



**Auditor of State  
Betty Montgomery**



CITY OF GROVE CITY  
FRANKLIN COUNTY

TABLE OF CONTENTS

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	1
Schedule of Findings .....	3
Schedule of Prior Audit Findings.....	4

**THIS PAGE INTENTIONALLY LEFT BLANK**



## Auditor of State Betty Montgomery

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

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

To the Members of 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, 2005, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 20, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

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

In planning and performing our audit, we considered the City's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the City's management dated June 20, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2005-001. In a separate letter to the City's management dated June 20, 2006, we reported other matters related to noncompliance we deemed immaterial.

35 N. Fourth St. / Second Floor / Columbus, OH 43215  
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

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

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

**Betty Montgomery**  
Auditor of State

June 20, 2006

CITY OF GROVE CITY  
FRANKLIN COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2005

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

FINDING NUMBER 2005-001

**Gift Expenditures – Finding for Recovery - Repaid Under Audit**

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

On February 15, 2005, the City expended public funds in the amount of \$143 for the purchase of cookies as gifts. City Council did not enact an ordinance or resolution which demonstrates what public purpose such an expenditure serves, nor did Council have a policy permitting this type of expenditure.

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

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended would have been issued against Cheryl Grossman, Mayor, in the amount of one hundred forty three dollars (\$143) in favor of the City’s General fund. On June 21, 2006, \$143 was repaid and posted to the City’s General Fund.

**Official’s Response:**

This action was thought to be an appropriate expense. When it was brought to our attention, it was immediately reimbursed.

**CITY OF GROVE CITY  
FRANKLIN COUNTY**

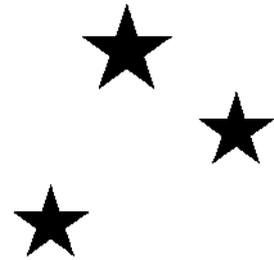
**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2005**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
2004-001	The City was unable to reconcile the bank to book balance in 2004.	No	Partially corrected. Reissued in the Management Letter.

# City of Grove City, Ohio

## *2005 Comprehensive Annual Financial Report*

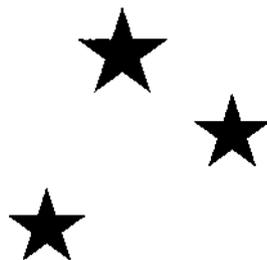
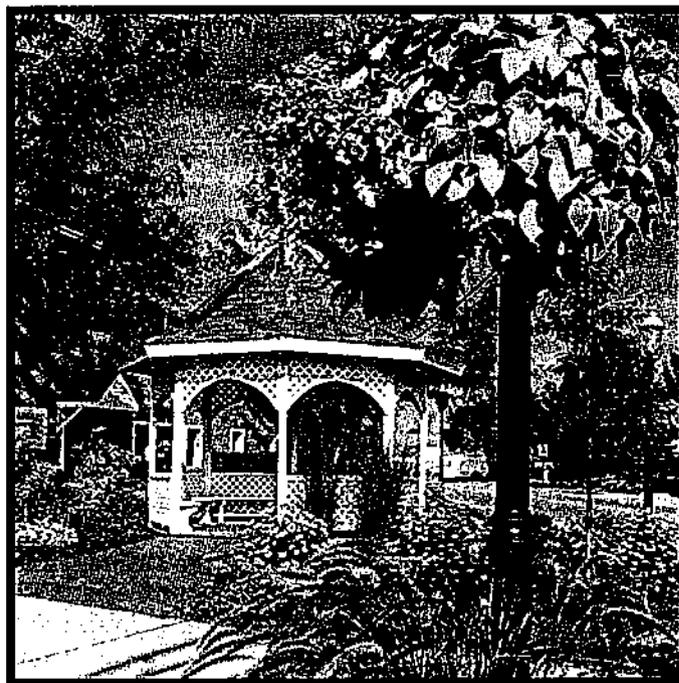
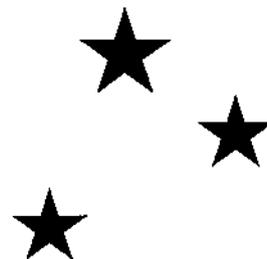
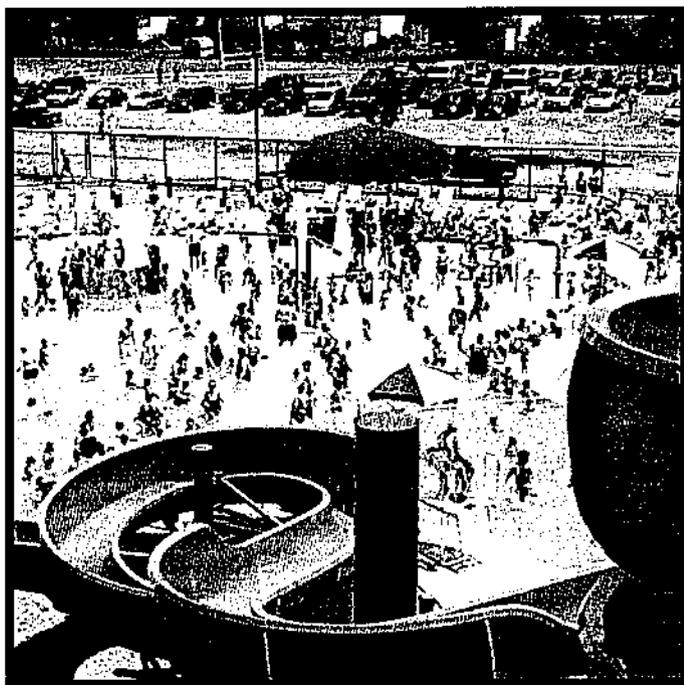
For the Year Ended December 31, 2005





# COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF GROVE CITY, OHIO

For the Year Ended December 31, 2005



*Issued by*  
Department of Finance  
Robert E. Behlen, Director

4035 Broadway  
Grove City, Ohio 43123

**This Page is Intentionally Left Blank.**

**CITY OF GROVE CITY, OHIO**  
**Comprehensive Annual Financial Report**

*For the Year Ended December 31, 2005*

---

Table of Contents

INTRODUCTORY SECTION

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

FINANCIAL SECTION

Independent Accountants' Report.....	1
Management's Discussion And Analysis.....	3

Basic Financial Statements:

Government-Wide Financial Statements:

Statement Of Net Assets.....	11
Statement Of Activities.....	12

Fund Financial Statements:

Balance Sheet – Governmental Funds.....	14
Reconciliation Of Total Governmental Fund Balances To Net Assets Of Governmental Activities.....	15
Statement Of Revenues, Expenditures And Changes In Fund Balances – Governmental Funds.....	16
Reconciliation Of The Statement Of Revenues, Expenditures And Changes In Fund Balances Of Governmental Funds To The Statement Of Activities.....	17
Statement Of Revenues, Expenditures And Changes In Fund Balance – Budget And Actual (Non-GAAP Budgetary Basis) - General Fund.....	18
Statement Of Fund Net Assets – Enterprise Funds.....	19
Statement Of Revenues, Expenses And Changes In Fund Net Assets – Enterprise Funds.....	20

**CITY OF GROVE CITY, OHIO**

**Table of Contents**  
*(Continued)*

---

Statement Of Cash Flows – Enterprise Funds .....	21
Statement Of Fiduciary Assets And Liabilities – Agency Funds .....	23
Notes To The Basic Financial Statements .....	24
Combining Financial Statements:	
Combining Statements – Nonmajor Governmental Funds:	
Nonmajor Fund Descriptions.....	62
Combining Balance Sheet – Nonmajor Governmental Funds.....	65
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	66
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances – Nonmajor Governmental Funds.....	71
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances – Nonmajor Special Revenue Funds .....	72
Combining Statements – Agency Funds:	
Agency Fund Descriptions .....	77
Combining Balance Sheet – Agency Funds .....	78
Combining Statement Of Changes In Assets And Liabilities – Agency Funds .....	80
Individual Fund Schedules Of Revenues, Expenditures/Expenses And Changes In Fund Balance/Equity – Budget And Actual (Non-GAAP Budgetary Basis):	
General Fund .....	82
Road Improvement Fund .....	86
Debt Service Fund .....	87
Water Fund .....	88
Sewer Fund.....	89
Street Maintenance Fund .....	90
State Highway Fund .....	91
Police Pension Fund .....	92
General Recreation Fund.....	93

**CITY OF GROVE CITY, OHIO**

**Table of Contents**  
*(Continued)*

---

City Permissive MVL Fund.....	94
County Permissive MVL Fund.....	95
Senior Nutrition Fund.....	96
Drug Law Enforcement Fund.....	97
DARE Program Fund.....	98
Community Development Fund.....	99
Community Environment Fund.....	100
Enforcement And Education Fund.....	101
Garden At Gantz Fund.....	102
U. S. Department Of Justice Fund.....	103
Mayor’s Court Computer Fund.....	104
Big Splash Fund.....	105
FEMA Fund.....	106
Senior Stage Fund.....	107
Park Donation Fund.....	108
Recreation Development Fund.....	109

**STATISTICAL SECTION**

General Government Expenditures By Function - Last Ten Years.....	112
General Government Revenues By Source - Last Ten Years.....	114
Government-Wide Expenses By Program – Governmental Activities - Last Four Years.....	116
Government-Wide Revenues By Source – Governmental Activities - Last Four Years.....	118
Real Property Tax Levies And Collections - Last Ten Years.....	120
Tangible Personal Property Tax Levies And Collections - Last Ten Years.....	122
Assessed And Estimated Actual Value Of Taxable Property - Last Ten Years.....	124
Property Tax Rates - Direct And Overlapping Governments - Per \$1,000 Of Assessed Valuation - Last Ten Years.....	126
Special Assessment Billings And Collections - Last Ten Years.....	129
Principal Property Taxpayers.....	130
Legal Debt Margin.....	132
Ratio Of Net General Obligation Bonded Debt To Assessed Value And Net General Obligation Bonded Debt Per Capita - Last Ten Years.....	133
Ratio Of Annual Debt Service Expenditures For General Bonded Debt To Total General Government Expenditures - Last Ten Years.....	134
Computation Of Direct And Overlapping General Obligation Bonded Debt.....	135
Revenue Bond Coverage – Enterprise Funds - Last Ten Years.....	136
Demographic Statistics – Last Ten Years.....	139
Property Value, Construction And Bank Deposits - Last Ten Years.....	140
Miscellaneous Statistics.....	142

# The City of Grove City, Ohio

4035 Broadway • Grove City, Ohio 43123

CHERYL L. GROSSMAN  
Mayor

June 20, 2006

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

I am pleased to present our Comprehensive Annual Financial Report (CAFR) of the City of Grove City for the year ended December 31, 2005. This CAFR, which includes financial statements and other financial and statistical data, conforms to generally accepted accounting principles as applicable to government entities. The intent of this report is to provide the taxpayers 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 as well as provide management with better financial information for future decision making.

State law requires that every general purpose local government file its financial statements with the Auditor of State and publish their availability within five months of the close of each year. This report is published to fulfill that requirement for the year ended December 31, 2005.

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

The Auditor of State of Ohio has issued an unqualified ("clean") opinion on the City of Grove City's financial statements for the year ended December 31, 2005. The independent accountants' report is located at the front of the Financial Section of this report.

Management's discussion and analysis immediately follows the report of independent accountants and provides a narrative introduction, overview, and analysis of the basic financial statements. Management's discussion and analysis complements this letter of transmittal and should be read in conjunction with it.

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

1. The introductory section includes a title page, the table of contents, this transmittal letter, a Certificate of Achievement for Excellence in Financial Reporting, a list of principal officials, and the City's organizational chart.
2. The financial section includes an independent accountants' report on the financial statements and schedules, the management's discussion and analysis, the basic financial statements and the combining, individual fund statements and schedules.

3. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

### **FORM OF GOVERNMENT AND REPORTING ENTITY**

The City of Grove City, Ohio, is a rapidly expanding community of 31,580 residents and a growing municipality in central Ohio. Only eleven miles from downtown Columbus, the City is the southern gateway to the 1.7 million inhabitants of the Columbus Metropolitan Area. The City has one interchange on Interstate 270 (the Columbus outer belt), the City's northern boundary, and two interchanges on Interstate 71 within the corporate boundaries of the City. Rail service is provided by CSX, while private air service is available at Bolton Field, five miles northwest of the City. Public air service is available 15 miles northeast at Port Columbus International Airport via Interstates 270 or 670, while Rickenbacker Port Authority, one of the country's fastest growing freight airports, is less than 10 miles east of the City.

Grove City operates under a Home-Rule City Charter adopted by the electorate November 4, 1958, which became effective July 1, 1959, and was amended December 6, 1962, November 2, 1982, and again November 5, 1985. This charter provides for the Mayor-Council-Administrator form of government, whereby the legislative powers of the City are vested in a five member City Council, one of whom is elected at large for a two-year term with the remaining members elected by 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 Director of Finance is the chief fiscal and accounting officer of the City. The responsibilities of this office include preparation and management of the capital and operating budgets and debt and treasury programs of the City.

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

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the organization's budget, the issuance of its debt, or the levying of its taxes. The City has no component units.

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

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

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

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

### **ECONOMIC CONDITION AND OUTLOOK**

The Columbus Metropolitan Area is one of the few urban centers in the northeast quadrant of the U.S. to have maintained continuous commercial, industrial, and residential growth throughout the past two decades. The heart of the metropolitan area is Franklin County, with a diverse commercial and industrial base that is expected to grow 26 percent by the year 2030. The unemployment rate for the County registers below the Ohio and national averages, with labor costs at or below the mean for selected occupational groups in ten similarly sized U.S. metropolitan areas.

Grove City is a vital link to the growth of the Columbus Metropolitan Area. With more than \$1.2 billion in building permits issued over the past ten years, Grove City has contributed to the Columbus area's commerce and industry in addition to its population. In the past thirteen years, assessed value of taxable property, which includes real property, public utility property and tangible personal property, has climbed from \$223 million to \$812 million. This is a result of the access and availability of well-priced land that has attracted industry leaders and the up and coming to Grove City. Approximately 73 percent of the current tax base is in residential property while the remainder is made up of commercial (15 percent), industrial (4 percent), personal and public utility inventory (7.8 percent), and agricultural (.2 percent) categories.

Grove City continues to experience strong fiscal management and a stable financial position that is a direct result of the increase in income tax revenue generated by its expanding employment base and a 97% occupancy rate in our business parks. Grove City's diverse employment base is demonstrated by its business citizens, varying from Ohio Health Urgent Care that employs 100 people, Converse Electric that employs 75 people, to the Beulah Park Jockey Club, a thoroughbred horse track, that employs in excess of 300 persons and Wal-Mart Distribution which employs over 1,300 associates. The total Grove City work force is estimated at 20,138 workers.

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

Prominent distributors, in addition to Wal-Mart Stores, Inc., include GAP, Inc. and Banana Republic (600 employees), Roadway Package Systems (800 employees), Ross Labs (100 employees), Borders Inc. (211 employees), American Pacific (110 employees), Parcel Direct (100 employees), Pier One (100 employees), and FedEx Ground Package Systems, Inc. (1,100 employees).

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

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

To accommodate such industrial and commercial growth, the City cooperated with private investors to develop seven commerce parks: Grove City Industrial Park, a 100-acre park with 13 major buildings and 1 to 20 acre tracts available at I-71 and State Route 665; Southpark, a 350-acre park with 18 major buildings and 1 to 20 acre tracts available at I-71 and I-270; Capital Park South, a 150-acre park with 8 major buildings and 1 to 30 acre tracts available at I-270 and State Route 62; Southpointe, a 53-acre park with 7 major buildings; Gateway Business Park, a 114-acre park with 4 major buildings and 35 acres available at I-71 and State Route 665; Gateway Business Park West, a 232-acre park that was platted in 1999; and Gateway to the City Office Park, a 35-acre park with 9 of its 16 platted sites currently occupied or under construction at I-71 and Stringtown Road.

Immediate access to Interstates 71 and 270 has established Grove City as a travel center offering over 1,320 guest rooms that account for gross sales exceeding \$10.2 million per year. A growing list of restaurants complement the variety of accommodations found in the City.

The City offers a wide range of housing opportunities. Between 1980 and 2005, the average cost of a newly constructed single-family dwelling increased from \$58,000 to \$225,655. In 2005, the selling price ranged from \$95,000 to \$425,000.

The projected development area of the City of Grove City is approximately 23 square miles. Of the 17.08 square miles currently within the City, 14.5 are developed, with the balance in agricultural use or holdings.

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

## **MAJOR INITIATIVES**

### **FOR THE YEAR**

Grove City continues to enjoy a vibrant, dynamic, stable, and healthy business community. Commercial and industrial residents invested approximately \$330 million in new construction and alterations. Residential and commercial housing continued to expand in 2005. The residential construction value for 2005 was \$101,319,497, of which 371 single-family housing permits were issued for a value of \$85,690,218. The commercial construction value for 2005 was \$330,418,698, of which 79 condominium unit permits were issued for a value of \$12,098,258.

During 2005, the Division of Police realized changes with new faces occupying existing positions to solidify a mature supervisory staff and the authorized strength of police officers was increased to 58, permitting us to hire more officers to face the challenges of a growing city. Additionally, staffing levels increased by one Sergeant assigned to the Field Services Sub-Division.

Other major accomplishments for the Division of Police for 2005 include: solving a homicide with the suspect in custody within 72 hours and a recent guilty plea that will be met with a minimum sentence of 19 years, receiving notification of re-accreditation from The Commission on Accreditation for Law Enforcement Agencies (CALEA), upgrading of the communications information center with an integrated archived records filing system, and the installation of digital video recorders in all marked cruisers. The Division also enjoyed a successful DARE Golf Outing at Hickory Hills Golf Course, hosted Safety Town with the Jackson Township Fire Department, and worked with the school district to complete site security surveys for each of their buildings.

The Development Department managed a large number of residential, commercial, and industrial development requests and proposals, including a 56-acre mixed-use business park and the comprehensive Stringtown East/Buckeye Parkway development. This development, known as Parkview North and South, showcases major retail and commercial uses and the 640-acre golf course community immediately to the south called the Pinnacle Club.

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

The major projects that were undertaken and substantially completed in 2005 encompass total project costs of over \$15 million and include the annual sanitary sewer rehab project; the completion of Big Run-Demorest Road and phase one Stringtown Road west reconstruction (both with the assistance of Ohio Public Works Commission); the reconstruction of Stringtown Road and White Road east of I-71; public improvements associated with the Parkway north and south retail centers, Buckeye Parkway and Pinnacle Club Drive, the Demorest Road Retention Basin, a phased program of neighborhood street lighting projects and, over \$1 million in residential and secondary street improvements.

Other major projects still in progress include new restrooms at Fryer Park, the relocation of Orders Road and the reconstruction of Cleveland Avenue, which is funded in part by CDBG grants approved by the Franklin County Commissioners.

Other equally important efforts are highlighted by the continued success of the Adopt-a-Street program, the curbside recycling program in conjunction with the Grove City Chapter of Keep America Beautiful, and the planting of 726 new trees. Through the work of the Service Department and the Tree Commission, the City received the title of Tree City U.S.A. for the eleventh year and hosted a spring public tree sale as well as an Arbor Week program.

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

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

The Division of Building and Regulation, with four full-time inspectors and one zoning compliance officer, made over 15,496 inspections, in response to 3,874 permits issued for new construction and alteration of structures in excess of \$431 million of new value, and over 2,000 inspections in response to property management and other environmental code violations. The Division updated their administrative code and also participated in the recodification of the City development code.

The Finance Department continued to receive a positive return from income tax and personal property tax surveillance that realized over \$441,797 of new taxpayer money for the City, as well as increased personal property revenue to Jackson Township and South-Western City School District. Surveillance of building license registrations with the assistance of the Building Division realized increased revenues of \$41,297. The City with the assistance of the Regional Income Tax Agency identified and collected over \$600,000 in non-reported taxes through the first year of our mandatory filing program. The Finance Department participated in the further development of computer-based global information systems (GIS). The Finance Department was responsible for the financing and fiscal management of over \$16.1 million in capital projects and \$27.1 million of the City's other programs and services. The Finance Department also actively participated on the executive committee of the Central Ohio Health Care Consortium that has managed the health care expenditures of Grove City and eight other communities over the last fourteen years with an average expenditure increase of fewer than ten percent for the period. This year will mark the seventeenth year of filing financial statements according to Generally Accepted Accounting Principles (GAAP) and the sixteenth submission of a Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers Association for their Certificate of Achievement program and the fourth year of GASB No. 34 reporting.

### **FOR THE FUTURE**

The City is eagerly anticipating the opening and dedication of the City's last portion of Buckeye Parkway which is being built from Borror Road to Holton by Rockford Homes, and the completion of relocated Orders Road which was accelerated in anticipation of ODOT replacing the Hoover Road Bridge over I-71 in 2006.

The City hopes to start and complete the reconstruction of a portion of SR 665 from Hoover Road to North Meadows Drive which is the first phase of a joint \$30 million I-71/SR 665 Interchange Reconstruction project with ODOT. The first phase is another Issue II /City-funded program. Issue II has allowed most of the major City projects to be completed by leveraging local capital projects monies through this competitive funding program. The City has also successfully leveraged local money for the reconstruction of the last phase of Cleveland Avenue with CDBG funding administered through the Franklin County Commissioners.

The 2006 construction season will see the development of a skate park located on Hoover Road adjacent to the fire house and township offices, and a new vehicle storage building at the Service Complex.

Residential and commercial developments are expected to continue to expand in 2006. In 2005, 371 new home permits were issued and the inventory of developed residential lots available as of December 31, 2005 was 1,141.

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

### 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, 2005, by the Auditor of State. City management plans to continue to subject the financial statements to an annual independent audit as part of the preparation of a Comprehensive Annual Financial Report. An annual audit serves to maintain and strengthen the City's accounting and budgetary controls.

#### CERTIFICATE OF ACHIEVEMENT

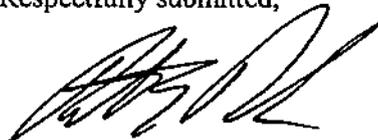
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Grove City, Ohio, for its 2004 comprehensive annual financial report. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR. The report must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting, and its attainment is a significant accomplishment for the City. We believe this comprehensive annual financial report meets the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA for review and determination of its eligibility for a certificate for 2005.

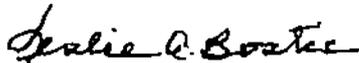
#### ACKNOWLEDGMENTS

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

Respectfully submitted,



Robert E. Behlen III  
Finance Director



Dr. Les Bostic  
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, 2004

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.



