margin of \$28,225,843 at December 31, 2011.

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

<i>Year</i>	<i>Governmental Activities</i>			
	<i>General Obligation Bonds</i>			
	<i>Serial Bonds</i>		<i>Term Bonds</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2012	\$650,000	\$336,560	\$0	\$398,874
2013	670,000	310,900	0	398,874
2014	525,000	283,725	0	398,874
2015	555,000	258,675	0	398,874
2016	575,000	231,925	0	398,874
2017-2021	2,845,000	756,614	365,000	1,994,370
2022-2026	1,335,000	265,724	2,650,000	1,750,170
2027-2031	515,000	61,800	3,765,000	1,063,535
2032-2036	0	0	2,155,000	340,582
Totals	<u>\$7,670,000</u>	<u>\$2,505,923</u>	<u>\$8,935,000</u>	<u>\$7,143,027</u>

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(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>Principal</i>	<i>Interest</i>
2012	\$314,499	\$440,000	\$796,413
2013	314,498	460,000	773,863
2014	314,498	485,000	750,287
2015	314,499	510,000	725,431
2016	314,499	535,000	699,294
2017-2021	1,188,509	3,140,000	3,039,293
2022-2026	696,027	4,075,000	2,100,820
2027-2031	182,860	5,285,000	881,768
2032	46,800	0	0
Totals	\$3,686,689	\$14,930,000	\$9,767,169

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

<i>Year</i>	<i>Business-Type Activities</i>					
	<i>Water OWDA Loans</i>		<i>Water OPWC Loans</i>		<i>Sewer OPWC Loans</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2012	\$23,988	\$22,424	\$20,836	\$2,504	\$68,072	\$17,073
2013	24,803	21,608	21,511	1,830	70,297	14,848
2014	25,646	20,766	22,208	1,133	72,594	12,550
2015	26,518	19,894	13,165	499	74,967	10,177
2016	27,419	18,993	6,731	101	58,356	7,726
2017-2021	151,722	80,337	0	0	216,802	18,285
2022-2026	179,315	52,744	0	0	0	0
2027-2031	211,927	20,132	0	0	0	0
Totals	\$671,338	\$256,898	\$84,451	\$6,067	\$561,088	\$80,659

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 general obligation loans payable. The liability for the Water and Sewer Funds is recorded in the fund and government-wide financial statements. The liabilities for the governmental funds are not recorded on the fund financial statements, but are recorded on the government-wide financial statements. The loans will be repaid from the Water and Sewer Enterprise Funds and the Debt Service Fund.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

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

OHIO WATER DEVELOPMENT AUTHORITY (OWDA) LOANS

The OWDA loan consists of money owed to the Ohio Water Development Authority for the Big Run/Fryer Park Water Storage Tank and the Haughn Road Water Main projects. The liability for the Water Fund is recorded in the fund and government-wide financial statements. The work for the Big Run/Fryer Park Water Storage Tank has not been fully completed; therefore, the loan amount has not been issued in full and a final payment schedule is not available. During 2011, a liability was included for \$1,800,070, which represents the amount of the loan used as of year-end. The loan will be repaid from the Water Enterprise Fund. The Haughn Road Water Main project was completed during 2011, and the City received \$671,338 in loan proceeds. The 3.37 percent loan was issued for 20 years, with semi-annual payments.

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.

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 25 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 Pinnacle TIF Debt Service Fund.

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>

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

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

On March 11, 2009, the City issued \$7,585,000 in general obligation bonds for the purpose of retiring the State Route 665 Construction and Improvement Bond Anticipation Notes, Series 2008. Of these bonds, \$3,155,000 are serial bonds and \$4,430,000 are term bonds. The bonds were issued for a 27 year period with final maturity in December 2036. The serial bonds mature from December 1, 2010 to December 1, 2024. The bonds will be retired from the Debt Service Fund.

The term bonds, issued at \$4,430,000, maturing on December 1, 2025 to December 1, 2036 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>
2025	\$280,000
2026	300,000
2027	310,000
2028	320,000
2029	340,000
2030	355,000
2031	370,000
2032	390,000
2033	410,000
2034	430,000
2035	450,000
2036	475,000
	<u>\$4,430,000</u>

TAX INCREMENT FINANCING REVENUE BONDS

On November 28, 2006, the City issued \$16,290,000 in tax increment financing term 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 25 year period with final maturity in December 2031.

The City has pledged future revenue to repay revenue bonds in the Buckeye Center TIF Debt Service Fund. The debt is payable solely from revenues and are payable through 2031. The total principal and interest remaining to be paid on the bonds is \$24,697,169. Principal and interest paid for the current year and revenue in lieu of taxes were \$1,237,937 and \$2,950,053, respectively.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

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

The term bonds, issued at \$16,290,000, maturing on December 1, 2008 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 2008 through 2031.

<u>Year</u>	<u>Amount</u>
2012	\$440,000
2013	460,000
2014	485,000
2015	510,000
2016	535,000
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>\$14,930,000</u>

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(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 mortgage revenue bonds in the aggregate principal amount of \$10,080,000 at December 31, 2011 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, Community Development, and Sewer Funds. Capital leases will be paid from the General Fund.

NOTE 15 - CONSTRUCTION COMMITMENTS

The City has entered into various contracts for the construction and acquisition of capital assets. At December 31, 2011, the significant outstanding construction commitments are:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Balance At 12/31/11</u>
Big Run/Fryer Park Water Storage Tank	\$3,414,071	\$2,635,251	\$778,820
Viola Avenue Watermain Replacement	206,843	175,158	31,685
Fryer Park Eagle Pavilion	642,111	189,716	452,395
Totals	<u>\$4,263,025</u>	<u>\$3,000,125</u>	<u>\$1,262,900</u>

NOTE 16 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; and natural disasters. On October 1, 2009, the City established membership in the Central Ohio Risk Management Association Self-Insurance Pool, Inc. (CORMA). CORMA was formed pursuant to Section 2744.081 of the Ohio Revised Code. Members of CORMA are the cities of Westerville, Dublin, Upper Arlington, Pickerington, Grove City, Groveport, and Powell. Each member has two representatives on the Board of Trustees.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 16 - RISK MANAGEMENT (Continued)

Membership in CORMA enables the City to take advantage of any economies to be realized from an insurance pool with other cities and also provides the City with more control over claims than what is normally available with traditional insurance coverage. A third-party claims administrator investigates, processes and advises the CORMA Treasurer/Board regarding payment of claims.

As part of participating in CORMA, coverage is provided for umbrella liability coverage for \$15,000,000 per occurrence/\$20,000,000 annual aggregate excess general liability, automobile liability, law enforcement liability, public officials and employment practices liability and \$335,353,093 limit for property claims for the pool. Coverage is provided on an annual aggregate basis for crime (\$1,000,000 blanket public employee dishonesty, \$500,000 forgery/computer fraud, and \$100,000 money and securities, with a \$25,000 deductible for each). Coverage is provided for general liability (\$1,000,000/\$2,000,000), law enforcement liability (\$1,000,000/\$1,000,000), public official liability (\$1,000,000/\$1,000,000), employment practices liability (\$1,000,000/\$1,000,000) and automobile liability (\$1,000,000). Pool retentions are \$10,000 per loss for property and \$600,000 aggregate for liability, with a \$100,000 per loss self-insurance retention. A third-party broker, with expertise in public entity pools, markets the program, identifies coverage lines and limits, and recommends the best insurer and insurance for procurement.

For 2011, the City participated in the Ohio Municipal League Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating cities is calculated as one experience and a common premium rate is applied to all cities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to cities that can meet the GRP's selection criteria. The firm of CompManagement provides administrative, cost control and actuarial services to the GRP.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. There has been no significant change in coverage from last year.

NOTE 17 - INTERFUND ACTIVITY

Transfers made during the year ended December 31, 2011 were as follows:

	<i>Transfers From</i>
	General Fund
<i>Transfers To</i>	
Capital Improvement Fund	\$767,297
Nonmajor Governmental Funds	24,000
Totals	<u>\$791,297</u>

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 17 - INTERFUND ACTIVITY (Continued)

Transfers from the General Fund represent subsidy monies for operations of the Capital Improvement Capital Projects Fund and the Community Development Special Revenue Fund.

NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS

GROVE CITY AREA COMMUNITY IMPROVEMENT CORPORATION

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 14 member Board of Trustees, five of which are elected or appointed officials of the City, one representative of Jackson Township, one representative of South-Western City Schools, one representative of the Chamber of Commerce, and six are volunteer citizens. The sole purpose of the CIC is to advance, encourage, and promote the industrial, economic, commercial and civic development of Grove City, Ohio. 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.

MID-OHIO REGIONAL PLANNING COMMISSION

The City is a participant in the Mid-Ohio Regional Planning Commission (MORPC), a jointly governed organization. MORPC is composed of 74 representatives appointed by member governments who make up the Commission, the policy-making body of MORPC, and the oversight board. MORPC is a voluntary association of local governments in central and south central Ohio and a regional planning agency whose membership includes 46 political subdivisions in and around Delaware, Fairfield, Fayette, Franklin, Knox, Licking, Madison, Morrow, Pickaway, Ross, and Union counties, Ohio. The purpose of the organization is to improve the quality of life for member communities by improving housing conditions, to promote and support livability/sustainability measures as a means of addressing regional growth challenges, and to administer and facilitate the availability of regional environmental infrastructure program funding to the full advantage of MORPC's members.

NOTE 19 - SHARED RISK POOLS

CENTRAL OHIO RISK MANAGEMENT ASSOCIATION SELF-INSURANCE POOL, INC.

On October 1, 2009, the City established membership in the Central Ohio Risk Management Association (CORMA) Self-Insurance Pool, Inc., a not for profit risk sharing pool, for the purpose of obtaining reduced rates on traditional liability insurance coverage. CORMA was formed pursuant to Section 2744.081 of the Ohio Revised Code. Members of CORMA are the Cities of Westerville, Dublin, Upper Arlington, Pickerington, Grove City, Groveport, and Powell. Each member has two representatives on the Board of Trustees. This Board establishes its own budget, hires and fires personnel and determines annual rates for its members.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 19 - SHARED RISK POOLS (Continued)

CENTRAL OHIO HEALTH CARE CONSORTIUM

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 nine political subdivisions who pool risk for basic hospital, surgical, and prescription drug coverage. 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, 2010. 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. 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 \$12,978,197 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 - INSURANCE PURCHASING POOL

OHIO MUNICIPAL LEAGUE WORKERS' COMPENSATION GROUP RATING PLAN

The City participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Municipal League Workers' Compensation Group Rating Plan (GRP) was established through the Ohio Municipal League as a group insurance purchasing pool.

Each year, the participants pay an enrollment fee to the GRP to cover the costs of administering the program.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 21 – FUND BALANCES

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

Fund Balances	General	Police Pension	Debt Service	Buckeye Center TIF
<i>Nonspendable</i>				
Materials And Supplies Inventory	\$8,870	\$0	\$0	\$0
Loans Receivable	254,821	0	0	0
Prepays	134,210	0	0	0
<i>Total Nonspendable</i>	397,901	0	0	0
<i>Restricted For</i>				
Police Pension	0	1,350,945	0	0
Debt Service	0	0	674,099	3,285,775
Road Maintenance And Repair	0	0	0	0
Police Programs	0	0	0	0
Recreational Activities	0	0	0	0
Other Purposes	0	0	0	0
<i>Total Restricted</i>	0	1,350,945	674,099	3,285,775
<i>Committed To</i>				
Capital Improvements	0	0	0	0
Recreational Improvements	0	0	0	0
Community Development And Improvements	0	0	0	0
Road Improvements	0	0	0	0
DARE Program	0	0	0	0
Recreational Activities	0	0	0	0
<i>Total Committed</i>	0	0	0	0
<i>Assigned To</i>				
Unpaid Obligations	2,997,481	0	0	0
<i>Unassigned</i>	21,772,230	0	0	0
<i>Total Fund Balances</i>	\$25,167,612	\$1,350,945	\$674,099	\$3,285,775

(Continued)

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 21 – FUND BALANCES (Continued)

Fund Balances	Pinnacle TIF	Capital Improvement	Other Governmental Funds	Total
<i>Nonspendable</i>				
Materials And Supplies Inventory	\$0	\$0	\$122,183	\$131,053
Loans Receivable	0	0	0	254,821
Prepays	0	0	0	134,210
<i>Total Nonspendable</i>	0	0	122,183	520,084
<i>Restricted For</i>				
Police Pension	0	0	0	1,350,945
Debt Service	3,626,823	0	0	7,586,697
Road Maintenance And Repair	0	0	3,330,510	3,330,510
Police Programs	0	0	545,351	545,351
Recreational Activities	0	0	28,799	28,799
Other Purposes	0	0	914	914
<i>Total Restricted</i>	3,626,823	0	3,905,574	12,843,216
<i>Committed To</i>				
Capital Improvements	0	4,650,355	0	4,650,355
Recreational Improvements	0	0	172,149	172,149
Community Development And Improvements	0	0	390,572	390,572
DARE Program	0	0	37,804	37,804
Recreational Activities	0	0	315,645	315,645
<i>Total Committed</i>	0	4,650,355	916,170	5,566,525
<i>Assigned To</i>				
Unpaid Obligations	0	0	0	2,997,481
<i>Unassigned</i>	0	0	0	21,772,230
<i>Total Fund Balances</i>	\$3,626,823	\$4,650,355	\$4,943,927	\$43,699,536

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2011

(Continued)

NOTE 22 - 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, 2011, to December 31, 2011, 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.

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 or committed 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 and reports ninety-two and one-half percent (92.5%) of the State gasoline tax and motor vehicle registration fees restricted for street maintenance and repairs.

