City of Grove City, Ohio

2007 Comprehensive Annual Financial Report

For the Year Ended December 31, 2007

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
of the
City of Grove City, Ohio

For the Year Ended December 31, 2007

Issued by
Department of Finance
Howard R. Whitney, Director

City of Grove City, Ohio

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The City of Grove City, Ohio

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June 23, 2008

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

We are pleased to present our Comprehensive Annual Financial Report (CAFR) of the City of Grove City for the year ended December 31, 2007. This CAFR includes financial statements and other financial and statistical data which conforms to generally accepted accounting principles as applicable to government entities. The intent of this report is to provide the stakeholders of the City of Grove City with comprehensive financial data in a format that enables them to gain a true understanding of the City's financial affairs while providing management with better information for decision making purposes.

Ohio law requires that every city file its unaudited financial statements with the Auditor of State and publish their availability within five months of the close of each year. The general purpose external financial statements from this report were filed to fulfill that requirement for the year ending December 31, 2007.

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

The Auditor of the State of Ohio has issued an unqualified ("clean") opinion on the City of Grove City's financial statements for the year ended December 31, 2007. The independent accountants' report is located at the front of the Financial Section of this report.

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

FORM OF GOVERNMENT AND REPORTING ENTITY

The City of Grove City, Ohio is a rapidly growing community of over 33,000 residents and over 1,000 businesses. The City is serviced by two interstate highways – one access point from Interstate 270 and two access points from Interstate 71. Rail service is provided by the Indiana and Ohio line. Air service is provided by Bolton Field (five miles), Port Columbus International Airport (15 miles) and by Rickenbacker Port Authority (10 miles).

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

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

Another Mayoral appointment is the Director of Finance, the Chief Financial Officer of the City. As Chief Financial Officer, the Director of Finance performs the traditional roles of controller, treasurer, budget director, financial planner, financial manager, internal auditor, and accountant. In the performance of these responsibilities, primary objectives of the Finance Director are to assure compliance with the laws of the City of Grove City and of the State of Ohio, provide current accurate information to the City Administrator, Mayor, and City Council to enable appropriate decision making, manage the City's Investment Portfolio, raise necessary funding for major projects, manage the City's finances on a day by day basis, and record keeping.

2007 represented a year of transition in the leadership of the Finance Department in the City of Grove City. The long time Finance Director retired and was replaced on an interim basis. Before the end of 2007, the incoming Mayor, Richard L. Stage, announced the hiring of a permanent Finance Director to take over in early 2008 after a transition period.

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

A reporting entity is comprised of the primary government and other organizations that are included to ensure that the financial statements of the City are not misleading. The primary government of the City consists of all funds and departments that provide services including public safety, public service, street maintenance, parks and recreation, a senior center, engineering, and general administrative services. The City is responsible for the construction, maintenance, and repairs associated with all public infrastructures, including the water and sewer lines. The City of Columbus provides water and sewer treatment services and maintenance on certain water lines pursuant to a long-term contract. Council and the City Administrator have direct responsibility for the activities mentioned above.

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

The Grove City Area Community Improvement Corporation (CIC) was created as a not for profit corporation under Sections 1724.01 et. seq., Ohio Revised Code. The CIC is governed by a twelve member Board of Trustees, six of whom are elected or appointed officials of the City, one is appointed by

Jackson Township, one is appointed by South-Western City Schools, one is appointed by the Chamber of Commerce, and three are volunteer citizens. The CIC acquires and sells real property to increase the opportunities for employment and strengthen the economic development of the Grove City area. Because the CIC is subject to joint control and the participants have no equity interest in the CIC, the CIC is a jointly governed organization of the City.

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

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

The City is a member of the 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, function and object. 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 City of Grove City is in the southwestern quadrant of the Columbus Metropolitan Area economy, an economy dominated by the service industry. The dominance of the service industry has meant that Central Ohio has been partially insulated from the economic fluctuations experienced by the rest of the State of Ohio as well as the national economy. With its primary source of revenue being the income tax, this economic stability is of great value to the City of Grove City. This is well illustrated in the unemployment rate differentials. According to the Bureau of Labor Statistics, in December, 2007, the unemployment rates were as follows: national, 4.6 percent, State of Ohio, 5.6 percent, Franklin County, 4.7 percent, and Grove City, 4.3 percent. The economic stability of Grove City is further enhanced by the diversity of business in the City, with a rapidly expanding commercial sector, banking and insurance, the distribution industry, hi tech industry, and some light manufacturing.

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

- Grove City Industrial Park — 100 acres; 13 major buildings; I-71 & SR 665
- South Park — 350 acres; 18 major buildings; I-71 & I270
- Capital Park South — 150 acres; 8 major buildings; I-270 & SR 62
- Southpointe — 53 acres; 7 major buildings; SR 665
- Gateway Business Park — 114 acres; 4 major buildings; I-71 & SR 665
- Gateway Business Park West — 232 acres; in early stages of development; SR 665
- Gateway to the City Office Park — 35 acres; I-71 & Stringtown Road

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

Principal employers in Grove City are:

South-Western City School District	1,305
Wal-Mart Associates	1,000
FedEx Ground Package System, Inc	806
The GAP Direct	600
Ohio Auto Auction	485
Nationwide	450
Wal-Mart Super Center	450
Tigerpoly Manufacturing, Inc.	400
Halcore Group	384
Tosoh	325

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

Beginning with the second half of 2007, the national economy appeared to be heading into a recession. Beginning in September, the Federal Reserve began aggressively pushing interest rates down to keep an expected impending recession from becoming too serious. As of the end of May, 2008, the economy is not yet defined to be in a recession, but most economists agree that it is a matter of time. The rate of unemployment is up and the growth rate of GDP is down, both characteristic of a recession. The recession and the lower interest rates will have a negative effect on the income of the City since the City's income comes predominantly from the income tax (corporate and personal). Because of the diversity of the business sector, however, the negative effect on the City's income tax revenue should be minimal. See Management's Discussion and Analysis for a breakdown in the major source of revenues for the City.

MAJOR INITIATIVES

FOR THE YEAR

In June, 2007, Grove City hosted the BIA Parade of Homes highlighted by the Pinnacle residential golf course community. This was a cooperative venture with the Visitors and Convention Bureau, the Chamber of Commerce, and the Town Center along with various businesses and individuals.

The issuance of single-family residential construction building permits, while down from the last four years, continued strong with 239 being issued with an average value of $239,314. As would be expected in a year of impending recession, the total value of all building permits was at the lowest level in four years, $82,830,150.

The past decade has witnessed two major development projects in Grove City, the Parkway Centres, east of Interstate 71 north and south of Stringtown Road, and the Interstate 71/State Route 665 development.

With the Parkway Centres now being deemed a highly successful project from a City development and fiscal perspective, attention is now concentrated on the Interstate 71/State Route 665 area and the redevelopment of Town Center.

The second half of 2007 began the focus of the development of various policies and procedures to help guide the finance function in its compliance with the dictates of the Charter of the City of Grove City, Ohio Revised Code and recommendations issued under the annual audit.

During this period the following were begun or revised:

- The Investment Policy was revised and approved by City Council in 2008;
- A Credit Card Policy was adopted as an Administrative Policy;
- An Accounting Policy and Procedure Manual was written by Schoenhart & Associates for use by the Finance Department;
- A Food and Beverage Policy was written and adopted as an Administrative Policy;
- A procedure for Then and Now Certificates was initiated;
- The Debt Policy was reviewed for possible modification and implementation in 2008;
- A series of monthly (and year to date) reports were prepared for the City Administrator, including a funds report, a revenue report, an expenditure report by department, and a monthly analysis of income tax receipts.