*Carl E. Perry*

President

*Jeffrey R. Emmer*

Executive Director

*List of Principal Officials*

**Elected City Officials**

**MAYOR**

CHERYL L. GROSSMAN

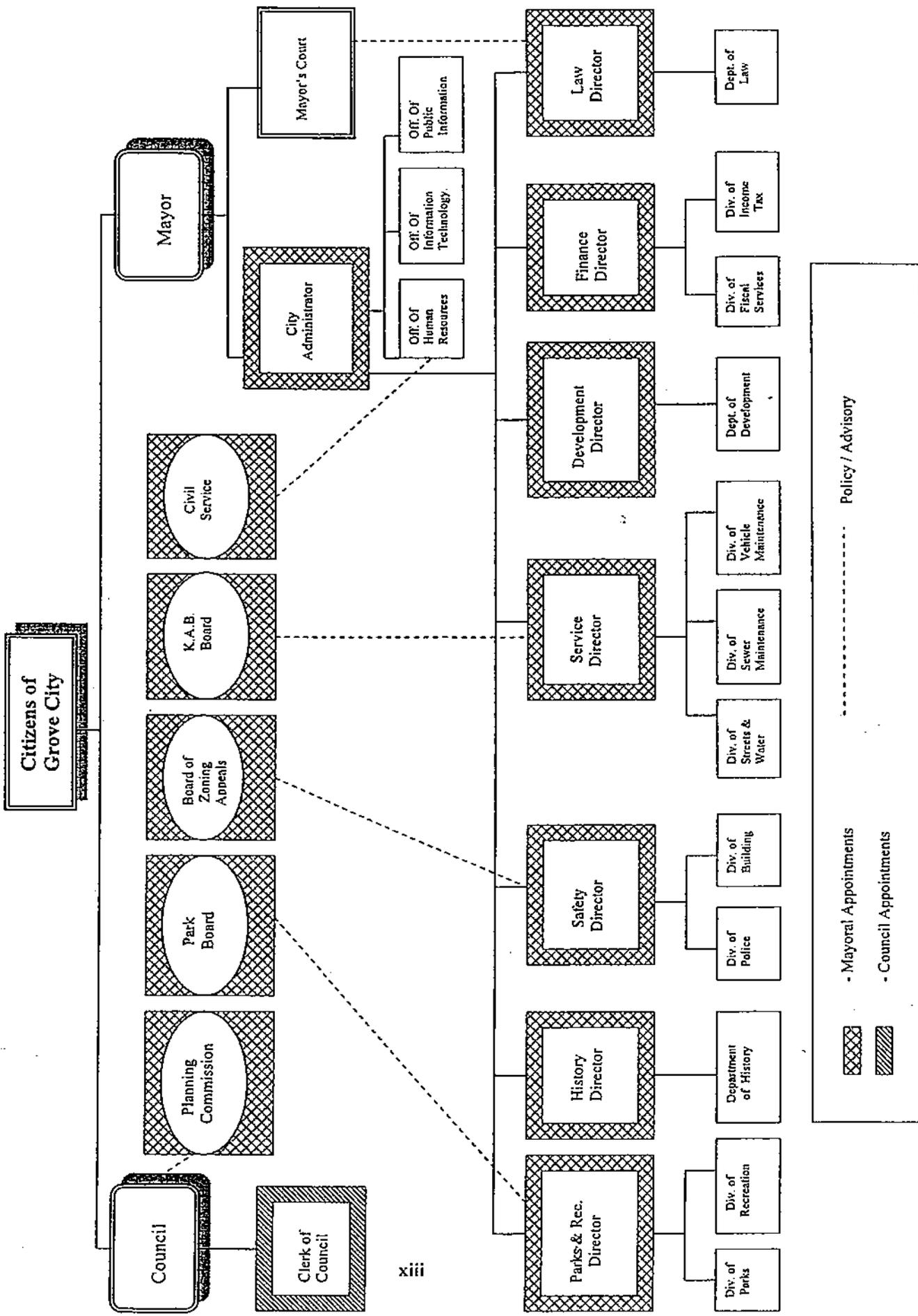
**City Council**

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

**Appointed City Officials**

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

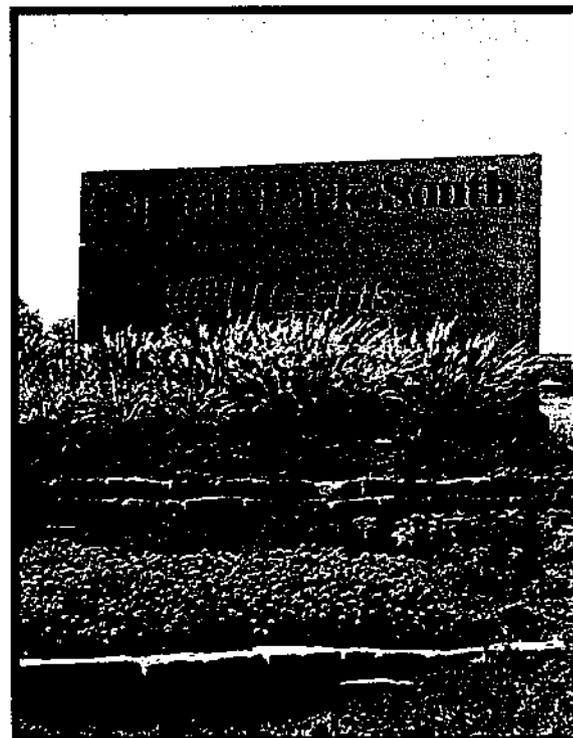
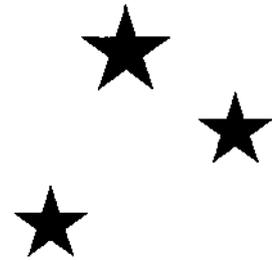
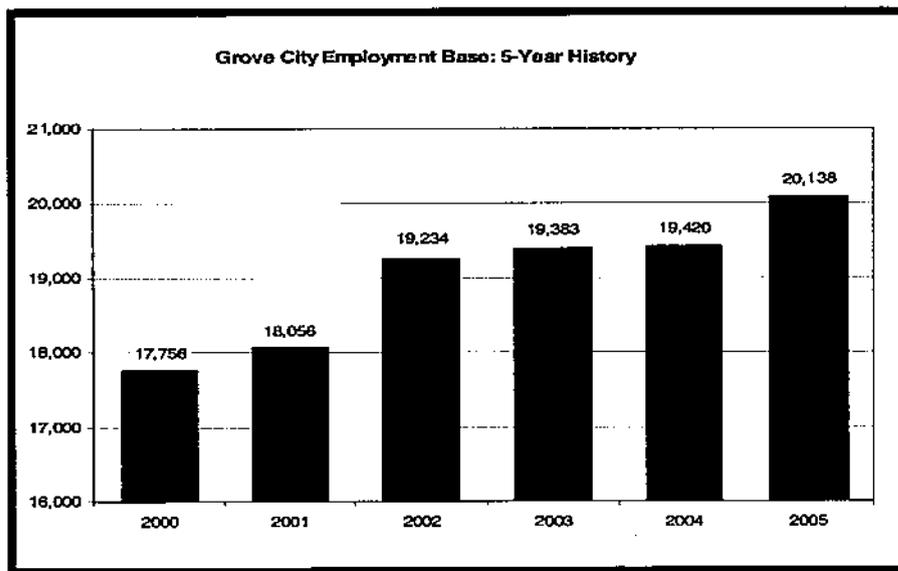
# City of Grove City Organizational Chart





# CITY OF GROVE CITY, OHIO

## FINANCIAL SECTION







## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

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

To the Members of Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Grove City, Franklin County, Ohio (the City), as of and for the year ended December 31, 2005, 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, 2005, and the respective changes in financial position and cash flows where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2005, the City phased in and reported the remaining infrastructure capital assets prospective to the implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2006, 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.

35 N. Fourth St. / Second Floor / Columbus, OH 43215  
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

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

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



**Betty Montgomery**  
Auditor of State

June 20, 2006

**CITY OF GROVE CITY, OHIO**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2005**  
**(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, 2005.

**FINANCIAL HIGHLIGHTS**

- The City's total net assets increased \$11,032,356. Revenues of Governmental Activities exceeded expenses by \$3,551,308. Net assets of Business-Type Activities increased by \$7,481,048, mainly due to contributed capital assets.
  
- General revenues of Governmental Activities accounted for \$21,843,800 or 74.82 percent of all governmental revenues. Program specific revenues in the form of charges for services, grants, contributions, and interest accounted for \$7,352,310 or 25.18 percent of total governmental revenues of \$29,196,110.
  
- Enterprise funds reflected a total operating loss of \$352,344. The Water Fund reflected an operating income of \$315,357, while the Sewer Fund reflected an operating loss of \$667,701. The operating loss of the Sewer Fund was a result of increasing depreciation costs and an increase in services proportionate to the growth of the community.
  
- The City had \$24,727,962 in expenses related to Governmental Activities. \$7,352,310 of these expenses were offset by program specific charges for services, grants, contributions, and interest. General revenues (primarily income taxes) of \$21,843,800 were adequate to provide for these programs. The City had \$1,763,970 in expenses related to Business-Type Activities. \$8,251,766 in program specific charges for services, capital grants, contributions, and interest, along with general revenues and transfers of \$993,252 were more than sufficient to cover expenses.

**USING THIS ANNUAL FINANCIAL REPORT**

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

The Statement of Net Assets and Statement of Activities provide information about the activities of the City as a whole and present a long-term view of the City's finances. The fund financial statements provide the next level of detail. For Governmental Funds, these statements tell how services were financed in the short-term, as well as the amount of funds available for future spending. The fund financial statements focus on the City's most significant funds, with all other nonmajor funds presented in total in one column.

## **REPORTING THE CITY AS A WHOLE**

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

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

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

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

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

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

## **REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

### *Fund Financial Statements*

The analysis of the City's major funds begins on page 8. Fund financial statements provide detailed information about the City's major funds – not the City as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Finance Director, with the approval of Council, to help control, manage, and report money received for a particular purpose or to show that the City is meeting legal responsibilities for the use of grants. The City of Grove City's major funds are the General, Road Improvement, Debt Service, Water, and Sewer Funds.

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

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

## THE CITY AS A WHOLE

As stated previously, the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2005 compared to 2004.

Table 1  
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	Restated 2004	2005	Restated 2004	2005	Restated 2004	2005
<b>Assets</b>						
Current and Other Assets	\$43,119,562	\$41,216,549	\$3,372,546	\$4,253,203	\$46,492,108	\$45,469,752
Nondepreciable Capital Assets	41,225,651	48,827,501	215,842	88,435	41,441,493	48,915,936
Depreciable Capital Assets, Net	89,023,722	90,329,773	30,492,775	36,968,861	119,516,497	127,298,634
<b>Total Assets</b>	<b>173,368,935</b>	<b>180,373,823</b>	<b>34,081,163</b>	<b>41,310,499</b>	<b>207,450,098</b>	<b>221,684,322</b>
<b>Liabilities</b>						
Current and Other Liabilities	21,351,611	32,298,476	39,979	60,963	21,391,590	32,359,439
Long-Term Liabilities:						
Due Within One Year	1,169,372	1,258,400	277,873	285,837	1,447,245	1,544,237
Due in More Than One Year	15,830,884	8,248,571	1,357,631	1,076,971	17,188,515	9,325,542
<b>Total Liabilities</b>	<b>38,351,867</b>	<b>41,805,447</b>	<b>1,675,483</b>	<b>1,423,771</b>	<b>40,027,350</b>	<b>43,229,218</b>
<b>Net Assets</b>						
Invested in Capital Assets, Net Of Related Debt	109,466,903	107,673,588	29,097,153	35,711,995	138,564,056	143,385,583
Restricted for:						
Capital Outlay	671,025	2,750,599	0	0	671,025	2,750,599
Debt Service	1,860,996	2,139,259	0	0	1,860,996	2,139,259
Other Purposes	3,619,835	4,076,782	0	0	3,619,835	4,076,782
Revenue Bonds						
Current Debt Service Revenue Bonds Improvement And Replacement	0	0	199,904	195,505	199,904	195,505
Unrestricted	19,398,309	21,928,148	3,030,823	3,871,428	22,429,132	25,799,576
<b>Total Net Assets</b>	<b>\$135,017,068</b>	<b>\$138,568,376</b>	<b>\$32,405,680</b>	<b>\$39,886,728</b>	<b>\$167,422,748</b>	<b>\$178,455,104</b>

Total net assets increased \$11,032,356. Net assets of the City's Governmental Activities increased by \$3,551,308. This increase is mainly reflected in Capital Assets with an increase in depreciable assets and construction in progress.

The net assets of the City's Business-Type Activities increased by \$7,481,048. Depreciable capital assets increased by \$6,476,086 which was primarily due to assets contributed by developers. The City strives to control operation expenses for Business-Type Activities in order to maintain stability in charges for services and to closely monitor the trends of our growing community in order to adjust for budgetary issues and changes in City code where necessary. The City has commissioned a rate study that has so far adjusted sanitary sewer tap fee charges and will address charges for services for both water and sewer in 2006.

Table 2 shows the changes in net assets for the years ended December 31, 2004 and 2005.

Table 2  
Changes In Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2004	2005	2004	2005	2004	2005
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$2,743,187	\$3,032,805	\$923,925	\$1,321,203	\$3,667,112	\$4,354,008
Operating Grants, Contributions and Interest	1,574,992	2,011,152	0	0	1,574,992	2,011,152
Capital Grants, Contributions and Interest	967,111	2,308,353	1,113,278	6,930,563	2,080,389	9,238,916
Total Program Revenues	5,285,290	7,352,310	2,037,203	8,251,766	7,322,493	15,604,076
General Revenues:						
Property Taxes	3,162,040	2,657,555	0	0	3,162,040	2,657,555
Other Local Taxes	159,660	780,473	0	0	159,660	780,473
Income Taxes	15,342,810	16,730,688	0	0	15,342,810	16,730,688
Grants and Entitlements Unrestricted	1,940,042	778,752	0	0	1,940,042	778,752
Investment Earnings	222,169	558,560	17,241	55,911	239,410	614,471
Other	364,547	337,772	0	20,501	364,547	358,273
Total General Revenues	21,191,268	21,843,800	17,241	76,412	21,208,509	21,920,212
Total Revenues	\$26,476,558	\$29,196,110	\$2,054,444	\$8,328,178	\$28,531,002	\$37,524,288
<b>Program Expenses:</b>						
Security of						
Persons and Property	7,777,311	8,072,763	0	0	7,777,311	8,072,763
Public Health	255,097	198,126	0	0	255,097	198,126
Leisure Time Activities	2,290,652	2,470,743	0	0	2,290,652	2,470,743
Community Development	1,152,824	1,271,478	0	0	1,152,824	1,271,478
Transportation	1,353,924	4,630,846	0	0	1,353,924	4,630,846
General Government	5,213,511	6,996,686	0	0	5,213,511	6,996,686
Interest and						
Fiscal Charges	581,264	1,087,320	0	0	581,264	1,087,320
Water	0	0	482,039	625,928	482,039	625,928
Sewer	0	0	897,353	1,138,042	897,353	1,138,042
Total Expenses	18,624,583	24,727,962	1,379,392	1,763,970	20,003,975	26,491,932
Increase in Net Assets before Transfers	7,851,975	4,468,148	675,052	6,564,208	8,527,027	11,032,356
Transfers	(1,896,697)	(916,840)	1,896,697	916,840	0	0
Increase in Net Assets	5,955,278	3,551,308	2,571,749	7,481,048	8,527,027	11,032,356
Net Assets Beginning of Year (Restated)	129,061,790	135,017,068	29,833,931	32,405,680	158,895,721	167,422,748
Net Assets End of Year	\$135,017,068	\$138,568,376	\$32,405,680	\$39,886,728	\$167,422,748	\$178,455,104

***Governmental Activities***

The 2% income tax is the largest source of revenue for the General Fund and the City of Grove City. Employee withholding from all businesses contributes 75.8% of the revenue received in 2005 with business earnings contributing 14.4% and individuals contributing 9.8%. The City provides full tax credit for taxes paid to another municipality and an exemption for residents under the age of 18.

Since 1992, income tax revenue has increased an average of 10.29% annually. During 2003 and 2004, a few of Grove City’s employers went through reorganization and downsizing resulting in a decrease in income tax collections from these sources. Growth in existing businesses and new retail and commercial enterprises that started in 2004 helped to offset the loss as reflected on a cash basis and a modified accrual basis of accounting. The City received higher collections from withholding, business and an additional \$600,000 from individuals as a result of the institution of mandatory filing for all residents and contracting with the Regional Income Tax Authority (RITA) to collect income tax on its behalf.

Administration and Council has a quality of life commitment to the citizens and businesses located in Grove City. With this in mind, Council committed through appropriations in 2005 over \$25,000,000 from governmental sources including federal and state grants for capital assets, equipment, and related repairs. These assets included street reconstruction, street resurfacing, sidewalk replacements, safety and street maintenance equipment and vehicles, as well as park and recreation equipment.

Governmental program expenses for 2005 were as follows:

Security of Person And Property	32.65%
Public Health	0.80%
Leisure Time Activity	9.99%
Community Development	5.14%
Transportation	18.73%
General Government	28.29%
Interest And Fiscal Charges	4.40%
	<u>100.00%</u>

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

When looking at the sources of income to support Governmental Activities, it should be noted that charges for services are only 10.39% of revenue. Revenues provided by sources other than City residents in the form of operating and capital grants comprise another 14.79%. The remaining revenues are primarily generated locally through property and income taxes. City Council relies on these taxes to furnish the quality of life to businesses and citizens to which they and previous Councils have always been committed.

Total revenues increased \$2,719,552 due to an increase in income tax of approximately \$1.4 million and \$1.3 million in capital grants for the Stringtown Road Project. (see page 6 for more detail). Expenses increased \$6,103,379, mostly due to an increase in depreciation, since this is the first year all of the City’s infrastructure has been recorded, and an increase in salaries and benefits (see page 6 for more detail).

***Business-Type Activities***

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

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

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

Net assets of Business-Type Activities increased \$7,481,048, primarily due to capital contributions.

## **THE CITY'S FUNDS**

Information about the City's major Governmental Funds begins on page 14. These funds are reported using the modified accrual basis of accounting. All Governmental Funds had total revenues of \$27,790,801 and expenditures of \$35,369,227.

The General Fund's balance increased by \$1,278,756, primarily due to an increase in income tax revenue. Expenditures increased in 2005 due to salary increases and an increase in health insurance premiums, utility rates and gasoline prices. Expenditures of the General Fund represent 55.80% of the 2005 total governmental fund expenditures.

The Road Improvement Fund's balance decreased \$16,179,323, due to the continuing reconstruction of Stringtown and White Roads and the construction of Buckeye Parkway and collector streets associated with the Parkway Center North and South commercial development.

The Debt Service Fund's balance at December 31, 2005, was \$1,913,242.

The Water Fund's net assets increased \$3,263,427, primarily due to capital contributions of \$2,931,296.

The Sewer Fund's net assets increased \$4,217,621, primarily due to capital contributions of \$4,916,107.

### ***General Fund Budgeting Highlights***

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of receipts, disbursements, and encumbrances. The City's budget is adopted on a fund basis. Before the budget is adopted, Council reviews detailed budget worksheets of each function within the General Fund and then adopts the budget on a fund basis. During 2005 there were forty-eight revisions to the budget. The effect of the revisions was an increase in the appropriations of \$7,317,338, which was primarily for capital outlay.

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

Original General Fund budgeted revenues were \$17,860,071. The final budgeted amount was \$20,847,355. This increase of \$2,987,284 was due primarily to income tax revenue collections, intergovernmental revenue, building permit fees and interest exceeding estimates. Income tax revenue was originally estimated conservatively due to the prior year's loss of two companies relocating (a loss of approximately 600 jobs), a change in the IRS ruling on the local income tax liability for over-the-road truck drivers and uncertainty on the opening dates for the commercial establishments in the new Parkway Center. The new IRS ruling has had a significant impact since Grove City has several distribution centers which employ several hundred over the road drivers. The City's ending General Fund's fund balance was \$3,466,081 above the final budgeted amount.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

Table 3  
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	Restated 2004	2005	Restated 2004	2005	Restated 2004	2005
	Land	\$27,377,093	\$27,382,457	\$10,000	\$10,000	\$27,387,093
Construction in Progress	13,848,558	21,445,044	205,842	78,435	14,054,400	21,523,479
Buildings	2,408,528	2,649,830	826,088	809,323	3,234,616	3,459,153
Improvements Other Than Buildings	1,477,827	1,504,788	185,215	167,454	1,663,042	1,672,242
Machinery And Equipment	1,761,020	1,837,678	97,367	97,115	1,858,387	1,934,793
Furniture and Fixtures	162,728	188,046	0	1,398	162,728	189,444
Vehicles	1,054,327	1,089,597	66,390	55,035	1,120,717	1,144,632
Computer Equipment	890,487	816,870	129	126	890,616	816,996
Infrastructure:						
Curbs And Gutters	6,919,761	6,137,457	0	0	6,919,761	6,137,457
Sidewalks	2,029,944	1,825,684	0	0	2,029,944	1,825,684
Streets	65,744,346	65,763,779	0	0	65,744,346	65,763,779
Street Lights	1,155,577	1,255,751	0	0	1,155,577	1,255,751
Storm Sewer	3,395,161	5,049,060	0	0	3,395,161	5,049,060
Traffic Signals	1,259,098	1,205,822	0	0	1,259,098	1,205,822
Other Infrastructure	764,918	1,005,411	0	0	764,918	1,005,411
Water Lines	0	0	12,147,165	14,913,670	12,147,165	14,913,670
Sewer Lines	0	0	17,170,421	20,924,740	17,170,421	20,924,740
Totals	<u>\$130,249,373</u>	<u>\$139,157,274</u>	<u>\$30,708,617</u>	<u>\$37,057,296</u>	<u>\$160,957,990</u>	<u>\$176,214,570</u>

The majority of the increase in governmental capital assets resulted from the addition of \$974,159 of newly constructed infrastructure (includes streets, curb and gutter, street lights, storm sewers, and related structures) and \$7,596,486 related to construction in progress. Business-type capital assets increased \$6,348,679 of which \$6,298,753 was related to capital contributions from developers for infrastructure consisting of water and sewer lines.

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

### **Debt**

At December 31, 2005, the City of Grove City had \$35,752,330 in debt outstanding.

Table 4  
Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities	
	2004	2005	2004	2005
Mortgage Revenue Bonds	\$0	\$0	\$380,000	\$195,000
General Obligation Bonds	5,012,349	4,516,532	0	0
Special Assessment Bonds	162,156	128,576	0	0
OPWC Loans Payable	2,920,758	3,833,831	1,225,377	1,147,390
Bond Anticipation Notes	7,925,000	0	0	0
Short-Term Bond Anticipation Notes	15,819,000	25,931,000	0	0
Total	<u>\$31,839,263</u>	<u>\$34,409,939</u>	<u>\$1,605,377</u>	<u>\$1,342,390</u>

Outstanding debt increased by \$2,307,689 from 2004, primarily due to the issuance of \$1,120,620 of new OPWC loans and the issuance of an additional \$1,700,000 of short-term Bond Anticipation Notes above the amount required for re-financing for the 2005 Street and Infrastructure Construction Note.

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

The City's overall 10.5 percent legal debt margin was \$56,774,418 as of December 31, 2005. The more restrictive unvoted legal debt margin within 5.5 percent was \$16,135,287 as of the same date. See Note 14 of the notes to the basic financial statements for more detailed information.