State Highway Fund

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

General Recreation Fund

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

City Permissive MVL Fund

The City Permissive MVL Fund accounts for and reports additional motor vehicle registration fees restricted 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 and reports additional motor vehicle registration fees restricted 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 and reports committed revenues from fees for a senior nutrition program sponsored by City Council.

Drug Law Enforcement Fund

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

DARE Program Fund

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

Community Development Fund

The Community Development Fund accounts for and reports a portion of hotel/motel taxes and donations that are committed 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 and reports committed grant monies received from the Franklin County Auditor, as well as license and permits for the purpose of operating a community recycling program and the Keep America Beautiful program.

Law Enforcement Assistance Fund

The Law Enforcement Assistance Fund accounts for and reports restricted State grant monies used for the purpose of training police officers.

Enforcement And Education Fund

The Enforcement And Education Fund accounts for and reports restricted 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 and reports committed resources obtained from the sale of plants and donations for the upkeep of the gardens located at the Gantz City Park.

Mayor's Court Computer Fund

The Mayor's Court Computer Fund accounts for and reports restricted 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 and reports committed monies received from and used for the operation of the Big Splash recreational water facility at Evans Park.

Senior Stage Fund

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

Park Donation Fund

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

Rockford TIF Fund

The Rockford TIF Fund accounts for and reports restricted resources that are used to repay the developer for infrastructure improvements.

(Continued)

CITY OF GROVE CITY, OHIO

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

DEBT SERVICE FUND

Debt Service Funds are established to account for the accumulation of financial resources that are restricted for and payment of general obligation principal and interest and fiscal charges.

Nonmajor Debt Service Fund

SR 665/I71 Municipal Improvement TIF District Debt Service Fund

The SR 665/I71 Municipal Improvement TIF District Fund accounts for restricted resources that are used for payment of principal and interest and fiscal charges on the SR 665 Construction and Improvement Bonds. This fund is not budgeted for during 2011.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are established to account for restricted or committed 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 and reports fees assessed on all new construction within the City. The expenditure of such fees is committed to the construction and improvement of park facilities.

CITY OF GROVE CITY, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds**

December 31, 2011

	<i>Nonmajor Special Revenue Funds</i>	<i>Nonmajor Debt Service Fund</i>	<i>Nonmajor Capital Projects Fund</i>	<i>Total Nonmajor Governmental Funds</i>
<u>Assets:</u>				
Equity In Pooled Cash And Cash Equivalents	\$3,721,644	\$0	\$175,794	\$3,897,438
Cash And Cash Equivalents With Fiscal Agents	941,781	0	0	941,781
Receivables:				
Other Local Taxes	14,079	0	0	14,079
Revenue In Lieu Of Taxes	97,000	578,681	0	675,681
Accounts	4,312	0	0	4,312
Accrued Interest	10,643	0	0	10,643
Due From Other Governments	859,071	0	0	859,071
Materials And Supplies Inventory	122,183	0	0	122,183
Total Assets	\$5,770,713	\$578,681	\$175,794	\$6,525,188
<u>Liabilities And Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$98,548	\$0	\$3,645	\$102,193
Accrued Wages And Benefits Payable	21,020	0	0	21,020
Due To Other Governments	55,466	0	0	55,466
Deferred Revenue	823,901	578,681	0	1,402,582
Total Liabilities	998,935	578,681	3,645	1,581,261
<u>Fund Balances:</u>				
Nonspendable	122,183	0	0	122,183
Restricted	3,905,574	0	0	3,905,574
Committed	744,021	0	172,149	916,170
Total Fund Balances	4,771,778	0	172,149	4,943,927
Total Liabilities And Fund Balances	\$5,770,713	\$578,681	\$175,794	\$6,525,188

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Revenues:</u>			
Revenue In Lieu Of Taxes	\$83,488	\$0	\$83,488
Other Local Taxes	234,557	0	234,557
Intergovernmental	2,109,177	0	2,109,177
Charges For Services	1,168,938	0	1,168,938
Licenses And Permits	14,556	65,564	80,120
Fines And Forfeitures	61,637	0	61,637
Interest	42,313	0	42,313
Rent	22,442	0	22,442
Contributions And Donations	52,975	0	52,975
Miscellaneous	44,081	8	44,089
Total Revenues	3,834,164	65,572	3,899,736
<u>Expenditures:</u>			
Current Operations And Maintenance:			
Security Of Persons And Property	59,988	0	59,988
Public Health	19,361	0	19,361
Leisure Time Activities	1,298,810	3,645	1,302,455
Community Development	449,512	0	449,512
Transportation	1,242,294	0	1,242,294
General Government:			
Primary Government	16,539	0	16,539
Intergovernmental	122,701	0	122,701
Capital Outlay	699,716	54,098	753,814
Total Expenditures	3,908,921	57,743	3,966,664
Excess Of Revenues Over (Under) Expenditures	(74,757)	7,829	(66,928)
<u>Other Financing Sources:</u>			
Proceeds From Sale Of Capital Assets	5,842	0	5,842
Transfers - In	24,000	0	24,000
Total Other Financing Sources	29,842	0	29,842
Net Change In Fund Balances	(44,915)	7,829	(37,086)
Fund Balances At Beginning Of Year	4,816,693	164,320	4,981,013
Fund Balances At End Of Year	\$4,771,778	\$172,149	\$4,943,927

CITY OF GROVE CITY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds**

December 31, 2011

	<u>Street Maintenance</u>	<u>State Highway</u>	<u>General Recreation</u>	<u>City Permissive MVL</u>
<u>Assets:</u>				
Equity In Pooled Cash And Cash Equivalents	\$1,651,644	\$401,496	\$320,024	\$87,122
Cash And Cash Equivalents				
With Fiscal Agents	0	0	0	0
Receivables:				
Other Local Taxes	0	0	0	0
Revenue In Lieu Of Taxes	0	0	0	0
Accounts	476	0	855	0
Accrued Interest	6,396	1,503	0	367
Due From Other Governments	670,391	54,356	0	84,606
Materials And Supplies Inventory	5,243	116,940	0	0
Total Assets	\$2,334,150	\$574,295	\$320,879	\$172,095
<u>Liabilities And Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$32,862	\$0	\$22,662	\$0
Accrued Wages And Benefits Payable	10,464	0	8,943	0
Due To Other Governments	27,147	0	21,833	0
Deferred Revenue	563,812	46,576	0	71,378
Total Liabilities	634,285	46,576	53,438	71,378
<u>Fund Balances:</u>				
Nonspendable	5,243	116,940	0	0
Restricted	1,694,622	410,779	0	100,717
Committed	0	0	267,441	0
Total Fund Balances	1,699,865	527,719	267,441	100,717
Total Liabilities And Fund Balances	\$2,334,150	\$574,295	\$320,879	\$172,095

<i>County Permissive MVL</i>	<i>Senior Nutrition</i>	<i>Drug Law Enforcement</i>	<i>DARE Program</i>	<i>Community Development</i>	<i>Community Environment</i>
\$175,857	\$3,712	\$405,417	\$37,804	\$140,367	\$278,634
941,781	0	0	0	0	0
0	0	0	0	14,079	0
0	0	0	0	0	0
0	0	0	0	0	2,981
961	0	1,416	0	0	0
41,427	0	0	0	0	0
0	0	0	0	0	0
<u>\$1,160,026</u>	<u>\$3,712</u>	<u>\$406,833</u>	<u>\$37,804</u>	<u>\$154,446</u>	<u>\$281,615</u>
\$0	\$0	\$0	\$0	\$649	\$42,375
0	0	0	0	1,240	0
0	0	0	0	1,225	0
35,634	0	1,238	0	0	0
<u>35,634</u>	<u>0</u>	<u>1,238</u>	<u>0</u>	<u>3,114</u>	<u>42,375</u>
0	0	0	0	0	0
1,124,392	0	405,595	0	0	0
0	3,712	0	37,804	151,332	239,240
<u>1,124,392</u>	<u>3,712</u>	<u>405,595</u>	<u>37,804</u>	<u>151,332</u>	<u>239,240</u>
<u>\$1,160,026</u>	<u>\$3,712</u>	<u>\$406,833</u>	<u>\$37,804</u>	<u>\$154,446</u>	<u>\$281,615</u>

(Continued)

CITY OF GROVE CITY, OHIO

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

December 31, 2011

	<u>Law Enforcement Assistance</u>	<u>Enforcement And Education</u>	<u>Garden At Gantz</u>	<u>Mayor's Court Computer</u>
<u>Assets:</u>				
Equity In Pooled Cash And Cash Equivalents	\$2,336	\$25,638	\$890	\$112,268
Cash And Cash Equivalents				
With Fiscal Agents	0	0	0	0
Receivables:				
Other Local Taxes	0	0	0	0
Revenue In Lieu Of Taxes	0	0	0	0
Accounts	0	0	0	0
Accrued Interest	0	0	0	0
Due From Other Governments	0	28	0	0
Materials And Supplies Inventory	0	0	0	0
Total Assets	\$2,336	\$25,666	\$890	\$112,268
<u>Liabilities And Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages And Benefits Payable	0	0	0	0
Due To Other Governments	0	514	0	0
Deferred Revenue	0	0	0	0
Total Liabilities	0	514	0	0
<u>Fund Balances:</u>				
Nonspendable	0	0	0	0
Restricted	2,336	25,152	0	112,268
Committed	0	0	890	0
Total Fund Balances	2,336	25,152	890	112,268
Total Liabilities And Fund Balances	\$2,336	\$25,666	\$890	\$112,268

<i>Big Splash</i>	<i>Senior Stage</i>	<i>Park Donation</i>	<i>Rockford TIF</i>	<i>Total</i>
\$48,722	\$5,444	\$23,355	\$914	\$3,721,644
0	0	0	0	941,781
0	0	0	0	14,079
0	0	0	97,000	97,000
0	0	0	0	4,312
0	0	0	0	10,643
0	0	0	8,263	859,071
0	0	0	0	122,183
<u>\$48,722</u>	<u>\$5,444</u>	<u>\$23,355</u>	<u>\$106,177</u>	<u>\$5,770,713</u>
\$0	\$0	\$0	\$0	\$98,548
373	0	0	0	21,020
4,747	0	0	0	55,466
0	0	0	105,263	823,901
<u>5,120</u>	<u>0</u>	<u>0</u>	<u>105,263</u>	<u>998,935</u>
0	0	0	0	122,183
0	5,444	23,355	914	3,905,574
43,602	0	0	0	744,021
<u>43,602</u>	<u>5,444</u>	<u>23,355</u>	<u>914</u>	<u>4,771,778</u>
<u>\$48,722</u>	<u>\$5,444</u>	<u>\$23,355</u>	<u>\$106,177</u>	<u>\$5,770,713</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, 2011

	<u>Street Maintenance</u>	<u>State Highway</u>	<u>General Recreation</u>	<u>City Permissive MVL</u>
<u>Revenues:</u>				
Revenue In Lieu Of Taxes	\$0	\$0	\$0	\$0
Other Local Taxes	0	0	0	0
Intergovernmental	1,355,316	109,877	10,000	169,751
Charges For Services	1,564	1,563	858,101	0
Licenses And Permits	0	0	0	0
Fines And Forfeitures	0	0	0	0
Interest	24,514	5,757	0	2,526
Rent	0	0	18,190	0
Contributions And Donations	0	0	15,600	0
Miscellaneous	20,283	0	4,357	66
Total Revenues	1,401,677	117,197	906,248	172,343
<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	986,369	0
Community Development	0	0	0	0
Transportation	1,169,164	45,220	0	2,900
General Government:				
Primary Government	0	0	0	0
Intergovernmental	0	0	0	0
Capital Outlay	282,343	0	0	200,000
Total Expenditures	1,451,507	45,220	986,369	202,900
Excess Of Revenues Over (Under) Expenditures	(49,830)	71,977	(80,121)	(30,557)
<u>Other Financing Sources:</u>				
Proceeds From Sale Of Capital Assets	5,842	0	0	0
Transfers - In	0	0	0	0
Total Other Financing Sources	5,842	0	0	0
Net Change In Fund Balances	(43,988)	71,977	(80,121)	(30,557)
Fund Balances At Beginning Of Year	1,743,853	455,742	347,562	131,274
Fund Balances At End Of Year	\$1,699,865	\$527,719	\$267,441	\$100,717

<i>County Permissive MVL</i>	<i>Senior Nutrition</i>	<i>Drug Law Enforcement</i>	<i>DARE Program</i>	<i>Community Development</i>	<i>Community Environment</i>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	234,557	0
233,159	0	207,460	0	0	12,018
1,563	13,259	0	0	0	0
0	0	0	0	0	14,556
0	0	22,552	0	0	252
3,644	0	5,872	0	0	0
0	0	0	0	0	0
0	0	0	100	35,532	0
0	0	1,121	0	1,925	1,623
<u>238,366</u>	<u>13,259</u>	<u>237,005</u>	<u>100</u>	<u>272,014</u>	<u>28,449</u>
0	0	54,999	0	0	0
0	19,361	0	0	0	0
0	0	0	0	0	0
0	0	0	0	279,702	169,810
25,010	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
200,000	0	0	0	0	0
<u>225,010</u>	<u>19,361</u>	<u>54,999</u>	<u>0</u>	<u>279,702</u>	<u>169,810</u>
<u>13,356</u>	<u>(6,102)</u>	<u>182,006</u>	<u>100</u>	<u>(7,688)</u>	<u>(141,361)</u>
0	0	0	0	0	0
0	0	0	0	24,000	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>24,000</u>	<u>0</u>
13,356	(6,102)	182,006	100	16,312	(141,361)
<u>1,111,036</u>	<u>9,814</u>	<u>223,589</u>	<u>37,704</u>	<u>135,020</u>	<u>380,601</u>
<u>\$1,124,392</u>	<u>\$3,712</u>	<u>\$405,595</u>	<u>\$37,804</u>	<u>\$151,332</u>	<u>\$239,240</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, 2011