In the budgeting process, the operating budget and the budget to fund capital projects were separated. The beginnings of a Capital Improvement Program were initiated. Working with the Departmental Managers, the City Administrator, the Mayor, and the City Engineering firm, a five year Capital Improvement Program was formalized and passed in principle by City Council at the end of fiscal 2007. In conjunction with the five year Capital Improvement Program, a five year financial plan was constructed. This financial plan was created as a living document and was to be sophisticated over time. At year-end 2007, the Department was working on a funding model to fund General Fund expenditures with stable revenue sources and capital projects with the more volatile sources of funding such as the corporate profits tax.

FOR THE FUTURE

Interstate 71/State Route 665 is a three component major project being funded by local property owners, the City, the State of Ohio, and the Federal Government. The three components are:

- Widening of State Route 665 from Meadows Road to Hoover Road,
- Haughn Road Relocation, and
- Interstate 71/State Route 665 Interchange Replacement.

The first phase, Meadows to Hoover Road widening is currently under construction and should be finished in 2008. Plans are being made and funding sources being sought for phases two and three. When completed, the Interstate 71/State Route 665 area should be a rapidly developing area of the City.

The redevelopment of Town Center is also a three phase project, still in the planning phase. It includes the Town Center Plan, the redevelopment of the Lumberyard Site, and the refurbishing of Grove City Road. It is expected to be the next major development area.

Also on the drawing board is the widening of White Road, the reconstruction of Old Stringtown Road, the annual Street Program at an estimated cost of $1,500,000, the reconstruction of Borror Road, and adding a turn lane at State Route 62 and Home Road.

A major project of the Parks and Recreation Department is the purchase and installation of a second giant water slide for the Big Splash.

In addition to the major development projects, the City is continually devoting resources to numerous parks, recreation, environmental, safety, and service projects.

The Finance Department sees as its vision to experience a totally clean audit and the attainment of the highest of Moodys' bond ratings, Aaa, while at the same time enabling the attainment of the vision and the mission of the elected officials.

The Finance Department of the City of Grove City has as its mission the following:

- Maintenance of fiscal and ethical integrity in the management of the City's funds.
- Under the directives of the Mayor and the City Administrator, prepare capital and operating budgets to enable the attainment of the City's Mission.
- Invest the City's temporarily excess funds to earn the highest rate of return while maintaining minimum risk and liquidity standards.
- Raise funds in the most appropriate and economical manner.
- Monitor the inflows and outflows of the City's funds to assure that City funds are used appropriately and in compliance with the Ohio Revised Code and the City Charter.
- Maintain accurate records to enable meaningful audits, monitoring and reporting.

Based on projected slow downs in revenue growth, a conservative budget was recommended to City Council for the 2008 fiscal year. Council passed this budget. In recent years, the City has run a surplus in its day to day operations so the expected drop in revenue will not have a significant effect on the City's financial well-being.

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, 2007, by the Auditor of State. City management plans to continue to subject the financial statements to an annual independent audit as part of the preparation of the Comprehensive Annual Financial Report. The annual audit serves to assist in the maintenance and strengthening of the City's accounting and budgetary functions.

CERTIFICATE OF ACHIEVEMENT

A Certificate of Achievement is awarded by the Government Finance Officers Association of the United States and Canada for the publication of an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR). It is the highest form of recognition for government financial reporting, and has been received by the City for over ten consecutive years. This 2007 CAFR will be submitted for recognition.

ACKNOWLEDGEMENTS

Gratitude goes to Mayor Cheryl L. Grossman for her support and to the Honorable Members of City Council for granting the funds for this project. Special gratitude is extended to the Local Government Services Section of the Office of the Auditor of State for their role in the preparation of this report. And it goes without saying that the Finance Office cannot operate with any level of efficiency, nor could this report have been put together without the daily contributions of Jackie Kincade (Payroll Clerk and Assistant Finance Manager), Linda Williams (Payables Clerk), Deb Reeves (Department Secretary and Income Tax Administrator), and Kelly Geddes (part-time, all functions).

Respectfully submitted,

Howard R. Whitney, PhD
Interim Finance Director

Sharon L. Reichard, M.A.
City Administrator

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Grove City
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

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

President

Executive Director

List of Principal Officials

Elected City Officials

MAYOR

CHERYL L. GROSSMAN

MAYOR ELECT

RICHARD L. "IKE" STAGE

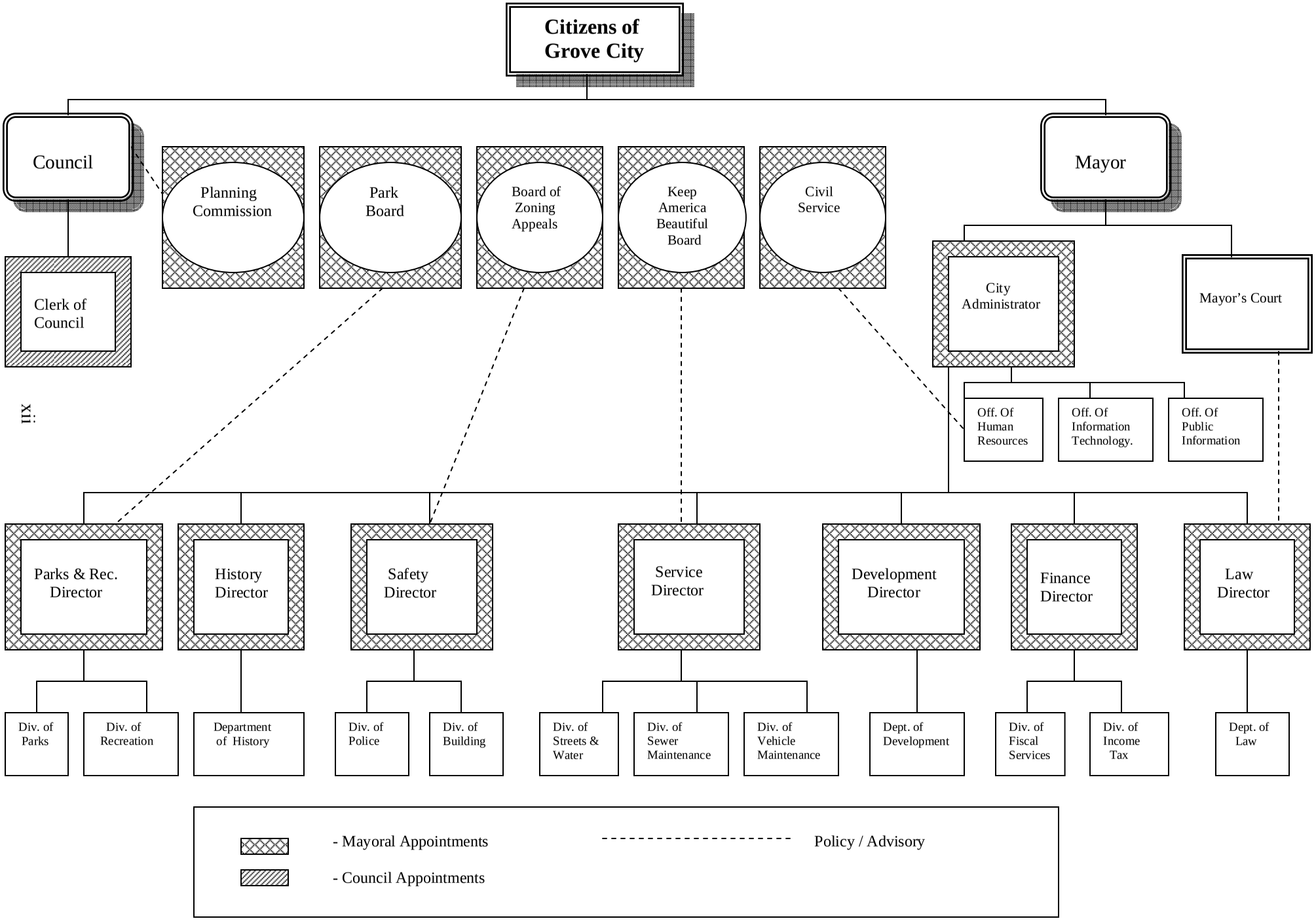
City Council

Ted A. Berry	*Council Member Ward 1*
Richard Lester	Council President *Council Member Ward 2*
Larry Corbin	*Council Member Ward 3*
Maria Klemack	*Council Member Ward 4*
Richard L. "Ike" Stage	*Council Member At Large*
Tami K. Kelly, MMC	Clerk of Council