### **CONTACTING THE CITY'S FINANCE DEPARTMENT**

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

**CITY OF GROVE CITY, OHIO**

**Statement Of Net Assets**

**December 31, 2005**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b><u>Assets:</u></b>			
Equity In Pooled Cash And			
Cash Equivalents	\$29,963,132	\$3,796,428	\$33,759,560
Accrued Interest Receivable	246,191	0	246,191
Accounts Receivable	30,210	230,656	260,866
Municipal Income Tax Receivable	5,605,205	0	5,605,205
Due From Other Governments	1,765,049	0	1,765,049
Prepaid Items	24,896	0	24,896
Materials And Supplies Inventory	37,192	0	37,192
Property And Other Local Taxes Receivable	3,095,089	0	3,095,089
Cash and Cash Equivalents With Fiscal Agents	262,596	195,505	458,101
Deferred Charges	0	2,911	2,911
Special Assessments Receivable	186,989	27,703	214,692
Land And Construction In Progress	48,827,501	88,435	48,915,936
Depreciable Capital Assets, Net	90,329,773	36,968,861	127,298,634
<b>Total Assets</b>	<b>180,373,823</b>	<b>41,310,499</b>	<b>221,684,322</b>
<b><u>Liabilities:</u></b>			
Accounts Payable	311,259	44,864	356,123
Accrued Wages	82,344	1,458	83,802
Contracts Payable	1,876,645	3,512	1,880,157
Retainage Payable	411,296	3,291	414,587
Due To Other Governments	505,305	6,765	512,070
Deferred Revenue	2,819,561	0	2,819,561
Accrued Interest Payable	361,066	1,073	362,139
Notes Payable	25,931,000	0	25,931,000
Long-Term Liabilities:			
Due Within One Year	1,258,400	285,837	1,544,237
Due In More Than One Year	8,248,571	1,076,971	9,325,542
<b>Total Liabilities</b>	<b>41,805,447</b>	<b>1,423,771</b>	<b>43,229,218</b>
<b><u>Net Assets:</u></b>			
Invested In Capital Assets, Net Of Related Debt	107,673,588	35,711,995	143,385,583
Restricted For:			
Capital Outlay	2,750,599	0	2,750,599
Debt Service	2,139,259	0	2,139,259
Other Purposes	4,076,782	0	4,076,782
Revenue Bonds Current Debt Service	0	195,505	195,505
Revenue Bond Improvement And Replacement	0	107,800	107,800
Unrestricted	21,928,148	3,871,428	25,799,576
<b>Total Net Assets</b>	<b>\$138,568,376</b>	<b>\$39,886,728</b>	<b>\$178,455,104</b>

See Accompanying Notes to the Basic Financial Statements

**CITY OF GROVE CITY, OHIO**

**Statement Of Activities**

**For the Year Ended December 31, 2005**

	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges For Services</b>	<b>Operating Grants, Contributions And Interest</b>	<b>Capital Grants, Contributions And Interest</b>
<b><u>Governmental Activities:</u></b>				
Security Of Persons And Property	\$8,072,763	\$345,816	\$169,859	\$4,000
Public Health	198,126	13,350	0	0
Leisure Time Activities	2,470,743	1,493,001	38,804	0
Community Development	1,271,478	916,819	21,086	0
Transportation	4,630,846	233,387	1,781,103	2,283,304
General Government	6,996,686	30,432	300	21,049
Interest And Fiscal Charges	1,087,320	0	0	0
<b>Total Governmental Activities</b>	<b>24,727,962</b>	<b>3,032,805</b>	<b>2,011,152</b>	<b>2,308,353</b>
<b><u>Business-Type Activities:</u></b>				
Water	625,928	902,148	0	2,047,445
Sewer	1,138,042	419,055	0	4,883,118
<b>Total Business-Type Activities</b>	<b>1,763,970</b>	<b>1,321,203</b>	<b>0</b>	<b>6,930,563</b>
<b>Total Activities</b>	<b>\$26,491,932</b>	<b>\$4,354,008</b>	<b>\$2,011,152</b>	<b>\$9,238,916</b>

**General Revenues:**

Property Taxes Levied For:

    General Purposes

    Debt Service

    Police

Other Local Taxes

Municipal Income Taxes Levied For General Purposes

Grants And Entitlements Not Restricted To Specific Programs

Unrestricted Investment Earnings

Other

**Transfers**

*Total General Revenues And Transfers*

Change In Net Assets

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

*Net Assets End Of Year*

See Accompanying Notes to the Basic Financial Statements

---

**Net (Expense) Revenue and Changes In Net Assets**

---

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
(\$7,553,088)	\$0	(\$7,553,088)
(184,776)	0	(184,776)
(938,938)	0	(938,938)
(333,573)	0	(333,573)
(333,052)	0	(333,052)
(6,944,905)	0	(6,944,905)
(1,087,320)	0	(1,087,320)
<u>(17,375,652)</u>	<u>0</u>	<u>(17,375,652)</u>
0	2,323,665	2,323,665
0	4,164,131	4,164,131
<u>0</u>	<u>6,487,796</u>	<u>6,487,796</u>
<u>(17,375,652)</u>	<u>6,487,796</u>	<u>(10,887,856)</u>
1,228,149	0	1,228,149
752,816	0	752,816
676,590	0	676,590
780,473	0	780,473
16,730,688	0	16,730,688
778,752	0	778,752
558,560	55,911	614,471
337,772	20,501	358,273
<u>(916,840)</u>	<u>916,840</u>	<u>0</u>
<u>20,926,960</u>	<u>993,252</u>	<u>21,920,212</u>
3,551,308	7,481,048	11,032,356
<u>135,017,068</u>	<u>32,405,680</u>	<u>167,422,748</u>
<u>\$138,568,376</u>	<u>\$39,886,728</u>	<u>\$178,455,104</u>

**CITY OF GROVE CITY, OHIO**

**Balance Sheet  
Governmental Funds**

**December 31, 2005**

	<u>General</u>	<u>Road Improvement</u>	<u>Debt Service</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<b><u>Assets:</u></b>					
Equity In Pooled Cash And Cash Equivalents	\$19,149,542	\$5,174,220	\$1,909,084	\$3,730,286	\$29,963,132
Cash And Cash Equivalents With Fiscal Agents	0	0	0	262,596	262,596
Receivables:					
Property And Other Local Taxes	1,447,647	0	854,878	792,564	3,095,089
Municipal Income Tax	5,605,205	0	0	0	5,605,205
Accounts	29,408	0	0	802	30,210
Special Assessments	60,172	0	126,817	0	186,989
Accrued Interest	90,364	123,086	32,741	0	246,191
Due From Other Governments	969,701	0	46,248	749,100	1,765,049
Materials And Supplies Inventory	15,049	0	0	22,143	37,192
Prepaid Items	24,896	0	0	0	24,896
<b>Total Assets</b>	<b>\$27,391,984</b>	<b>\$5,297,306</b>	<b>\$2,969,768</b>	<b>\$5,557,491</b>	<b>\$41,216,549</b>
<b><u>Liabilities And Fund Balances</u></b>					
<b><u>Liabilities:</u></b>					
Accounts Payable	\$265,531	\$0	\$0	\$45,728	\$311,259
Contracts Payable	1,268,600	607,885	0	160	1,876,645
Accrued Wages	78,140	0	0	4,204	82,344
Retainage Payable	166,962	244,334	0	0	411,296
Due To Other Governments	233,661	14,787	0	256,857	505,305
Deferred Revenue	6,563,905	115,059	1,056,526	1,387,203	9,122,693
Accrued Interest Payable	0	335,927	0	0	335,927
Notes Payable	0	25,931,000	0	0	25,931,000
<b>Total Liabilities</b>	<b>8,576,799</b>	<b>27,248,992</b>	<b>1,056,526</b>	<b>1,694,152</b>	<b>38,576,469</b>
<b><u>Fund Balances:</u></b>					
Reserved For Encumbrances	5,626,637	2,758,156	8,148	467,278	8,860,219
Unreserved:					
Undesignated, Reported In:					
General Fund	13,188,548	0	0	0	13,188,548
Special Revenue Funds	0	0	0	3,047,244	3,047,244
Debt Service Funds	0	0	1,905,094	0	1,905,094
Capital Projects Funds (Deficit)	0	(24,709,842)	0	348,817	(24,361,025)
<b>Total Fund Balances (Deficit)</b>	<b>18,815,185</b>	<b>(21,951,686)</b>	<b>1,913,242</b>	<b>3,863,339</b>	<b>2,640,080</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$27,391,984</b>	<b>\$5,297,306</b>	<b>\$2,969,768</b>	<b>\$5,557,491</b>	<b>\$41,216,549</b>

See Accompanying Notes to the Basic Financial Statements

**CITY OF GROVE CITY, OHIO**

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

**December 31, 2005**

---

<b><u>Total Governmental Fund Balances</u></b>	\$2,640,080
 <i>Amounts reported for governmental activities in the Statement of Net Assets are different because:</i>	
 Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:	
Land	27,382,457
Construction In Progress	21,445,044
Other Capital Assets	149,304,061
Accumulated Depreciation	<u>(58,974,288)</u>
Total	139,157,274
 Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Municipal Income Taxes	4,252,774
Property and Other Local Taxes	173,327
Due From Other Governments	1,433,390
Special Assessments	209,047
Accrued Interest	230,119
Accounts	<u>4,475</u>
Total	6,303,132
 Some liabilities, including bonds payable, loans payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:	
Accrued Interest	(25,139)
General Obligation Bonds	(4,550,000)
Deferred Amount on Refunding	33,468
Special Assessment Bonds	(128,576)
OPWC Loans	(3,833,831)
Capital Leases Payable	(6,217)
Compensated Absences	<u>(1,021,815)</u>
Total	<u>(9,532,110)</u>
 <i>Net Assets of Governmental Activities</i>	 <u><u>\$138,568,376</u></u>

See Accompanying Notes to the Basic Financial Statements

**CITY OF GROVE CITY, OHIO**

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

**For The Year Ended December 31, 2005**

	<u>General</u>	<u>Road Improvement</u>	<u>Debt Service</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<b><u>Revenues:</u></b>					
Property Taxes	\$1,217,038	\$0	\$745,828	\$670,189	\$2,633,055
Municipal Income Taxes	15,679,344	0	0	0	15,679,344
Other Local Taxes	619,108	0	0	149,035	768,143
Intergovernmental	1,742,119	1,030,214	98,173	1,817,488	4,687,994
Charges For Services	139,268	0	0	1,184,222	1,323,490
Licenses And Permits	809,932	0	0	401,824	1,211,756
Fines And Forfeitures	180,934	0	0	26,690	207,624
Special Assessments	43,280	0	38,519	0	81,799
Interest	503,487	507,020	49,073	25,326	1,084,906
Increase (Decrease) In					
Fair Value Of Investments	51,254	(88,216)	(23,466)	0	(60,428)
Rent	22,716	0	0	21,641	44,357
Contributions And Donations	4,000	0	0	51,379	55,379
Miscellaneous	40,847	0	0	32,535	73,382
<b>Total Revenues</b>	<b>21,053,327</b>	<b>1,449,018</b>	<b>908,127</b>	<b>4,380,329</b>	<b>27,790,801</b>
<b><u>Expenditures:</u></b>					
Current Operations And Maintenance:					
Security Of Persons And Property	6,739,419	0	0	800,387	7,539,806
Public Health	186,501	0	0	11,625	198,126
Leisure Time Activities	492,991	0	0	1,358,776	1,851,767
Community Development	905,572	0	0	216,731	1,122,303
Transportation	0	0	0	1,126,447	1,126,447
General Government	5,439,363	0	0	0	5,439,363
Capital Outlay	5,761,267	10,103,007	0	273,920	16,138,194
Debt Service:					
Principal Retirement	210,220	0	533,580	0	743,800
Interest And Fiscal Charges	573	985,344	223,504	0	1,209,421
<b>Total Expenditures</b>	<b>19,735,906</b>	<b>11,088,351</b>	<b>757,084</b>	<b>3,787,886</b>	<b>35,369,227</b>
Excess Of Revenues Over (Under) Expenditures	1,317,421	(9,639,333)	151,043	592,443	(7,578,426)
<b><u>Other Financing Sources (Uses):</u></b>					
Issuance Of OPWC Loan	0	1,120,620	0	0	1,120,620
Inception Of Capital Lease	1,335	0	0	0	1,335
Premium On Debt Issued	0	264,390	0	0	264,390
Current Refunding	0	(7,925,000)	0	0	(7,925,000)
Transfers - In	0	0	0	40,000	40,000
Transfers - Out	(40,000)	0	0	0	(40,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(38,665)</b>	<b>(6,539,990)</b>	<b>0</b>	<b>40,000</b>	<b>(6,538,655)</b>
Net Change In Fund Balance	1,278,756	(16,179,323)	151,043	632,443	(14,117,081)
Fund Balances (Deficit) At Beginning Of Year - Restated (See Note 3)	17,536,429	(5,772,363)	1,762,199	3,230,896	16,757,161
<b>Fund Balances (Deficit) At End Of Year</b>	<b>\$18,815,185</b>	<b>(\$21,951,686)</b>	<b>\$1,913,242</b>	<b>\$3,863,339</b>	<b>\$2,640,080</b>

See Accompanying Notes to the Basic Financial Statements

**CITY OF GROVE CITY, OHIO**

**Reconciliation Of The Statement Of Revenues, Expenditures And Changes  
In Fund Balances Of Governmental Funds To The Statement Of Activities**

**For The Year Ended December 31, 2005**

<b>Net Change in Fund Balances - Total Governmental Funds</b>		(\$14,117,081)
 <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	15,571,788	
Depreciation	<u>(5,700,994)</u>	
Excess of Capital Outlay over Depreciation Expense		9,870,794
 Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each sale.		
Loss on Disposal of Assets		(46,053)
 Assets transferred from governmental activities during the year to enterprise funds.		
Capital Assets		(916,840)
 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	500,000	
Special Assessment Bond Principal Payments	33,580	
Ohio Public Works Commission Loan Principal Payments	207,547	
Street and Construction Infrastructure Notes Payments	7,925,000	
Capital Lease Payments	<u>2,673</u>	
		8,668,800
 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	1,051,344	
Property Taxes	24,500	
Other Local Taxes	12,330	
Intergovernmental	(83,060)	
Special Assessments	(50,157)	
Fines and Forfeitures	4,475	
Accrued Interest	<u>181,487</u>	
		1,140,919
 Some capital assets were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the Statement of Net Assets, the lease obligation is reported as a liability.		
		(1,335)
 The issuance of long-term debt provides current financial resources to governmental funds, but in the Statement of Net Assets, the debt is reported as a liability.		
OPWC Loans Payable		(1,120,620)
 Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional amount of interest on the Statement of Activities is the result of the following:		
Net Decrease in Accrued Interest		126,284
 Some items reported as expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:		
Increase in Compensated Absences		(49,377)
 In the Statement of Activities the gain or loss on refunding is amortized over the term of the bonds, whereas in the governmental funds the expenditure is reported when the bonds are issued.		
Amortization Of Loss On Refunding		<u>(4,183)</u>
Change in Net Assets of Governmental Activities		<u><u>\$3,551,308</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, 2005**

	<b><u>Original Budget</u></b>	<b><u>Revised Budget</u></b>	<b><u>Budgetary Actual</u></b>	<b><u>Variance Positive (Negative)</u></b>
<b><u>Revenues:</u></b>				
Property Taxes	\$1,186,629	\$1,219,572	\$1,217,038	(\$2,534)
Municipal Income Taxes	13,108,927	15,443,655	15,677,849	234,194
Other Local Taxes	525,573	619,178	628,568	9,390
Intergovernmental	1,411,293	1,668,525	1,693,738	25,213
Charges For Services	101,202	137,460	139,268	1,808
Licenses And Permits	672,206	797,923	809,932	12,009
Fines And Forfeitures	141,803	175,709	178,242	2,533
Special Assessments	36,188	42,633	43,280	647
Interest	452,569	533,173	536,517	3,344
Rent	0	22,716	22,716	0
Contributions And Donations	128,754	155,685	157,985	2,300
Miscellaneous	94,927	31,126	48,057	16,931
<b>Total Revenues</b>	<b>17,860,071</b>	<b>20,847,355</b>	<b>21,153,190</b>	<b>305,835</b>
<b><u>Expenditures:</u></b>				
Current Operations And Maintenance:				
Security Of Persons And Property	7,111,221	7,312,503	7,119,982	192,521
Public Health	209,000	220,451	193,384	27,067
Leisure Time Activities	548,540	583,843	535,605	48,238
Community Development	1,139,143	1,198,229	1,019,266	178,963
General Government	6,254,823	6,925,830	6,379,472	546,358
Capital Outlay	6,382,547	12,721,756	10,577,210	2,144,546
Debt Service:				
Principal Retirement	230,100	230,100	207,547	22,553
<b>Total Expenditures</b>	<b>21,875,374</b>	<b>29,192,712</b>	<b>26,032,466</b>	<b>3,160,246</b>
Excess Of Revenues Over (Under) Expenditures	(4,015,303)	(8,345,357)	(4,879,276)	3,466,081
<b><u>Other Financing Uses:</u></b>				
Transfers - Out	(80,000)	(80,000)	(80,000)	0
Net Change In Fund Balance	(4,095,303)	(8,425,357)	(4,959,276)	3,466,081
Fund Balance At Beginning Of Year	12,365,954	12,365,954	12,365,954	0
Prior Year Encumbrances	4,486,290	4,486,290	4,486,290	0
<b>Fund Balance At End Of Year</b>	<b>\$12,756,941</b>	<b>\$8,426,887</b>	<b>\$11,892,968</b>	<b>\$3,466,081</b>

See Accompanying Notes to the Basic Financial Statements

**CITY OF GROVE CITY, OHIO**

**Statement Of Fund Net Assets  
Enterprise Funds**

**December 31, 2005**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b><u>Assets:</u></b>			
<b><u>Current Assets:</u></b>			
Equity In Pooled Cash And Cash Equivalents	\$1,645,021	\$2,043,607	\$3,688,628
Receivables:			
Accounts	128,790	101,866	230,656
Special Assessments	0	27,703	27,703
<b>Total Current Assets</b>	<b>1,773,811</b>	<b>2,173,176</b>	<b>3,946,987</b>
<b><u>Non-Current Assets:</u></b>			
Restricted Assets:			
Equity In Pooled Cash And Cash Equivalents	107,800	0	107,800
Cash And Cash Equivalents With Fiscal Agents	195,505	0	195,505
Deferred Charges	2,911	0	2,911
Land And Construction In Progress	64,730	23,705	88,435
Depreciable Capital Assets, Net	15,875,918	21,092,943	36,968,861
<b>Total Non-Current Assets</b>	<b>16,246,864</b>	<b>21,116,648</b>	<b>37,363,512</b>
<b>Total Assets</b>	<b>18,020,675</b>	<b>23,289,824</b>	<b>41,310,499</b>
<b><u>Liabilities:</u></b>			
<b><u>Current Liabilities:</u></b>			
Accounts Payable	25,649	19,215	44,864
Contracts Payable	0	3,512	3,512
Accrued Wages	443	1,015	1,458
Compensated Absences Payable	103	10,437	10,540
Retainage Payable	0	3,291	3,291
Due To Other Governments	918	5,847	6,765
Accrued Interest Payable	1,073	0	1,073
Revenue Bonds Payable	195,000	0	195,000
OPWC Loans Payable	24,164	56,133	80,297
<b>Total Current Liabilities</b>	<b>247,350</b>	<b>99,450</b>	<b>346,800</b>
<b><u>Long-Term Liabilities (Net Of Current Portion):</u></b>			
OPWC Loans Payable	196,618	870,475	1,067,093
Compensated Absences Payable	34	9,844	9,878
<b>Total Long-Term Liabilities</b>	<b>196,652</b>	<b>880,319</b>	<b>1,076,971</b>
<b>Total Liabilities</b>	<b>444,002</b>	<b>979,769</b>	<b>1,423,771</b>
<b><u>Net Assets:</u></b>			
Invested In Capital Assets, Net Of Related Debt Restricted For:	15,521,955	20,190,040	35,711,995
Revenue Bonds Future Debt Service	195,505	0	195,505
Revenue Bond Improvement & Replacement	107,800	0	107,800
Unrestricted	1,751,413	2,120,015	3,871,428
<b>Total Net Assets</b>	<b>\$17,576,673</b>	<b>\$22,310,055</b>	<b>\$39,886,728</b>

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, 2005**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b><u>Operating Revenues:</u></b>			
Charges For Services	\$543,559	\$419,055	\$962,614
Tap-In Fees	358,589	0	358,589
Miscellaneous	0	20,501	20,501
<i>Total Operating Revenues</i>	<u>902,148</u>	<u>439,556</u>	<u>1,341,704</u>
<b><u>Operating Expenses:</u></b>			
Salaries	42,109	329,008	371,117
Purchased Services	58,567	127,868	186,435
Materials And Supplies	2,211	38,329	40,540
Depreciation	409,228	556,014	965,242
Other Operating Expenses	74,676	56,038	130,714
<i>Total Operating Expenses</i>	<u>586,791</u>	<u>1,107,257</u>	<u>1,694,048</u>
Operating Income (Loss)	<u>315,357</u>	<u>(667,701)</u>	<u>(352,344)</u>
<b><u>Non-Operating Revenues (Expenses):</u></b>			
Interest	55,911	0	55,911
Interest And Fiscal Charges	(39,137)	(30,785)	(69,922)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>16,774</u>	<u>(30,785)</u>	<u>(14,011)</u>
Income (Loss) Before Capital Contributions	332,131	(698,486)	(366,355)
Capital Contributions	<u>2,931,296</u>	<u>4,916,107</u>	<u>7,847,403</u>
Change In Net Assets	3,263,427	4,217,621	7,481,048
Net Assets At Beginning Of Year - Restated (See Note 3)	<u>14,313,246</u>	<u>18,092,434</u>	<u>32,405,680</u>
<i>Net Assets At End Of Year</i>	<u><u>\$17,576,673</u></u>	<u><u>\$22,310,055</u></u>	<u><u>\$39,886,728</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, 2005**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b><u>Increases (Decreases) In Cash And Cash Equivalents:</u></b>			
<b><u>Cash Flows From Operating Activities:</u></b>			
Cash Received From Customers	\$562,421	\$433,978	\$996,399
Cash Payments For Personal Services	(43,817)	(347,609)	(391,426)
Cash Payments To Suppliers For Goods And Services	(126,276)	(202,877)	(329,153)
Other Operating Revenues	786	23,772	24,558
Tap-In Fees	358,589	0	358,589
	<hr/>	<hr/>	<hr/>
<i>Net Cash Provided By (Used For) Operating Activities</i>	751,703	(92,736)	658,967
	<hr/>	<hr/>	<hr/>
<b><u>Cash Flows From Capital And Related Financing Activities:</u></b>			
Tap-In Fees	0	631,810	631,810
Acquisition Of Capital Assets	(84,623)	(13,705)	(98,328)
Principal Paid On Revenue Bonds	(185,000)	0	(185,000)
Principal Paid On OPWC Loans	(23,628)	(54,359)	(77,987)
Interest And Fiscal Charges Paid On Revenue Bonds	(18,089)	0	(18,089)
Interest And Fiscal Charges Paid On OPWC Loans	(6,666)	(30,785)	(37,451)
	<hr/>	<hr/>	<hr/>
<i>Net Cash Provided By (Used For) Capital And Related Financing Activities</i>	(318,006)	532,961	214,955
	<hr/>	<hr/>	<hr/>
<b><u>Cash Flows From Investing Activities:</u></b>			
Interest	43,696	0	43,696
	<hr/>	<hr/>	<hr/>
<i>Net Increase In Cash And Cash Equivalents</i>	477,393	440,225	917,618
	<hr/>	<hr/>	<hr/>
<i>Cash And Cash Equivalents At Beginning Of Year</i>	1,470,933	1,603,382	3,074,315
	<hr/>	<hr/>	<hr/>
<i>Cash And Cash Equivalents At End Of Year</i>	\$1,948,326	\$2,043,607	\$3,991,933
	<hr/>	<hr/>	<hr/>

*(Continued)*

**CITY OF GROVE CITY, OHIO**

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

**For The Year Ended December 31, 2005**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b><u>Reconciliation Of Operating Income (Loss) To Net Cash Provided By (Used For) Operating Activities:</u></b>			
Operating Income (Loss)	\$315,357	(\$667,701)	(\$352,344)
<b><u>Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided By (Used For) Operating Activities:</u></b>			
Depreciation	409,228	556,014	965,242
Changes In Assets And Liabilities:			
Decrease In Accounts Receivable	18,862	13,507	32,369
Decrease In Special Assessments Receivable	0	1,416	1,416
Increase In Accounts Payable	17,323	15,597	32,920
Increase In Contracts Payable	0	451	451
Increase (Decrease) In Retainage Payable	(8,145)	3,291	(4,854)
Decrease In Accrued Wages Payable	(241)	(6,756)	(6,997)
Increase In Due To Other Governments	175	298	473
Decrease In Compensated Absences Payable	(856)	(8,853)	(9,709)
 <i>Net Cash Provided By (Used For) Operating Activities</i>	 <u>\$751,703</u>	 <u>(\$92,736)</u>	 <u>\$658,967</u>

**Noncash Capital Financing Activities:**

For the year ended December 31, 2005, the City's enterprise funds received water and sewer lines that were paid from the General Fund. The water and sewer lines were recorded as capital assets and capital contributions in the respective funds. The value of the water and sewer lines were \$883,851 and \$32,989, respectively.

Developers during the year donated \$2,047,445 of water lines to the Water Fund.

Developers during the year donated \$4,251,308 of sewer lines to the Sewer Fund.

See Accompanying Notes to the Basic Financial Statements

**CITY OF GROVE CITY, OHIO**

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

***December 31, 2005***

---

<b><u>Assets:</u></b>	
Equity In Pooled Cash And Cash Equivalents	\$1,352,101
Receivables:	
Other Local Taxes	<u>8,759</u>
<i>Total Assets</i>	<u><u>\$1,360,860</u></u>
<b><u>Liabilities:</u></b>	
Undistributed Assets	\$20,259
Deposits Held And Due To Others	<u>1,340,601</u>
<i>Total Liabilities</i>	<u><u>\$1,360,860</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, 2005**

---

**NOTE 1 –DESCRIPTION OF THE CITY AND REPORTING ENTITY**

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

**THE REPORTING ENTITY**

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

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units also include organizations that are fiscally dependent on the City, in that the City approves the organization's budget, the issuance of its debt, or the levying of its taxes. The City has no component units.

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

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

---

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

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

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

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

**BASIS OF PRESENTATION**

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

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

---

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

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

**FUND FINANCIAL STATEMENTS**

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

**FUND ACCOUNTING**

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds utilized by the City: governmental, proprietary, and fiduciary.

**GOVERNMENTAL FUNDS**

Governmental funds are those through which most governmental functions are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

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

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

---

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

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

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

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

**PROPRIETARY FUNDS**

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

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

Water Fund - This fund is used to account for the provision of water service to certain residents and businesses within the City.

Sewer Fund - This fund is used to account for the provision of sanitary sewer service to the residents 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 reporting government when it is acting in a fiduciary capacity for individuals, private organizations, or other governments. These funds are distinguished by the existence of a trust agreement that affects the degree of management involvement and the length of time that the resources are held. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City has four agency funds which are used to account for money held for other governments, individuals and organizations for medical spending, compliance with building codes, distribution of mayor's court fines, and distribution of hotel/motel tax to the Convention Bureau.

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

---

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

**MEASUREMENT FOCUS**

**Government-Wide Financial Statements**

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

**Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the Governmental Activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

**BASIS OF ACCOUNTING**

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

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

---

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

**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 that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within thirty-one days of year-end.

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income taxes, interest on investments, intergovernmental revenues (including motor vehicle license tax, gasoline tax, and local government assistance), fines and forfeitures, and grants.

**DEFERRED REVENUES**

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

Property taxes for which there is an enforceable legal claim as of December 31, 2005, but were levied to finance 2006 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.

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

---

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

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.