	Law Enforcement Assistance	Enforcement And Education	Garden At Gantz	Mayor's Court Computer
<u>Revenues:</u>				
Revenue In Lieu Of Taxes	\$0	\$0	\$0	\$0
Other Local Taxes	0	0	0	0
Intergovernmental	0	0	0	0
Charges For Services	0	0	0	0
Licenses And Permits	0	0	0	0
Fines And Forfeitures	0	2,700	0	36,133
Interest	0	0	0	0
Rent	0	0	0	0
Contributions And Donations	0	0	0	0
Miscellaneous	0	0	0	0
Total Revenues	0	2,700	0	36,133
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property	0	4,989	0	0
Public Health	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Development	0	0	0	0
Transportation	0	0	0	0
General Government:				
Primary Government	0	0	0	15,454
Intergovernmental	0	0	0	0
Capital Outlay	0	0	0	17,373
Total Expenditures	0	4,989	0	32,827
Excess Of Revenues Over (Under) Expenditures	0	(2,289)	0	3,306
<u>Other Financing Sources:</u>				
Proceeds From Sale Of Capital Assets	0	0	0	0
Transfers - In	0	0	0	0
Total Other Financing Sources	0	0	0	0
Net Change In Fund Balances	0	(2,289)	0	3,306
Fund Balances At Beginning Of Year	2,336	27,441	890	108,962
Fund Balances At End Of Year	\$2,336	\$25,152	\$890	\$112,268

<i>Big Splash</i>	<i>Senior Stage</i>	<i>Park Donation</i>	<i>Rockford TIF</i>	<i>Total</i>
\$0	\$0	\$0	\$83,488	\$83,488
0	0	0	0	234,557
0	0	0	11,596	2,109,177
292,888	0	0	0	1,168,938
0	0	0	0	14,556
0	0	0	0	61,637
0	0	0	0	42,313
4,252	0	0	0	22,442
0	0	1,743	0	52,975
14,706	0	0	0	44,081
<u>311,846</u>	<u>0</u>	<u>1,743</u>	<u>95,084</u>	<u>3,834,164</u>
0	0	0	0	59,988
0	0	0	0	19,361
312,441	0	0	0	1,298,810
0	0	0	0	449,512
0	0	0	0	1,242,294
0	0	0	1,085	16,539
0	0	0	122,701	122,701
0	0	0	0	699,716
<u>312,441</u>	<u>0</u>	<u>0</u>	<u>123,786</u>	<u>3,908,921</u>
<u>(595)</u>	<u>0</u>	<u>1,743</u>	<u>(28,702)</u>	<u>(74,757)</u>
0	0	0	0	5,842
0	0	0	0	24,000
0	0	0	0	29,842
(595)	0	1,743	(28,702)	(44,915)
<u>44,197</u>	<u>5,444</u>	<u>21,612</u>	<u>29,616</u>	<u>4,816,693</u>
<u>\$43,602</u>	<u>\$5,444</u>	<u>\$23,355</u>	<u>\$914</u>	<u>\$4,771,778</u>



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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, and/or other governmental units.

Mayor's Court Fund

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

Section 125 Cafeteria Plan Fund

The Section 125 Cafeteria Plan Fund accounts for and reports 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 and reports deposits from contractors and sewer tap-in-fees, held by the City, to ensure compliance with various City ordinances and contracts regarding development within the City.

Convention Bureau Fund

The Convention Bureau Fund accounts for and reports the portion of hotel/motel tax collections that are paid to the Grove City Area Visitors and Convention 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, 2011

	<u>Mayor's Court</u>	<u>Section 125 Cafeteria Plan</u>	<u>Deposit Trust</u>
<u>Assets:</u>			
Equity In Pooled Cash And Cash Equivalents	\$5,733	\$16,924	\$774,985
Receivables:			
Other Local Taxes	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$5,733</u></u>	<u><u>\$16,924</u></u>	<u><u>\$774,985</u></u>
<u>Liabilities:</u>			
Due To Other Governments	\$0	\$0	\$0
Undistributed Assets	5,733	0	0
Deposits Held And Due To Others	<u>0</u>	<u>16,924</u>	<u>774,985</u>
<i>Total Liabilities</i>	<u><u>\$5,733</u></u>	<u><u>\$16,924</u></u>	<u><u>\$774,985</u></u>

<i>Convention Bureau</i>	<i>Total</i>
\$27,881	\$825,523
14,079	14,079
<u>\$41,960</u>	<u>\$839,602</u>
\$14,079	\$14,079
27,881	33,614
0	791,909
<u>\$41,960</u>	<u>\$839,602</u>

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2011

	<i>Balance January 1, 2011</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance December 31, 2011</i>
<u>MAYOR'S COURT</u>				
<u>Assets:</u>				
Equity In Pooled Cash And Cash Equivalents	\$0	\$572,684	\$566,951	\$5,733
<u>Liabilities:</u>				
Undistributed Assets	\$0	\$572,684	\$566,951	\$5,733
<u>SECTION 125 CAFETERIA PLAN</u>				
<u>Assets:</u>				
Equity In Pooled Cash And Cash Equivalents	\$23,801	\$14,026	\$20,903	\$16,924
<u>Liabilities:</u>				
Deposits Held And Due To Others	\$23,801	\$14,026	\$20,903	\$16,924
<u>DEPOSIT TRUST</u>				
<u>Assets:</u>				
Equity In Pooled Cash And Cash Equivalents	\$752,060	\$398,545	\$375,620	\$774,985
<u>Liabilities:</u>				
Deposits Held And Due To Others	\$752,060	\$398,545	\$375,620	\$774,985

(Continued)

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2011

	<u>Balance January 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2011</u>
<u>CONVENTION BUREAU</u>				
<u>Assets:</u>				
Equity In Pooled Cash And Cash Equivalents	\$15,744	\$233,396	\$221,259	\$27,881
Receivables:				
Other Local Taxes	12,918	14,079	12,918	14,079
Total Assets	\$28,662	\$247,475	\$234,177	\$41,960
<u>Liabilities:</u>				
Due To Other Governments	\$12,918	\$14,079	\$12,918	\$14,079
Undistributed Assets	15,744	233,396	221,259	27,881
Total Liabilities	\$28,662	\$247,475	\$234,177	\$41,960
 <u>TOTAL - ALL AGENCY FUNDS</u>				
<u>Assets:</u>				
Equity In Pooled Cash And Cash Equivalents	\$791,605	\$1,218,651	\$1,184,733	\$825,523
Receivables:				
Other Local Taxes	12,918	14,079	12,918	14,079
Total Assets	\$804,523	\$1,232,730	\$1,197,651	\$839,602
<u>Liabilities:</u>				
Due To Other Governments	\$12,918	\$14,079	\$12,918	\$14,079
Undistributed Assets	15,744	806,080	788,210	33,614
Deposits Held And Due To Others	775,861	412,571	396,523	791,909
Total Liabilities	\$804,523	\$1,232,730	\$1,197,651	\$839,602

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, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Property Taxes	\$945,256	\$945,256	\$925,699	(\$19,557)
Municipal Income Taxes	16,340,000	16,340,000	18,556,349	2,216,349
Other Local Taxes	870,000	870,000	956,594	86,594
Intergovernmental	1,444,069	1,444,069	2,425,039	980,970
Charges For Services	167,000	167,000	176,639	9,639
Licenses And Permits	504,000	504,000	410,038	(93,962)
Fines And Forfeitures	260,000	260,000	371,519	111,519
Special Assessments	12,000	12,000	1,327,214	1,315,214
Interest	800,000	800,000	598,677	(201,323)
Rent	0	0	33,582	33,582
Contributions And Donations	200,000	200,000	1,427	(198,573)
Miscellaneous	75,000	75,000	104,021	29,021
Total Revenues	21,617,325	21,617,325	25,886,798	4,269,473
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Personal Services	7,403,974	7,383,959	7,116,844	267,115
Materials And Supplies	327,355	269,925	248,305	21,620
Contractual Services	392,257	486,618	474,239	12,379
Other Operating Charges	5,000	5,000	2,721	2,279
Total Police Department	8,128,586	8,145,502	7,842,109	303,393
Garage				
Personal Services	95,932	92,632	90,750	1,882
Materials And Supplies	265,524	293,151	285,704	7,447
Contractual Services	108	808	758	50
Total Garage	361,564	386,591	377,212	9,379
Total Security Of Persons And Property	8,490,150	8,532,093	8,219,321	312,772
Public Health				
Health Department				
Contractual Services	268,454	268,454	266,182	2,272
Leisure Time Activities				
Parks And Recreation				
Personal Services	627,214	627,214	579,422	47,792
Materials And Supplies	33,212	40,212	37,165	3,047
Contractual Services	244,521	237,521	219,020	18,501
Other Operating Charges	4,150	4,150	3,826	324
Total Leisure Time Activities	\$909,097	\$909,097	\$839,433	\$69,664

(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, 2011

	Original Budget	Revised Budget	Budgetary Actual	Variance Positive (Negative)
Community Development				
Building Department				
Personal Services	\$606,250	\$606,250	\$577,614	\$28,636
Materials And Supplies	28,724	28,724	19,809	8,915
Contractual Services	42,994	42,994	14,112	28,882
Other Operating Charges	2,490	2,490	1,027	1,463
Total Building Department	680,458	680,458	612,562	67,896
Development				
Personal Services	307,348	297,617	283,522	14,095
Materials And Supplies	16,679	19,473	19,275	198
Contractual Services	71,700	101,223	98,898	2,325
Other Operating Charges	72,609	170,022	170,022	0
Total Development	468,336	588,335	571,717	16,618
Total Community Development	1,148,794	1,268,793	1,184,279	84,514
General Government				
City Council				
Personal Services	148,132	148,312	147,642	670
Materials And Supplies	1,131	1,131	61	1,070
Contractual Services	19,304	19,124	13,185	5,939
Other Operating Charges	250	250	220	30
Total City Council	168,817	168,817	161,108	7,709
Communications				
Personal Services	1,158,500	1,160,754	1,102,322	58,432
Materials And Supplies	20,000	21,030	21,009	21
Contractual Services	43,900	52,325	50,445	1,880
Total Clerk of Council	1,222,400	1,234,109	1,173,776	60,333
Administration				
Personal Services	323,562	319,561	316,758	2,803
Materials And Supplies	9,550	13,550	12,501	1,049
Contractual Services	17,065	17,065	13,141	3,924
Total Administration	350,177	350,176	342,400	7,776
History				
Contractual Services	\$47,080	\$47,080	\$26,370	\$20,710