Appointed City Officials

Sharon L. Reichard, M.A.	*City Administrator*
Howard R. Whitney Ph. D.	*Finance Director*
Bryan Elliott	*Law Director*

City of Grove City Organizational Chart



City of Grove City, Ohio

FINANCIAL SECTION

Mary Taylor, CPA
Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Grove City, Franklin County, Ohio (the City), as of and for the year ended December 31, 2007, 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, 2007, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Police Pension Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2008, 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.

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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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 23, 2008

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, 2007.

FINANCIAL HIGHLIGHTS

- The City's total net assets increased $11,539,752. Revenues of Governmental Activities exceeded expenses and transfers by $10,458,748. Net assets of Business-Type Activities increased by $1,081,004, mainly due to contributed capital assets.

- General revenues of Governmental Activities accounted for $28,491,258 or 63.01 percent of all governmental revenues. Program specific revenues in the form of charges for services, grants, contributions, and interest accounted for $16,726,747 or 36.99 percent of total governmental revenues of $45,218,005.

- Enterprise funds reflected a total operating loss of $739,835. The Water Fund reflected operating income of $98,983, while the Sewer Fund reflected an operating loss of $838,818. The operating loss of the Sewer Fund was a result of tap-in-fees utilized for system repair and replacement.

- The City had $34,709,257 in expenses related to Governmental Activities. $16,726,747 of these expenses were offset by program specific charges for services, grants, contributions, and interest. General revenues (primarily income taxes) of $28,491,258 were more than adequate to provide for these programs. The City had $2,036,586 in expenses related to Business-Type Activities. $3,067,354 in program specific charges for services, capital grants, contributions, and interest, along with general revenues and transfers of $50,236 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 the Statement of Activities provide information about the activities of the City as a whole and present a long-term view of the City's finances. The fund financial statements provide the next level of detail. For Governmental Funds, these statements tell how services were financed in the short-term, as well as the amount of funds available for future spending. The fund financial statements focus on the City's most significant funds, with all other nonmajor funds presented in total in one column.

REPORTING THE CITY AS A WHOLE

Statement of Net Assets and the Statement of Activities

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

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

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

> Governmental Activities – Most of the City's services are reported here including police, public health, leisure time activities, community development, transportation, and general government.
>
> Business-Type Activities – These services include water and sewer. Service fees for these operations are charged based upon the amount of usage. The intent is that the fees charged recoup operational costs.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

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

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

THE CITY AS A WHOLE

As stated previously, the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2007 compared to 2006.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	Restated 2006	2007	Restated 2006	2007	2006	2007
Assets:						
Current And Other Assets	$41,946,681	$52,903,967	$4,873,436	$5,930,043	$46,820,117	$58,834,010
Nondepreciable Capital Assets	36,784,963	44,916,316	322,753	85,130	37,107,716	45,001,446
Depreciable Capital Assets, Net	145,203,633	146,223,705	45,403,983	45,626,156	190,607,616	191,849,861
Total Assets	223,935,277	244,043,988	50,600,172	51,641,329	274,535,449	295,685,317
Liabilities:						
Current And Other Liabilities	4,420,348	5,156,812	33,849	49,481	4,454,197	5,206,293
Long-Term Liabilities:						
Due Within One Year	1,477,557	11,489,488	92,228	99,545	1,569,785	11,589,033
Due In More Than One Year	32,894,248	31,795,816	999,497	936,701	33,893,745	32,732,517
Total Liabilities	38,792,153	48,442,116	1,125,574	1,085,727	39,917,727	49,527,843
Net Assets:						
Invested In Capital Assets, Net Of Related Debt	151,881,393	157,897,919	44,659,643	44,726,881	196,541,036	202,624,800
Restricted For:						
Capital Outlay	2,145,785	1,620,198	0	0	2,145,785	1,620,198
Debt Service	4,865,116	7,371,049	0	0	4,865,116	7,371,049
Transportation	2,942,705	3,423,657	0	0	2,942,705	3,423,657
Security Of Persons And Property	621,068	854,615	0	0	621,068	854,615
Other Purposes	1,033,300	1,028,758	0	0	1,033,300	1,028,758
Unrestricted	21,653,757	23,405,676	4,814,955	5,828,721	26,468,712	29,234,397
Total Net Assets	$185,143,124	$195,601,872	$49,474,598	$50,555,602	$234,617,722	$246,157,474

Total net assets increased $11,539,752. Net assets of the City's Governmental Activities increased by $10,458,748. This increase is mainly reflected in infrastructure assets donated by developers, land and construction in progress. The $10,957,286 increase in current and other assets is related to an increase in the receivables primarily relating to payment in lieu of taxes and unspent proceeds from the bond anticipation notes issued during the year.

The net assets of the City's Business-Type Activities increased by $1,081,004. Depreciable capital assets (net of depreciation) increased by $222,173 which was primarily due to water and sanitary sewer additions of donated capital assets. Current and other assets increased $1,056,607. This increase is mainly reflected in cash and cash equivalents due to operating revenues exceeding operating expenses (less depreciation) for the year.

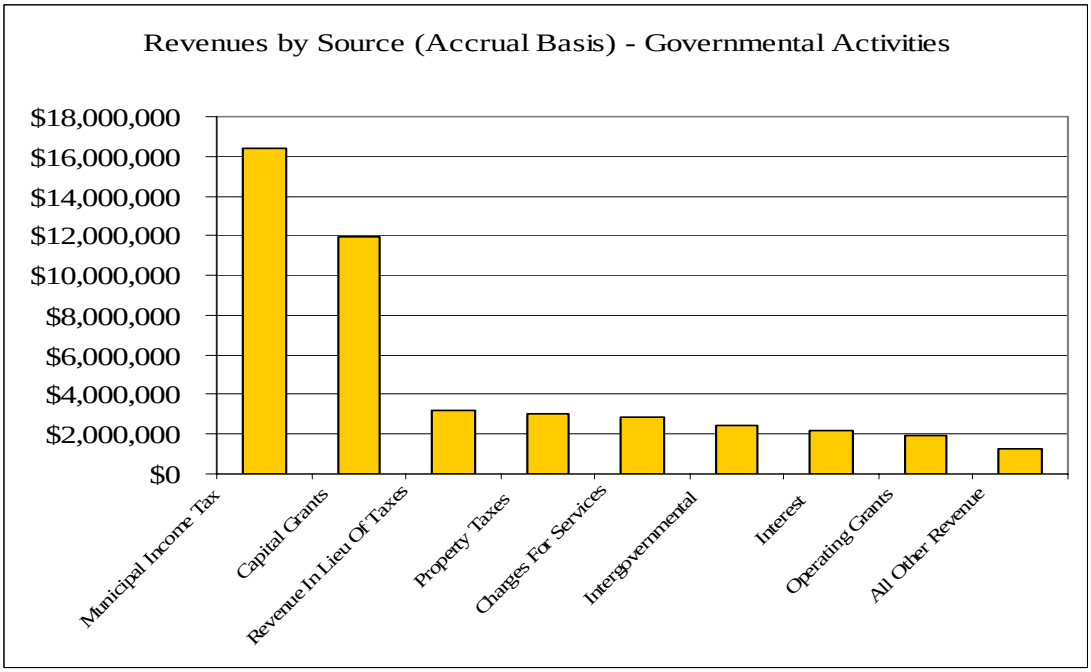
Table 2 shows the changes in net assets for the years ended December 31, 2006 and 2007.