**BUDGETS AND BUDGETARY ACCOUNTING**

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

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

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

**CASH AND CASH EQUIVALENTS**

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

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

---

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

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, Negotiable Certificates of Deposit, and a repurchase agreement. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as repurchase agreements, are reported at cost.

Interest income is distributed to the funds according to Ohio constitutional and statutory requirements. Interest revenue credited to the General Fund during fiscal year 2005 amounted to \$503,487, which includes \$251,460 assigned from other funds.

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

**MATERIALS AND SUPPLIES INVENTORY**

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

**PREPAID ITEMS**

Payments made to vendors for services that will benefit periods beyond December 31, 2005, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure is reported in the year in which services are consumed.

**RESTRICTED ASSETS**

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets in the enterprise funds represent cash and cash equivalents and cash and cash equivalents with fiscal agents set aside for the improvement and replacement of capital assets originally acquired with bond proceeds and for repayment of future debt service on revenue bonds that are required by the bond indenture to be held by a financial services corporation.

**CAPITAL ASSETS**

General capital assets are capital assets that are associated with 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.

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

---

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

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 reductions during the year. Donated capital assets are recorded at their fair market values on the date donated. The City maintains a capitalization threshold of one thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All capital assets except for land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacements. Depreciation is computed using the straight-line method over the following useful lives:

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

In the case of the initial capitalization of general infrastructure assets the City chose to include all such items regardless of their acquisition date (See Note 3).

**COMPENSATED ABSENCES**

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

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

---

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

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.

**UNAMORTIZED BOND ISSUANCE COSTS**

Issuance costs incurred in a prior year bond refunding are deferred and amortized over the term of the bonds using the straight-line method, since the results are not significantly different from the effective interest method. Issuance costs are recorded as deferred charges in the account Deferred Charges. Premiums and issuance costs on short-term notes issued during 2005 were immaterial.

**CONTRIBUTIONS OF CAPITAL**

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

**RESERVES OF FUND BALANCE**

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

**INTERFUND TRANSACTIONS**

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

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

---

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**NET ASSETS**

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

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

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

The government-wide Statement of Net Assets reports \$8,966,640 of restricted net assets for governmental activities, of which \$858,531 is restricted by enabling legislation.

**OPERATING REVENUES AND EXPENSES**

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

**ESTIMATES**

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

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

(Continued)

**NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR NET ASSETS**

During 2005, the City has implemented GASB Statement No. 40, “*Deposit and Investment Risk Disclosure – an amendment to GASB Statement No.3*”, GASB Statement No. 42, “*Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*” and GASB Statement No. 46 “*Net Assets Restricted by Enabling Legislation – an amendment of GASB Statement No. 34*”.

GASB Statement No. 40 creates new disclosure requirements for deposits and investments related to risk, including credit risk, interest rate risk and foreign currency risk. The implementation of this statement had no effect on the City’s financial statements for 2005.

GASB Statement No. 42 establishes accounting and financial reporting standards for the impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. This statement also clarifies and establishes accounting requirements for insurance recoveries. The implementation of this statement had no effect on the City’s financial statements for 2005.

GASB Statement No. 46 clarifies how legal enforceability should be applied when determining whether restricted net assets should be classified as restricted. The implementation of this new statement had no effect on the City’s financial statements for 2005.

It was necessary to restate prior year fund balances for interfund activity due to changing the fund where a debt liability will be paid. A restatement was also made to reflect a reimbursement for expenditures that should have been made in the prior year. Capital assets were restated due to the retroactive inclusion of infrastructure assets.

	Governmental Activities	Business-Type Activities	Total
Net Assets, December 31, 2004	\$52,308,903	\$33,122,747	\$85,431,650
Restatement of Capital Assets	82,708,165	(717,067)	81,991,098
Net Assets, December 31, 2004 as Restated	\$135,017,068	\$32,405,680	\$167,422,748

	General	Road Improvement	Debt Service
Fund Balances, December 31,2004	\$16,516,498	(\$4,525,504)	\$1,535,271
Restatement Of Interfund Activity	0	(226,928)	226,928
Restatement of Prior Year Reimbursement	1,019,931	(1,019,931)	0
Fund Balances, December 31, 2004 As Restated	\$17,536,429	(\$5,772,363)	\$1,762,199

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

---

**NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR NET ASSETS (Continued)**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Net Assets, December 31, 2004	\$14,696,322	\$18,426,425	\$33,122,747
Restatement of Capital Assets	(383,076)	(333,991)	(717,067)
Net Assets, December 31, 2004 as Restated	<u>\$14,313,246</u>	<u>\$18,092,434</u>	<u>\$32,405,680</u>

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

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

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(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 is as follows:

<i>Net Change In Fund Balance</i>	
GAAP Basis	\$1,278,756
<i><u>Increases (Decreases) Due To:</u></i>	
Revenue Accrual	296,379
Expenditure Accrual	937,547
Encumbrances Outstanding At Year-end (Budget Basis)	(7,234,107)
Change In Fair Value Of Investments - 2004	(116,005)
Unrecorded Cash - 2004	(32,666)
Change In Fair Value Of Investments - 2005	(64,751)
Unrecorded Cash - 2005	15,571
Transfers-Out	<u>(40,000)</u>
Budget Basis	<u><u>(\$4,959,276)</u></u>

**NOTE 5 - DEPOSITS AND INVESTMENTS**

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

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

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.

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

---

**NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)**

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

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

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section, and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAROhio).

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, 2005**

(Continued)

**NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)**

*Investments:* As of December 31, 2005, the City had the following investments.

	Fair Value	Investment Maturities (in Years)			Call Date
		Less than 1	1 - 2	2- 5	
Federal Home Loan Bank Consolidation Bonds	\$6,283,519	\$2,081,073	\$2,719,321	\$1,483,125	1/25/06 to 4/26/2006
Federal Home Loan Bank Bonds	841,237	0	0	841,237	2/13/2006
Federal Home Loan Mortgage Corporation Bonds	2,673,161	694,731	1,978,430	0	2/25/06 to 5/12/2006
Federal National Mortgage Association Bonds	3,639,783	2,077,401	198,250	1,364,132	1/20/06 to 5/16/2006
Repurchase Agreement	7,269,444	7,269,444	0	0	----
Negotiable Certificates Of Deposits	1,290,867	1,193,272	97,595	0	
<b>Totals</b>	<b>\$21,998,011</b>	<b>\$13,315,921</b>	<b>\$4,993,596</b>	<b>\$3,688,494</b>	

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

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

*Concentration of Credit Risk:* The City places no limit on the amount it may invest in any one issuer. The City's investments in Federal Home Loan Bank Consolidation Bonds, Federal Home Loan Bank Bonds, Federal Home Loan Mortgage Corporation Bonds, Federal National Mortgage Association Bonds, and Negotiable Certificates of Deposits represent 28.56 percent, 3.82 percent, 12.15 percent, 16.55 percent, and 5.87 percent respectively, of the City's total investments. The remaining 33.05 percent is invested in a Repurchase Agreement.

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

---

**NOTE 6 - MUNICIPAL INCOME TAX**

The City levies and collects an income tax of two percent on all income earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

**NOTE 7 - PROPERTY TAX**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2005 for real and public utility property taxes represents collections of 2004 taxes. Property tax payments received during 2005 for tangible personal property (other than public utility property) are for 2005 taxes.

2005 real property taxes are levied after October 1, 2005 on the assessed value as of January 1, 2005, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2005 real property taxes are collected in and intended to finance 2006.

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. 2005 public utility property taxes became a lien December 31, 2004, are levied after October 1, 2005, and are collected in 2006 with real property taxes.

2005 tangible personal property taxes are levied after October 1, 2004, on the value as of December 31, 2004. Collections are made in 2005. Tangible personal property assessments are 25 percent of true value for capital assets and 22 percent of true value for inventory.

The full tax rate for all City operations for the year ended December 31, 2005, was \$4.20 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2005 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$747,304,860
Public Utility Property	9,853,890
Tangible Personal Property	55,623,883
Total Property Taxes	<u>\$812,782,633</u>

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

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

---

**NOTE 7 - PROPERTY TAX (Continued)**

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

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Grove City. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represent real and tangible personal property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2005, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2005 operations, and the collections of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

**NOTE 8 - RECEIVABLES**

Receivables at December 31, 2005, consisted of taxes, accounts, special assessments, interest on investments, and intergovernmental receivables arising from grants, entitlements or shared revenues. All receivables are considered fully collectible, including water and sewer charges receivable which, if delinquent, may be certified and collected as a special assessment, subject to foreclosure for nonpayment. Special assessments expected to be collected in more than one year for the City amount to \$147,745. The City had \$1,762 delinquent special assessments at December 31, 2005.

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

---

**NOTE 8 – RECEIVABLES (Continued)**

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental Activities:	
Local Government	\$680,318
Local Government Revenue Assistance	58,809
Liquor Permits	31,534
Cigarette Tax	844
U. S. Department Of Justice	
Bulletproof Vest Grant	3,231
COPS - In School	31,150
ODNR/SWACO Clean Community Grant	2,962
Estate Tax	106,196
Fines And Forfeitures	591
Personal Property Exemption	7,080
Homestead And Rollback	154,788
Pari-Mutuel Tax	15,078
Gasoline Tax	428,307
Motor Vehicle License Tax	125,514
Permissive Motor Vehicle License Tax	118,647
Total Intergovernmental Receivable	<u><u>\$1,765,049</u></u>

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

**NOTE 9 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2005, was as follows:

	Restated Balance At 12/31/2004	Additions	Deletions	Balance At 12/31/2005
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$27,377,093	\$5,364	\$0	\$27,382,457
Construction in Progress	13,848,558	14,010,543	(6,414,057)	21,445,044
Total Capital Assets Not Being Depreciated	<u>41,225,651</u>	<u>14,015,907</u>	<u>(6,414,057)</u>	<u>48,827,501</u>
Depreciable Capital Assets:				
Buildings	5,357,720	306,748	0	5,664,468
Improvements Other Than Buildings	2,677,681	271,188	(5,175)	2,943,694
Machinery and Equipment	3,671,818	419,973	(22,206)	4,069,585
Furniture and Fixtures	394,090	55,932	0	450,022
Vehicles	1,961,002	261,105	(96,637)	2,125,470
Computer Equipment	1,742,886	176,045	0	1,918,931
Infrastructure:				
Curbs And Gutters	13,617,627	0	0	13,617,627
Sidewalks	3,918,510	58,975	0	3,977,485
Streets	101,879,291	3,334,940	0	105,214,231
Street Lights	1,187,984	140,240	0	1,328,224
Storm Sewer Lines	3,838,292	1,731,653	0	5,569,945
Traffic Signals	1,310,867	0	0	1,310,867
Other Infrastructure	817,213	296,299	0	1,113,512
Total Depreciable Capital Assets	<u>142,374,981</u>	<u>7,053,098</u>	<u>(124,018)</u>	<u>149,304,061</u>
Total Capital Assets At Historical Cost	<u>\$183,600,632</u>	<u>\$21,069,005</u>	<u>(\$6,538,075)</u>	<u>\$198,131,562</u>

*(Continued)*

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

**NOTE 9 - CAPITAL ASSETS (Continued)**

	Restated Balance At 12/31/2004	Additions	Deletions	Balance At 12/31/2005
Less Accumulated Depreciation:				
Buildings	(\$2,949,192)	(\$65,446)	\$0	(\$3,014,638)
Improvements Other Than Buildings	(1,199,854)	(240,794)	1,742	(1,438,906)
Machinery and Equipment	(1,910,798)	(335,023)	13,914	(2,231,907)
Furniture and Fixtures	(231,362)	(30,614)	0	(261,976)
Vehicles	(906,675)	(191,507)	62,309	(1,035,873)
Computer Equipment	(852,399)	(249,662)	0	(1,102,061)
Infrastructure:				
Curbs And Gutters	(6,697,866)	(782,304)	0	(7,480,170)
Sidewalks	(1,888,566)	(204,260)	0	(2,092,826)
Streets	(36,134,945)	(3,374,482)	0	(39,509,427)
Street Lights	(32,407)	(40,066)	0	(72,473)
Storm Sewer Lines	(443,131)	(77,754)	0	(520,885)
Traffic Signals	(51,769)	(53,276)	0	(105,045)
Other Infrastructure	(52,295)	(55,806)	0	(108,101)
Total Accumulated Depreciation	<u>(53,351,259)</u>	<u>(5,700,994)</u>	<u>77,965</u>	<u>(58,974,288)</u>
Depreciable Capital Assets, Net	<u>89,023,722</u>	<u>1,352,104</u>	<u>(46,053)</u>	<u>90,329,773</u>
Governmental Activities Capital Assets, Net	<u>\$130,249,373</u>	<u>\$15,368,011</u>	<u>(\$6,460,110)</u>	<u>\$139,157,274</u>
	Restated Balance At 12/31/2004	Additions	Deletions	Balance At 12/31/2005
Business-Type Activities				
Capital Assets Not Being Depreciated				
Land	\$10,000	\$0	\$0	\$10,000
Construction in Progress	205,842	73,771	(201,178)	78,435
Total Capital Assets, Not Being Depreciated	<u>215,842</u>	<u>73,771</u>	<u>(201,178)</u>	<u>88,435</u>
Depreciable Capital Assets:				
Buildings	868,211	0	0	868,211
Improvements Other Than Buildings	569,402	0	0	569,402
Machinery and Equipment	182,031	13,522	0	195,553
Furniture and Fixtures	0	1,511	0	1,511
Vehicles	113,555	0	0	113,555
Computer Equipment	10,597	0	0	10,597
Infrastructure:				
Water Lines	16,331,920	3,140,448	0	19,472,368
Sewer Lines	22,661,608	4,285,847	0	26,947,455
Total Depreciable Capital Assets	<u>40,737,324</u>	<u>7,441,328</u>	<u>0</u>	<u>48,178,652</u>
Total Capital Assets At Historical Cost	<u>\$40,953,166</u>	<u>\$7,515,099</u>	<u>(\$201,178)</u>	<u>\$48,267,087</u>

*(Continued)*

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

**NOTE 9 - CAPITAL ASSETS (Continued)**

	Restated Balance At <u>12/31/2004</u>	<u>Additions</u>	<u>Deletions</u>	Balance At <u>12/31/2005</u>
Business-Type Activities				
Less Accumulated Depreciation:				
Buildings	(\$42,123)	(\$16,765)	\$0	(\$58,888)
Improvements Other Than Buildings	(384,187)	(17,761)	0	(401,948)
Machinery and Equipment	(84,664)	(13,774)	0	(98,438)
Furniture and Fixtures	0	(113)	0	(113)
Vehicles	(47,165)	(11,355)	0	(58,520)
Computer Equipment	(10,468)	(3)	0	(10,471)
Infrastructure:				
Water Lines	(4,184,755)	(373,943)	0	(4,558,698)
Sewer Lines	<u>(5,491,187)</u>	<u>(531,528)</u>	0	<u>(6,022,715)</u>
Total Accumulated Depreciation	<u>(10,244,549)</u>	<u>(965,242)</u>	0	<u>(11,209,791)</u>
Depreciable Capital Assets, Net	<u>30,492,775</u>	<u>6,476,086</u>	0	<u>36,968,861</u>
Business-Type Activities Capital Assets, Net	<u>\$30,708,617</u>	<u>\$6,549,857</u>	<u>(\$201,178)</u>	<u>\$37,057,296</u>

For the year ended December 31, 2005, the City's enterprise funds received water and sewer lines that were both donated by developers and paid for from the General Fund. The water and sewer lines were recorded as capital assets in the respective funds. The value of the water and sewer lines were \$2,047,445 and \$4,251,308, respectively as donated by developers and \$883,851 and \$32,989, respectively as paid from the General Fund.

Depreciation expense was charged to governmental programs as follows:

Security of Persons And Property	\$475,333
Leisure Time Activities	366,861
Community Development	26,110
Transportation	3,484,085
General Government	1,348,605
Total Depreciation Expense	<u>\$5,700,994</u>

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

---

**NOTE 10 - DEFINED BENEFIT PENSION PLANS**

**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM**

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

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6701 or (800) 222-7377.

For the year ended December 31, 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The employer contribution rate for pension benefits for 2005 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the employer's pension contributions were 12.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004, and 2003 were \$410,971, \$422,630, and \$327,147 respectively; 86.98 percent has been contributed for 2005 and 100 percent for 2004 and 2003. Contributions to the member-directed plan for 2005 were \$23,376 made by the City and \$14,664 made by the plan members.

**OHIO POLICE AND FIRE PENSION FUND**

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

---

**NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)**

Plan members are required to contribute 10 percent of their annual covered salary to fund pension benefits while the City is required to contribute 11.75 percent for police officers. The City has no firefighters. Contributions are authorized by State statute. The City's contributions to OP&F for police was \$475,527 for the year ended December 31, 2005, \$485,208 for the year ended December 31, 2004 and \$399,856 for the year ended December 31, 2003. The full amount has been contributed for 2004 and 2003. 71.62 percent for police officers has been contributed for 2005.

**NOTE 11 - POSTEMPLOYMENT BENEFITS**

**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between 0.50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1 to 6 percent annually for the next eight years and 4 percent annually after eight years.

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

The number of active contributing participants in the traditional and combined plans was 376,109. Actual City contributions for 2005 which were used to fund postemployment benefits were \$172,134. The actual contribution and the actuarially required contribution amounts are the same. The actuarial value of OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) was \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

---

**NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)**

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

**OHIO POLICE AND FIRE PENSION FUND**

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2005 and 2004. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions. Grove City has no fire personnel; therefore, OP&F covers police personnel only.

The City's actual contributions for 2005 that were used to fund postemployment health care benefits was \$313,646 for police. The OP&F's total health care expense for the year ended December 31, 2004, (the latest information available) was \$102,173,796, which was net of member contributions of \$55,665,341. The number of OP&F participants eligible to receive health care benefits as of December 31, 2004, was 13,812 for police and 10,528 for firefighters

**NOTE 12 - EMPLOYEE BENEFITS**

**COMPENSATED ABSENCES**

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

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

---

**NOTE 12 - EMPLOYEE BENEFITS (Continued)**

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

**HEALTH CARE BENEFITS**

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

**DEFERRED COMPENSATION**

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

**NOTE 13 - CAPITAL LEASES - LESSEE DISCLOSURE**

In 2005 and prior years, the City has entered into capitalized leases for equipment. The leases meet the criteria of a capital lease as defined by *Statement of Financial Accounting Standards No. 13, "Accounting for Leases"*, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as a debt service expenditure in the basic financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

---

**NOTE 13 - CAPITAL LEASES - LESSEE DISCLOSURE (Continued)**

General capital assets consisting of equipment have been capitalized in the amount of \$12,105. This amount represents the present value of the minimum lease payments at the time of acquisition. Principal payments in 2005 totaled \$2,673 in the governmental funds.

The assets acquired through capital leases as of December 31, 2005, are as follows:

	Asset Value	Accumulated Depreciation	Net Book Value
Postal Meters	<u>\$12,105</u>	<u>\$6,141</u>	<u>\$5,964</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, 2005:

Year Ending December 31,	Payments
2006	\$3,418
2007	2,637
2008	324
2009	324
2010	162
Total	6,865
Less: Amount Representing Interest	(648)
Present Value of Minimum Lease Payment	<u>\$6,217</u>

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(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, 2005, were as follows:

<i>Types / Issues</i>	<i>Balance 12/31/04</i>	<i>Issued</i>	<i>Retired</i>	<i>Balance 12/31/05</i>	<i>Due Within One Year</i>
<b><u>Business-Type Activities</u></b>					
<b><u>Mortgage Revenue Bonds</u></b>					
1992 - 3.5% - 6.6% Waterworks System First Mortgage Revenue Refunding Bonds \$1,510,000	\$380,000	\$0	\$185,000	\$195,000	\$195,000
<b><u>Ohio Public Works Commission (OPWC) Loans</u></b>					
1993 - 0.00% Park Street Improvements \$86,907	31,284	0	6,952	24,332	6,951
1994 - 3.50% Columbus Street Reconstruction \$128,422	81,055	0	6,900	74,155	7,143
1995 - 3.00% Kingston Avenue Reconstruction \$200,624	132,071	0	9,776	122,295	10,070
1995 - 3.50% Grant Run Interceptor Phase II \$537,324	358,421	0	25,806	332,615	26,717
1999 - 3.00% Marsh Run Gravity Sewer \$703,276	622,546	0	28,553	593,993	29,416
<b>Total OPWC Loans</b>	<b>1,225,377</b>	<b>0</b>	<b>77,987</b>	<b>1,147,390</b>	<b>80,297</b>
<b>Compensated Absences</b>	<b>30,127</b>	<b>23,681</b>	<b>33,390</b>	<b>20,418</b>	<b>10,540</b>
<b>Total Business-Type Activities</b>	<b>\$1,635,504</b>	<b>\$23,681</b>	<b>\$296,377</b>	<b>\$1,362,808</b>	<b>\$285,837</b>

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

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

<u>Types / Issues</u>	<u>Balance 12/31/04</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/05</u>	<u>Due Within One Year</u>
<b><u>Governmental Activities</u></b>					
<b><u>General Obligation Bonds</u></b>					
1991 - 6.65% Various Purpose Street Improvement Bonds \$1,220,000	\$720,000	\$0	\$85,000	\$635,000	\$90,000
1993 - 2.85% - 5.25% General Obligation Refunding Bonds \$2,815,000	1,260,000	0	230,000	1,030,000	240,000
2001 - 4.51% Various Purpose Improvement Bonds \$1,840,000	1,710,000	0	50,000	1,660,000	50,000
2004 - 2.00% General Obligation Refunding Bonds \$1,360,000	1,360,000	0	135,000	1,225,000	135,000
Deferred Loss On Refunding	(37,651)	0	(4,183)	(33,468)	0
<b>Total General Obligation Bonds Payable</b>	<b>5,012,349</b>	<b>0</b>	<b>495,817</b>	<b>4,516,532</b>	<b>515,000</b>
<b><u>Special Assessment Bonds</u></b>					
1988 - 7.5% Sewer Construction And Installation \$60,000	20,000	0	5,000	15,000	5,000
1990 - 7.5% Home Road Construction \$112,415	62,156	0	8,580	53,576	9,224
1998 - 6.0% Seeds Road Improvement \$200,000	80,000	0	20,000	60,000	20,000
<b>Total Special Assessment Bonds</b>	<b>\$162,156</b>	<b>\$0</b>	<b>\$33,580</b>	<b>\$128,576</b>	<b>\$34,224</b>

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

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

<i>Types / Issues</i>	<i>Balance 12/31/04</i>	<i>Issued</i>	<i>Retired</i>	<i>Balance 12/31/05</i>	<i>Due Within One Year</i>
<u>Ohio Public Works Commission</u>					
<u>(OPWC) Loans</u>					
1993 - 0.00% Park Street Improvements \$292,009	\$125,151	\$0	\$27,810	\$97,341	\$27,810
1998 - 0.00% Haughn Road Widening \$446,773	309,307	0	22,911	286,396	22,911
1997 - 0.00% Hoover Road/ SR 665 Realignment \$351,546	240,532	0	18,502	222,030	18,502
1999 - 0.00% Broadway \$409,887	317,664	0	20,494	297,170	20,494
1999 - 0.00% Hoover Road/ Buckeye Ranch/ Orders Road \$518,378	388,783	0	25,919	362,864	25,919
2000 - 0.00% Hoover Road/ Old Stringtown To Sonora Drive \$745,578	615,102	0	37,279	577,823	37,279
2001 - 0.00% Broadway \$456,181	495,944	0	36,737	459,207	36,737
2004 - 0.00% Hoover Road/ Milligan Road To Orders Road \$720,000	428,275	287,508	17,895	697,888	35,789
2005 - 0.00% Demorest Road/ Big Run Road \$543,017	0	228,967	0	228,967	0
2005 - 0.00% Stringtown Road/ Interstate 71 To McDowell Road \$1,235,678	0	604,145	0	604,145	0
<b>Total OPWC Loans</b>	<b>\$2,920,758</b>	<b>\$1,120,620</b>	<b>\$207,547</b>	<b>\$3,833,831</b>	<b>\$225,441</b>

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

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

<i>Types / Issues</i>	<i>Balance 12/31/04</i>	<i>Issued</i>	<i>Retired</i>	<i>Balance 12/31/05</i>	<i>Due Within One Year</i>
<b>Other Long-Term Obligations</b>					
2004 - 3.00% Street And Infrastructure Construction Notes \$7,925,000	\$7,925,000	\$0	\$7,925,000	\$0	\$0
Capital Leases	7,555	1,335	2,673	6,217	3,006
Compensated Absences	972,438	501,278	451,901	1,021,815	480,729
<b>Total Governmental Activities</b>	<b>\$17,000,256</b>	<b>\$1,623,233</b>	<b>\$9,116,518</b>	<b>\$9,506,971</b>	<b>\$1,258,400</b>

The City's overall legal debt margin was \$56,774,418, with an unvoted debt margin of \$16,135,287 at December 31, 2005.