(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, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
Finance				
Personal Services	\$395,225	\$398,275	\$353,792	\$44,483
Materials And Supplies	8,597	7,297	6,706	591
Contractual Services	519,671	612,921	610,453	2,468
Other Operating Charges	875	875	320	555
Total Finance	<u>924,368</u>	<u>1,019,368</u>	<u>971,271</u>	<u>48,097</u>
Law				
Contractual Services	457,108	457,108	457,108	0
Lands And Buildings				
Personal Services	934,372	914,372	883,238	31,134
Materials And Supplies	293,505	226,905	225,058	1,847
Contractual Services	1,446,375	1,442,124	1,441,733	391
Total Lands And Buildings	<u>2,674,252</u>	<u>2,583,401</u>	<u>2,550,029</u>	<u>33,372</u>
General Miscellaneous				
Personal Services	425,500	420,021	323,914	96,107
Materials And Supplies	19,566	51,766	50,065	1,701
Contractual Services	1,068,044	1,224,625	1,215,521	9,104
Other Operating Charges	2,461,794	2,039,661	1,080,065	959,596
Total General Miscellaneous	<u>3,974,904</u>	<u>3,736,073</u>	<u>2,669,565</u>	<u>1,066,508</u>
Mayor's Court				
Personal Services	157,659	164,774	150,755	14,019
Materials And Supplies	10,000	16,323	15,461	862
Contractual Services	82,408	79,520	75,884	3,636
Other Operating Charges	500	160	160	0
Total Mayor's Court	<u>250,567</u>	<u>260,777</u>	<u>242,260</u>	<u>18,517</u>
Information System				
Personal Services	324,030	334,029	326,898	7,131
Materials And Supplies	32,576	31,263	31,262	1
Contractual Services	483,452	490,257	490,257	0
Total Information System	<u>840,058</u>	<u>855,549</u>	<u>848,417</u>	<u>7,132</u>
Public Information				
Personal Services	114,088	121,067	119,493	1,574
Materials And Supplies	8,210	8,060	7,993	67
Contractual Services	131,529	130,179	127,969	2,210
Total Public Information	<u>\$253,827</u>	<u>\$259,306</u>	<u>\$255,455</u>	<u>\$3,851</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, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
Human Resources				
Personal Services	\$73,877	\$76,365	\$76,229	\$136
Materials And Supplies	500	500	0	500
Contractual Services	81,425	78,937	75,217	3,720
Total Human Resources	<u>155,802</u>	<u>155,802</u>	<u>151,446</u>	<u>4,356</u>
Total General Government	<u>11,319,360</u>	<u>11,127,566</u>	<u>9,849,205</u>	<u>1,278,361</u>
Capital Outlay:				
Police Department	216,342	167,075	161,980	5,095
Garage	33,500	29,623	29,623	0
Parks And Recreation	101,500	197,466	188,795	8,671
Building Department	21,975	20,000	18,671	1,329
Lands And Buildings	127,766	104,626	104,626	0
City Council	3,000	3,000	1,666	1,334
Administration	20,000	20,000	20,000	0
Finance	97,739	97,739	97,739	0
General Miscellaneous	0	150,000	150,000	0
Engineering	2,124,527	2,124,527	2,124,527	0
Information System	571,620	596,129	595,213	916
Mayor's Court	15,000	10,934	0	10,934
Total Capital Outlay	<u>3,332,969</u>	<u>3,521,119</u>	<u>3,492,840</u>	<u>28,279</u>
Total Expenditures	<u>25,468,824</u>	<u>25,627,122</u>	<u>23,851,260</u>	<u>1,775,862</u>
Excess Of Revenues Over (Under) Expenditures	<u>(3,851,499)</u>	<u>(4,009,797)</u>	<u>2,035,538</u>	<u>6,045,335</u>
<u>Other Financing Sources (Uses):</u>				
Proceeds From Sale Of Capital Assets	0	0	31,039	31,039
Transfers - In	3,000,000	3,000,000	0	(3,000,000)
Transfers - Out	0	(791,297)	(791,297)	0
Total Other Financing Sources (Uses)	<u>3,000,000</u>	<u>2,208,703</u>	<u>(760,258)</u>	<u>(2,968,961)</u>
Net Change In Fund Balance	(851,499)	(1,801,094)	1,275,280	3,076,374
Fund Balance At Beginning Of Year	14,491,400	14,491,400	14,491,400	0
Prior Year Encumbrances	<u>4,502,448</u>	<u>4,502,448</u>	<u>4,502,448</u>	<u>0</u>
Fund Balance At End Of Year	<u>\$18,142,349</u>	<u>\$17,192,754</u>	<u>\$20,269,128</u>	<u>\$3,076,374</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, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Property Taxes	\$1,016,945	\$1,016,945	\$1,071,955	\$55,010
Intergovernmental	191,491	191,491	128,506	(62,985)
<i>Total Revenues</i>	<u>1,208,436</u>	<u>1,208,436</u>	<u>1,200,461</u>	<u>(7,975)</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Personal Services	1,094,491	1,094,491	1,085,658	8,833
Other Operating Charges	20,000	20,000	14,959	5,041
<i>Total Expenditures</i>	<u>1,114,491</u>	<u>1,114,491</u>	<u>1,100,617</u>	<u>13,874</u>
Net Change In Fund Balance	93,945	93,945	99,844	5,899
Fund Balance At Beginning Of Year	<u>1,352,161</u>	<u>1,352,161</u>	<u>1,352,161</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$1,446,106</u></u>	<u><u>\$1,446,106</u></u>	<u><u>\$1,452,005</u></u>	<u><u>\$5,899</u></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, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Property Taxes	\$779,094	\$779,094	\$839,011	\$59,917
Intergovernmental	170,180	170,180	100,923	(69,257)
Special Assessments	3,500	3,500	113,180	109,680
<i>Total Revenues</i>	<u>952,774</u>	<u>952,774</u>	<u>1,053,114</u>	<u>100,340</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
General Government				
General Miscellaneous				
Other Operating Charges	20,000	20,000	12,207	7,793
Debt Service:				
Principal Retirement	834,499	834,499	834,499	0
Interest And Fiscal Charges	424,800	424,800	424,792	8
Issuance Costs	186,162	186,162	81,077	105,085
<i>Total Debt Service</i>	<u>1,445,461</u>	<u>1,445,461</u>	<u>1,340,368</u>	<u>105,093</u>
<i>Total Expenditures</i>	<u>1,465,461</u>	<u>1,465,461</u>	<u>1,352,575</u>	<u>112,886</u>
Net Change In Fund Balance	(512,687)	(512,687)	(299,461)	213,226
Fund Balance At Beginning Of Year	877,398	877,398	877,398	0
Prior Year Encumbrances	15,085	15,085	15,085	0
<i>Fund Balance At End Of Year</i>	<u><u>\$379,796</u></u>	<u><u>\$379,796</u></u>	<u><u>\$593,022</u></u>	<u><u>\$213,226</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, 2011

	<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	\$2,750,000	\$2,750,000	\$2,950,053	\$200,053
Intergovernmental	6,000	6,000	0	(6,000)
<i>Total Revenues</i>	<u>2,756,000</u>	<u>2,756,000</u>	<u>2,950,053</u>	<u>194,053</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
General Government				
General Miscellaneous				
Contractual Services	10,000	10,000	5,000	5,000
Intergovernmental				
Other Operating Charges	<u>1,585,000</u>	<u>1,585,000</u>	<u>1,574,880</u>	<u>10,120</u>
Total General Government	<u>1,595,000</u>	<u>1,595,000</u>	<u>1,579,880</u>	<u>15,120</u>
Debt Service:				
Principal Retirement	432,499	432,499	420,000	12,499
Interest And Fiscal Charges	<u>805,441</u>	<u>805,441</u>	<u>805,441</u>	<u>0</u>
Total Debt Service	<u>1,237,940</u>	<u>1,237,940</u>	<u>1,225,441</u>	<u>12,499</u>
<i>Total Expenditures</i>	<u>2,832,940</u>	<u>2,832,940</u>	<u>2,805,321</u>	<u>27,619</u>
Net Change In Fund Balance	(76,940)	(76,940)	144,732	221,672
Fund Balance At Beginning Of Year	<u>3,125,181</u>	<u>3,125,181</u>	<u>3,125,181</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$3,048,241</u></u>	<u><u>\$3,048,241</u></u>	<u><u>\$3,269,913</u></u>	<u><u>\$221,672</u></u>

CITY OF GROVE CITY, OHIO

Pinnacle 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, 2011

	<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	\$1,600,000	\$1,600,000	\$1,390,686	(\$209,314)
Intergovernmental	150,000	150,000	187,152	37,152
<i>Total Revenues</i>	<u>1,750,000</u>	<u>1,750,000</u>	<u>1,577,838</u>	<u>(172,162)</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
General Government				
General Miscellaneous				
Contractual Services	10,000	10,000	7,000	3,000
Intergovernmental				
Other Operating Charges	30,000	2,572,033	2,561,335	10,698
Total General Government	<u>40,000</u>	<u>2,582,033</u>	<u>2,568,335</u>	<u>13,698</u>
Debt Service:				
Principal Retirement	245,003	245,003	245,000	3
Interest And Fiscal Charges	343,867	343,867	343,867	0
Total Debt Service	<u>588,870</u>	<u>588,870</u>	<u>588,867</u>	<u>3</u>
<i>Total Expenditures</i>	<u>628,870</u>	<u>3,170,903</u>	<u>3,157,202</u>	<u>13,701</u>
Net Change In Fund Balance	1,121,130	(1,420,903)	(1,579,364)	(158,461)
Fund Balance At Beginning Of Year	<u>2,661,485</u>	<u>2,661,485</u>	<u>2,661,485</u>	<u>0</u>
Fund Balance At End Of Year	<u>\$3,782,615</u>	<u>\$1,240,582</u>	<u>\$1,082,121</u>	<u>(\$158,461)</u>

CITY OF GROVE CITY, OHIO

Capital 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, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$0	\$3,831,243	\$3,831,244	\$1
<u>Expenditures:</u>				
Capital Outlay:				
Infrastructure	<u>5,818,838</u>	<u>10,480,091</u>	<u>9,731,017</u>	<u>749,074</u>
Excess Of Revenues Over (Under) Expenditures	(5,818,838)	(6,648,848)	(5,899,773)	749,075
<u>Other Financing Sources:</u>				
Transfers - In	<u>3,500,000</u>	<u>767,297</u>	<u>767,297</u>	<u>0</u>
Net Change In Fund Balance	(2,318,838)	(5,881,551)	(5,132,476)	749,075
Fund Balance At Beginning Of Year	2,808,988	2,808,988	2,808,988	0
Prior Year Encumbrances	<u>3,833,838</u>	<u>3,833,838</u>	<u>3,833,838</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$4,323,988</u></u>	<u><u>\$761,275</u></u>	<u><u>\$1,510,350</u></u>	<u><u>\$749,075</u></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, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Charges For Services	\$450,000	\$450,000	\$422,397	(\$27,603)
Tap-In Fees	150,000	150,000	101,495	(48,505)
Proceeds From OWDA Loan	2,600,000	2,600,000	2,401,072	(198,928)
<i>Total Revenues</i>	<u>3,200,000</u>	<u>3,200,000</u>	<u>2,924,964</u>	<u>(275,036)</u>
<u>Expenses:</u>				
Purchased Services	135,162	114,062	62,607	51,455
Materials And Supplies	2,560	2,560	0	2,560
Capital Outlay	4,378,790	4,399,890	4,067,008	332,882
Debt Service:				
Principal Retirement	258,141	258,141	202,282	55,859
Interest And Fiscal Charges	103,451	103,451	103,451	0
<i>Total Expenses</i>	<u>4,878,104</u>	<u>4,878,104</u>	<u>4,435,348</u>	<u>442,756</u>
Net Change In Fund Equity	(1,678,104)	(1,678,104)	(1,510,384)	167,720
Fund Equity At Beginning Of Year	1,380,354	1,380,354	1,380,354	0
Prior Year Encumbrances	1,538,952	1,538,952	1,538,952	0
<i>Fund Equity At End Of Year</i>	<u>\$1,241,202</u>	<u>\$1,241,202</u>	<u>\$1,408,922</u>	<u>\$167,720</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, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Charges For Services	\$500,000	\$500,000	\$492,075	(\$7,925)
Tap-In Fees	500,000	500,000	286,278	(213,722)
Miscellaneous	4,000	4,000	222	(3,778)
<i>Total Revenues</i>	<u>1,004,000</u>	<u>1,004,000</u>	<u>778,575</u>	<u>(225,425)</u>
<u>Expenses:</u>				
Personal Services	419,600	420,699	413,879	6,820
Purchased Services	564,185	553,479	317,515	235,964
Materials And Supplies	82,157	91,763	73,636	18,127
Capital Outlay	82,444	82,444	8,536	73,908
Debt Service:				
Principal Retirement	65,918	65,918	65,918	0
Interest And Fiscal Charges	19,226	19,226	19,226	0
<i>Total Expenses</i>	<u>1,233,530</u>	<u>1,233,529</u>	<u>898,710</u>	<u>334,819</u>
Net Change In Fund Equity	(229,530)	(229,529)	(120,135)	109,394
Fund Equity At Beginning Of Year	1,511,709	1,511,709	1,511,709	0
Prior Year Encumbrances	236,401	236,401	236,401	0
<i>Fund Equity At End Of Year</i>	<u><u>\$1,518,580</u></u>	<u><u>\$1,518,581</u></u>	<u><u>\$1,627,975</u></u>	<u><u>\$109,394</u></u>

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, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$1,350,000	\$1,350,000	\$1,352,809	\$2,809
Charges For Services	0	0	1,589	1,589
Interest	40,000	40,000	23,139	(16,861)
Contributions And Donations	7,500	7,500	0	(7,500)
Miscellaneous	7,500	7,500	19,807	12,307
Total Revenues	1,405,000	1,405,000	1,397,344	(7,656)
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Transportation				
Street Maintenance				
Personal Services	887,661	888,660	825,738	62,922
Materials And Supplies	374,976	346,914	343,806	3,108
Contractual Services	140,370	106,971	101,627	5,344
Other Operating Charges	15,027	13,027	12,020	1,007
Total Transportation	1,418,034	1,355,572	1,283,191	72,381
Capital Outlay:				
Engineering	608,610	671,072	670,035	1,037
Total Expenditures	2,026,644	2,026,644	1,953,226	73,418
Excess of Revenues Over (Under) Expenditures	(621,644)	(621,644)	(555,882)	65,762
<u>Other Financing Sources:</u>				
Proceeds From Sale Of Capital Assets	0	0	5,842	5,842
Net Change In Fund Balance	(621,644)	(621,644)	(550,040)	71,604
Fund Balance At Beginning Of Year	1,582,817	1,582,817	1,582,817	0
Prior Year Encumbrances	87,492	87,492	87,492	0
Fund Balance At End Of Year	\$1,048,665	\$1,048,665	\$1,120,269	\$71,604

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, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$110,000	\$110,000	\$109,674	(\$326)
Charges For Services	0	0	2,751	2,751
Interest	8,300	8,300	5,428	(2,872)
Miscellaneous	18,000	18,000	0	(18,000)
<i>Total Revenues</i>	<u>136,300</u>	<u>136,300</u>	<u>117,853</u>	<u>(18,447)</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Transportation				
Street Maintenance				
Materials And Supplies	103,625	103,625	101,111	2,514
Contractual Services	79,528	79,528	19,780	59,748
<i>Total Expenditures</i>	<u>183,153</u>	<u>183,153</u>	<u>120,891</u>	<u>62,262</u>
Net Change In Fund Balance	(46,853)	(46,853)	(3,038)	43,815
Fund Balance At Beginning Of Year	376,531	376,531	376,531	0
Prior Year Encumbrances	23,153	23,153	23,153	0
<i>Fund Balance At End Of Year</i>	<u><u>\$352,831</u></u>	<u><u>\$352,831</u></u>	<u><u>\$396,646</u></u>	<u><u>\$43,815</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, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$25,000	\$10,000	\$10,000	\$0
Charges For Services	887,000	857,595	858,176	581
Rent	18,000	18,000	18,190	190
Contributions And Donations	15,000	15,000	15,600	600
Miscellaneous	3,000	3,000	4,357	1,357
Total Revenues	948,000	903,595	906,323	2,728
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Leisure Time Activities				
Recreation				
Personal Services	697,636	670,900	630,909	39,991
Materials And Supplies	285,811	266,849	202,219	64,630
Contractual Services	307,769	273,467	194,483	78,984
Total Expenditures	1,291,216	1,211,216	1,027,611	183,605
Excess of Revenues Over (Under) Expenditures	(343,216)	(307,621)	(121,288)	186,333
<u>Other Financing Uses:</u>				
Refund Of Prior Year Receipts	(20,000)	(20,000)	(18,861)	1,139
Net Change In Fund Balance	(363,216)	(327,621)	(140,149)	187,472
Fund Balance At Beginning Of Year	309,069	309,069	309,069	0
Prior Year Encumbrances	65,760	65,760	65,760	0
Fund Balance At End Of Year	\$11,613	\$47,208	\$234,680	\$187,472