Table 2
Changes In Net Assets

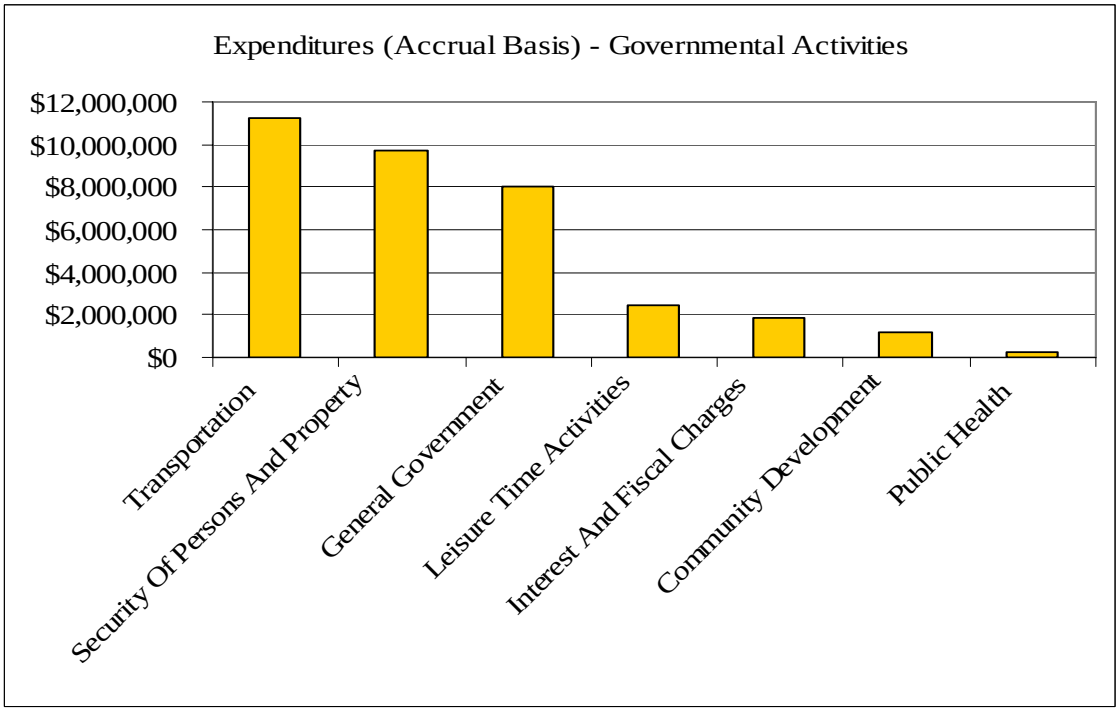
	Governmental Activities		Business-Type Activities		Total	
	2006	2007	2006	2007	2006	2007
Revenues:						
Program Revenues:						
Charges For Services	$2,708,678	$2,819,256	$1,313,221	$1,259,767	$4,021,899	$4,079,023
Operating Grants, Contributions And Interest	1,839,548	1,947,050	0	0	1,839,548	1,947,050
Capital Grants, Contributions And Interest	25,892,937	11,960,441	6,066,255	1,807,587	31,959,192	13,768,028
Total Program Revenues	30,441,163	16,726,747	7,379,476	3,067,354	37,820,639	19,794,101
General Revenues:						
Property Taxes	3,207,742	2,992,446	0	0	3,207,742	2,992,446
Revenue In Lieu Of Taxes	2,601,794	3,230,374	0	0	2,601,794	3,230,374
Other Local Taxes	882,644	1,028,325	0	0	882,644	1,028,325
Municipal Income Taxes	15,593,062	16,397,634	0	0	15,593,062	16,397,634
Unrestricted Grants And Entitlements	1,796,892	2,402,645	0	0	1,796,892	2,402,645
Unrestricted Investment Earnings	1,260,942	2,166,402	33,274	0	1,294,216	2,166,402
Other	133,292	273,432	9,277	236	142,569	273,668
Total General Revenues	25,476,368	28,491,258	42,551	236	25,518,919	28,491,494
Total Revenues	55,917,531	45,218,005	7,422,027	3,067,590	63,339,558	48,285,595
Program Expenses:						
Security Of Persons And Property	8,756,725	9,680,259	0	0	8,756,725	9,680,259
Public Health	223,883	240,079	0	0	223,883	240,079
Leisure Time Activities	2,148,506	2,461,442	0	0	2,148,506	2,461,442
Community Development	1,120,005	1,208,483	0	0	1,120,005	1,208,483
Transportation	8,515,515	11,221,371	0	0	8,515,515	11,221,371
General Government	7,650,006	8,042,295	0	0	7,650,006	8,042,295
Interest And Fiscal Charges	1,233,592	1,855,328	0	0	1,233,592	1,855,328
Water	0	0	821,112	673,536	821,112	673,536
Sewer	0	0	1,141,117	1,363,050	1,141,117	1,363,050
Total Expenses	29,648,232	34,709,257	1,962,229	2,036,586	31,610,461	36,745,843
Increase In Net Assets Before Transfers	26,269,299	10,508,748	5,459,798	1,031,004	31,729,097	11,539,752
Transfers	(1,360,916)	(50,000)	1,360,916	50,000	0	0
Increase In Net Assets	24,908,383	10,458,748	6,820,714	1,081,004	31,729,097	11,539,752
Net Assets At Beginning Of Year (Restated)	160,234,741	185,143,124	42,653,884	49,474,598	202,888,625	234,617,722
Net Assets At End Of Year	$185,143,124	$195,601,872	$49,474,598	$50,555,602	$234,617,722	$246,157,474

Governmental Activities

The two percent municipal income tax is the largest source of revenue for the Governmental Activities and the City of Grove City. Employee withholding from all businesses contributes 75 percent of the tax revenue received in 2007 with business net profit contributing 17 percent and individuals contributing 8 percent. The City provides a full tax credit for taxes paid to another municipality and an exemption for residents under the age of 18.



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



When looking at the sources of income to support Governmental Activities, it should be noted that capital grants are 26.45 percent of total revenues. This is a decrease over the prior year's capital grants revenue, due to the donation of infrastructure assets decreasing. Revenues provided by sources in the form of charges for services and operating grants comprise another 10.54 percent. The remaining revenues are primarily generated locally through property and income taxes. City Council relies on these taxes to furnish the quality of life to businesses and citizens to which they and previous Councils have always been committed.

Total revenues decreased $10,699,526 due to a decrease of $14,868,288 in donated infrastructure assets from developers. The actual increase in revenues, excluding the donated infrastructure assets is $4,168,762. Expenses increased $5,061,025, due to increases in salaries and benefits, utilities, fuel costs and an increase in capital outlay expenses relating to the State Route 665 and Interstate 71 corridor project.

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

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

Net assets of Business-Type Activities increased $1,081,004, primarily due to capital contributions from developers.

THE CITY'S FUNDS

Information about the City's major Governmental Funds begins on page 16. These funds are reported using the modified accrual basis of accounting. All Governmental Funds had total revenues of $33,365,023 and expenditures of $34,361,176. Unreserved, undesignated fund balance equals $29,876,694. The remaining fund balance of $10,026,940 is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts, purchase orders and future debt service payments. While the bulk of the governmental fund balances are not reserved in the governmental fund statements, they lead to restricted net assets on the Statement of Net Assets due to expenditure restrictions mandated by the source of the resource, such as the State or federal government.