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

<i>Year</i>	<i>Governmental Activities</i>					
	<i>General Obligation Bonds</i>		<i>Special Assessment Bonds</i>		<i>OPWC Loans</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2006	\$515,000	\$208,883	\$34,224	\$8,503	\$225,441	\$0
2007	545,000	186,488	34,916	6,316	225,443	0
2008	570,000	162,515	35,659	4,078	225,442	0
2009	590,000	136,545	11,459	1,783	211,538	0
2010	320,000	108,503	12,318	924	197,633	0
2011-2015	950,000	360,896	0	0	988,158	0
2016-2020	410,000	236,835	0	0	747,373	0
2021-2025	525,000	123,180	0	0	179,691	0
2026-2027	125,000	6,875	0	0	0	0
<b>Totals</b>	<b>\$4,550,000</b>	<b>\$1,530,720</b>	<b>\$128,576</b>	<b>\$21,604</b>	<b>\$3,000,719</b>	<b>\$0</b>

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

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

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

<u>Year</u>	<u>Business-Type Activities</u>					
	<u>Water Revenue Bonds</u>		<u>Water OPWC Loans</u>		<u>Sewer OPWC Loans</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$195,000	\$12,870	\$24,164	\$6,127	\$56,133	\$29,010
2007	0	0	24,723	5,571	57,966	27,178
2008	0	0	25,297	4,996	59,859	25,286
2009	0	0	22,414	4,403	61,814	23,331
2010	0	0	19,550	3,790	63,833	21,312
2011-2015	0	0	97,903	9,124	351,847	73,874
2016-2020	0	0	6,731	101	229,176	24,974
2021-2025	0	0	0	0	45,980	1,037
<b>Totals</b>	<b>\$195,000</b>	<b>\$12,870</b>	<b>\$220,782</b>	<b>\$34,112</b>	<b>\$926,608</b>	<b>\$226,002</b>

**FIRST MORTGAGE REVENUE REFUNDING BONDS**

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

**OHIO PUBLIC WORKS COMMISSION (OPWC) LOANS**

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

For the Demorest Road / Big Run Road loan, the work has not been fully completed, therefore, the loan amount has not been issued in full and a final payment schedule is not available. During 2005, a liability was included for \$228,967, which represents the amount of the loan used as of year-end.

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

---

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

For the Stringtown Road / Interstate 71 to McDowell Road loan, the work has not been fully completed, therefore, the loan amount has not been issued in full and a final payment schedule is not available. During 2005, a liability was included for \$604,145, which represents the amount of the loan used as of year-end.

**GENERAL OBLIGATION BONDS**

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

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

**SPECIAL ASSESSMENT BONDS**

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

**MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS**

The City has one outstanding issue of multifamily housing revenue bonds in the aggregate principal amount of \$12,245,000 at December 31, 2005 for facilities used by private corporations or other entities. The City is not obligated in any way to pay debt charges on the bonds from any of its funds, and therefore they have been excluded entirely from the City's debt presentation. There has not been, and currently is not any condition of default under the bonds or the related financing documents.

**COMPENSATED ABSENCES/CAPITAL LEASES**

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

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

(Continued)

**NOTE 15 – SHORT-TERM OBLIGATIONS**

A summary of the short-term note transactions for the year ended December 31, 2005 follows:

<u>Types / Issues</u>	<u>Balance 12/31/04</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/05</u>
2004 - 3.00% Buckeye Parkway Construction And Improvement Notes \$7,540,000	\$7,540,000	\$0	\$7,540,000	\$0
2004 - 3.00% Pinnacle Club Drive Construction And Improvement Notes \$8,279,000	8,279,000	0	8,279,000	0
2005 - 3.75% Street And Infrastructure Construction Notes \$9,790,000	0	9,790,000	0	9,790,000
2005 - 4.00% Pinnacle Club Drive Construction And Improvement Notes \$8,418,000	0	8,418,000	0	8,418,000
2005 - 4.50% Buckeye Parkway Construction And Improvement Notes \$7,723,000	0	7,723,000	0	7,723,000
Total Governmental Activities	<u>\$15,819,000</u>	<u>\$25,931,000</u>	<u>\$15,819,000</u>	<u>\$25,931,000</u>

On June 22, 2005, the City issued 3.75 percent Street and Infrastructure Construction Bond Anticipation Notes, Series 2005, in the amount of \$9,790,000. The notes will mature on June 22, 2006. A portion of these notes was used to repay the Street and Infrastructure Notes that were issued on June 24, 2004 and matured on June 23, 2005. The remaining balance will be used for street and infrastructure construction.

On August 24, 2005, the City issued 4.00 percent Pinnacle Club Drive Construction and Improvement Bond Anticipation Notes, Series 2005, in the amount of \$8,418,000. These notes were used to repay the Pinnacle Club Drive Construction and Improvement Notes that were issued on August 25, 2004 and matured on August 25, 2005. These notes will mature on August 24, 2006 and will be retired from the Road Improvement Fund from additional note proceeds.

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

**NOTE 15 – SHORT-TERM OBLIGATIONS (Continued)**

On December 6, 2005, the City issued 4.50 percent Buckeye Parkway Construction and Improvement Bond Anticipation Notes, Series 2005, in the amount of \$7,723,000. The notes will mature on December 6, 2006. These notes were used to repay the Buckeye Parkway Construction and Improvement Notes that were issued on December 7, 2004 and matured on December 7, 2005.

**NOTE 16 - CONSTRUCTION COMMITMENTS**

The City has entered into various contracts for the construction and acquisition of capital assets. At December 31, 2005, the significant outstanding construction commitments are:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Balance At 12/31/05</u>
Buckeye Parkway Landscape And Irrigation	\$1,424,808	\$1,318,709	\$106,099
Big Run / Demorest Road	2,298,320	2,131,420	166,900
Buckeye Parkway And Pinnacle Club Drive	6,533,333	6,467,163	66,170
Demorest Road Retention Basin Phase One	375,270	363,782	11,488
2004 Sanitary Sewer Rehabilitation	164,634	60,066	104,568
Fryer Park Site Improvements Phase II	203,566	195,423	8,143
New Restrooms At Fryer Park	242,450	198,234	44,216
Stringtown Road Reconstruction	1,702,356	1,628,842	73,514
Buckeye Parkway At White Road Signal Plan	136,248	132,716	3,532
Improvements To Various Streets 2005	1,196,517	780,938	415,579
Relocate Orders Road	1,019,472	385,166	634,306
Cleveland Avenue Reconstruction	273,408	0	273,408
Meadow Grove Street Lighting	136,620	0	136,620
Totals	<u>\$15,707,002</u>	<u>\$13,662,459</u>	<u>\$2,044,543</u>

**NOTE 17 - RISK MANAGEMENT**

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

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

**CITY OF GROVE CITY, OHIO**

**Notes To The Basic Financial Statements**

**For The Year Ended December 31, 2005**

*(Continued)*

**NOTE 18 - ACCOUNTABILITY**

The Road Improvement Capital Projects Fund had a deficit fund balance of \$21,951,686 as of December 31, 2005. The deficit is due to the issuance of notes reported as a liability in the fund and used to provide financing for the project. The deficit will be eliminated once the notes are bonded.

**NOTE 19 - INTERFUND ACTIVITY**

Transfers made during the year ended December 31, 2005 were as follows:

		Transfers To	
		All Other Nonmajor Funds	Total
Transfers From	General	<u>\$40,000</u>	<u>\$40,000</u>

A transfer was made to move unrestricted balances to support programs and projects accounted for in other funds.

**NOTE 20 - CONTINGENT LIABILITIES**

**LITIGATION**

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

**FEDERAL AND STATE GRANTS**

For the period January 1, 2005, to December 31, 2005, 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 by law and administrative action to expenditures for specified purposes. The following are descriptions of the City's nonmajor special revenue funds:

***Nonmajor Special Revenue Funds***

**Street Maintenance Fund**

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

**State Highway Fund**

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

**Police Pension Fund**

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

**General Recreation Fund**

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

**City Permissive MVL Fund**

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

**County Permissive MVL Fund**

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

**Senior Nutrition Fund**

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

**Drug Law Enforcement Fund**

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

**DARE Program Fund**

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

*(Continued)*

**CITY OF GROVE CITY, OHIO**

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

---

***Nonmajor Special Revenue Funds***

**Community Development Fund**

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

**Community Environment Fund**

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

**Enforcement And Education Fund**

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

**Garden At Gantz Fund**

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

**U. S. Department Of Justice Fund**

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

**Mayor's Court Computer Fund**

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

**Big Splash Fund**

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

**FEMA Fund**

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

**Senior Stage Fund**

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

**Park Donation Fund**

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

*(Continued)*

**CITY OF GROVE CITY, OHIO**

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

---

***CAPITAL PROJECTS FUNDS***

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

***Nonmajor Capital Projects Funds***

***Recreation Development Fund***

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

**CITY OF GROVE CITY, OHIO**

**Combining Balance Sheet  
Nonmajor Governmental Funds**

**December 31, 2005**

	<b><i>Nonmajor Special Revenue Funds</i></b>	<b><i>Nonmajor Capital Projects Fund</i></b>	<b><i>Total Nonmajor Governmental Funds</i></b>
<b><u>Assets:</u></b>			
Equity In Pooled Cash And Cash Equivalents	\$3,372,869	\$357,417	\$3,730,286
Cash And Cash Equivalents With Fiscal Agents	262,596	0	262,596
Receivables:			
Property And Other Local Taxes Accounts	792,564 802	0 0	792,564 802
Due From Other Governments	749,100	0	749,100
Materials And Supplies Inventory	22,143	0	22,143
<b><i>Total Assets</i></b>	<b><u><u>\$5,200,074</u></u></b>	<b><u><u>\$357,417</u></u></b>	<b><u><u>\$5,557,491</u></u></b>
<b><u>Liabilities And Fund Balances</u></b>			
<b><u>Liabilities:</u></b>			
Accounts Payable	\$44,537	\$1,191	\$45,728
Contracts Payable	160	0	160
Accrued Wages	4,204	0	4,204
Due To Other Governments	256,857	0	256,857
Deferred Revenue	1,387,203	0	1,387,203
<b><i>Total Liabilities</i></b>	<b><u><u>1,692,961</u></u></b>	<b><u><u>1,191</u></u></b>	<b><u><u>1,694,152</u></u></b>
<b><u>Fund Balances:</u></b>			
Reserved For Encumbrances	459,869	7,409	467,278
Unreserved:			
Undesignated, Reported In:			
Special Revenue Funds	3,047,244	0	3,047,244
Capital Projects Funds	0	348,817	348,817
<b><i>Total Fund Balances</i></b>	<b><u><u>3,507,113</u></u></b>	<b><u><u>356,226</u></u></b>	<b><u><u>3,863,339</u></u></b>
<b><i>Total Liabilities And Fund Balances</i></b>	<b><u><u>\$5,200,074</u></u></b>	<b><u><u>\$357,417</u></u></b>	<b><u><u>\$5,557,491</u></u></b>

**CITY OF GROVE CITY, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds**

**December 31, 2005**

	<u>Street Maintenance</u>	<u>State Highway</u>	<u>Police Pension</u>	<u>General Recreation</u>
<b><u>Assets:</u></b>				
Equity In Pooled Cash And Cash Equivalents	\$940,328	\$185,841	\$550,857	\$609,367
Cash And Cash Equivalents				
With Fiscal Agents	0	0	0	0
Receivables:				
Property And Other Local Taxes	0	0	783,805	0
Accounts	0	0	0	802
Due From Other Governments	512,284	41,537	42,394	0
Materials And Supplies Inventory	3,987	18,156	0	0
<b>Total Assets</b>	<b>\$1,456,599</b>	<b>\$245,534</b>	<b>\$1,377,056</b>	<b>\$610,169</b>
<b><u>Liabilities And Fund Balances</u></b>				
<b><u>Liabilities:</u></b>				
Accounts Payable	\$6,451	\$1,030	\$0	\$29,740
Contracts Payable	160	0	0	0
Accrued Wages	2,653	0	0	1,306
Due To Other Governments	11,766	0	223,956	17,533
Deferred Revenue	428,987	34,783	824,345	0
<b>Total Liabilities</b>	<b>450,017</b>	<b>35,813</b>	<b>1,048,301</b>	<b>48,579</b>
<b><u>Fund Balances:</u></b>				
Reserved For Encumbrances	136,491	7,160	90,835	143,318
Unreserved, Undesignated	870,091	202,561	237,920	418,272
<b>Total Fund Balances</b>	<b>1,006,582</b>	<b>209,721</b>	<b>328,755</b>	<b>561,590</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$1,456,599</b>	<b>\$245,534</b>	<b>\$1,377,056</b>	<b>\$610,169</b>

<i>City Permissive MVL</i>	<i>County Permissive MVL</i>	<i>Senior Nutrition</i>	<i>Drug Law Enforcement</i>	<i>DARE Program</i>	<i>Community Development</i>
\$68,637	\$229,860	\$7,261	\$7,830	\$27,978	\$120,629
0	262,596	0	0	0	0
0	0	0	0	0	8,759
0	0	0	0	0	0
79,544	39,103	0	0	0	0
0	0	0	0	0	0
<u>\$148,181</u>	<u>\$531,559</u>	<u>\$7,261</u>	<u>\$7,830</u>	<u>\$27,978</u>	<u>\$129,388</u>
\$3,725	\$0	\$0	\$0	\$0	\$1,293
0	0	0	0	0	0
245	0	0	0	0	0
1,769	0	0	0	0	259
66,414	32,674	0	0	0	0
<u>72,153</u>	<u>32,674</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,552</u>
14,069	1,780	0	0	0	20,833
61,959	497,105	7,261	7,830	27,978	107,003
<u>76,028</u>	<u>498,885</u>	<u>7,261</u>	<u>7,830</u>	<u>27,978</u>	<u>127,836</u>
<u>\$148,181</u>	<u>\$531,559</u>	<u>\$7,261</u>	<u>\$7,830</u>	<u>\$27,978</u>	<u>\$129,388</u>

(Continued)

**CITY OF GROVE CITY, OHIO**

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

**December 31, 2005**

	<u>Community Environment</u>	<u>Enforcement And Education</u>	<u>Gardens At Gantz</u>	<u>U. S. Department Of Justice</u>
<b><u>Assets:</u></b>				
Equity In Pooled Cash And Cash Equivalents	\$317,451	\$6,435	\$300	\$192,887
Cash And Cash Equivalents				
With Fiscal Agents	0	0		0
Receivables:				
Property And Other Local Taxes	0	0	0	0
Accounts	0	0	0	0
Due From Other Governments	2,962	126	0	31,150
Materials And Supplies Inventory	0	0	0	0
<b>Total Assets</b>	<b>\$320,413</b>	<b>\$6,561</b>	<b>\$300</b>	<b>\$224,037</b>
<b><u>Liabilities And Fund Balances</u></b>				
<b><u>Liabilities:</u></b>				
Accounts Payable	\$0	\$0	\$0	\$0
Contracts Payable	0	0	0	0
Accrued Wages	0	0	0	0
Due To Other Governments	0	0	0	0
Deferred Revenue	0	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Fund Balances:</u></b>				
Reserved For Encumbrances	5,876	0	0	0
Unreserved, Undesignated	314,537	6,561	300	224,037
<b>Total Fund Balances</b>	<b>320,413</b>	<b>6,561</b>	<b>300</b>	<b>224,037</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$320,413</b>	<b>\$6,561</b>	<b>\$300</b>	<b>\$224,037</b>

<i>Mayor's Court Computer</i>	<i>Big Splash</i>	<i>FEMA</i>	<i>Senior Stage</i>	<i>Park Donation</i>	<i>Total</i>
\$42,005	\$19,908	\$37,645	\$3,394	\$4,256	\$3,372,869
0	0	0	0	0	262,596
0	0	0	0	0	792,564
0	0	0	0	0	802
0	0	0	0	0	749,100
0	0	0	0	0	22,143
<u>\$42,005</u>	<u>\$19,908</u>	<u>\$37,645</u>	<u>\$3,394</u>	<u>\$4,256</u>	<u>\$5,200,074</u>
\$0	\$2,298	\$0	\$0	\$0	\$44,537
0	0	0	0	0	160
0	0	0	0	0	4,204
0	1,574	0	0	0	256,857
0	0	0	0	0	1,387,203
<u>0</u>	<u>3,872</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,692,961</u>
0	1,862	37,645	0	0	459,869
42,005	14,174	0	3,394	4,256	3,047,244
<u>42,005</u>	<u>16,036</u>	<u>37,645</u>	<u>3,394</u>	<u>4,256</u>	<u>3,507,113</u>
<u>\$42,005</u>	<u>\$19,908</u>	<u>\$37,645</u>	<u>\$3,394</u>	<u>\$4,256</u>	<u>\$5,200,074</u>



**CITY OF GROVE CITY, OHIO**

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

**For The Year Ended December 31, 2005**

	<i>Nonmajor Special Revenue Funds</i>	<i>Nonmajor Capital Projects Fund</i>	<i>Total Nonmajor Governmental Funds</i>
<b><u>Revenues:</u></b>			
Property Taxes	\$670,189	\$0	\$670,189
Other Local Taxes	149,035	0	149,035
Intergovernmental	1,817,488	0	1,817,488
Charges For Services	1,184,222	0	1,184,222
Licenses And Permits	101,336	300,488	401,824
Fines And Forfeitures	26,690	0	26,690
Interest	25,326	0	25,326
Rent	21,641	0	21,641
Contributions And Donations	41,379	10,000	51,379
Miscellaneous	32,535	0	32,535
<i>Total Revenues</i>	<u>4,069,841</u>	<u>310,488</u>	<u>4,380,329</u>
<b><u>Expenditures:</u></b>			
Current Operations And Maintenance:			
Security Of Persons And Property	800,387	0	800,387
Public Health	11,625	0	11,625
Leisure Time Activities	1,357,585	1,191	1,358,776
Community Development	216,731	0	216,731
Transportation	1,126,447	0	1,126,447
Capital Outlay	56,394	217,526	273,920
<i>Total Expenditures</i>	<u>3,569,169</u>	<u>218,717</u>	<u>3,787,886</u>
Excess Of Revenues Over Expenditures	500,672	91,771	592,443
<b><u>Other Financing Sources:</u></b>			
Transfers - In	40,000	0	40,000
Net Change In Fund Balance	540,672	91,771	632,443
Fund Balances At Beginning Of Year	<u>2,966,441</u>	<u>264,455</u>	<u>3,230,896</u>
<i>Fund Balances At End Of Year</i>	<u><u>\$3,507,113</u></u>	<u><u>\$356,226</u></u>	<u><u>\$3,863,339</u></u>

**CITY OF GROVE CITY, OHIO**

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

**For The Year Ended December 31, 2005**

	<u>Street Maintenance</u>	<u>State Highway</u>	<u>Police Pension</u>	<u>General Recreation</u>
<b><u>Revenues:</u></b>				
Property Taxes	\$0	\$0	\$670,189	\$0
Other Local Taxes	0	0	0	0
Intergovernmental	1,081,697	96,246	88,543	14,000
Charges For Services	0	0	0	961,211
Licenses And Permits	0	0	0	0
Fines And Forfeitures	0	0	0	0
Interest	15,795	3,747	0	0
Rent	0	0	0	15,113
Contributions And Donations	0	0	0	13,280
Miscellaneous	10,712	0	0	6,046
<b>Total Revenues</b>	<b>1,108,204</b>	<b>99,993</b>	<b>758,732</b>	<b>1,009,650</b>
<b><u>Expenditures:</u></b>				
Current Operations And Maintenance:				
Security Of Persons And Property	0	0	779,165	0
Public Health	0	0	0	0
Leisure Time Activities	0	0	0	1,110,425
Community Development	0	0	0	0
Transportation	875,184	112,579	0	0
Capital Outlay	31,580	0	0	0
<b>Total Expenditures</b>	<b>906,764</b>	<b>112,579</b>	<b>779,165</b>	<b>1,110,425</b>
Excess Of Revenues Over (Under) Expenditures	201,440	(12,586)	(20,433)	(100,775)
<b><u>Other Financing Sources:</u></b>				
Transfers - In	0	0	0	0
Net Change In Fund Balance	201,440	(12,586)	(20,433)	(100,775)
Fund Balances At Beginning Of Year	805,142	222,307	349,188	662,365
<b>Fund Balances At End Of Year</b>	<b>\$1,006,582</b>	<b>\$209,721</b>	<b>\$328,755</b>	<b>\$561,590</b>

<i>City Permissive MVL</i>	<i>County Permissive MVL</i>	<i>Senior Nutrition</i>	<i>Drug Law Enforcement</i>	<i>DARE Program</i>	<i>Community Development</i>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	149,035
151,246	202,125	0	0	0	0
0	0	13,350	0	0	0
0	0	0	0	0	0
0	0	0	5,768	0	0
970	4,814	0	0	0	0
0	0	0	0	0	0
0	0	0	0	26,275	0
0	0	0	3,877	0	10,412
<u>152,216</u>	<u>206,939</u>	<u>13,350</u>	<u>9,645</u>	<u>26,275</u>	<u>159,447</u>
0	0	0	10,242	10,980	0
0	0	11,625	0	0	0
0	0	0	0	0	0
0	0	0	0	0	138,871
89,407	49,277	0	0	0	0
12,826	0	0	0	0	0
<u>102,233</u>	<u>49,277</u>	<u>11,625</u>	<u>10,242</u>	<u>10,980</u>	<u>138,871</u>
49,983	157,662	1,725	(597)	15,295	20,576
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
49,983	157,662	1,725	(597)	15,295	20,576
26,045	341,223	5,536	8,427	12,683	107,260
<u>\$76,028</u>	<u>\$498,885</u>	<u>\$7,261</u>	<u>\$7,830</u>	<u>\$27,978</u>	<u>\$127,836</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, 2005**

	<b>Community Environment</b>	<b>Enforcement And Education</b>	<b>Garden At Gantz</b>	<b>U. S. Department Of Justice</b>
<b><u>Revenues:</u></b>				
Property Taxes	\$0	\$0	\$0	\$0
Other Local Taxes	0	0	0	0
Intergovernmental	21,086	0	0	124,900
Charges For Services	0	0	0	0
Licenses And Permits	101,336	0	0	0
Fines And Forfeitures	0	3,205	0	0
Interest	0	0	0	0
Rent	0	0	0	0
Contributions And Donations	0	0	300	0
Miscellaneous	898	0	0	0
<b>Total Revenues</b>	<b>123,320</b>	<b>3,205</b>	<b>300</b>	<b>124,900</b>
<b><u>Expenditures:</u></b>				
Current Operations And Maintenance:				
Security Of Persons And Property	0	0	0	0
Public Health	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Development	77,860	0	0	0
Transportation	0	0	0	0
Capital Outlay	0	0	0	317
<b>Total Expenditures</b>	<b>77,860</b>	<b>0</b>	<b>0</b>	<b>317</b>
Excess Of Revenues Over (Under) Expenditures	45,460	3,205	300	124,583
<b><u>Other Financing Sources:</u></b>				
Transfers - In	0	0	0	0
Net Change In Fund Balance	45,460	3,205	300	124,583
Fund Balances At Beginning Of Year	274,953	3,356	0	99,454
<b>Fund Balances At End Of Year</b>	<b>\$320,413</b>	<b>\$6,561</b>	<b>\$300</b>	<b>\$224,037</b>

<i>Mayor's Court Computer</i>	<i>Big Splash</i>	<i>FEMA</i>	<i>Senior Stage</i>	<i>Park Donation</i>	<i>Total</i>
\$0	\$0	\$0	\$0	\$0	\$670,189
0	0	0	0	0	149,035
0	0	37,645	0	0	1,817,488
0	209,661	0	0	0	1,184,222
0	0	0	0	0	101,336
17,717	0	0	0	0	26,690
0	0	0	0	0	25,326
0	6,528	0	0	0	21,641
0	0	0	0	1,524	41,379
0	590	0	0	0	32,535
<u>17,717</u>	<u>216,779</u>	<u>37,645</u>	<u>0</u>	<u>1,524</u>	<u>4,069,841</u>
0	0	0	0	0	800,387
0	0	0	0	0	11,625
0	246,534	0	0	626	1,357,585
0	0	0	0	0	216,731
0	0	0	0	0	1,126,447
11,671	0	0	0	0	56,394
<u>11,671</u>	<u>246,534</u>	<u>0</u>	<u>0</u>	<u>626</u>	<u>3,569,169</u>
6,046	(29,755)	37,645	0	898	500,672
0	40,000	0	0	0	40,000
6,046	10,245	37,645	0	898	540,672
35,959	5,791	0	3,394	3,358	2,966,441
<u>\$42,005</u>	<u>\$16,036</u>	<u>\$37,645</u>	<u>\$3,394</u>	<u>\$4,256</u>	<u>\$3,507,113</u>