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, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$165,000	\$165,000	\$169,719	\$4,719
Interest	7,000	7,000	1,306	(5,694)
Contributions And Donations	500	500	0	(500)
Miscellaneous	1,000	1,000	66	(934)
<i>Total Revenues</i>	<u>173,500</u>	<u>173,500</u>	<u>171,091</u>	<u>(2,409)</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Transportation				
Street Maintenance				
Materials And Supplies	64,264	64,264	32,508	31,756
Contractual Services	7,712	7,712	0	7,712
Total Transportation	71,976	71,976	32,508	39,468
Capital Outlay:				
Engineering	237,215	237,215	237,215	0
<i>Total Expenditures</i>	<u>309,191</u>	<u>309,191</u>	<u>269,723</u>	<u>39,468</u>
Net Change In Fund Balance	(135,691)	(135,691)	(98,632)	37,059
Fund Balance At Beginning Of Year	98,895	98,895	98,895	0
Prior Year Encumbrances	59,191	59,191	59,191	0
<i>Fund Balance At End Of Year</i>	<u>\$22,395</u>	<u>\$22,395</u>	<u>\$59,454</u>	<u>\$37,059</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, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$80,000	\$80,000	\$83,103	\$3,103
Charges For Services	0	0	1,588	1,588
Interest	8,000	8,000	3,487	(4,513)
<i>Total Revenues</i>	<u>88,000</u>	<u>88,000</u>	<u>88,178</u>	<u>178</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Transportation				
Street Maintenance				
Materials And Supplies	50,000	50,000	50,000	0
Capital Outlay:				
Engineering	200,000	200,000	200,000	0
<i>Total Expenditures</i>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>0</u>
Net Change In Fund Balance	(162,000)	(162,000)	(161,822)	178
Fund Balance At Beginning Of Year	<u>312,203</u>	<u>312,203</u>	<u>312,203</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$150,203</u></u>	<u><u>\$150,203</u></u>	<u><u>\$150,381</u></u>	<u><u>\$178</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, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Charges For Services	\$20,000	\$20,000	\$13,259	(\$6,741)
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Public Health				
Other Public Health Services				
Other Operating Charges	10,000	23,000	19,361	3,639
Net Change In Fund Balance	10,000	(3,000)	(6,102)	(3,102)
Fund Balance At Beginning Of Year	9,814	9,814	9,814	0
<i>Fund Balance At End Of Year</i>	<u>\$19,814</u>	<u>\$6,814</u>	<u>\$3,712</u>	<u>(\$3,102)</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, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$0	\$0	\$207,460	\$207,460
Fines And Forfeitures	15,000	15,000	22,798	7,798
Interest	0	0	5,142	5,142
Miscellaneous	500	500	1,121	621
<i>Total Revenues</i>	15,500	15,500	236,521	221,021
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Materials And Supplies	85,000	85,000	74,709	10,291
Net Change In Fund Balance	(69,500)	(69,500)	161,812	231,312
Fund Balance At Beginning Of Year	221,546	221,546	221,546	0
<i>Fund Balance At End Of Year</i>	<u>\$152,046</u>	<u>\$152,046</u>	<u>\$383,358</u>	<u>\$231,312</u>

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Contributions And Donations	\$20,000	\$20,000	\$100	(\$19,900)
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Materials And Supplies	30,000	30,000	0	30,000
Net Change In Fund Balance	(10,000)	(10,000)	100	10,100
Fund Balance At Beginning Of Year	37,704	37,704	37,704	0
<i>Fund Balance At End Of Year</i>	<u>\$27,704</u>	<u>\$27,704</u>	<u>\$37,804</u>	<u>\$10,100</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, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Other Local Taxes	\$210,000	\$210,000	\$233,396	\$23,396
Contributions and Donations	500	500	35,532	35,032
Miscellaneous	0	0	1,925	1,925
Total Revenues	210,500	210,500	270,853	60,353
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Community Development				
Community Development				
Personal Services	117,705	117,705	104,871	12,834
Materials And Supplies	8,650	8,650	7,417	1,233
Contractual Services	2,500	2,500	1,805	695
Other Operating Charges	171,343	195,343	190,585	4,758
Total Expenditures	300,198	324,198	304,678	19,520
Excess of Revenues Over (Under) Expenditures	(89,698)	(113,698)	(33,825)	79,873
<u>Other Financing Sources:</u>				
Transfers - In	0	0	24,000	24,000
Net Change In Fund Balance	(89,698)	(113,698)	(9,825)	103,873
Fund Balance At Beginning Of Year	121,031	121,031	121,031	0
Prior Year Encumbrances	4,293	4,293	4,293	0
Fund Balance At End Of Year	\$35,626	\$11,626	\$115,499	\$103,873

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, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$31,000	\$31,000	\$12,018	(\$18,982)
Licenses And Permits	20,000	20,000	11,575	(8,425)
Fines And Forfeitures	0	0	252	252
Miscellaneous	5,000	5,000	1,623	(3,377)
<i>Total Revenues</i>	<u>56,000</u>	<u>56,000</u>	<u>25,468</u>	<u>(30,532)</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Community Development				
Community Development				
Materials And Supplies	38,120	19,745	14,895	4,850
Contractual Services	138,425	156,800	155,285	1,515
<i>Total Expenditures</i>	<u>176,545</u>	<u>176,545</u>	<u>170,180</u>	<u>6,365</u>
Net Change In Fund Balance	(120,545)	(120,545)	(144,712)	(24,167)
Fund Balance At Beginning Of Year	334,426	334,426	334,426	0
Prior Year Encumbrances	46,545	46,545	46,545	0
<i>Fund Balance At End Of Year</i>	<u><u>\$260,426</u></u>	<u><u>\$260,426</u></u>	<u><u>\$236,259</u></u>	<u><u>(\$24,167)</u></u>

CITY OF GROVE CITY, OHIO

Law Enforcement Assistance 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, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$5,000	\$5,000	\$0	(\$5,000)
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Contractual Services	2,336	2,336	0	2,336
Net Change In Fund Balance	2,664	2,664	0	(2,664)
Fund Balance At Beginning Of Year	2,336	2,336	2,336	0
<i>Fund Balance At End Of Year</i>	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$2,336</u>	<u>(\$2,664)</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, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Fines And Forfeitures	\$4,000	\$4,000	\$2,703	(\$1,297)
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Contractual Services	21,800	21,800	12,289	9,511
Net Change In Fund Balance	(17,800)	(17,800)	(9,586)	8,214
Fund Balance At Beginning Of Year	25,501	25,501	25,501	0
Prior Year Encumbrances	1,800	1,800	1,800	0
<i>Fund Balance At End Of Year</i>	<u>\$9,501</u>	<u>\$9,501</u>	<u>\$17,715</u>	<u>\$8,214</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, 2011

	<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:				
Leisure Time Activities				
Materials And Supplies	<u>500</u>	<u>500</u>	<u>0</u>	<u>500</u>
Net Change In Fund Balance	(500)	(500)	0	500
Fund Balance At Beginning Of Year	<u>890</u>	<u>890</u>	<u>890</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$390</u></u>	<u><u>\$390</u></u>	<u><u>\$890</u></u>	<u><u>\$500</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, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Fines And Forfeitures	27,500	27,500	35,540	8,040
<u>Expenditures:</u>				
Current Operations And Maintenance:				
General Government				
Mayor's Court				
Materials And Supplies	300	300	291	9
Contractual Services	74,214	74,214	48,218	25,996
Other Operating Charges	2,500	2,500	0	2,500
Total General Government	77,014	77,014	48,509	28,505
Capital Outlay:				
Mayor's Court	29,000	29,000	17,373	11,627
Total Expenditures	106,014	106,014	65,882	40,132
Net Change In Fund Balance	(78,514)	(78,514)	(30,342)	48,172
Fund Balance At Beginning Of Year	97,607	97,607	97,607	0
Prior Year Encumbrances	19,000	19,000	19,000	0
Fund Balance At End Of Year	38,093	38,093	86,265	48,172

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, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Charges For Services	\$266,500	\$246,846	\$292,888	\$46,042
Rent	0	0	4,252	4,252
Miscellaneous	15,000	15,000	14,706	(294)
<i>Total Revenues</i>	<u>281,500</u>	<u>261,846</u>	<u>311,846</u>	<u>50,000</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Leisure Time Activities				
Recreation				
Personal Services	210,135	166,197	172,388	(6,191)
Materials And Supplies	73,494	70,411	64,838	5,573
Contractual Services	75,514	87,782	87,583	199
Other Operating Charges	3,780	1,665	1,665	0
<i>Total Expenditures</i>	<u>362,923</u>	<u>326,055</u>	<u>326,474</u>	<u>(419)</u>
Excess Of Revenues Over (Under) Expenditures	<u>(81,423)</u>	<u>(64,209)</u>	<u>(14,628)</u>	<u>49,581</u>
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Receipts	(2,000)	(240)	(240)	0
Transfers - In	50,000	50,000	0	(50,000)
<i>Total Other Financing Sources (Uses)</i>	<u>48,000</u>	<u>49,760</u>	<u>(240)</u>	<u>(50,000)</u>
Net Change In Fund Balance	(33,423)	(14,449)	(14,868)	(419)
Fund Balance At Beginning Of Year	17,794	17,794	17,794	0
Prior Year Encumbrances	32,208	32,208	32,208	0
<i>Fund Balance At End Of Year</i>	<u>\$16,579</u>	<u>\$35,553</u>	<u>\$35,134</u>	<u>(\$419)</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, 2011

	<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>5,444</u>	<u>5,444</u>	<u>5,444</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$5,444</u></u>	<u><u>\$5,444</u></u>	<u><u>\$5,444</u></u>	<u><u>\$0</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, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Contributions And Donations	\$1,300	\$1,300	\$1,743	\$443
<u>Expenditures:</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change In Fund Balance	1,300	1,300	1,743	443
Fund Balance At Beginning Of Year	<u>21,612</u>	<u>21,612</u>	<u>21,612</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$22,912</u></u>	<u><u>\$22,912</u></u>	<u><u>\$23,355</u></u>	<u><u>\$443</u></u>

CITY OF GROVE CITY, OHIO

Rockford TIF 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, 2011

	<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	\$66,500	\$90,084	\$83,488	(\$6,596)
Intergovernmental	3,500	5,000	11,596	6,596
<i>Total Revenues</i>	<u>70,000</u>	<u>95,084</u>	<u>95,084</u>	<u>0</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
General Government				
General Miscellaneous				
Contractual Services	2,000	1,999	1,085	914
Intergovernmental				
General Miscellaneous				
Contractual Services	70,000	122,701	122,701	0
<i>Total Expenditures</i>	<u>72,000</u>	<u>124,700</u>	<u>123,786</u>	<u>914</u>
Net Change In Fund Balance	(2,000)	(29,616)	(28,702)	914
Fund Balance At Beginning Of Year	<u>29,616</u>	<u>29,616</u>	<u>29,616</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$27,616</u></u>	<u><u>\$0</u></u>	<u><u>\$914</u></u>	<u><u>\$914</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, 2011

	<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	\$65,564	(\$34,436)
Miscellaneous	0	0	8	8
<i>Total Revenues</i>	100,000	100,000	65,572	(34,428)
<u>Expenditures:</u>				
Capital Outlay:				
Parks And Recreation	145,983	145,983	76,118	69,865
Net Change In Fund Balance	(45,983)	(45,983)	(10,546)	35,437
Fund Balance At Beginning Of Year	146,737	146,737	146,737	0
Prior Year Encumbrances	17,583	17,583	17,583	0
<i>Fund Balance At End Of Year</i>	<u>\$118,337</u>	<u>\$118,337</u>	<u>\$153,774</u>	<u>\$35,437</u>



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City of Grove City, Ohio

**STATISTICAL
SECTION**

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	128-139
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	140-141
These schedules contain information to help the reader assess the City’s most significant local revenue source, income taxes.	
Debt Capacity	142-149
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	150-151
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	152-157
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.