The General Fund's balance increased by $2,205,845, due to an increase in municipal income tax, intergovernmental revenue and interest revenue. Expenditures increased in 2007 by $1,806,619, due to salary increases, utility costs, fuel prices, and capital projects undertaken. Expenditures of the General Fund represent 65.58 percent of the 2007 total governmental fund expenditures.

The Police Pension Fund's balance at December 31, 2007, was $577,103. The increase of $195,644 was due to an increase in property tax revenues.

The Debt Service Fund's balance at December 31, 2007, was $2,346,978. The increase of $251,055 was due to a decrease in interest and fiscal charges paid.

The Buckeye Center TIF Fund's balance at December 31, 2007, was $1,593,339. The increase of $349,814 was due to the receipt of revenue in lieu of taxes exceeding the required debt payment.

The Pinnacle TIF Fund's balance at December 31, 2007 was $4,748. This is a new fund for 2007.

The Capital Improvement Fund's balance increased $5,748,236 due to $6,014,840 in unspent proceeds from the issuance of bond anticipation notes.

The Water Fund's net assets increased $306,621, primarily due to capital contributions of $213,210 associated with donated water lines from developers.

The Sewer Fund's net assets increased $774,383, primarily due to capital contributions of $733,412 associated with donated sewer lines from developers and governmental funds.

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, function and object basis. During 2007 there were twenty-two revisions to the budget. The effect of the revisions was an increase in the appropriations of $7,528,963.

Original General Fund budgeted revenues were $20,941,499. The final budgeted amount was $21,723,003 resulting in a $781,504 increase over the original budgeted revenue. The increase in revenues was for municipal income tax. The original budgeted appropriations were $20,578,024. The final budgeted appropriations were $28,106,987 resulting in an increase over the original budgeted appropriations of $7,528,963. The increase in appropriations was primarily for capital outlay for the start of several projects and the completion of many other projects. Actual revenues exceeded final budgeted revenues by $1,725,581 due to an increase in income tax collections, intergovernmental revenue and a larger return on the City's investments. Actual expenditures were less than final budgeted expenditures by $3,711,922, because the City made appropriations near year-end for future construction projects and purchases. The City's ending General Fund's fund balance was $5,507,503 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 2006	2007	Restated 2006	2007	Restated 2006	2007
Land	$34,988,166	$38,996,374	$10,000	$10,000	$34,998,166	$39,006,374
Construction In Progress	1,796,797	5,919,942	312,753	75,130	2,109,550	5,995,072
Buildings	3,106,854	3,030,000	792,559	775,794	3,899,413	3,805,794
Improvements Other Than Buildings	1,363,235	1,369,384	149,693	131,080	1,512,928	1,500,464
Machinery And Equipment	2,045,405	2,515,184	116,392	105,441	2,161,797	2,620,625
Furniture And Fixtures	170,157	149,165	1,247	1,096	171,404	150,261
Vehicles	1,153,879	1,208,176	46,293	41,779	1,200,172	1,249,955
Computer Equipment	894,037	773,922	0	0	894,037	773,922
Infrastructure	136,470,066	137,177,874	44,297,799	44,570,966	180,767,865	181,748,840
Totals	$181,988,596	$191,140,021	$45,726,736	$45,711,286	$227,715,332	$236,851,307

The majority of the increase in governmental capital assets resulted from contributed capital assets of land, curbs and gutters, sidewalks, and streets, in addition to increase in construction in progress. The City received $10,297,933 in donated assets for governmental activities, of which $1,703,235 was for land, $728,065 for curbs and gutters, $242,687 for sidewalks and $7,623,946 for streets. Construction in progress increased $4,123,145 due primarily to the London Groveport Road Widening project. Business-type capital assets decreased $15,450 due to water and sewer line improvements of $213,210 and $683,412 donated by developers offset by depreciation.

See Note 10 of the notes to the basic financial statements for more detailed information.

Debt

At December 31, 2007, the City of Grove City had $43,153,416 in debt outstanding for governmental and business-type activities.

Table 4
Outstanding Debt at Year-end

	Governmental Activities		Business-Type Activities	
	2006	2007	2006	2007
General Obligation Bonds	$12,765,000	$12,110,000	$0	$0
Deferred Loss On Refunding	(29,284)	(25,101)	0	0
Premium On Bonds	63,700	61,152	0	0
Special Assessment Bonds	94,352	59,436	0	0
OPWC Loans Payable	4,051,117	3,836,340	1,067,093	984,405
TIF Revenue Bonds	16,290,000	16,260,000	0	0
Bond Anticipation Notes	0	9,530,240	0	0
Capital Leases	3,211	321,349	0	0
Total	$33,238,096	$42,153,416	$1,067,093	$984,405

Outstanding governmental debt increased by $8,915,320 from 2006, due mainly to the issuance of Bond Anticipation Notes.

Special Assessment Bonds will be paid with special assessment revenue. All general obligation bond issues will be paid through the Debt Service Fund with property tax revenues. The Governmental Activities' OPWC loans will be paid through the General Fund with property and income tax revenues. The Tax Increment Financing Revenue Bonds will be retired from monies received from revenue in lieu of taxes. The Business-Type Activities' OPWC loans will be paid from the Water and Sewer Enterprise Funds' revenues. Obligations under capital lease for equipment will be paid from the General Fund.

The City's overall legal debt margin was $68,658,828, with an unvoted debt margin of $26,776,881 at December 31, 2007.

See Notes 15 of the notes to the basic financial statements for more detailed information.

CONTACTING THE CITY'S FINANCE DEPARTMENT

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

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CITY OF GROVE CITY, OHIO

Statement Of Net Assets

December 31, 2007

	Governmental Activities	*Business-Type Activities*	*Total*
Assets:			
Equity In Pooled Cash And Cash Equivalents	$37,968,155	$5,501,600	$43,469,755
Accrued Interest Receivable	278,659	0	278,659
Accounts Receivable	6,343	247,289	253,632
Municipal Income Taxes Receivable	3,653,987	0	3,653,987
Due From Other Governments	2,297,905	0	2,297,905
Prepaid Items	24,629	0	24,629
Materials And Supplies Inventory	49,835	0	49,835
Other Local Taxes Receivable	133,313	0	133,313
Property Taxes Receivable	2,900,962	0	2,900,962
Revenue In Lieu Of Taxes Receivable	3,532,292	0	3,532,292
Cash And Cash Equivalents With Fiscal Agents	541,484	0	541,484
Cash And Cash Equivialents With Trustee	1,249,761	0	1,249,761
Deferred Charges	342,784	0	342,784
Special Assessments Receivable	105,012	0	105,012
Internal Balances	(181,154)	181,154	0
Land And Construction In Progress	44,916,316	85,130	45,001,446
Depreciable Capital Assets, Net	146,223,705	45,626,156	191,849,861
Total Assets	244,043,988	51,641,329	295,685,317
Liabilities:			
Accounts Payable	338,641	27,964	366,605
Accrued Wages Payable	74,969	1,745	76,714
Contracts Payable	506,677	0	506,677
Retainage Payable	307,702	8,163	315,865
Due To Other Governments	746,473	11,609	758,082
Deferred Revenue	2,756,336	0	2,756,336
Accrued Interest Payable	426,014	0	426,014
Long-Term Liabilities:			
Due Within One Year	11,489,488	99,545	11,589,033
Due In More Than One Year	31,795,816	936,701	32,732,517
Total Liabilities	48,442,116	1,085,727	49,527,843
Net Assets:			
Invested In Capital Assets, Net Of Related Debt	157,897,919	44,726,881	202,624,800
Restricted For:			
Capital Outlay	1,620,198	0	1,620,198
Debt Service	7,371,049	0	7,371,049
Transportation	3,423,657	0	3,423,657
Security Of Persons And Property	854,615	0	854,615
Other Purposes	1,028,758	0	1,028,758
Unrestricted	23,405,676	5,828,721	29,234,397
Total Net Assets	$195,601,872	$50,555,602	$246,157,474