# **CITY OF GROVE CITY, OHIO**

## ***Agency Fund Descriptions***

---

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

### **Section 125 Cafeteria Plan Fund**

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

### **Deposit Trust Fund**

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

### **Mayor's Court Fund**

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

### **Convention Bureau Fund**

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

**CITY OF GROVE CITY, OHIO**

**Combining Balance Sheet  
Agency Funds**

**December 31, 2005**

---

	<u>Section 125 Cafeteria Plan</u>	<u>Deposit Trust</u>
<b><u>Assets:</u></b>		
Equity In Pooled Cash And Cash Equivalents	\$4,981	\$1,335,620
Receivables:		
Other Local Taxes	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$4,981</u></u>	<u><u>\$1,335,620</u></u>
<b><u>Liabilities:</u></b>		
Undistributed Assets	\$0	\$0
Deposits Held And Due To Others	<u>4,981</u>	<u>1,335,620</u>
<i>Total Liabilities</i>	<u><u>\$4,981</u></u>	<u><u>\$1,335,620</u></u>

---

<i>Convention Bureau</i>	<i>Total</i>
<u>                    </u>	<u>                    </u>
\$11,500	\$1,352,101
<u>8,759</u>	<u>8,759</u>
<u><u>\$20,259</u></u>	<u><u>\$1,360,860</u></u>
\$20,259	\$20,259
<u>0</u>	<u>1,340,601</u>
<u><u>\$20,259</u></u>	<u><u>\$1,360,860</u></u>

**CITY OF GROVE CITY, OHIO**

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

**For The Year Ended December 31, 2005**

	<i>Balance January 1, 2005</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance December 31, 2005</i>
<b><u>SECTION 125 CAFETERIA PLAN</u></b>				
<b><u>Assets:</u></b>				
Equity In Pooled Cash And Cash Equivalents	\$1,221	\$15,039	\$11,279	\$4,981
<b><u>Liabilities:</u></b>				
Deposits Held And Due To Others	\$1,221	\$15,039	\$11,279	\$4,981
 <b><u>DEPOSIT TRUST</u></b>				
<b><u>Assets:</u></b>				
Equity In Pooled Cash And Cash Equivalents	\$1,217,984	\$1,727,070	\$1,609,434	\$1,335,620
<b><u>Liabilities:</u></b>				
Deposits Held And Due To Others	\$1,217,984	\$1,727,070	\$1,609,434	\$1,335,620
 <b><u>MAYOR'S COURT</u></b>				
<b><u>Assets:</u></b>				
Equity In Pooled Cash And Cash Equivalents	\$0	\$44,947	\$44,947	\$0
<b><u>Liabilities:</u></b>				
Deposits Held And Due To Others	\$0	\$44,947	\$44,947	\$0

*(Continued)*

**CITY OF GROVE CITY, OHIO**

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

**For The Year Ended December 31, 2005**

	<i>Balance January 1, 2005</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance December 31, 2005</i>
<b><u>CONVENTION BUREAU</u></b>				
<b><u>Assets:</u></b>				
Equity In Pooled Cash And Cash Equivalents	\$12,632	\$195,807	\$196,939	\$11,500
Receivables:				
Other Local Taxes	10,583	8,759	10,583	8,759
<b>Total Assets</b>	<b>\$23,215</b>	<b>\$204,566</b>	<b>\$207,522</b>	<b>\$20,259</b>
<b><u>Liabilities:</u></b>				
Undistributed Assets	\$23,215	\$204,566	\$207,522	\$20,259
 <b><u>TOTAL - ALL AGENCY FUNDS</u></b>				
<b><u>Assets:</u></b>				
Equity In Pooled Cash And Cash Equivalents	\$1,231,837	\$1,982,863	\$1,862,599	\$1,352,101
Receivables:				
Other Local Taxes	10,583	8,759	10,583	8,759
<b>Total Assets</b>	<b>\$1,242,420</b>	<b>\$1,991,622</b>	<b>\$1,873,182</b>	<b>\$1,360,860</b>
<b><u>Liabilities:</u></b>				
Undistributed Assets	\$23,215	\$204,566	\$207,522	\$20,259
Deposits Held And Due To Others	1,219,205	1,787,056	1,665,660	1,340,601
<b>Total Liabilities</b>	<b>\$1,242,420</b>	<b>\$1,991,622</b>	<b>\$1,873,182</b>	<b>\$1,360,860</b>

**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, 2005*

	<b><i>Original Budget</i></b>	<b><i>Revised Budget</i></b>	<b><i>Budgetary Actual</i></b>	<b><i>Variance Positive (Negative)</i></b>
<b><u>Revenues:</u></b>				
Property Taxes	\$1,186,629	\$1,219,572	\$1,217,038	(\$2,534)
Municipal Income Taxes	13,108,927	15,443,655	15,677,849	234,194
Other Local Taxes	525,573	619,178	628,568	9,390
Intergovernmental	1,411,293	1,668,525	1,693,738	25,213
Charges For Services	101,202	137,460	139,268	1,808
Licenses And Permits	672,206	797,923	809,932	12,009
Fines And Forfeitures	141,803	175,709	178,242	2,533
Special Assessments	36,188	42,633	43,280	647
Interest	452,569	533,173	536,517	3,344
Rent	0	22,716	22,716	0
Contributions And Donations	128,754	155,685	157,985	2,300
Miscellaneous	94,927	31,126	48,057	16,931
<b>Total Revenues</b>	<b>17,860,071</b>	<b>20,847,355</b>	<b>21,153,190</b>	<b>305,835</b>
<b><u>Expenditures:</u></b>				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Personal Services	6,189,979	6,257,901	6,133,413	124,488
Materials And Supplies	206,281	228,867	217,469	11,398
Contractual Services	456,307	520,220	471,263	48,957
Other Operating Charges	5,100	5,100	5,100	0
<b>Total Police Department</b>	<b>6,857,667</b>	<b>7,012,088</b>	<b>6,827,245</b>	<b>184,843</b>
Garage				
Personal Services	60,204	60,904	59,272	1,632
Materials And Supplies	165,350	211,405	210,809	596
Contractual Services	2,000	2,106	108	1,998
<b>Total Garage</b>	<b>227,554</b>	<b>274,415</b>	<b>270,189</b>	<b>4,226</b>
Safety Administration				
Personal Services	26,000	26,000	22,548	3,452
<b>Total Security Of Persons And Property</b>	<b>7,111,221</b>	<b>7,312,503</b>	<b>7,119,982</b>	<b>192,521</b>
Public Health				
Health Department				
Contractual Services	\$209,000	\$220,451	\$193,384	\$27,067

*(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, 2005*

	<b><i>Original Budget</i></b>	<b><i>Revised Budget</i></b>	<b><i>Budgetary Actual</i></b>	<b><i>Variance Positive (Negative)</i></b>
Leisure Time Activities				
Parks				
Personal Services	\$345,874	\$364,278	\$360,589	\$3,689
Materials And Supplies	25,100	26,374	19,580	6,794
Contractual Services	177,566	193,191	155,436	37,755
Total Leisure Time Activities	<u>548,540</u>	<u>583,843</u>	<u>535,605</u>	<u>48,238</u>
Community Development				
Development				
Personal Services	241,809	228,050	200,729	27,321
Materials And Supplies	5,000	5,522	1,519	4,003
Contractual Services	85,000	112,362	90,522	21,840
Total Development	<u>331,809</u>	<u>345,934</u>	<u>292,770</u>	<u>53,164</u>
Building Department				
Personal Services	731,901	756,284	660,358	95,926
Materials And Supplies	48,893	60,427	41,815	18,612
Contractual Services	26,540	35,584	24,323	11,261
Total Building Department	<u>807,334</u>	<u>852,295</u>	<u>726,496</u>	<u>125,799</u>
Total Community Development	<u>1,139,143</u>	<u>1,198,229</u>	<u>1,019,266</u>	<u>178,963</u>
General Government				
City Council				
Personal Services	102,104	104,697	103,723	974
Materials And Supplies	1,450	1,664	634	1,030
Contractual Services	22,500	22,481	15,885	6,596
Total City Council	<u>126,054</u>	<u>128,842</u>	<u>120,242</u>	<u>8,600</u>
Administration				
Personal Services	278,929	312,221	292,985	19,236
Materials And Supplies	16,510	16,770	14,337	2,433
Contractual Services	20,500	45,685	34,310	11,375
Total Administration	<u>315,939</u>	<u>374,676</u>	<u>341,632</u>	<u>33,044</u>
History				
Materials And Supplies	500	500	0	500
Contractual Services	10,000	10,000	2,037	7,963
Total History	<u>\$10,500</u>	<u>\$10,500</u>	<u>\$2,037</u>	<u>\$8,463</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, 2005**

	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Budgetary Actual</b>	<b>Variance Positive (Negative)</b>
Finance				
Personal Services	\$292,478	\$334,114	\$328,122	\$5,992
Materials And Supplies	14,675	15,081	11,942	3,139
Contractual Services	566,400	702,959	698,694	4,265
<b>Total Finance</b>	<b>873,553</b>	<b>1,052,154</b>	<b>1,038,758</b>	<b>13,396</b>
Law				
Personal Services	95,311	121,750	121,631	119
Materials And Supplies	5,100	5,300	4,330	970
Contractual Services	352,000	367,487	290,217	77,270
<b>Total Law</b>	<b>452,411</b>	<b>494,537</b>	<b>416,178</b>	<b>78,359</b>
Lands And Buildings				
Personal Services	493,545	527,423	524,936	2,487
Materials And Supplies	134,350	125,043	104,425	20,618
Contractual Services	573,948	712,061	695,836	16,225
<b>Total Lands And Buildings</b>	<b>1,201,843</b>	<b>1,364,527</b>	<b>1,325,197</b>	<b>39,330</b>
General Miscellaneous				
Personal Services	723,878	679,719	635,233	44,486
Materials And Supplies	20,334	17,465	14,337	3,128
Contractual Services	1,035,060	872,862	701,978	170,884
Other Operating Charges	190,000	190,000	162,296	27,704
<b>Total General Miscellaneous</b>	<b>1,969,272</b>	<b>1,760,046</b>	<b>1,513,844</b>	<b>246,202</b>
Engineering				
Contractual Services	972,500	1,109,888	1,109,888	0
Planning Commission				
Contractual Services	15,500	15,500	0	15,500
Civil Service				
Materials And Supplies	200	200	0	200
Contractual Services	49,200	51,804	15,423	36,381
<b>Total Civil Service</b>	<b>49,400</b>	<b>52,004</b>	<b>15,423</b>	<b>36,581</b>
Information System				
Personal Services	0	172,210	172,153	57
Materials And Supplies	0	1,264	913	351
Contractual Services	0	120,581	120,576	5
<b>Total Information System</b>	<b>\$0</b>	<b>\$294,055</b>	<b>\$293,642</b>	<b>\$413</b>

*(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, 2005*

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
Public Information				
Personal Services	\$114,851	\$116,586	\$104,740	\$11,846
Materials And Supplies	10,500	10,015	3,737	6,278
Contractual Services	142,500	142,500	94,154	48,346
	<hr/>	<hr/>	<hr/>	<hr/>
Total Public Information	267,851	269,101	202,631	66,470
	<hr/>	<hr/>	<hr/>	<hr/>
Total General Government	6,254,823	6,925,830	6,379,472	546,358
	<hr/>	<hr/>	<hr/>	<hr/>
Capital Outlay:				
Police Department	758,600	1,070,779	1,057,672	13,107
Parks	1,277,600	1,648,650	1,321,979	326,671
Development	0	2,000	2,000	0
Building Department	40,000	64,532	64,230	302
Lands And Buildings	1,307,000	1,335,516	255,322	1,080,194
City Council	3,000	5,500	1,985	3,515
Administration	8,000	8,000	5,287	2,713
History	38,000	75,307	37,999	37,308
Finance	8,000	5,891	1,676	4,215
General Miscellaneous	150,200	73,096	66,224	6,872
Engineering	2,789,647	8,299,648	7,709,603	590,045
Information System	0	130,337	50,948	79,389
Public Information	2,500	2,500	2,285	215
	<hr/>	<hr/>	<hr/>	<hr/>
Total Capital Outlay	6,382,547	12,721,756	10,577,210	2,144,546
	<hr/>	<hr/>	<hr/>	<hr/>
Debt Service:				
Principal Retirement	230,100	230,100	207,547	22,553
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total Expenditures</i>	21,875,374	29,192,712	26,032,466	3,160,246
	<hr/>	<hr/>	<hr/>	<hr/>
Excess Of Revenues Over (Under) Expenditures	(4,015,303)	(8,345,357)	(4,879,276)	3,466,081
	<hr/>	<hr/>	<hr/>	<hr/>
<b><u>Other Financing Uses:</u></b>				
Transfers - Out	(80,000)	(80,000)	(80,000)	0
	<hr/>	<hr/>	<hr/>	<hr/>
Net Change In Fund Balance	(4,095,303)	(8,425,357)	(4,959,276)	3,466,081
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balance At Beginning Of Year	12,365,954	12,365,954	12,365,954	0
	<hr/>	<hr/>	<hr/>	<hr/>
Prior Year Encumbrances	4,486,290	4,486,290	4,486,290	0
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Fund Balance At End Of Year</i>	<u>\$12,756,941</u>	<u>\$8,426,887</u>	<u>\$11,892,968</u>	<u>\$3,466,081</u>

**CITY OF GROVE CITY, OHIO**

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

*For The Year Ended December 31, 2005*

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Revenues:</u></b>				
Intergovernmental	\$20,000	\$1,771,871	\$1,253,751	(\$518,120)
Interest	0	607,880	498,993	(108,887)
<i>Total Revenues</i>	<u>20,000</u>	<u>2,379,751</u>	<u>1,752,744</u>	<u>(627,007)</u>
<b><u>Expenditures:</u></b>				
Capital Outlay:				
Infrastructure	0	16,266,172	14,135,448	2,130,724
Debt Service:				
Principal Retirement	0	23,744,000	23,744,000	0
Interest And Fiscal Charges	0	751,390	751,390	0
<i>Total Debt Service</i>	<u>0</u>	<u>24,495,390</u>	<u>24,495,390</u>	<u>0</u>
<i>Total Expenditures</i>	<u>0</u>	<u>40,761,562</u>	<u>38,630,838</u>	<u>2,130,724</u>
Excess Of Revenues Over (Under) Expenditures	<u>20,000</u>	<u>(38,381,811)</u>	<u>(36,878,094)</u>	<u>1,503,717</u>
<b><u>Other Financing Sources:</u></b>				
Issuance Of OPWC Loan	0	1,120,620	1,120,620	0
Issuance Of Bond Anticipation Notes	0	25,931,000	25,931,000	0
Premium On Notes	0	264,390	264,390	0
Net Change In Fund Balance	20,000	(11,065,801)	(9,562,084)	1,503,717
Fund Balance At Beginning Of Year	(334,425)	(334,425)	(334,425)	0
Prior Year Encumbrances	<u>11,533,784</u>	<u>11,533,784</u>	<u>11,533,784</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$11,219,359</u></u>	<u><u>\$133,558</u></u>	<u><u>\$1,637,275</u></u>	<u><u>\$1,503,717</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, 2005

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Revenues:</u></b>				
Property Taxes	\$749,505	\$761,749	\$745,828	(\$15,921)
Intergovernmental	88,101	60,041	98,669	38,628
Special Assessments	34,393	26,071	38,519	12,448
Interest	41,910	2,983	46,938	43,955
Miscellaneous	0	344	0	(344)
<i>Total Revenues</i>	<u>913,909</u>	<u>851,188</u>	<u>929,954</u>	<u>78,766</u>
<b><u>Expenditures:</u></b>				
Debt Service:				
Principal Retirement	802,000	572,641	533,580	39,061
Interest And Fiscal Charges	<u>12,000</u>	<u>292,581</u>	<u>231,652</u>	<u>60,929</u>
<i>Total Expenditures</i>	<u>814,000</u>	<u>865,222</u>	<u>765,232</u>	<u>99,990</u>
Net Change In Fund Balance	99,909	(14,034)	164,722	178,756
Fund Balance At Beginning Of Year	<u>1,759,680</u>	<u>1,759,680</u>	<u>1,759,680</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$1,859,589</u></u>	<u><u>\$1,745,646</u></u>	<u><u>\$1,924,402</u></u>	<u><u>\$178,756</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, 2005*

	<b><i>Original Budget</i></b>	<b><i>Revised Budget</i></b>	<b><i>Budgetary Actual</i></b>	<b><i>Variance Positive (Negative)</i></b>
<b><i>Revenues:</i></b>				
Charges For Services	\$70,000	\$538,579	\$562,421	\$23,842
Tap-In Fees	530,000	343,388	358,589	15,201
Interest	18,000	46,056	48,095	2,039
Miscellaneous	0	753	786	33
<b><i>Total Revenues</i></b>	<b>618,000</b>	<b>928,776</b>	<b>969,891</b>	<b>41,115</b>
<b><i>Expenses:</i></b>				
Personal Services	54,823	61,613	52,096	9,517
Contractual Services	11,585	12,281	10,776	1,505
Supplies And Materials	19,429	22,529	6,311	16,218
Other Operating Charges	0	100,320	100,320	0
Capital Outlay	368,500	504,224	383,600	120,624
Debt Service:				
Principal Retirement	294,177	269,422	208,628	60,794
Interest And Fiscal Charges	0	24,755	24,755	0
<b><i>Total Expenses</i></b>	<b>748,514</b>	<b>995,144</b>	<b>786,486</b>	<b>208,658</b>
Net Change In Fund Equity	(130,514)	(66,368)	183,405	249,773
Fund Equity At Beginning Of Year	1,097,783	1,097,783	1,097,783	0
Prior Year Encumbrances	171,849	171,849	171,849	0
<b><i>Fund Equity At End Of Year</i></b>	<b>\$1,139,118</b>	<b>\$1,203,264</b>	<b>\$1,453,037</b>	<b>\$249,773</b>

**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, 2005*

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Revenues:</u></b>				
Charges For Services	\$415,000	\$413,586	\$433,978	\$20,392
Tap-In Fees	300,000	602,121	631,810	29,689
Miscellaneous	4,500	21,337	23,772	2,435
<b>Total Revenues</b>	<b>719,500</b>	<b>1,037,044</b>	<b>1,089,560</b>	<b>52,516</b>
<b><u>Expenses:</u></b>				
Personal Services	410,214	427,883	405,462	22,421
Contractual Services	186,050	272,896	144,524	128,372
Supplies And Materials	55,750	68,572	49,762	18,810
Other Operating Charges	100,000	156,355	73,155	83,200
Capital Outlay	185,000	235,247	165,358	69,889
Debt Service:				
Principal Retirement	88,000	57,215	54,359	2,856
Interest And Fiscal Charges	0	30,785	30,785	0
<b>Total Expenses</b>	<b>1,025,014</b>	<b>1,248,953</b>	<b>923,405</b>	<b>325,548</b>
Net Change In Fund Equity	(305,514)	(211,909)	166,155	378,064
Fund Equity At Beginning Of Year	1,461,351	1,461,351	1,461,351	0
Prior Year Encumbrances	137,584	137,584	137,584	0
<b>Fund Equity At End Of Year</b>	<b>\$1,293,421</b>	<b>\$1,387,026</b>	<b>\$1,765,090</b>	<b>\$378,064</b>

**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, 2005*

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Revenues:</u></b>				
Intergovernmental	\$860,000	\$1,257,843	\$1,097,207	(\$160,636)
Interest	0	18,108	15,795	(2,313)
Contributions And Donations	6,000	11,379	9,926	(1,453)
Miscellaneous	1,000	12,280	10,712	(1,568)
<i>Total Revenues</i>	<u>867,000</u>	<u>1,299,610</u>	<u>1,133,640</u>	<u>(165,970)</u>
<b><u>Expenditures:</u></b>				
Current Operations And Maintenance:				
Transportation				
Street Maintenance				
Personal Services	817,582	851,444	744,855	106,589
Materials And Supplies	155,475	156,014	130,748	25,266
Contractual Services	92,100	106,978	93,921	13,057
Other Operating Charges	9,500	9,733	8,576	1,157
Total Transportation	1,074,657	1,124,169	978,100	146,069
Capital Outlay:				
Engineering	32,000	88,366	87,114	1,252
<i>Total Expenditures</i>	<u>1,106,657</u>	<u>1,212,535</u>	<u>1,065,214</u>	<u>147,321</u>
Net Change In Fund Balance	(239,657)	87,075	68,426	(18,649)
Fund Balance At Beginning Of Year	629,162	629,162	629,162	0
Prior Year Encumbrances	92,875	92,875	92,875	0
<i>Fund Balance At End Of Year</i>	<u><u>\$482,380</u></u>	<u><u>\$809,112</u></u>	<u><u>\$790,463</u></u>	<u><u>(\$18,649)</u></u>

**CITY OF GROVE CITY, OHIO**

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

*For The Year Ended December 31, 2005*

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Revenues:</u></b>				
Intergovernmental	\$76,000	\$89,137	\$97,504	\$8,367
Miscellaneous	0	3,425	3,747	322
<i>Total Revenues</i>	<u>76,000</u>	<u>92,562</u>	<u>101,251</u>	<u>8,689</u>
<b><u>Expenditures:</u></b>				
Current Operations And Maintenance:				
Transportation				
Street Maintenance				
Materials And Supplies	67,000	97,855	96,759	1,096
Contractual Services	10,000	10,000	2,920	7,080
<i>Total Expenditures</i>	<u>77,000</u>	<u>107,855</u>	<u>99,679</u>	<u>8,176</u>
Net Change In Fund Balance	(1,000)	(15,293)	1,572	16,865
Fund Balance At Beginning Of Year	174,225	174,225	174,225	0
Prior Year Encumbrances	1,854	1,854	1,854	0
<i>Fund Balance At End Of Year</i>	<u><u>\$175,079</u></u>	<u><u>\$160,786</u></u>	<u><u>\$177,651</u></u>	<u><u>\$16,865</u></u>

**CITY OF GROVE CITY, OHIO**

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

*For The Year Ended December 31, 2005*

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Revenues:</u></b>				
Property Taxes	\$687,413	\$698,431	\$670,189	(\$28,242)
Intergovernmental	83,621	85,509	88,998	3,489
<i>Total Revenues</i>	771,034	783,940	759,187	(24,753)
<b><u>Expenditures:</u></b>				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Personal Services	870,000	870,000	870,000	0
Net Change In Fund Balance	(98,966)	(86,060)	(110,813)	(24,753)
Fund Balance At Beginning Of Year	570,835	570,835	570,835	0
<i>Fund Balance At End Of Year</i>	<u>\$471,869</u>	<u>\$484,775</u>	<u>\$460,022</u>	<u>(\$24,753)</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, 2005*

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Revenues:</u></b>				
Intergovernmental	\$13,255	\$15,189	\$14,000	(\$1,189)
Charges For Services	902,196	1,041,972	960,409	(81,563)
Rent	14,309	16,397	15,113	(1,284)
Contributions And Donations	16,016	18,354	16,917	(1,437)
Miscellaneous	5,724	6,559	6,046	(513)
<i>Total Revenues</i>	<u>951,500</u>	<u>1,098,471</u>	<u>1,012,485</u>	<u>(85,986)</u>
<b><u>Expenditures:</u></b>				
Current Operations And Maintenance:				
Leisure Time Activities				
Recreation				
Personal Services	709,390	856,270	729,198	127,072
Materials And Supplies	291,500	336,404	277,367	59,037
Contractual Services	195,800	228,299	204,892	23,407
Other Operating Charges	12,000	49,472	47,837	1,635
<i>Total Expenditures</i>	<u>1,208,690</u>	<u>1,470,445</u>	<u>1,259,294</u>	<u>211,151</u>
Net Change In Fund Balance	(257,190)	(371,974)	(246,809)	125,165
Fund Balance At Beginning Of Year	559,934	559,934	559,934	0
Prior Year Encumbrances	120,993	120,993	120,993	0
<i>Fund Balance At End Of Year</i>	<u>\$423,737</u>	<u>\$308,953</u>	<u>\$434,118</u>	<u>\$125,165</u>