CITY OF GROVE CITY, OHIO

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

TABLE 1

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental Activities:				
Invested In Capital Assets, Net Of Related Debt	\$118,271,112	\$128,823,756	\$131,541,261	\$129,747,946
Restricted	5,456,247	15,342,440	7,171,787	8,966,640
Unrestricted	<u>16,511,889</u>	<u>6,969,952</u>	<u>18,378,378</u>	<u>21,928,148</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>
Business-Type Activities:				
Invested In Capital Assets, Net Of Related Debt	26,825,486	26,720,560	29,097,153	35,711,995
Restricted	277,380	277,306	277,704	303,305
Unrestricted	<u>2,618,333</u>	<u>2,836,065</u>	<u>3,030,823</u>	<u>3,871,428</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>
Primary Government:				
Invested In Capital Assets, Net Of Related Debt	145,096,598	155,544,316	160,638,414	165,459,941
Restricted	5,733,627	15,619,746	7,449,491	9,269,945
Unrestricted	<u>19,130,222</u>	<u>9,806,017</u>	<u>21,409,201</u>	<u>25,799,576</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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$151,881,393	\$168,161,058	\$167,879,891	\$166,657,938	\$163,869,512	\$162,830,578
11,607,974	14,298,277	12,590,123	15,397,778	11,461,552	16,546,091
<u>21,653,757</u>	<u>23,175,029</u>	<u>25,969,379</u>	<u>21,423,364</u>	<u>27,264,790</u>	<u>31,427,237</u>
<u>185,143,124</u>	<u>205,634,364</u>	<u>206,439,393</u>	<u>203,479,080</u>	<u>202,595,854</u>	<u>210,803,906</u>
44,659,643	44,685,691	46,348,281	48,035,646	48,673,020	49,743,812
0	0	0	0	0	0
<u>4,814,955</u>	<u>5,828,721</u>	<u>5,584,954</u>	<u>5,092,413</u>	<u>4,541,683</u>	<u>4,032,238</u>
<u>49,474,598</u>	<u>50,514,412</u>	<u>51,933,235</u>	<u>53,128,059</u>	<u>53,214,703</u>	<u>53,776,050</u>
196,541,036	212,846,749	214,228,172	214,693,584	212,542,532	212,574,390
11,607,974	14,298,277	12,590,123	15,397,778	11,461,552	16,546,091
<u>26,468,712</u>	<u>29,003,750</u>	<u>31,554,333</u>	<u>26,515,777</u>	<u>31,806,473</u>	<u>35,459,475</u>
<u>\$234,617,722</u>	<u>\$256,148,776</u>	<u>\$258,372,628</u>	<u>\$256,607,139</u>	<u>\$255,810,557</u>	<u>\$264,579,956</u>

CITY OF GROVE CITY, OHIO

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

TABLE 2

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Program Revenues:				
Governmental Activities:				
Charges For Services:				
Security Of Persons And Property	\$309,365	\$325,025	\$326,449	\$345,816
Public Health	90,645	0	0	13,350
Leisure Time Activities	1,247,357	1,363,264	1,355,898	1,493,001
Community Development:				
Primary Development	403,313	874,309	848,772	916,819
Transportation	0	0	176,669	233,387
General Government:				
Primary Government	12,575	276,418	35,399	30,432
Operating Grants, Contributions And Interest	1,601,207	1,662,922	1,574,992	2,011,152
Capital Grants, Contributions And Interest	2,193,223	794,556	967,111	2,308,353
<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>
Business-Type Activities:				
Charges For Services:				
Water	426,079	504,933	544,006	902,148
Sewer	321,391	344,215	379,919	419,055
Operating Grants, Contributions And Interest	0	0	0	0
Capital Grants, Contributions And Interest	714,582	492,312	1,113,278	6,930,563
<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>
<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>
Expenses:				
Governmental Activities:				
Security Of Persons And Property	6,213,923	6,620,720	7,777,311	8,072,763
Public Health	316,933	276,176	255,097	198,126
Leisure Time Activities	2,468,187	1,895,869	2,290,652	2,470,743
Community Development:				
Primary Development	917,167	1,080,886	1,152,824	1,271,478
Conveyance Of Property	0	0	0	0
Transportation	1,014,035	1,091,121	1,353,924	4,630,846
General Government:				
Primary Government	4,363,435	3,660,892	5,213,511	6,996,686
Intergovernmental	0	0	0	0
Interest And Fiscal Charges	477,561	579,482	581,264	1,087,320
<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>
Business-Type Activities:				
Water	568,830	435,147	482,039	625,928
Sewer	895,000	1,012,708	897,353	1,138,042
<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>
<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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$384,831	\$354,699	\$366,995	\$501,803	\$530,829	\$566,733
34,730	19,729	19,130	20,382	14,120	13,259
1,388,567	1,487,945	1,360,982	1,282,747	1,262,195	1,238,995
782,966	737,648	934,693	517,533	515,390	425,657
74,744	172,461	222,796	14,882	6,505	88,253
42,840	46,774	84,162	68,116	103,944	91,144
1,839,548	1,947,050	2,199,449	2,356,379	2,365,700	2,151,053
25,892,937	11,960,441	2,615,098	4,375,488	5,540,039	14,025,253
<u>30,441,163</u>	<u>16,726,747</u>	<u>7,803,305</u>	<u>9,137,330</u>	<u>10,338,722</u>	<u>18,600,347</u>
760,355	766,940	597,413	547,349	568,136	522,772
552,866	492,827	484,305	383,003	851,101	775,672
0	0	0	77,660	0	0
6,241,921	1,807,587	1,184,776	2,088,853	1,054,812	1,626,267
<u>7,555,142</u>	<u>3,067,354</u>	<u>2,266,494</u>	<u>3,096,865</u>	<u>2,474,049</u>	<u>2,924,711</u>
<u>37,996,305</u>	<u>19,794,101</u>	<u>10,069,799</u>	<u>12,234,195</u>	<u>12,812,771</u>	<u>21,525,058</u>
8,756,725	9,680,259	9,650,994	10,347,861	10,424,348	10,076,469
223,883	240,079	267,967	291,792	270,134	279,720
2,148,506	2,461,442	2,386,376	2,285,671	2,163,037	2,363,655
1,120,005	1,208,483	1,186,822	1,429,804	1,361,073	1,518,564
0	0	0	610,120	0	0
8,515,515	11,221,371	9,682,153	9,680,587	11,164,223	12,999,424
7,650,006	8,042,295	9,110,413	9,829,703	10,808,491	11,360,425
0	0	0	1,191,288	1,370,473	1,716,884
1,233,592	1,855,328	1,776,351	1,712,001	1,661,545	1,608,154
<u>29,648,232</u>	<u>34,709,257</u>	<u>34,061,076</u>	<u>37,378,827</u>	<u>39,223,324</u>	<u>41,923,295</u>
821,112	673,536	713,101	618,490	685,866	910,913
1,141,117	1,363,050	1,341,553	1,559,323	1,739,989	1,452,673
<u>1,962,229</u>	<u>2,036,586</u>	<u>2,054,654</u>	<u>2,177,813</u>	<u>2,425,855</u>	<u>2,363,586</u>
<u>\$31,610,461</u>	<u>\$36,745,843</u>	<u>\$36,115,730</u>	<u>\$39,556,640</u>	<u>\$41,649,179</u>	<u>\$44,286,881</u>

(Continued)

CITY OF GROVE CITY, OHIO

*Changes in Net Assets
Last Ten Years
(accrual basis of accounting)
(Continued)*

TABLE 2

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Net (Expense) / Revenues:				
Governmental Activities	(\$9,913,556)	(\$9,908,652)	(\$13,339,293)	(\$17,375,652)
Business-Type Activities	(1,778)	(106,395)	657,811	6,487,796
<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>
General Revenues and Transfers:				
Governmental Activities:				
Property Taxes Levied For General Purposes	1,718,790	1,768,060	1,799,108	1,228,149
Property Taxes Levied For Debt Service	754,820	763,926	716,408	752,816
Property Taxes Levied For Police	587,781	637,412	646,524	676,590
Property Taxes Levied For Community Development	165,387	154,732	159,660	0
Revenue In Lieu Of Taxes	0	0	0	0
Other Local Taxes (1)	0	0	0	780,473
Municipal Income Taxes Levied For General Purposes	15,372,667	14,859,483	15,342,810	16,730,688
Grants And Entitlements Not Restricted				
To Specific Programs	2,031,459	2,011,979	1,940,042	778,752
Rent	0	21,722	0	0
Interest	459,190	271,514	222,169	558,560
Miscellaneous	333,507	515,356	364,547	337,772
Transfers	(139,162)	(198,632)	(1,896,697)	(916,840)
<i>Total Governmental Activities And Transfers</i>	<u>21,284,439</u>	<u>20,805,552</u>	<u>19,294,571</u>	<u>20,926,960</u>
Business-Type Activities:				
Grants And Entitlements Not Restricted				
To Specific Programs	22,015	18,416	0	55,911
Interest	170,503	2,079	17,241	20,501
Miscellaneous	0	0	0	0
Transfers	139,162	198,632	1,896,697	916,840
<i>Total Business-Type Activities</i>	<u>331,680</u>	<u>219,127</u>	<u>1,913,938</u>	<u>993,252</u>
Restatement of Governmental-Type Net Assets	0	0	0	0
Restatement of Business-Type Net Assets	0	0	0	0
Change In Net Assets:				
Governmental Activities	11,370,883	10,896,900	5,955,278	3,551,308
Business-Type Activities	329,902	112,732	2,571,749	7,481,048
<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>

(1) Prior to 2005, Other Local Taxes were reported as part of Property Taxes.

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$792,931	(\$17,982,510)	(\$26,257,771)	(\$28,241,497)	(\$28,884,602)	(\$23,322,948)
5,592,913	1,030,768	211,840	919,052	48,194	561,125
<u>6,385,844</u>	<u>(16,951,742)</u>	<u>(26,045,931)</u>	<u>(27,322,445)</u>	<u>(28,836,408)</u>	<u>(22,761,823)</u>
1,476,272	1,133,738	841,433	879,784	1,050,517	914,945
910,242	810,143	788,411	1,032,886	849,758	1,053,861
821,228	1,048,565	1,004,047	818,385	1,072,050	837,166
0	0	0	0	0	0
2,601,794	3,230,374	3,478,111	4,106,367	4,020,452	4,424,227
882,644	1,028,325	710,029	1,086,044	1,116,660	1,202,117
15,593,062	16,397,634	17,308,542	15,303,978	17,237,914	19,436,382
1,796,892	2,402,645	2,094,050	2,038,934	1,970,289	2,711,904
0	0	0	0	0	0
1,260,942	2,166,402	1,850,905	932,125	649,141	807,467
133,292	273,432	194,255	95,224	72,916	142,931
<u>(1,360,916)</u>	<u>(50,000)</u>	<u>(1,206,983)</u>	<u>(284,129)</u>	<u>(38,321)</u>	<u>0</u>
<u>24,115,452</u>	<u>28,441,258</u>	<u>27,062,800</u>	<u>26,009,598</u>	<u>28,001,376</u>	<u>31,531,000</u>
33,274	0	0	0	0	0
9,277	236	0	0	0	0
0	0	0	4,013	129	222
<u>1,360,916</u>	<u>50,000</u>	<u>1,206,983</u>	<u>284,129</u>	<u>38,321</u>	<u>0</u>
<u>1,403,467</u>	<u>50,236</u>	<u>1,206,983</u>	<u>288,142</u>	<u>38,450</u>	<u>222</u>
(470,993)	10,032,492	0	(728,414)	0	0
<u>2,654,490</u>	<u>(41,190)</u>	<u>0</u>	<u>(12,370)</u>	<u>0</u>	<u>0</u>
24,437,390	20,491,240	805,029	(2,960,313)	(883,226)	8,208,052
<u>9,650,870</u>	<u>1,039,814</u>	<u>1,418,823</u>	<u>1,194,824</u>	<u>86,644</u>	<u>561,347</u>
<u>\$34,088,260</u>	<u>\$21,531,054</u>	<u>\$2,223,852</u>	<u>(\$1,765,489)</u>	<u>(\$796,582)</u>	<u>\$8,769,399</u>

CITY OF GROVE CITY, OHIO

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

TABLE 3

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	5,442,276	3,761,539	3,810,321	5,626,637
Unreserved	<u>12,267,796</u>	<u>14,439,903</u>	<u>13,726,108</u>	<u>13,188,548</u>
<i>Total General Fund</i>	<u>17,710,072</u>	<u>18,201,442</u>	<u>17,536,429</u>	<u>18,815,185</u>
All Other Governmental Funds				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Committed	0	0	0	0
Reserved	4,396,943	3,529,671	10,579,170	3,233,582
Unreserved, Undesignated (Deficit)				
Reported In:				
Special Revenue Funds	2,645,987	2,070,442	2,708,086	3,047,244
Debt Service Funds	1,297,592	1,419,428	1,762,199	1,905,094
Capital Projects Funds	<u>937,313</u>	<u>(139,887)</u>	<u>(15,828,723)</u>	<u>(24,361,025)</u>
<i>Total All Other Governmental Funds</i>	<u>9,277,835</u>	<u>6,879,654</u>	<u>(779,268)</u>	<u>(16,175,105)</u>
<i>Total Governmental Funds</i>	<u>\$26,987,907</u>	<u>\$25,081,096</u>	<u>\$16,757,161</u>	<u>\$2,640,080</u>

(1) The City implemented GASB 54 in 2011.