See Accompanying Notes to the Basic Financial Statements

CITY OF GROVE CITY, OHIO

Statement Of Activities

For The Year Ended December 31, 2007

		Program Revenues		
	Expenses	***Charges For Services***	***Operating Grants, Contributions And Interest***	***Capital Grants, Contributions And Interest***
Governmental Activities:				
Security Of Persons And Property	$9,680,259	$354,699	$197,947	$143,286
Public Health	240,079	19,729	0	0
Leisure Time Activities	2,461,442	1,487,945	15,371	0
Community Development	1,208,483	737,648	35,322	0
Transportation	11,221,371	172,461	1,698,410	9,137,604
General Government	8,042,295	46,774	0	2,679,551
Interest And Fiscal Charges	1,855,328	0	0	0
Total Governmental Activities	34,709,257	2,819,256	1,947,050	11,960,441
Business-Type Activities:				
Water	673,536	766,940	0	213,210
Sewer	1,363,050	492,827	0	1,594,377
Total Business-Type Activities	2,036,586	1,259,767	0	1,807,587
Total Activities	$36,745,843	$4,079,023	$1,947,050	$13,768,028

General Revenues:

Property Taxes Levied For:

General Purposes

Debt Service

Police

Revenue In Lieu Of Taxes

Other Local Taxes

Municipal Income Taxes Levied For General Purposes

Grants And Entitlements Not Restricted To Specific Programs

Unrestricted Investment Earnings

Other

Transfers

Total General Revenues And Transfers

Change In Net Assets

Net Assets At Beginning Of Year - Restated (See Note 3)

Net Assets At End Of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue And Changes In Net Assets		
Governmental Activities	***Business-Type Activities***	***Total***
($8,984,327)	$0	($8,984,327)
(220,350)	0	(220,350)
(958,126)	0	(958,126)
(435,513)	0	(435,513)
(212,896)	0	(212,896)
(5,315,970)	0	(5,315,970)
(1,855,328)	0	(1,855,328)
(17,982,510)	0	(17,982,510)
0	306,614	306,614
0	724,154	724,154
0	1,030,768	1,030,768
(17,982,510)	1,030,768	(16,951,742)
1,133,738	0	1,133,738
810,143	0	810,143
1,048,565	0	1,048,565
3,230,374	0	3,230,374
1,028,325	0	1,028,325
16,397,634	0	16,397,634
2,402,645	0	2,402,645
2,166,402	0	2,166,402
273,432	236	273,668
(50,000)	50,000	0
28,441,258	50,236	28,491,494
10,458,748	1,081,004	11,539,752
185,143,124	49,474,598	234,617,722
$195,601,872	$50,555,602	$246,157,474

CITY OF GROVE CITY, OHIO

Balance Sheet
Governmental Funds

December 31, 2007

	General	Police Pension	Debt Service
Assets:			
Equity In Pooled Cash And Cash Equivalents	$22,722,304	$865,460	$2,346,978
Cash And Cash Equivalents With Fiscal Agents	0	0	0
Receivables:			
Property Taxes	1,096,147	1,019,749	785,066
Other Local Taxes	119,547	0	0
Revenue In Lieu Of Taxes	0	0	0
Municipal Income Taxes	3,653,987	0	0
Accounts	6,153	0	0
Special Assessments	29,185	0	75,827
Accrued Interest	266,621	0	0
Restricted Assets:			
Cash And Cash Equivalents With Trustee	0	0	0
Due From Other Governments	1,083,507	57,561	44,618
Materials And Supplies Inventory	27,702	0	0
Prepaid Items	24,629	0	0
Total Assets	$29,029,782	$1,942,770	$3,252,489
Liabilities And Fund Balances:			
Liabilities:			
Accounts Payable	$267,521	$0	$0
Contracts Payable	72,688	0	0
Accrued Wages Payable	70,391	0	0
Retainage Payable	77,567	0	0
Interfund Payable	181,154	0	0
Due To Other Governments	398,626	288,357	0
Deferred Revenue	4,177,609	1,077,310	905,511
Total Liabilities	5,245,556	1,365,667	905,511
Fund Balances:			
Reserved For Encumbrances	1,716,494	453,012	0
Reserved For Debt Service	0	0	0
Unreserved:			
Undesignated, Reported In:			
General Fund	22,067,732	0	0
Special Revenue Funds	0	124,091	0
Debt Service Funds	0	0	2,346,978
Capital Projects Funds	0	0	0
Total Fund Balances	23,784,226	577,103	2,346,978
Total Liabilities And Fund Balances	$29,029,782	$1,942,770	$3,252,489

See Accompanying Notes to the Basic Financial Statements

Buckeye Center TIF	*Pinnacle TIF*	*Capital Improvement*	*Nonmajor Funds*	*Total*
$348,326	$0	$8,022,022	$3,663,065	$37,968,155
0	0	0	541,484	541,484
0	0	0	0	2,900,962
0	0	0	13,766	133,313
1,811,132	1,721,160	0	0	3,532,292
0	0	0	0	3,653,987
0	0	0	190	6,343
0	0	0	0	105,012
0	0	0	12,038	278,659
1,245,013	4,748	0	0	1,249,761
111,793	109,480	96,775	794,171	2,297,905
0	0	0	22,133	49,835
0	0	0	0	24,629
$3,516,264	$1,835,388	$8,118,797	$5,046,847	$52,742,337
$0	$0	$0	$71,120	$338,641
0	0	413,989	20,000	506,677
0	0	0	4,578	74,969
0	0	230,135	0	307,702
0	0	0	0	181,154
0	0	0	59,490	746,473
1,922,925	1,830,640	96,775	672,317	10,683,087
1,922,925	1,830,640	740,899	827,505	12,838,703
0	0	6,450,483	161,938	8,781,927
1,245,013	4,748	0	0	1,249,761
0	0	0	0	22,067,732
0	0	0	3,918,374	4,042,465
348,326	0	0	0	2,695,304
0	0	927,415	139,030	1,066,445
1,593,339	4,748	7,377,898	4,219,342	39,903,634
$3,516,264	$1,835,388	$8,118,797	$5,046,847	$52,742,337

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CITY OF GROVE CITY, OHIO

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

December 31, 2007

Total Governmental Fund Balances		$39,903,634
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital Assests used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Land	38,996,374	
Construction In Progress	5,919,942	
Other Capital Assets	233,439,808	
Accumulated Depreciation	(87,216,103)	
Total		191,140,021
Bond issuance costs, reported as an expenditure in governmental funds, are allocated as an expense over the life of the debt on a full accrual basis.		342,784
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Municipal Income Taxes	1,838,357	
Property Taxes	144,626	
Revenue In Lieu Of Taxes	3,532,292	
Other Local Taxes	92,015	
Due From Other Governments	1,932,187	
Special Assessments	105,012	
Accrued Interest	278,659	
Accounts	3,603	
Total		7,926,751
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	(426,014)	
Premium On Debt Issued	(61,152)	
General Obligation Bonds	(12,110,000)	
Deferred Amount On Refunding	25,101	
Special Assessment Bonds	(59,436)	
OPWC Loans	(3,836,340)	
Revenue Bonds	(16,260,000)	
Capital Leases Payable	(321,349)	
Compensated Absences	(1,131,888)	
Notes Payable	(9,530,240)	
Total		(43,711,318)
Net Assets Of Governmental Activities		$195,601,872