**CITY OF GROVE CITY, OHIO**

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

*For The Year Ended December 31, 2005*

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Revenues:</u></b>				
Intergovernmental	\$182,000	\$182,000	\$149,423	(\$32,577)
Interest	0	0	970	970
Contributions And Donations	0	0	797	797
Miscellaneous	1,000	1,000	0	(1,000)
<i>Total Revenues</i>	<u>183,000</u>	<u>183,000</u>	<u>151,190</u>	<u>(31,810)</u>
<b><u>Expenditures:</u></b>				
Current Operations And Maintenance:				
Transportation				
Street Maintenance				
Personal Services	73,815	76,303	71,546	4,757
Materials And Supplies	54,000	55,302	29,419	25,883
Total Transportation	127,815	131,605	100,965	30,640
Capital Outlay:				
Engineering	13,000	13,000	12,826	174
<i>Total Expenditures</i>	<u>140,815</u>	<u>144,605</u>	<u>113,791</u>	<u>30,814</u>
Net Change In Fund Balance	42,185	38,395	37,399	(996)
Fund Balance At Beginning Of Year	13,279	13,279	13,279	0
Prior Year Encumbrances	3,791	3,791	3,791	0
<i>Fund Balance At End Of Year</i>	<u><u>\$59,255</u></u>	<u><u>\$55,465</u></u>	<u><u>\$54,469</u></u>	<u><u>(\$996)</u></u>

**CITY OF GROVE CITY, OHIO**

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

*For The Year Ended December 31, 2005*

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Revenues:</u></b>				
Intergovernmental	\$90,000	\$90,000	\$71,639	(\$18,361)
Interest	0	0	4,814	4,814
<i>Total Revenues</i>	<u>90,000</u>	<u>90,000</u>	<u>76,453</u>	<u>(13,547)</u>
<b><u>Expenditures:</u></b>				
Current Operations And Maintenance:				
Transportation				
Street Maintenance				
Materials And Supplies	77,000	79,000	41,622	37,378
Contractual Services	12,000	12,000	9,436	2,564
<i>Total Expenditures</i>	<u>89,000</u>	<u>91,000</u>	<u>51,058</u>	<u>39,942</u>
Net Change In Fund Balance	1,000	(1,000)	25,395	26,395
Fund Balance At Beginning Of Year	200,684	200,684	200,684	0
Prior Year Encumbrances	2,000	2,000	2,000	0
<i>Fund Balance At End Of Year</i>	<u><u>\$203,684</u></u>	<u><u>\$201,684</u></u>	<u><u>\$228,079</u></u>	<u><u>\$26,395</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, 2005*

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Revenues:</u></b>				
Charges For Services	\$5,000	\$15,529	\$13,350	(\$2,179)
<b><u>Expenditures:</u></b>				
Current Operations And Maintenance:				
Public Health				
Other Public Health Services				
Other Operating Charges	<u>5,000</u>	<u>12,000</u>	<u>11,625</u>	<u>375</u>
Net Change In Fund Balance	0	3,529	1,725	(1,804)
Fund Balance At Beginning Of Year	<u>5,536</u>	<u>5,536</u>	<u>5,536</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$5,536</u></u>	<u><u>\$9,065</u></u>	<u><u>\$7,261</u></u>	<u><u>(\$1,804)</u></u>

**CITY OF GROVE CITY, OHIO**

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

*For The Year Ended December 31, 2005*

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Revenues:</u></b>				
Fines And Forfeitures	\$0	\$5,768	\$5,768	\$0
Miscellaneous	0	3,877	3,877	0
<i>Total Revenues</i>	0	9,645	9,645	0
<b><u>Expenditures:</u></b>				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Materials And Supplies	0	11,819	10,242	1,577
Net Change In Fund Balance	0	(2,174)	(597)	1,577
Fund Balance At Beginning Of Year	790	790	790	0
Prior Year Encumbrances	7,637	7,637	7,637	0
<i>Fund Balance At End Of Year</i>	<u>\$8,427</u>	<u>\$6,253</u>	<u>\$7,830</u>	<u>\$1,577</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, 2005*

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Revenues:</u></b>				
Contributions And Donations	\$7,500	\$26,670	\$26,275	(\$395)
<b><u>Expenditures:</u></b>				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Materials And Supplies	<u>0</u>	<u>28,912</u>	<u>10,980</u>	<u>17,932</u>
Net Change In Fund Balance	7,500	(2,242)	15,295	17,537
Fund Balance At Beginning Of Year	<u>12,683</u>	<u>12,683</u>	<u>12,683</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$20,183</u></u>	<u><u>\$10,441</u></u>	<u><u>\$27,978</u></u>	<u><u>\$17,537</u></u>

**CITY OF GROVE CITY, OHIO**

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

*For The Year Ended December 31, 2005*

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Revenues:</u></b>				
Other Local Taxes	\$140,000	\$134,920	\$150,859	\$15,939
Miscellaneous	0	9,312	10,412	1,100
<i>Total Revenues</i>	<u>140,000</u>	<u>144,232</u>	<u>161,271</u>	<u>17,039</u>
<b><u>Expenditures:</u></b>				
Current Operations And Maintenance:				
Community Development				
Community Development				
Personal Services	18,000	18,208	12,135	6,073
Materials And Supplies	7,000	7,370	6,415	955
Contractual Services	119,050	147,835	143,663	4,172
<i>Total Expenditures</i>	<u>144,050</u>	<u>173,413</u>	<u>162,213</u>	<u>11,200</u>
Net Change In Fund Balance	(4,050)	(29,181)	(942)	28,239
Fund Balance At Beginning Of Year	70,081	70,081	70,081	0
Prior Year Encumbrances	29,364	29,364	29,364	0
<i>Fund Balance At End Of Year</i>	<u><u>\$95,395</u></u>	<u><u>\$70,264</u></u>	<u><u>\$98,503</u></u>	<u><u>\$28,239</u></u>

**CITY OF GROVE CITY, OHIO**

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

*For The Year Ended December 31, 2005*

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Revenues:</u></b>				
Intergovernmental	\$0	\$20,037	\$19,836	(\$201)
Licenses And Permits	7,500	106,944	105,872	(1,072)
Miscellaneous	0	907	898	(9)
<i>Total Revenues</i>	<u>7,500</u>	<u>127,888</u>	<u>126,606</u>	<u>(1,282)</u>
<b><u>Expenditures:</u></b>				
Current Operations And Maintenance:				
Community Development				
Materials And Supplies	0	6,051	3,959	2,092
Contractual Services	6,000	83,369	79,777	3,592
<i>Total Expenditures</i>	<u>6,000</u>	<u>89,420</u>	<u>83,736</u>	<u>5,684</u>
Net Change In Fund Balance	1,500	38,468	42,870	4,402
Fund Balance At Beginning Of Year	268,654	268,654	268,654	0
Prior Year Encumbrances	51	51	51	0
<i>Fund Balance At End Of Year</i>	<u><u>\$270,205</u></u>	<u><u>\$307,173</u></u>	<u><u>\$311,575</u></u>	<u><u>\$4,402</u></u>

**CITY OF GROVE CITY, OHIO**

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

*For The Year Ended December 31, 2005*

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Revenues:</u></b>				
Fines And Forfeitures	\$3,000	\$5,864	\$3,489	(\$2,375)
<b><u>Expenditures:</u></b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change In Fund Balance	3,000	5,864	3,489	(2,375)
Fund Balance At Beginning Of Year	<u>2,946</u>	<u>2,946</u>	<u>2,946</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$5,946</u></u>	<u><u>\$8,810</u></u>	<u><u>\$6,435</u></u>	<u><u>(\$2,375)</u></u>

**CITY OF GROVE CITY, OHIO**

**Garden At Gantz Special Revenue Fund**  
**Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual**  
 (Non-GAAP Budgetary Basis)

*For The Year Ended December 31, 2005*

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Revenues:</u></b>				
Contributions and Donations	\$0	\$300	\$300	\$0
<b><u>Expenditures:</u></b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change In Fund Balance	0	300	300	0
Fund Balance At Beginning Of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$0</u></u>	<u><u>\$300</u></u>	<u><u>\$300</u></u>	<u><u>\$0</u></u>

**CITY OF GROVE CITY, OHIO**

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

*For The Year Ended December 31, 2005*

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Revenues:</u></b>				
Intergovernmental	\$156,000	\$156,000	\$93,750	(\$62,250)
<b><u>Expenditures:</u></b>				
Capital Outlay:				
Security Of Persons And Property	<u>0</u>	<u>99,418</u>	<u>317</u>	<u>99,101</u>
Net Change In Fund Balance	156,000	56,582	93,433	36,851
Fund Balance At Beginning Of Year	99,137	99,137	99,137	0
Prior Year Encumbrances	<u>317</u>	<u>317</u>	<u>317</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$255,454</u></u>	<u><u>\$156,036</u></u>	<u><u>\$192,887</u></u>	<u><u>\$36,851</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, 2005*

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Revenues:</u></b>				
Fines And Forfeitures	15,000	17,300	17,357	57
<b><u>Expenditures:</u></b>				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Contractual Services	0	15,000	0	15,000
Capital Outlay:				
Police Department	20,000	18,830	11,671	7,159
<b>Total Expenditures</b>	<b>20,000</b>	<b>33,830</b>	<b>11,671</b>	<b>22,159</b>
Net Change In Fund Balance	(5,000)	(16,530)	5,686	22,216
Fund Balance At Beginning Of Year	20,869	20,869	20,869	0
Prior Year Encumbrances	13,830	13,830	13,830	0
<b>Fund Balance At End Of Year</b>	<b>29,699</b>	<b>18,169</b>	<b>40,385</b>	<b>22,216</b>

**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, 2005*

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Revenues:</u></b>				
Charges For Services	\$249,250	\$251,124	\$209,661	(\$41,463)
Rent	5,400	7,819	6,528	(1,291)
Miscellaneous	1,000	707	590	(117)
<b>Total Revenues</b>	<b>255,650</b>	<b>259,650</b>	<b>216,779</b>	<b>(42,871)</b>
<b><u>Expenditures:</u></b>				
Current Operations And Maintenance:				
Leisure Time Activities				
Recreation				
Personal Services	187,286	188,911	187,999	912
Materials And Supplies	18,800	18,375	17,124	1,251
Contractual Services	36,700	35,500	34,999	501
Other Operating Charges	6,340	8,440	7,195	1,245
<b>Total Expenditures</b>	<b>249,126</b>	<b>251,226</b>	<b>247,317</b>	<b>3,909</b>
Excess Of Revenues Over (Under) Expenditures	6,524	8,424	(30,538)	(38,962)
<b><u>Other Financing Sources (Uses):</u></b>				
Operating Transfers - In	0	0	40,000	40,000
Operating Transfers - Out	(2,000)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(2,000)</b>	<b>0</b>	<b>40,000</b>	<b>40,000</b>
Net Change In Fund Balance	4,524	8,424	9,462	1,038
Fund Balance At Beginning Of Year	6,986	6,986	6,986	0
Prior Year Encumbrances	100	100	100	0
<b>Fund Balance At End Of Year</b>	<b>\$11,610</b>	<b>\$15,510</b>	<b>\$16,548</b>	<b>\$1,038</b>

**CITY OF GROVE CITY, OHIO**

**FEMA Special Revenue Fund**

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

*For The Year Ended December 31, 2005*

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Revenues:</u></b>				
Intergovernmental	\$0	\$37,645	\$37,645	\$0
<b><u>Expenditures:</u></b>				
Current Operations And Maintenance:				
General Government				
General Miscellaneous				
Other Operating Charges	<u>0</u>	<u>37,645</u>	<u>37,645</u>	<u>0</u>
Net Change In Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**CITY OF GROVE CITY, OHIO**

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

*For The Year Ended December 31, 2005*

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Revenues:</u></b>	\$0	\$0	\$0	\$0
<b><u>Expenditures:</u></b>				
Capital Outlay				
Leisure Time Activities	<u>0</u>	<u>3,354</u>	<u>0</u>	<u>3,354</u>
Net Change In Fund Balance	0	(3,354)	0	3,354
Fund Balance At Beginning Of Year	<u>3,394</u>	<u>3,394</u>	<u>3,394</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$3,394</u></u>	<u><u>\$40</u></u>	<u><u>\$3,394</u></u>	<u><u>\$3,354</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, 2005*

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Revenues:</u></b>				
Contributions And Donations	0	\$1,474	\$1,524	\$50
<b><u>Expenditures:</u></b>				
Current Operations And Maintenance:				
Leisure Time Activities				
Recreation				
Materials And Supplies	0	2,858	190	2,668
Capital Outlay:				
Leisure Time Activities	0	500	436	64
<b>Total Expenditures</b>	<b>0</b>	<b>3,358</b>	<b>626</b>	<b>2,732</b>
Net Change In Fund Balance	0	(1,884)	898	2,782
Fund Balance At Beginning Of Year	3,358	3,358	3,358	0
<b>Fund Balance At End Of Year</b>	<b>\$3,358</b>	<b>\$1,474</b>	<b>\$4,256</b>	<b>\$2,782</b>

**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)

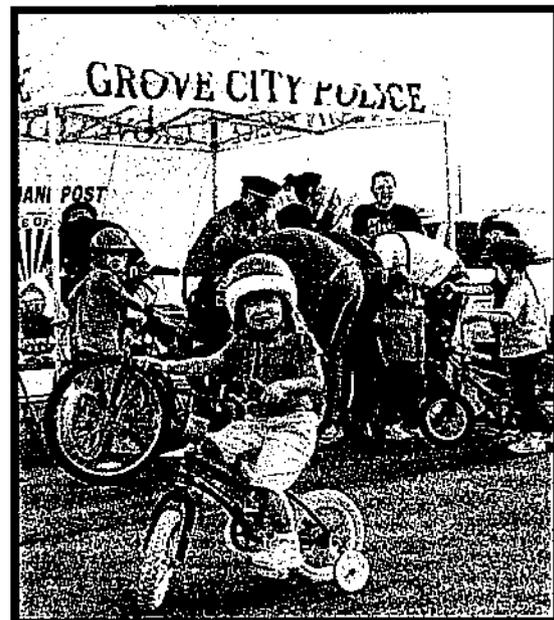
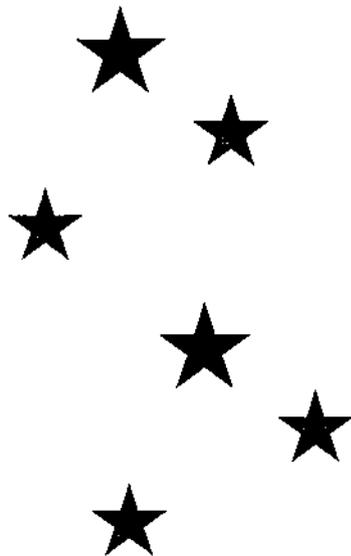
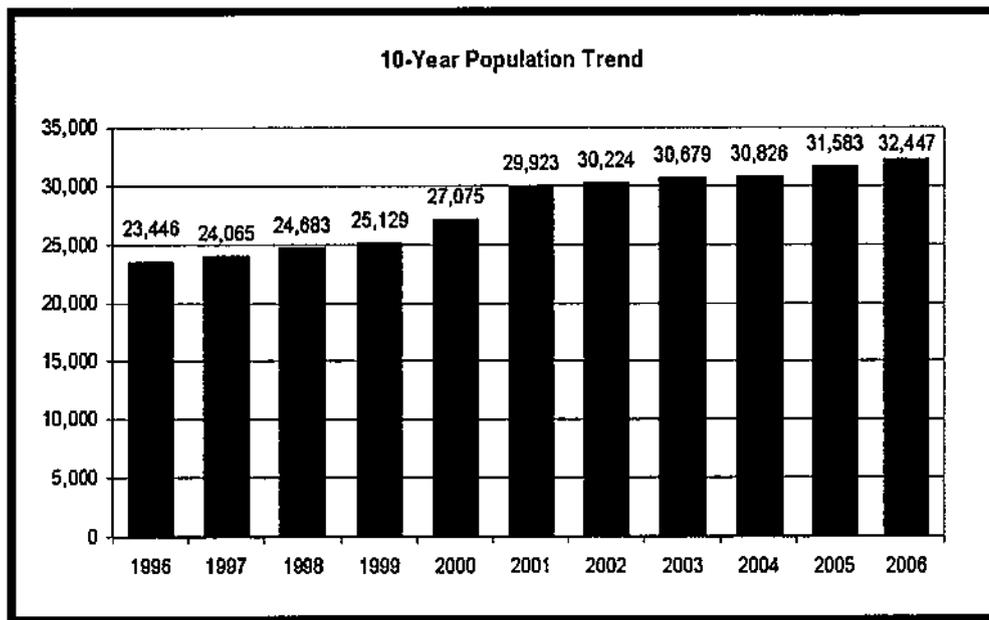
*For The Year Ended December 31, 2005*

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Revenues:</u></b>				
Licenses And Permits	\$100,000	\$283,302	\$300,488	\$17,186
Contributions And Donations	0	9,428	10,000	572
<i>Total Revenues</i>	100,000	292,730	310,488	17,758
<b><u>Expenditures:</u></b>				
Capital Outlay:				
Parks And Recreation	166,000	232,284	229,902	2,382
Net Change In Fund Balance	(66,000)	60,446	80,586	20,140
Fund Balance At Beginning Of Year	203,138	203,138	203,138	0
Prior Year Encumbrances	66,284	66,284	66,284	0
<i>Fund Balance At End Of Year</i>	<u>\$203,422</u>	<u>\$329,868</u>	<u>\$350,008</u>	<u>\$20,140</u>



# CITY OF GROVE CITY, OHIO

## STATISTICAL SECTION







**CITY OF GROVE CITY, OHIO**

**General Government Expenditures (1) By Function  
Last Ten Years**

**TABLE 1**

<b><u>Year</u></b>	<b><u>Security Of Persons And Property</u></b>	<b><u>Public Health</u></b>	<b><u>Leisure Time Activities</u></b>	<b><u>Community Development</u></b>
1996	\$3,465,289	\$132,575	\$1,307,813	\$625,553
1997	3,738,520	147,277	1,344,080	589,431
1998	4,001,393	160,275	2,191,902	659,990
1999	4,497,899	176,003	1,404,377	654,022
2000	4,767,693	269,098	1,589,606	822,290
2001	5,191,487	325,658	1,824,651	844,130
2002	5,630,838	317,182	2,068,798	869,367
2003	6,042,973	276,176	1,639,443	1,053,869
2004	7,169,373	255,097	1,789,778	1,123,302
2005	7,539,806	198,126	1,851,767	1,122,303

Source: City Financial Records - GAAP basis financial data

(1) Includes all governmental funds.

<u><i>Transportation</i></u>	<u><i>General Government</i></u>	<u><i>Capital Outlay</i></u>	<u><i>Debt Service</i></u>	<u><i>Total</i></u>
\$641,280	\$1,908,756	\$3,883,851	\$1,298,169	\$13,263,286
747,959	2,128,362	4,326,016	1,344,871	14,366,516
885,314	2,618,287	6,046,940	1,289,754	17,853,855
847,889	3,239,772	8,109,098	1,329,127	20,258,187
975,507	2,335,244	7,869,269	1,464,272	20,092,979
886,156	3,216,062	6,967,423	1,424,801	20,680,368
1,043,677	3,329,204	12,430,636	1,387,741	27,077,443
1,045,232	3,730,631	13,258,603	7,564,429	34,611,356
1,206,133	4,754,778	16,757,169	8,460,876	41,516,506
1,126,447	5,439,363	16,138,194	1,953,221	35,369,227

**CITY OF GROVE CITY, OHIO**

**General Government Revenues (1) By Source  
Last Ten Years**

**TABLE 2**

<i>Year</i>	<i>Property Taxes</i>	<i>Municipal Income Taxes</i>	<i>Other Local Taxes</i>	<i>Inter-Governmental</i>	<i>Charges For Services</i>	<i>Licenses And Permits</i>	<i>Fines And Forfeitures</i>
1996	\$1,572,562	\$7,241,879	\$518,698	\$2,503,068	\$853,948	\$435,970	\$203,809
1997	1,811,197	7,870,588	546,205	3,802,296	901,731	448,184	158,830
1998	1,868,314	9,224,779	576,837	4,040,704	1,015,984	510,155	152,302
1999	1,863,136	10,698,896	619,640	4,529,523	1,107,631	753,284	149,261
2000	2,168,790	12,001,602	713,219	4,253,894	1,182,128	737,471	185,957
2001	2,269,870	13,347,610	697,804	3,334,238	1,215,388	595,803	200,183
2002	2,430,982	15,248,743	750,185	5,594,874	1,332,815	542,107	188,333
2003	2,627,857	14,458,885	723,303	4,481,523	1,653,811	997,929	187,276
2004	2,557,486	13,624,118	781,617	4,339,465	1,374,320	946,310	198,211
2005	2,633,055	15,679,344	768,143	4,687,994	1,323,490	1,211,756	207,624

Source: City Financial Records - GAAP basis financial data

(1) Includes all governmental funds.

<i>Special Assessments</i>	<i>Interest</i>	<i>Decrease in Fair Value Of Investments</i>	<i>Rent</i>	<i>Contributions And Donations</i>	<i>Miscellaneous</i>	<i>Total</i>
\$96,151	\$505,755	\$0	\$0	\$0	\$330,005	\$14,261,845
109,671	583,917	0	0	0	333,773	16,566,392
112,900	692,330	0	0	0	389,931	18,584,236
135,143	692,905	0	0	0	369,654	20,919,073
249,172	1,142,395	0	0	0	196,175	22,830,803
155,408	857,554	0	0	0	325,670	22,999,528
68,030	492,714	0	0	0	333,507	26,982,290
80,814	335,697	0	21,722	0	515,356	26,084,173
86,112	549,955	(116,005)	42,730	45,430	92,912	24,522,661
81,799	1,084,906	(60,428)	44,357	55,379	73,382	27,790,801

**CITY OF GROVE CITY, OHIO**

***Government-Wide Expenses By Program - Governmental Activities  
Last Four Years***

**TABLE 3**

<b><i>Year (1)</i></b>	<b><i>Security Of Persons And Property</i></b>	<b><i>Public Health</i></b>	<b><i>Leisure Time Activities</i></b>	<b><i>Community Development</i></b>
2002	\$6,213,923	\$316,933	\$2,468,187	\$917,167
2003	6,620,720	276,176	1,895,869	1,061,094
2004	7,777,311	255,097	2,290,652	1,152,824
2005	8,072,763	198,126	2,470,743	1,271,478

Source: City Financial Records - Full accrual basis financial data

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

<u><i>Transportation</i></u>	<u><i>General Government</i></u>	<u><i>Interest And Fiscal Charges</i></u>	<u><i>Total</i></u>
\$1,014,035	\$4,363,435	\$477,561	\$15,771,241
1,091,121	3,660,892	579,482	15,185,354
1,353,924	5,213,511	581,264	18,624,583
4,630,846	6,996,686	1,087,320	24,727,962

**CITY OF GROVE CITY, OHIO**

**Government-Wide Revenues By Source - Governmental Activities  
Last Four Years**

**TABLE 4**

<b>Year (1)</b>	<b>Program Revenues</b>			
	<b>Charges For Services</b>	<b>Operating Grants, Contributions, And Interest</b>	<b>Capital Grants, Contributions, And Interest</b>	<b>Property And Other Local Taxes</b>
2002	\$2,063,255	\$1,601,207	\$2,193,223	\$3,226,778
2003	2,839,016	1,662,922	794,556	3,324,130
2004	2,743,187	1,574,992	967,111	3,321,700
2005	3,032,805	2,011,152	2,308,353	3,438,028

Source: City Financial Records - Full accrual basis financial data

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

**General Revenues**

---

<b><i>Municipal Income Taxes</i></b>	<b><i>Grants And Entitlements</i></b>	<b><i>Rent</i></b>	<b><i>Unrestricted Investment Earnings</i></b>	<b><i>Other</i></b>	<b><i>Total</i></b>
\$15,372,667	\$2,031,459	\$0	\$459,190	\$333,507	\$27,281,286
14,859,483	2,011,979	21,722	271,514	515,356	26,300,678
15,342,810	1,940,042	0	222,169	364,547	26,476,558
16,730,688	778,752	0	558,560	337,772	29,196,110

**CITY OF GROVE CITY, OHIO**

**Real Property Tax Levies And Collections  
Last Ten Years**

**TABLE 5**

<b><i>Collection Year</i></b>	<b><i>Current Tax (1) Levy</i></b>	<b><i>Delinquent Tax (2) Levy</i></b>	<b><i>Total Tax Levy</i></b>	<b><i>Current Tax (1) Collections</i></b>	<b><i>Percentage Of Current Collections To Current Levy</i></b>
1996	\$1,488,325	\$39,803	\$1,528,128	\$1,460,238	98.11%
1997	1,676,494	53,122	1,729,616	1,661,423	99.10
1998	1,728,167	51,611	1,779,778	1,691,705	97.89
1999	1,779,726	47,092	1,826,818	1,743,985	97.99
2000	2,222,416	55,468	2,277,884	2,180,387	98.11
2001	2,170,833	63,011	2,233,844	2,112,533	97.31
2002	2,226,609	86,618	2,313,227	2,173,362	97.61
2003	2,514,749	91,014	2,605,763	2,452,720	97.53
2004	2,556,986	96,878	2,653,864	2,501,293	97.82
2005	2,708,792	80,409	2,789,201	2,633,852	97.23

Source: Franklin County Auditor

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

(2) Amounts listed include penalties and interest.