<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011 (1)</i>
\$0	\$0	\$0	\$0	\$295,345	\$397,901
0	0	0	0	3,687,622	2,997,481
0	0	0	0	16,073,796	21,772,230
5,216,142	1,716,494	886,578	5,899,172	0	0
16,362,239	22,067,732	25,281,935	16,353,807	0	0
<u>21,578,381</u>	<u>23,784,226</u>	<u>26,168,513</u>	<u>22,252,979</u>	<u>20,056,763</u>	<u>25,167,612</u>
0	0	0	0	50,646	122,183
0	0	0	0	11,758,608	12,843,216
0	0	0	0	7,254,461	5,566,525
3,396,504	8,315,194	4,568,489	3,942,181	0	0
3,395,878	4,042,465	5,148,100	5,341,385	0	0
1,828,294	2,695,304	2,117,264	4,761,158	0	0
732,729	1,066,445	2,628,205	601,775	0	0
<u>9,353,405</u>	<u>16,119,408</u>	<u>14,462,058</u>	<u>14,646,499</u>	<u>19,063,715</u>	<u>18,531,924</u>
<u>\$30,931,786</u>	<u>\$39,903,634</u>	<u>\$40,630,571</u>	<u>\$36,899,478</u>	<u>\$39,120,478</u>	<u>\$43,699,536</u>

CITY OF GROVE CITY, OHIO

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

TABLE 4

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Revenues:				
Property Taxes	\$2,430,982	\$2,627,857	\$2,557,486	\$2,633,055
Revenue In Lieu Of Taxes	0	0	0	0
Municipal Income Taxes	15,248,743	14,458,885	13,624,118	15,679,344
Other Local Taxes	750,185	723,303	781,617	768,143
Intergovernmental	5,594,874	4,481,523	4,339,465	4,687,994
Charges For Services	1,332,815	1,653,811	1,374,320	1,323,490
Licenses And Permits	542,107	997,929	946,310	1,211,756
Fines And Forfeitures	188,333	187,276	198,211	207,624
Special Assessments	68,030	80,814	86,112	81,799
Interest	492,714	335,697	433,950	1,024,478
Rent	0	21,722	42,730	44,357
Contributions And Donations	0	0	45,430	55,379
Miscellaneous	333,507	515,356	92,912	73,382
<i>Total Revenues</i>	<u>26,982,290</u>	<u>26,084,173</u>	<u>24,522,661</u>	<u>27,790,801</u>
Expenditures:				
Current Operations And Maintenance:				
Security Of Persons And Property	5,614,357	6,215,034	7,169,373	7,539,806
Public Health	317,182	276,176	255,097	198,126
Leisure Time Activities	2,064,003	1,653,070	1,789,778	1,851,767
Community Development:				
Primary Development	866,989	1,084,086	1,123,302	1,122,303
Conveyance Of Property	0	0	0	0
Transportation	1,041,692	1,053,306	1,206,133	1,126,447
General Government:				
Primary Government	3,325,872	3,749,317	4,754,778	5,439,363
Intergovernmental	0	0	0	0
Capital Outlay	12,430,636	13,258,603	16,757,169	16,138,194
Debt Service:				
Principal Retirement	977,693	7,038,085	7,791,315	743,800
Interest And Fiscal Charges	410,048	526,344	631,910	1,209,421
Issuance Costs	0	0	0	0
Principal Retirement - Current Refunding	0	0	0	0
Deferred Charges	0	0	37,651	0
<i>Total Expenditures</i>	<u>27,048,472</u>	<u>34,854,021</u>	<u>41,516,506</u>	<u>35,369,227</u>
Excess of Revenues Over (Under) Expenditures	<u>(\$66,182)</u>	<u>(\$8,769,848)</u>	<u>(\$16,993,845)</u>	<u>(\$7,578,426)</u>

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$3,218,150	\$3,010,739	\$2,608,543	\$2,755,244	\$2,968,884	\$2,836,665
1,101,794	1,198,082	1,676,004	4,106,367	4,020,452	4,424,227
17,065,753	17,339,360	16,827,527	15,849,098	17,569,012	18,304,508
826,628	1,004,656	702,619	1,095,826	1,109,832	1,252,822
3,826,781	5,252,502	5,028,654	5,106,258	9,060,831	8,755,871
1,356,110	1,539,747	1,429,612	1,389,518	1,332,140	1,345,577
967,300	904,120	1,007,622	610,029	619,645	490,419
249,419	245,607	259,617	380,268	386,078	432,675
87,534	76,498	51,384	23,897	118,058	1,440,394
1,744,308	2,413,869	4,137,466	1,004,641	706,200	692,638
51,481	47,028	55,005	48,784	54,681	56,024
54,190	59,383	36,688	42,157	155,181	54,402
133,292	273,432	194,255	95,224	72,916	142,931
<u>30,682,740</u>	<u>33,365,023</u>	<u>34,014,996</u>	<u>32,507,311</u>	<u>38,173,910</u>	<u>40,229,153</u>
8,092,726	8,890,373	9,017,015	9,583,643	9,697,200	9,296,235
223,883	240,079	267,967	291,792	270,134	279,720
1,762,494	1,890,187	1,965,631	1,905,279	1,902,060	2,093,314
1,068,489	1,165,585	1,181,787	1,404,547	1,329,356	1,501,817
0	0	0	471,690	0	0
1,100,085	1,282,273	1,375,437	1,432,898	1,407,756	1,352,002
5,620,981	6,488,046	6,566,892	6,211,447	7,581,627	8,120,346
0	0	0	1,191,288	1,370,473	1,716,884
7,793,740	11,802,699	7,961,859	11,081,383	9,249,404	8,154,295
791,246	1,054,316	1,369,052	9,111,354	1,524,318	1,579,244
1,120,325	1,547,618	1,925,586	1,817,039	1,645,778	1,593,119
357,067	0	0	154,760	0	0
0	0	1,945,240	0	0	0
0	0	0	0	0	0
<u>27,931,036</u>	<u>34,361,176</u>	<u>33,576,466</u>	<u>44,657,120</u>	<u>35,978,106</u>	<u>35,686,976</u>
<u>\$2,751,704</u>	<u>(\$996,153)</u>	<u>\$438,530</u>	<u>(\$12,149,809)</u>	<u>\$2,195,804</u>	<u>\$4,542,177</u>

(Continued)

CITY OF GROVE CITY, OHIO

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

TABLE 4

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Other Financing Sources (Uses):				
Proceeds Of Bond Anticipation Notes	\$6,000,000	\$6,700,000	\$7,925,000	\$0
Proceeds From Sale Of Capital Assets	125,845	0	0	0
Proceeds Of OPWC Loans	397,693	94,868	428,275	1,120,620
Premium On Debt Issued	0	34,773	271,635	264,390
General Obligation Bonds Issued	0	0	0	0
Revenue Bonds Issued	0	0	0	0
Inception Of Capital Leases	0	0	0	0
Proceeds Of Capital Leases	0	10,485	0	1,335
Current Refunding	0	0	0	(7,925,000)
Issuance Of Refunding Bonds	0	0	1,360,000	0
Payment Of Refunded Bonds	0	0	(1,315,000)	0
Transfers - In	0	72,911	74,000	40,000
Transfers - Out	0	(50,000)	(74,000)	(40,000)
<i>Total Other Financing Sources (Uses)</i>	<u>6,523,538</u>	<u>6,863,037</u>	<u>8,669,910</u>	<u>(6,538,655)</u>
<i>Net Change in Fund Balances</i>	<u>\$6,457,356</u>	<u>(\$1,906,811)</u>	<u>(\$8,323,935)</u>	<u>(\$14,117,081)</u>
<i>Debt Service As A Percentage Of Noncapital Expenditures</i>	8.9%	35.0%	34.2%	10.2%

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$0	\$9,530,240	\$7,585,000	\$0	\$0	\$0
0	0	22,519	33,010	25,196	36,881
456,302	57,925	265,888	802,125	0	0
63,700	0	0	0	0	0
8,730,000	0	0	7,585,000	0	0
16,290,000	0	0	0	0	0
0	30,569	0	0	0	0
0	349,267	0	0	0	0
0	0	(7,585,000)	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,458,776	0	6,075,666	10,122,320	7,934,022	791,297
<u>(1,458,776)</u>	<u>0</u>	<u>(6,075,666)</u>	<u>(10,123,739)</u>	<u>(7,934,022)</u>	<u>(791,297)</u>
<u>25,540,002</u>	<u>9,968,001</u>	<u>288,407</u>	<u>8,418,716</u>	<u>25,196</u>	<u>36,881</u>
<u>\$28,291,706</u>	<u>\$8,971,848</u>	<u>\$726,937</u>	<u>(\$3,731,093)</u>	<u>\$2,221,000</u>	<u>\$4,579,058</u>
11.4%	11.6%	20.6%	31.2%	10.5%	9.7%

CITY OF GROVE CITY, OHIO

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

TABLE 5

Year	Withholding	Percentage Of Total	Individual	Percentage Of Total	Business Net Profit	Percentage Of Total	Total
2002	\$10,960,730	80%	\$1,005,683	7%	\$1,817,686	13%	\$13,784,099
2003	11,020,416	76%	1,301,125	9%	2,143,022	15%	14,464,563
2004	11,208,037	79%	1,095,884	8%	1,921,151	13%	14,225,072
2005	10,607,902	74%	1,457,238	10%	2,218,294	16%	14,283,434
2006	12,192,582	73%	1,447,133	9%	3,042,871	18%	16,682,586
2007	12,864,202	76%	1,352,341	8%	2,653,811	16%	16,870,354
2008	13,519,744	79%	1,428,590	8%	2,340,640	14%	17,288,974
2009	13,412,072	84%	1,420,211	9%	1,168,159	7%	16,000,442
2010	13,641,317	80%	1,377,668	8%	2,028,024	12%	17,047,009
2011	13,769,523	74%	1,554,558	8%	3,232,268	18%	18,556,349

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

(1) These amounts are reported gross and do 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 10 years presented.

CITY OF GROVE CITY, OHIO

**Principal Income Taxpayers - Individual Filers
2005 And 2010**

TABLE 6

Range Of Withholding Amount	2005 (2)		2010 (1)	
	Number Of Individual Filers	Percentage Of Individual Filers	Number Of Individual Filers	Percentage Of Individual Filers
\$200,000 and higher	80	0.75%	181	1.62%
\$150,000 - 199,999	213	2.00%	354	3.17%
\$100,000 - 149,999	1,078	10.12%	1,369	12.25%
\$75,000 - 99,999	1,357	12.74%	1,426	12.76%
\$50,000 - 74,999	1,956	18.36%	1,858	16.62%
\$25,000 - 49,999	2,517	23.62%	2,571	23.00%
\$24,999 and lower	3,453	32.41%	3,419	30.58%
Total	10,654	100.00%	11,178	100.00%

(1) This is the latest information available.

(2) Due to a change in the Income Average Report provided by the Regional Income Tax Agency, salary amounts over \$100,000 are now reported in \$10,000 increments.

Source: Regional Income Tax Agency

Note: Due to confidentiality issues, the names of the 10 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>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Total Assessed Valuation	\$664,972,469	\$684,813,923	\$711,751,699	\$812,782,633
Overall debt limitation - 10.5% of assessed valuation	<u>69,822,109</u>	<u>71,905,462</u>	<u>74,733,928</u>	<u>85,342,176</u>
Gross indebtedness authorized by Council	17,770,815	24,694,397	33,482,291	35,785,797
Less Debt Outside Limitation	<u>(5,870,815)</u>	<u>(5,138,397)</u>	<u>(4,688,291)</u>	<u>(5,304,797)</u>
Net Debt Subject to Limitation	11,900,000	19,556,000	28,794,000	30,481,000
Less amount available in the Debt Service Funds	<u>(1,297,592)</u>	<u>(1,419,428)</u>	<u>(1,535,271)</u>	<u>(1,913,242)</u>
Total Net Debt Subject to Limitation	<u>10,602,408</u>	<u>18,136,572</u>	<u>27,258,729</u>	<u>28,567,758</u>
Legal debt margin within 10.5% limitation	<u>\$59,219,701</u>	<u>\$53,768,890</u>	<u>\$47,475,199</u>	<u>\$56,774,418</u>
Legal Debt Margin as a Percentage of the Debt Limit	84.8%	74.8%	63.5%	66.5%
<hr/>				
Unvoted debt limitation 5.5% of assessed valuation	\$36,573,486	\$37,664,766	\$39,146,343	\$44,703,045
Gross indebtedness authorized by Council	17,770,815	24,694,397	33,482,291	35,785,797
Less Debt Outside Limitation	<u>(5,870,815)</u>	<u>(5,138,397)</u>	<u>(4,688,291)</u>	<u>(5,304,797)</u>
Net Debt Subject to Limitation	11,900,000	19,556,000	28,794,000	30,481,000
Less amount available in the Debt Service Funds	<u>(1,297,592)</u>	<u>(1,419,428)</u>	<u>(1,535,271)</u>	<u>(1,913,242)</u>
Total Net Debt Subject to Limitation	<u>10,602,408</u>	<u>18,136,572</u>	<u>27,258,729</u>	<u>28,567,758</u>
Legal debt margin within 5.5% limitation	<u>\$25,971,078</u>	<u>\$19,528,194</u>	<u>\$11,887,614</u>	<u>\$16,135,287</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	71.0%	51.8%	30.4%	36.1%

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

<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>
\$839,491,937	\$837,638,956	\$847,280,806	\$864,396,724	\$875,735,620	\$802,849,890
88,146,653	87,952,090	88,964,485	90,761,656	91,952,240	84,299,238
34,267,562	42,780,421	41,662,688	38,983,028	37,633,330	38,338,636
(21,502,562)	(21,140,181)	(20,807,448)	(20,888,028)	(20,263,330)	(21,733,636)
12,765,000	21,640,240	20,855,240	18,095,000	17,370,000	16,605,000
(1,828,294)	(2,346,978)	0	(1,183,219)	(892,483)	(674,099)
10,936,706	19,293,262	20,855,240	16,911,781	16,477,517	15,930,901
<u>\$77,209,947</u>	<u>\$68,658,828</u>	<u>\$68,109,245</u>	<u>\$73,849,875</u>	<u>\$75,474,723</u>	<u>\$68,368,337</u>
87.6%	78.1%	76.6%	81.4%	82.1%	81.1%
\$46,172,057	\$46,070,143	\$46,600,444	\$47,541,820	\$48,165,459	\$44,156,744
34,267,562	42,780,421	41,662,688	38,983,028	37,633,330	38,338,636
(21,502,562)	(21,140,181)	(20,807,448)	(20,888,028)	(20,263,330)	(21,733,636)
12,765,000	21,640,240	20,855,240	18,095,000	17,370,000	16,605,000
(1,828,294)	(2,346,978)	0	(1,183,219)	(892,483)	(674,099)
10,936,706	19,293,262	20,855,240	16,911,781	16,477,517	15,930,901
<u>\$35,235,351</u>	<u>\$26,776,881</u>	<u>\$25,745,204</u>	<u>\$30,630,039</u>	<u>\$31,687,942</u>	<u>\$28,225,843</u>
76.3%	58.1%	55.2%	64.4%	65.8%	63.9%

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	Bond Anticipation Notes	Capital Leases	TIF Revenue Bonds	Certificates Of Participation
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
2007	12,146,051	59,436	3,836,340	9,530,240	321,349	16,260,000	0
2008	11,362,687	23,777	3,809,420	9,530,240	250,764	16,075,000	0
2009	18,134,322	12,318	4,315,687	0	176,727	15,745,000	0
2010	17,410,958	0	4,001,188	0	99,226	15,350,000	0
2011	16,647,593	0	3,686,689	0	19,481	14,930,000	0

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

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

The per capita personal income was not available for 2011; the 2010 amount was used as an estimate.