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, 2007

	General	Police Pension	Debt Service
Revenues:			
Property Taxes	$1,152,763	$1,040,395	$817,581
Revenue In Lieu Of Taxes	0	0	0
Municipal Income Taxes	17,339,360	0	0
Other Local Taxes	780,900	0	0
Intergovernmental	2,082,100	105,618	83,561
Charges For Services	134,834	0	0
Licenses And Permits	659,866	0	0
Fines And Forfeitures	215,029	0	0
Special Assessments	44,228	0	32,270
Interest	1,536,546	0	0
Increase In Fair Value Of Investments	267,231	0	22,325
Rent	25,038	0	0
Contributions And Donations	2,500	0	0
Miscellaneous	121,311	140	38,568
Total Revenues	24,361,706	1,146,153	994,305
Expenditures:			
Current Operations And Maintenance:			
Security Of Persons And Property	7,895,954	950,509	0
Public Health	220,120	0	0
Leisure Time Activities	454,511	0	0
Community Development	876,086	0	0
Transportation	51	0	0
General Government	6,485,530	0	0
Capital Outlay	5,860,012	0	0
Debt Service:			
Principal Retirement	444,400	0	579,916
Interest And Fiscal Charges	299,033	0	163,334
Total Expenditures	22,535,697	950,509	743,250
Excess Of Revenues Over (Under) Expenditures	1,826,009	195,644	251,055
Other Financing Sources:			
Proceeds Of Bond Anticipation Notes	0	0	0
Proceeds Of OPWC Loan	0	0	0
Inception Of Capital Lease	30,569	0	0
Proceeds Of Capital Lease	349,267	0	0
Total Other Financing Sources	379,836	0	0
Net Change In Fund Balance	2,205,845	195,644	251,055
Fund Balances At Beginning Of Year	21,578,381	381,459	2,095,923
Fund Balances At End Of Year	$23,784,226	$577,103	$2,346,978

See Accompanying Notes to the Basic Financial Statements

Buckeye Center TIF	*Pinnacle TIF*	*Capital Improvement*	*Nonmajor Funds*	*Total*
$0	$0	$0	$0	$3,010,739
1,198,082	0	0	0	1,198,082
0	0	0	0	17,339,360
0	0	0	223,756	1,004,656
154	0	1,002,966	1,978,103	5,252,502
0	0	86,464	1,318,449	1,539,747
0	0	0	244,254	904,120
0	0	0	30,578	245,607
0	0	0	0	76,498
62,381	5,095	357,708	69,371	2,031,101
0	0	83,928	9,284	382,768
0	0	0	21,990	47,028
0	0	0	56,883	59,383
1,187	0	66,169	46,057	273,432
1,261,804	5,095	1,597,235	3,998,725	33,365,023
0	0	0	43,910	8,890,373
0	0	0	19,959	240,079
0	0	7,450	1,428,226	1,890,187
0	0	0	289,499	1,165,585
0	0	0	1,282,222	1,282,273
0	0	0	2,516	6,488,046
0	0	5,226,800	715,887	11,802,699
30,000	0	0	0	1,054,316
881,990	347	202,914	0	1,547,618
911,990	347	5,437,164	3,782,219	34,361,176
349,814	4,748	(3,839,929)	216,506	(996,153)
0		9,530,240	0	9,530,240
0	0	57,925	0	57,925
0	0	0	0	30,569
0	0	0	0	349,267
0	0	9,588,165	0	9,968,001
349,814	4,748	5,748,236	216,506	8,971,848
1,243,525	0	1,629,662	4,002,836	30,931,786
$1,593,339	$4,748	$7,377,898	$4,219,342	$39,903,634

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CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2007

Net Change In Fund Balances - Total Governmental Funds		$8,971,848
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital Outlay	11,868,320	
Donated Capital Assets	10,297,933	
Depreciation	(9,429,752)	
Excess of Capital Outlay over Depreciation Expense		12,736,501
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		(3,535,076)
Assets transferred between governmental activities and enterprise funds during the year.		
Transferred From Governmental Activities To Enterprise Funds		(50,000)
Repayment of long-term obligations is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. In the current year, these amount consist of:		
General Obligation Bond Principal Payments	655,000	
Special Assessment Bond Principal Payments	34,916	
Ohio Public Works Commission Loan Principal Payments	272,702	
Revenue Bond Payments	30,000	
Capital Lease Payments	61,698	
		1,054,316
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	(941,726)	
Property Taxes	(18,293)	
Revenue In Lieu Of Taxes	2,032,292	
Other Local Taxes	23,669	
Intergovernmental	425,869	
Special Assessments	(70,436)	
Fines And Forfeitures	150	
Accrued Interest	103,524	
		1,555,049
Some capital assests 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.		(379,836)
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	(57,925)	
State Route 665 Construction and Improvement Bond Anticipation Notes Series 2007	(9,530,240)	
		(9,588,165)
Amortization of bond issuance costs, bond premiums, bond discounts, the deferred loss on the refunding of debt, as well as accrued interest payable on the bonds are not reported in the funds, but are allocated as expenses over the life of the debt in the Statement of Activities.		
Amortization Of Premium On Bonds	2,548	
Amortization Of Bond Issuance Costs	(14,283)	
Amortization Of Loss On Refunding	(4,183)	
Net Increase In Accrued Interest	(291,792)	
		(307,710)
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:		
Decrease In Compensated Absences		1,821
Change In Net Assets Of Governmental Activities		$10,458,748

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, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Revenues:				
Property Taxes	$1,378,233	$1,073,607	$1,152,763	$79,156
Municipal Income Taxes	15,399,266	16,485,396	17,082,343	596,947
Other Local Taxes	620,000	620,000	790,869	170,869
Intergovernmental	1,387,000	1,387,000	2,019,918	632,918
Charges For Services	125,000	125,000	134,834	9,834
Licenses And Permits	704,000	704,000	659,866	(44,134)
Fines And Forfeitures	155,000	155,000	211,607	56,607
Special Assessments	23,000	23,000	44,228	21,228
Interest	1,000,000	1,000,000	1,213,703	213,703
Rent	0	0	25,038	25,038
Contributions And Donations	100,000	100,000	2,500	(97,500)
Miscellaneous	50,000	50,000	110,915	60,915
Total Revenues	20,941,499	21,723,003	23,448,584	1,725,581
Expenditures:				
Current Operations And Maintenance:				
Security Of Persons And Property	8,206,915	8,688,255	8,017,031	671,224
Public Health	210,000	242,213	218,735	23,478
Leisure Time Activities	582,920	655,507	467,023	188,484
Community Development	1,036,800	1,125,621	929,946	195,675
General Government	6,346,041	7,905,743	7,166,156	739,587
Capital Outlay	3,247,248	8,518,637	6,926,479	1,592,158
Debt Service:				
Principal Retirement	382,702	382,702	382,702	0
Interest And Fiscal Charges	565,398	588,309	286,993	301,316
Total Expenditures	20,578,024	28,106,987	24,395,065	3,711,922
Excess Of Revenues Over (Under) Expenditures	363,475	(6,383,984)	(946,481)	5,437,503
Other Financing Sources (Uses):				
Proceeds From Capital Lease	0	349,267	349,267	0
Transfers - Out	(80,000)	(70,000)	0	70,000
Total Other Financing Sources (Uses)	(80,000)	279,267	349,267	70,000
Net Change In Fund Balance	283,475	(6,104,717)	(597,214)	5,507,503
Fund Balance At Beginning Of Year	14,881,641	14,881,641	14,881,641	0
Prior Year Encumbrances	5,749,885	5,749,885	5,749,885	0
Fund Balance At End Of Year	$20,915,001	$14,526,809	$20,034,312	$5,507,503