<i><b>Delinquent Tax (2) Collections</b></i>	<i><b>Total Tax Collections</b></i>	<i><b>Percentage Of Total Collections To Total Tax Levy</b></i>	<i><b>Outstanding Delinquent Taxes (2)</b></i>	<i><b>Percentage Of Outstanding Delinquent Taxes To Total Tax Levy</b></i>
\$25,397	\$1,485,635	97.22%	\$42,493	2.78%
34,465	1,695,888	98.05	33,728	1.95
35,761	1,727,466	97.06	52,312	2.94
35,485	1,779,470	97.41	47,348	2.59
42,110	2,222,497	97.57	55,387	2.43
42,788	2,155,321	96.48	78,523	3.52
54,159	2,227,521	96.29	85,706	3.71
60,336	2,513,056	96.44	92,707	3.56
76,890	2,578,183	97.15	75,681	2.85
57,636	2,691,488	96.50	97,713	3.50

**CITY OF GROVE CITY, OHIO**

***Tangible Personal Property Tax Levies And Collections  
Last Ten Years***

**TABLE 6**

<b><i>Collection Year</i></b>	<b><i>Current Tax Levy</i></b>	<b><i>Delinquent Tax Levy (1)</i></b>	<b><i>Total Tax Levy</i></b>	<b><i>Current Tax Collections</i></b>	<b><i>Percentage Of Current Collection To Current Levy</i></b>
1996	\$252,862	\$27,718	\$280,580	\$228,158	90.23%
1997	288,201	56,976	345,177	265,203	92.02
1998	323,916	45,362	369,278	312,080	96.35
1999	275,964	38,229	314,193	272,607	98.78
2000	322,574	35,331	357,905	304,911	94.52
2001	352,265	83,540	435,805	327,850	93.07
2002	371,169	209,283	580,452	366,137	98.64
2003	350,292	156,071	506,363	342,026	97.64
2004	316,294	92,419	408,713	309,775	97.94
2005	325,129	80,774	405,903	316,910	97.47

Source: Franklin County Auditor

(1) Amounts listed include penalties and interest.

<u><i>Delinquent Tax Collection (1)</i></u>	<u><i>Total Tax Collection</i></u>	<u><i>Percentage Of Total Collection To Total Tax Levy</i></u>	<u><i>Outstanding Delinquent Taxes (1)</i></u>	<u><i>Percentage Of Outstanding Delinquent Taxes To Total Tax Levy</i></u>
\$17,644	\$245,802	87.60%	\$34,778	12.40%
45,196	310,399	89.92	34,778	10.08
15,689	327,769	88.76	41,509	11.24
16,851	289,458	92.13	24,735	7.87
18,586	323,497	90.39	34,408	9.61
38,829	366,679	84.14	69,126	15.86
106,770	472,907	81.47	107,545	18.53
90,816	432,842	85.48	73,521	14.52
25,792	335,567	82.10	73,146	17.90
13,389	330,299	81.37	75,604	18.63

**CITY OF GROVE CITY, OHIO**

***Assessed And Estimated Actual Value Of Taxable Property  
Last Ten Years***

**TABLE 7**

<b><i>Collection Year</i></b>	<b><i>Real Property</i></b>		<b><i>Public Utility Property</i></b>	
	<b><i>Assessed Value</i></b>	<b><i>Est. Actual Value</i></b>	<b><i>Assessed Value</i></b>	<b><i>Est. Actual Value</i></b>
1996	\$287,455,570	\$821,301,629	\$16,525,360	\$18,778,818
1997	329,135,000	940,385,714	16,603,670	18,867,807
1998	361,205,530	1,032,015,800	16,873,820	19,174,795
1999	442,468,070	1,264,194,486	17,511,040	19,898,909
2000	462,637,930	1,321,822,657	16,202,580	18,412,023
2001	491,667,450	1,404,764,143	13,362,700	15,184,886
2002	570,587,460	1,630,249,886	10,036,670	11,405,307
2003	595,552,240	1,701,577,829	10,368,820	11,782,750
2004	628,364,980	1,795,328,514	10,826,320	12,302,636
2005	747,304,860	2,135,156,743	9,853,890	11,197,602

Source: Franklin County Auditor

<i>Tangible Personal Property</i>		<i>Total</i>		<i>Percentage Of Total Assessed Value To Total Est. Actual Value</i>
<i>Assessed Value</i>	<i>Est. Actual Value</i>	<i>Assessed Value</i>	<i>Est. Actual Value</i>	
\$51,593,239	\$209,372,956	\$355,574,169	\$1,049,453,403	33.88%
58,410,921	233,643,684	404,149,591	1,192,897,205	33.88
67,327,217	269,308,868	445,406,567	1,320,499,463	33.73
57,083,355	228,333,420	517,062,465	1,512,426,815	34.19
68,407,781	273,631,124	547,248,291	1,613,865,804	33.91
83,722,702	334,890,808	588,752,852	1,754,839,837	33.55
84,348,339	337,393,356	664,972,469	1,979,048,549	33.60
78,892,863	315,571,452	684,813,923	2,028,932,031	33.75
72,560,399	290,241,596	711,751,699	2,097,872,747	33.93
55,623,883	222,495,532	812,782,633	2,368,849,877	34.31

**CITY OF GOVE CITY, OHIO**

**Property Tax Rates - Direct And Overlapping Governments  
Per \$1,000 Of Assessed Valuation  
Last Ten Years**

**TABLE 8**

<b>Collection Year</b>	<b>City Of Grove City</b>				<b>Southwestern City School District</b>
	<b>General Fund</b>	<b>Special Funds (1)</b>	<b>Debt Service</b>	<b>Total Levy</b>	
1996	\$1.90	\$1.10	\$1.90	\$4.90	\$52.48
1997	1.90	1.10	1.90	4.90	52.30
1998	1.90	1.10	1.80	4.80	57.18
1999	1.90	1.10	1.70	4.70	57.18
2000	1.90	1.10	1.50	4.50	56.97
2001	1.90	1.10	1.40	4.40	56.61
2002	1.90	1.10	1.30	4.30	56.44
2003	1.90	1.10	1.20	4.20	56.43
2004	1.90	1.10	1.20	4.20	55.23
2005	1.90	1.10	1.20	4.20	64.67

Source: Franklin County Auditor

(1) Police Pension Fund

<u><i>Franklin County Commissioners</i></u>	<u><i>Jackson Township</i></u>	<u><i>Pleasant Township</i></u>	<u><i>Total Tax Levy</i></u>
\$14.82	\$20.20	\$0.00	\$92.40
15.22	20.20	0.00	92.62
17.54	20.20	0.00	99.72
17.54	20.20	0.00	99.62
17.64	20.20	0.00	99.31
17.64	20.20	0.00	98.85
17.64	20.20	0.00	98.58
17.64	20.20	0.00	98.47
18.44	20.20	0.80	98.87
18.44	20.20	0.80	108.31



**CITY OF GROVE CITY, OHIO**

***Special Assessment Billings  
And Collections  
Last Ten Years***

**TABLE 9**

<b><i>Collection Year</i></b>	<b><i>Special Assessment Billings (1)</i></b>	<b><i>Total Assessments Collected (2)</i></b>	<b><i>Amount Delinquent</i></b>	<b><i>Percentage Of Collection To Amount Billed</i></b>
1996	\$116,289	\$96,151	\$20,138	82.68%
1997	120,609	110,090	10,519	91.28
1998	141,300	112,900	28,400	79.90
1999	137,730	135,143	2,587	98.12
2000	259,126	249,172	9,954	96.16
2001	155,408	155,408	0	100.00
2002	83,968	68,030	15,938	81.02
2003	81,912	80,814	1,098	98.66
2004	86,445	86,112	333	99.61
2005	83,561	81,799	1,762	97.89

Source: Franklin County Auditor

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

(2) Prepayments of future assessments are not included.

**CITY OF GROVE CITY, OHIO**

**Principal Property Taxpayers  
December 31, 2005**

**TABLE 10**

<i><b>Taxpayer</b></i>	<i><b>Type of Business</b></i>	<i><b>Real/Public Utility Property Assessed Valuation</b></i>
Wal-Mart Stores, Inc.	Retail Warehouse	\$2,998,170
TOSOH SMD, Inc.	Manufacturing	909,300
Columbus Southern Power	Utility	4,647,500
Ohio Bell Telephone Co.	Utility	4,599,380
DDR Derby Square, LLC	Developer	4,531,470
Buckeye Grove Shopping	Shopping Center	3,126,610
Tigerpoly Manufacturing, Inc.	Manufacturing	1,075,550
Banner Property Management	Residential Housing	3,526,390
Beulah Park Limited Partnership	Thoroughbred Race Track	2,871,050
FedEx Ground Package Systems, Inc.	Freight Distribution	1,238,650
T Marzetti Company	Distribution	477,400
Groves Apartments, LTD	Residential Housing	2,741,560
Heritage Glen, LTD	Residential Housing	2,709,000
Gateway Lakes, LTD	Residential Housing	2,650,350
Ashland Oil Company	Distribution	1,335,960
Grove City Plaza Co.	Retail	2,322,160
U.S. Industrial Reit	Commercial Real Estate	2,104,180
GAP, Inc.	Distribution	413,000
M/I Homes of Central Ohio	Residential Housing	1,895,850
Sterling Park	Residential Housing	1,828,780
Manheim Services Corp./Ohio Auto Auction	Vehicle Auction	1,777,340
Prologis-Macquarie Ohio	Distribution	1,730,410
Horton Emergency Vehicles	Manufacturing	256,970
Ikon Office Solutions	Distribution	0
Pitney Bowes Credit Corporation	Equipment Leasing	0
MacIntosh	Nursing Home	1,523,060
Cummins Bridgeway, LLC	Distribution	0
Rockford Homes	Residential Housing	1,460,910
Borders Inc.	Distribution	417,130
McGraw Hill Companies	Distribution	0
Total Principal Taxpayers		55,168,130
Total City		\$757,158,750

Source: Franklin County Auditor

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

<i>Tangible Personal Property Assessed Valuation (1)</i>	<i>Total Assessed Valuation</i>	<i>% Of Total City Assessed Valuation (2005 Collection Year)</i>
\$14,048,770	\$17,046,940	2.10%
6,307,730	7,217,030	0.89
0	4,647,500	0.57
0	4,599,380	0.57
0	4,531,470	0.56
1,052,080	4,178,690	0.51
3,038,670	4,114,220	0.51
0	3,526,390	0.43
526,040	3,397,090	0.42
1,964,880	3,203,530	0.39
2,314,480	2,791,880	0.34
0	2,741,560	0.34
0	2,709,000	0.33
0	2,650,350	0.33
1,148,590	2,484,550	0.31
0	2,322,160	0.29
0	2,104,180	0.26
1,654,230	2,067,230	0.25
0	1,895,850	0.23
0	1,828,780	0.23
0	1,777,340	0.22
0	1,730,410	0.21
1,407,520	1,664,490	0.20
1,641,770	1,641,770	0.20
1,526,120	1,526,120	0.19
0	1,523,060	0.19
1,518,880	1,518,880	0.19
0	1,460,910	0.18
936,070	1,353,200	0.17
1,302,630	1,302,630	0.16
40,388,460	95,556,590	11.76%
\$55,623,883	\$812,782,633	

**CITY OF GROVE CITY, OHIO**

***Legal Debt Margin  
December 31, 2005***

**TABLE 11**

Total assessed valuation		\$812,782,633
Overall debt limitation - 10.5% of assessed valuation		85,342,176
Gross indebtedness authorized by council	\$35,785,797	
Less debt outside limitation:	<u>(5,304,797)</u>	
Debt within 10.5% limitation	30,481,000	
Less amount available in debt service fund	<u>(1,913,242)</u>	
Net debt within 10.5% limitation		<u>28,567,758</u>
Legal debt margin within 10.5% limitation		<u><u>\$56,774,418</u></u>
Unvoted debt limitation - 5.5% of assessed valuation		\$44,703,045
Gross indebtedness authorized by council	\$35,785,797	
Less debt outside limitation:	<u>(5,304,797)</u>	
Debt within 5.5% limitation	30,481,000	
Less: amount available in debt service fund	<u>(1,913,242)</u>	
Net debt within 5.5% limitation		<u>28,567,758</u>
Legal debt margin within 5.5% limitation		<u><u>\$16,135,287</u></u>

**CITY OF GROVE CITY, OHIO**

**Ratio Of Net General Obligation Bonded Debt  
To Assessed Value And Net General  
Obligation Bonded Debt Per Capita  
Last Ten Years**

**TABLE 12**

<b>Year</b>	<b>Net General Bonded Debt (1)</b>	<b>Assessed Value (2)</b>	<b>Population (3)</b>	<b>Percentage Of Net Bonded Debt To Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
1996	\$5,173,950	\$355,574	23,446	1.46%	\$220.68
1997	4,926,689	404,150	24,065	1.22	204.72
1998	4,736,934	445,429	24,683	1.06	191.91
1999	4,553,415	517,062	25,129	0.88	181.20
2000	3,871,475	547,248	27,075	0.71	142.99
2001	5,118,215	588,752	29,923	0.87	171.05
2002	4,602,408	664,972	30,224	0.69	152.28
2003	4,040,572	684,814	30,679	0.59	131.70
2004	3,514,729	711,752	30,826	0.49	114.02
2005	2,636,758	812,783	31,580	0.32	83.49

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

(2) Shown in thousands of dollars

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

**CITY OF GROVE CITY, OHIO**

**Ratio Of Annual Debt Service Expenditures For  
General Bonded Debt To Total General Government Expenditures  
Last Ten Years**

**TABLE 13**

<u>Year</u>	<u>Principal (1)</u>	<u>Interest And Fiscal Charges</u>	<u>Debt Service On General Obligation Bonded Debt</u>	<u>General Government Expenditures</u>	<u>Ratio</u>
1996	\$348,604	\$360,050	\$708,654	\$13,263,286	5.34%
1997	363,604	342,780	706,384	14,366,516	4.92
1998	373,604	324,393	697,997	17,853,855	3.91
1999	393,604	305,200	698,804	20,258,187	3.45
2000	408,604	285,461	694,065	20,092,979	3.45
2001	423,604	264,958	688,562	20,680,368	3.33
2002	415,000	334,135	749,135	27,077,443	2.77
2003	440,000	307,661	747,661	34,611,356	2.16
2004	1,770,000 *	287,803	2,057,803	41,516,506	4.96
2005	500,000	233,125	733,125	35,369,227	2.07

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

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

**CITY OF GROVE CITY, OHIO**

**Computation Of Direct And Overlapping  
General Obligation Bonded Debt  
December 31, 2005**

**TABLE 14**

<u>Jurisdiction</u>	<u>Net Debt Outstanding (1)</u>	<u>Percentage Applicable To City Of Grove City (2)</u>	<u>Amount Applicable To City Of Grove City</u>
Direct:			
City of Grove City	<u>\$2,636,758</u>	100.00%	<u>\$2,636,758</u>
Overlapping:			
Southwestern City School District	123,354,961	29.16	35,970,307
Franklin County	<u>93,175,000</u>	2.81	<u>2,618,217</u>
Total Overlapping	<u>216,529,961</u>		<u>38,588,524</u>
Total Direct And Overlapping Debt	<u><u>\$219,166,719</u></u>		<u><u>\$41,225,282</u></u>

Source: Franklin County Auditor

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

**CITY OF GROVE CITY, OHIO**

**Revenue Bond Coverage  
Enterprise Funds  
Last Ten Years**

**TABLE 15**

<b><u>Water Enterprise Fund</u></b>			
<b><u>Year</u></b>	<b><u>Gross Revenues (1)</u></b>	<b><u>Operating Expenses (2)</u></b>	<b><u>Net Revenue Available For Debt Service</u></b>
1996	\$430,063	\$81,465	\$348,598
1997	356,796	58,698	298,098
1998	428,029	40,958	387,071
1999	447,054	38,541	408,513
2000	537,108	90,643	446,465
2001	441,885	141,836	300,049
2002	426,150	152,622	273,528
2003	504,943	45,527	459,416
2004	544,006	93,712	450,294
2005	902,148	177,563	724,585
<b><u>Sewer Enterprise Fund</u></b>			
1996	\$391,341	\$416,633	(\$25,292)
1997	300,748	271,453	29,295
1998	354,769	324,987	29,782
1999	355,684	391,100	(35,416)
2000	421,911	399,564	22,347
2001	695,529	897,954	(202,425)
2002	491,823	439,199	52,624
2003	346,284	536,639	(190,355)
2004	379,919	390,332	(10,413)
2005	439,556	551,243	(111,687)

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

(2) Operating expenses exclusive of depreciation.

<i>Debt Service Requirements</i>			
<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Coverage</i>
\$110,000	\$88,671	\$198,671	1.75
125,000	83,192	208,192	1.43
115,000	104,219	219,219	1.77
135,000	79,860	214,860	1.90
135,000	60,542	195,542	2.28
135,000	57,371	192,371	1.56
155,000	54,121	209,121	1.31
160,000	46,278	206,278	2.23
170,000	35,754	205,754	2.19
185,000	18,089	203,089	3.57
\$33,114	\$9,406	\$42,520	(0.59)
32,122	6,959	39,081	0.75
35,160	2,969	38,129	0.78
0	0	0	0.00
0	0	0	0.00
0	0	0	0.00
0	0	0	0.00
0	0	0	0.00
0	0	0	0.00
0	0	0	0.00
0	0	0	0.00



**CITY OF GROVE CITY, OHIO**

**Demographic Statistics  
Last Ten Years**

**TABLE 16**

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Income (1)</u>	<u>School Enrollment (2)</u>	<u>Franklin County Unemployment Rate (3)</u>
1996	23,446	\$17,388	6,301	2.9%
1997	24,065	17,909	6,343	2.7
1998	24,683	18,482	6,402	2.4
1999	25,129	19,168	6,472	2.5
2000	27,075	19,881	6,421	2.7
2001	29,923	20,875	6,930	2.9
2002	30,224	21,543	6,685	3.7
2003	30,679	22,189	7,754	4.6
2004	30,826	22,854	8,262	5.4
2005	31,580	23,489	8,529	5.3

Source:

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

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

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

**CITY OF GROVE CITY, OHIO**

**Property Value, Construction  
And Bank Deposits  
Last Ten Years**

**TABLE 17**

<b>Year</b>	<b>Real Property Value</b>		
	<b>Agricultural/ Residential Value (1)</b>	<b>Commercial/ Industrial Value (1)</b>	<b>Total Value</b>
1996	\$217,974,780	\$69,480,790	\$287,455,570
1997	249,488,520	79,646,480	329,135,000
1998	275,305,530	85,900,000	361,205,530
1999	338,540,410	103,927,660	442,468,070
2000	357,716,980	104,920,950	462,637,930
2001	377,615,340	114,052,110	491,667,450
2002	438,600,610	131,986,850	570,587,460
2003	460,857,000	134,695,220	595,552,220
2004	488,290,050	140,074,930	628,364,980
2005	597,095,320	150,209,540	747,304,860

Source:

(1) Franklin County Auditor

(2) City of Grove City Building Department

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

(\*) The large increase is related to the issuance of  
building permits relating to the expansion of several business parks.

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

(\*\*\*) The large increase is due to additional development in the Parkview  
North retail shopping center and other locations in the City.

<i>Residential</i>		<i>Commercial</i>		<i>Industrial</i>		<i>Domestic Bank Deposits In County (3)</i>
<i>Number Of Units</i>	<i>Construction Value (2)</i>	<i>Number Of Units</i>	<i>Construction Value (2)</i>	<i>Number Of Units</i>	<i>Construction Value (2)</i>	
223	\$33,453,776	23	\$6,501,185	9	\$30,265,944	\$20,786,114
224	33,736,162	80	17,657,766	5	13,014,000	40,835,093
280	45,736,466	12	10,862,743	2	11,400,000	39,976,199
242	41,656,313	15	11,350,000	4	6,825,000	40,785,421
272	50,525,247	267	19,295,900	8	2,065,967	36,305,554
231	45,958,993	136	11,181,515	5	1,545,995	38,669,548
221	45,213,074	69	27,491,148	6	2,923,917	35,950,798
350	61,659,994	157	17,335,956	4	113,500,000 *	37,969,996
330	65,681,535	78	44,566,502	10	7,948,719	389,270,086 **
371	101,319,497	106	330,418,698 ***	0	0	429,955,663

**CITY OF GROVE CITY, OHIO**

**Miscellaneous Statistics**

**December 31, 2005**

**TABLE 18**

Date of Incorporation:	1852
Effective Date of Charter:	July 1, 1959
Form of Government:	Mayor-Council-Administrator
Area: (Square Miles)	17.08
Miles of Streets:	126.4
Number of Street Lights:	3,207
Number of Traffic Signs:	2,915
Number of Traffic Lights:	38
Miles of Sanitary Sewers:	145.7
Miles of Storm Sewers:	108.2
Miles of Water Distribution:	137.2
Fire Protection:	Jackson Township (1)
Number of Stations	3
Number of Firemen and Officers (FT)	79
Number of Firemen (PT)	18
Number of Certified EMT - Basic	33
Number of Certified EMT - Paramedics	64
Number of Nurses	1
Police Protection:	Grove City Police
Number of Stations	1
Number of Policemen and Officers	58
City Employees:	
Number of Full Time Employees	136
Number of Part Time Employees	45
Municipal Water Department:	Served by City of Columbus

Sources: (1) Jackson Township

(2) Southwestern City Schools - Within Corporate Boundaries

*(Continued)*

**CITY OF GROVE CITY, OHIO**

**Miscellaneous Statistics**

**December 31, 2005**

**TABLE 18**

**(Continued)**

Education (2):	
Elementary Schools	7
Secondary Schools	4
Number of Teachers	
Elementary Teachers	207
Secondary Teachers	292
Total Teachers	499
2004/2005 Student Enrollment	
Elementary Enrollment	3,878
Secondary Enrollment	4,651
Total Enrollment	8,529
Recreation and Culture:	
Number of Parks	7
Number of Playgrounds	7
Number of Swimming Pools	1
Number of Tennis Courts	6
Number of Community Centers	3
Acreage of Parks	289
Public Libraries	1
Public Transportation:	Central Ohio Transit Authority

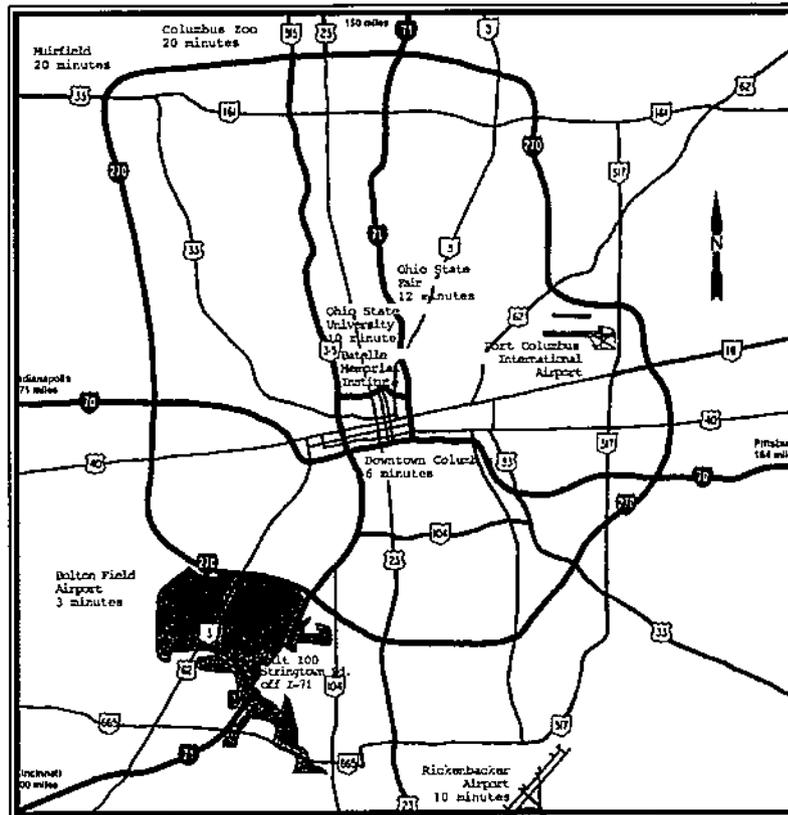




# Grove City, Ohio

*Mayor*

*Cheryl L. Grossman*



## The City of Grove City, Ohio

*Department of Finance*

*Robert E. Behlen, Director*





**Auditor of State  
Betty Montgomery**

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

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**CITY OF GROVE CITY**

**FRANKLIN COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 8, 2006**