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

<i>Business-Type Activities</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>
<i>Revenue Bonds</i>	<i>OPWC Loans</i>	<i>OWDA Loans</i>					
\$710,000	\$1,374,701	\$0	\$17,775,942	30,224	\$870,663	\$588	2.04%
550,000	1,301,124	0	17,209,633	30,679	898,833	561	1.91%
380,000	1,225,377	0	17,633,195	30,826	927,277	572	1.90%
195,000	1,147,390	0	9,827,546	31,580	985,864	311	1.00%
0	1,067,093	0	34,305,189	32,447	1,053,002	1,057	3.26%
0	984,405	0	43,137,821	33,483	1,126,837	1,288	3.83%
0	899,251	0	41,951,139	33,699	1,185,733	1,245	3.54%
0	815,023	0	39,199,077	34,027	1,187,780	1,152	3.30%
0	731,640	158,304	37,751,316	34,280	1,199,800	1,101	3.15%
0	645,539	2,471,408	38,400,710	34,569	1,209,915	1,111	3.17%

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
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
2007	12,146,051	2,393,254,160	33,483	0.51%	362.75
2008	11,362,687	2,420,802,303	33,699	0.47%	337.18
2009	18,134,322	2,469,704,925	34,027	0.73%	532.94
2010	17,410,958	2,502,101,771	34,280	0.70%	507.90
2011	16,647,593	2,293,856,829	34,569	0.73%	481.58

(1) Franklin County Auditor

(2) Source: "Population Estimates", published by the Mid-Ohio Regional Planning Commission.

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, 2011**

TABLE 10

<i>Jurisdiction</i>	<i>Debt Outstanding</i>	<i>Percentage Applicable To City Of Grove City (2)</i>	<i>Amount Applicable To City Of Grove City</i>
<i>Direct:</i>			
City of Grove City			
General Obligation Bonds	\$16,647,593	100.00%	\$16,647,593
TIF Revenue Bonds	14,930,000	100.00%	14,930,000
OPWC Loans	3,686,689	100.00%	3,686,689
Capital Leases	19,481	100.00%	19,481
Total Direct	<u>35,283,763</u>		<u>35,283,763</u>
<i>Overlapping:</i>			
South-Western City School District (1)			
General Obligation Bonds	79,586,502	33.69%	26,812,693
Energy Conservation Bonds	8,435,000	33.69%	2,841,751
Bond Anticipation Notes	399,998	33.69%	134,759
Franklin County			
General Obligation Bonds	266,560,000	3.05%	8,130,080
Special Obligation Bonds And Notes	38,195,000	3.05%	1,164,948
OPWC Loans	7,368,000	3.05%	224,724
Total Overlapping	<u>400,544,500</u>		<u>39,308,955</u>
Total Direct And Overlapping Debt	<u>\$435,828,263</u>		<u>\$74,592,718</u>

Source: Franklin County Auditor

(1) The debt outstanding for South-Western City School District is at June 30, 2011.

(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

Year	Operating Revenues	Less: Operating Expenses (1)	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
Water Revenue Bonds							
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
2007	766,947	118,279	648,668	0	0	0	0.00
2008	597,413	137,002	460,411	0	0	0	0.00
2009	547,349	12,758	534,591	0	0	0	0.00
2010	568,152	85,054	483,098	0	0	0	0.00
2011	522,772	196,117	326,655	0	0	0	0.00

(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. Revenue in lieu of taxes presented on this table reflects only the Buckeye Center TIF as TIF Revenue Bonds outstanding pertain only to this TIF zone and only these TIF revenues may be utilized for repayment of the debt.

<i>Revenue In Lieu Of Taxes (2)</i>	<i>Debt Service Requirements</i>			<i>Coverage</i>
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	
<i>TIF Revenue Bonds</i>				
\$0	\$0	\$0	\$0	0.00
0	0	0	0	0.00
0	0	0	0	0.00
0	0	0	0	0.00
1,101,794	0	0	0	0.00
1,198,082	30,000	873,330	903,330	1.33
2,199,203	185,000	864,575	1,049,575	2.10
2,504,134	330,000	855,314	1,185,314	2.11
2,796,283	395,000	838,181	1,233,181	2.27
2,950,053	420,000	817,937	1,237,937	2.38

CITY OF GROVE CITY, OHIO

**Demographic Statistics
Last Ten Years**

TABLE 12

Year	Population (1)	Personal Income (2)	Per Capita Income (3)	Unemployment Rate (4)			
				Federal	State	Franklin County	Grove City
2002	30,224	\$870,663	\$28,807	5.8%	5.7%	5.0%	4.2%
2003	30,679	898,833	29,298	6.0%	6.2%	5.3%	4.8%
2004	30,826	927,277	30,081	5.5%	6.1%	5.4%	5.0%
2005	31,580	985,864	31,218	5.1%	5.9%	5.2%	4.8%
2006	32,447	1,053,002	32,453	4.6%	5.4%	4.7%	4.3%
2007	33,483	1,126,837	33,654	4.6%	5.6%	4.7%	4.3%
2008	33,699	1,185,733	35,186	5.8%	6.5%	5.5%	5.0%
2009	34,027	1,187,780	34,907	9.3%	10.2%	8.3%	7.7%
2010	34,280	1,199,800	35,000	9.6%	10.1%	8.5%	8.1%
2011	34,569	1,209,915	35,000 (5)	8.9%	8.6%	7.6%	7.0%

Source:

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

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

(3) U. S. Department of Commerce, Bureau of Economic Analysis

(4) U. S. Department of Labor, Bureau of Labor Statistics

(5) The Per Capita Income was not available for 2011; the 2010 amount was used as an estimate.

CITY OF GROVE CITY, OHIO

**Principal Employers
2006 And 2011**

TABLE 13

Employer	2006			2011		
	Number Of Employees	Rank	Percentage Of Total Employment	Number Of Employees	Rank	Percentage Of Total Employment
South-Western City School District	1,800	1	9.61%	1,812	1	8.89%
Wal-Mart Associates, Inc.	1,050	2	5.60%	1,225	2	6.01%
FedEx Ground Package Systems, Inc.	850	3	4.54%	1,000	3	4.91%
The GAP, Inc.	600	4	3.20%	544	4	2.67%
Manheim Remarketing, Inc.	480	5	2.56%	400	5	1.96%
Wal-Mart Super Center	450	7	2.40%	325	6	1.59%
Nationwide Mutual Insurance Co.	450	6	2.40%	301	7	1.48%
Tosoh SMD, Inc.	325	10	1.73%	289	8	1.42%
Tigerpoly Manufacturing, Inc.	446	8	2.39%	279	9	1.37%
Halcore Group, Inc.	380	9	2.03%	260	10	1.28%
Total Employees	6,831		36.46%	6,435		31.58%
All Other Employers	11,907		63.54%	13,951		68.42%
Total Employment within the City	18,738		100.00%	20,386		100.00%

Source: Estimates from Mid Ohio Regional Planning Commission, employers and RITA.

Information prior to 2006 was not available.

CITY OF GROVE CITY, OHIO

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

TABLE 14

Function/Program	2002	2003	2004	2005
General Government:				
Active Income Tax Accounts:				
Individual	N/A	N/A	10,825	13,297
Business Net Profit	N/A	N/A	737	971
Withholding	N/A	N/A	660	832
Clerk of Courts:				
Criminal Cases	404	483	456	342
Traffic Court Cases	1,451	1,454	1,329	1,743
Parking Cases	534	484	618	595
Security Of Persons And Property:				
Police Calls (1)	71,637	53,556	52,715	51,311
Physical Arrests	1,783	1,206	3,168	3,675
Class A Crimes	1,301	1,267	1,211	1,245
Top Ten Parking Violations (2)	N/A	461	515	727
Community Development:				
Trees Planted	N/A	N/A	1,051	725
Trees Pruned	N/A	N/A	1,853	1,838
Trees Removed	N/A	N/A	304	312
Leaves Collected (in tons)	N/A	N/A	N/A	N/A
Landscape Inspections	N/A	N/A	N/A	229
Leisure Time Activities:				
General Recreation Revenues	\$966,390	\$1,047,158	\$1,092,924	\$1,012,187

Source: City Departments

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

(2) Beginning in 2007, the Police Department no longer tracks this information.

N/A - Information not available

<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>
16,199	18,731	20,327	22,630	20,921	21,707
1,143	1,089	1,239	1,244	1,269	3,113
949	1,539	1,883	1,910	1,902	4,577
416	428	468	573	735	677
2,257	2,123	2,057	3,187	3,307	3,888
691	703	731	628	545	381
49,867	69,823	86,993	102,934	101,401	96,388
1,877	1,410	1,567	1,685	1,802	1,686
1,245	2,157	3,681	4,011	3,921	3,741
827	N/A	N/A	N/A	N/A	N/A
515	548	506	1,247	312	431
1,439	1,953	1,467	1,231	3,004	2,494
221	407	291	265	370	719
484	330	320	367	424	333
331	197	206	235	127	118
\$1,009,822	\$1,059,087	\$1,049,717	\$931,986	\$882,251	\$912,083

CITY OF GROVE CITY, OHIO

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

TABLE 15

Function/Program	2002	2003	2004	2005
General Government:				
Government Center	1	1	1	1
Security Of Persons And Property:				
Number Of Police Stations	1	1	1	1
Number Of Fire Stations (1)	3	3	3	3
Leisure Time Activities:				
Number of Parks	7	7	7	7
Park Area (acres)	289	289	289	289
Number Of Playgrounds	7	7	7	7
Number Of Swimming Pools	1	1	1	1
Number Of Tennis Courts	6	6	6	6
Number Of Community Centers	3	3	3	3
Number Of Public Libraries	1	1	1	1
Basic Utility Services:				
Miles Of Water Distribution	0.0	94.9	96.2	137.2
Miles Of Sanitary Sewers	83.7	85.6	86.3	145.7
Miles Of Storm Sewers	29.4	31.3	32.7	108.2
Transportation:				
Miles Of Streets	N/A	N/A	N/A	117.1
Number Of Street Lights	2,736	2,807	3,207	3,207
Number Of Traffic Signs	2,751	2,801	2,915	2,915
Number Of Traffic Lights	33	36	38	38

Source: City Records

(1) Fire Protection provided by Jackson Township

(2) Starting in 2007, the calculation of parks included community, neighborhood, and mini parks.

(3) In 2006 and 2007, the calculation of basic utility services was restated by EMH&T to reflect a more accurate count.

N/A - Information not available

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
1	1	1	1	1	1
1	1	1	1	1	1
3	3	3	3	3	3
8	18 (2)	18	18	18	18
289	440 (2)	452	461	263	263
7	14 (2)	14	14	15	15
1	1	1	1	1	1
6	6	2	2	2	2
3	3	3	4	4	4
1	1	1	1	1	1
143.1 #	149.0 (3)	154.9	159.3	163.3	168.2
150.4 #	155.1 (3)	159.9	168.0	170.1	180.2
116.2 #	124.2 (3)	132.3	140.6	143.4	149.4
134.7	135.0	149.9	152.9	153.3	155.8
3,397	3,492	3,592	3,608	3,645	3,651
3,225	3,220	3,463	3,592	3,604	3,700
41	50	54	55	55	55

CITY OF GROVE CITY, OHIO

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

TABLE 16

Function/Program	2002		2003		2004		2005	
	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
Security Of Persons And Property	71	76	76	85	78	84	79	85
Leisure Time Activities	18	49	18	60	20	58	20	57
Community Development	12	16	12	17	13	16	11	13
Transportation	14	16	12	14	16	17	12	12
General Government	11	18	11	19	11	19	16	24
<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>

Source: City Payroll Records

<i>2006</i>		<i>2007</i>		<i>2008</i>		<i>2009</i>		<i>2010</i>		<i>2011</i>	
Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
78	83	77	83	78	83	79	84	78	85	80	86
21	61	21	57	21	63	22	56	22	56	24	59
11	13	11	13	11	15	10	11	10	11	10	10
13	14	14	23	14	19	14	19	16	20	13	20
17	25	14	25	14	25	15	23	13	24	11	23
<u>140</u>	<u>196</u>	<u>137</u>	<u>201</u>	<u>138</u>	<u>205</u>	<u>140</u>	<u>193</u>	<u>139</u>	<u>196</u>	<u>138</u>	<u>198</u>



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Grove City, Ohio



Mayor, Richard L. "Ike" Stage

The City of Grove City, Ohio
Department of Finance
Michael Turner, Director

4035 Broadway • Grove City, Ohio 43123 • 614-277-3025



Dave Yost • 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
JULY 03, 2012