See Accompanying Notes to the Basic Financial Statements

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Revenues:				
Property Taxes	$798,118	$987,984	$1,040,395	$52,411
Intergovernmental	141,397	142,546	106,675	(35,871)
Miscellaneous	0	0	140	140
Total Revenues	939,515	1,130,530	1,147,210	16,680
Expenditures:				
Current Operations And Maintenance:				
Security Of Persons And Property	1,132,332	1,358,409	1,358,409	0
Net Change In Fund Balance	(192,817)	(227,879)	(211,199)	16,680
Fund Balance At Beginning Of Year	397,571	397,571	397,571	0
Prior Year Encumbrances	226,076	226,076	226,076	0
Fund Balance At End Of Year	$430,830	$395,768	$412,448	$16,680

See Accompanying Notes to the Basic Financial Statements

CITY OF GROVE CITY, OHIO

Statement Of Fund Net Assets
Enterprise Funds

December 31, 2007

	Water	*Sewer*	*Total*
Assets:			
Current Assets:			
Equity In Pooled Cash And Cash Equivalents	$2,549,049	$2,952,551	$5,501,600
Receivables:			
Accounts	122,755	124,534	247,289
Interfund	181,154	0	181,154
Total Current Assets	2,852,958	3,077,085	5,930,043
Non-Current Assets:			
Land And Construction In Progress	22,896	62,234	85,130
Depreciable Capital Assets, Net	20,906,187	24,719,969	45,626,156
Total Non-Current Assets	20,929,083	24,782,203	45,711,286
Total Assets	23,782,041	27,859,288	51,641,329
Liabilities:			
Current Liabilities:			
Accounts Payable	1,759	26,205	27,964
Accrued Wages Payable	326	1,419	1,745
Compensated Absences Payable	1,195	13,196	14,391
Retainage Payable	0	8,163	8,163
Due To Other Governments	1,600	10,009	11,609
OPWC Loans Payable	25,296	59,858	85,154
Total Current Liabilities	30,176	118,850	149,026
Long-Term Liabilities (Net Of Current Portion):			
Compensated Absences Payable	1,947	35,503	37,450
OPWC Loans Payable	146,600	752,651	899,251
Total Long-Term Liabilities	148,547	788,154	936,701
Total Liabilities	178,723	907,004	1,085,727
Net Assets:			
Invested In Capital Assets, Net Of Related Debt	20,757,187	23,969,694	44,726,881
Unrestricted	2,846,131	2,982,590	5,828,721
Total Net Assets	$23,603,318	$26,952,284	$50,555,602

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, 2007

	Water	*Sewer*	*Total*
Operating Revenues:			
Charges For Services	$482,760	$492,827	$975,587
Tap-In Fees	284,180	0	284,180
Miscellaneous	7	229	236
Total Operating Revenues	766,947	493,056	1,260,003
Operating Expenses:			
Salaries	47,871	370,885	418,756
Purchased Services	66,114	253,002	319,116
Materials And Supplies	4,294	53,239	57,533
Depreciation	549,685	654,748	1,204,433
Total Operating Expenses	667,964	1,331,874	1,999,838
Operating Income (Loss)	98,983	(838,818)	(739,835)
Non-Operating Expenses:			
Loss On Disposal Of Capital Assets	0	(3,998)	(3,998)
Interest And Fiscal Charges	(5,572)	(27,178)	(32,750)
Total Non-Operating Expenses	(5,572)	(31,176)	(36,748)
Income (Loss) Before Capital Contributions and Transfers	93,411	(869,994)	(776,583)
Capital Contributions	213,210	1,644,377	1,857,587
Change In Net Assets	306,621	774,383	1,081,004
Net Assets At Beginning Of Year - Restated (See Note 3)	23,296,697	26,177,901	49,474,598
Net Assets At End Of Year	$23,603,318	$26,952,284	$50,555,602

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, 2007

	Water	***Sewer***	***Total***
Increases (Decreases) In Cash And Cash Equivalents:			
Cash Flows From Operating Activities:			
Cash Received From Customers	$495,153	$475,266	$970,419
Cash Payments For Personal Services	(45,400)	(340,294)	(385,694)
Cash Payments To Suppliers For Goods And Services	(86,675)	(280,195)	(366,870)
Other Operating Revenues	7	229	236
Tap-In Fees	284,180	0	284,180
Net Cash Provided By (Used For) Operating Activities	647,265	(144,994)	502,271
Cash Flows From Noncapital Financing Activities:			
Advances To Other Funds	0	(100,000)	(100,000)
Advances From Other Funds	122,911	0	122,911
Net Cash Provided By (Used For) Noncapital Financing Activities	122,911	(100,000)	22,911
Cash Flows From Capital And Related Financing Activities:			
Tap-In Fees	0	910,965	910,965
Acquisition Of Capital Assets	(183,405)	(221,197)	(404,602)
Principal Paid On OPWC Loans	(47,633)	(57,966)	(105,599)
Interest And Fiscal Charges Paid On OPWC Loans	(5,572)	(27,178)	(32,750)
Net Cash Provided By (Used For) Capital And Related Financing Activities	(236,610)	604,624	368,014
Net Increase In Cash And Cash Equivalents	533,566	359,630	893,196
Cash And Cash Equivalents At Beginning Of Year	2,015,483	2,592,921	4,608,404
Cash And Cash Equivalents At End Of Year	$2,549,049	$2,952,551	$5,501,600

(Continued)

CITY OF GROVE CITY, OHIO

Statement Of Cash Flows
Enterprise Funds
(Continued)

For The Year Ended December 31, 2007

	Water	*Sewer*	*Total*
Reconciliation Of Operating Income (Loss) To Net Cash Provided By (Used For) Operating Activities:			
Operating Income (Loss)	$98,983	($838,818)	($739,835)
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided By (Used For) Operating Activities:			
Depreciation	549,685	654,748	1,204,433
Changes In Assets And Liabilities:			
(Increase) Decrease In Accounts Receivable	12,393	(17,561)	(5,168)
Increase In Accounts Payable	1,711	18,308	20,019
Decrease In Contracts Payable	(2,300)	0	(2,300)
Increase (Decrease) In Retainage Payable	(15,612)	8,163	(7,449)
Increase In Accrued Wages Payable	275	1,239	1,514
Increase In Due To Other Governments	572	3,276	3,848
Increase In Compensated Absences Payable	1,558	25,651	27,209
Net Cash Provided By (Used For) Operating Activities	$647,265	($144,994)	$502,271
Noncash Capital Financing Activities:			
Service Lines Contributed By Governmental Funds	$0	$50,000	$50,000
Service Lines Donated By Developers	213,210	683,412	896,622
Total Noncash Capital Financing Activities	$213,210	$733,412	$946,622

See Accompanying Notes to the Basic Financial Statements

CITY OF GROVE CITY, OHIO

Statement Of Fiduciary Assets And Liabilities Agency Funds

December 31, 2007

Assets:	
Equity In Pooled Cash And Cash Equivalents	$1,135,740
Receivables:	
Other Local Taxes	13,766
Total Assets	$1,149,506
Liabilities:	
Undistributed Assets	$31,917
Deposits Held And Due To Others	1,117,589
Total Liabilities	$1,149,506

See Accompanying Notes to the Basic Financial Statements

NOTE 1 - DESCRIPTION OF THE CITY AND REPORTING ENTITY

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

The charter provides for the strong Mayor-Council-Administrator plan of government, whereby the legislative powers of the City are vested in a five member City Council, one of whom is elected at large for a two-year term with the remaining members elected by ward for four-year overlapping terms, two elected each biennium. The Council sets the compensation guidelines for City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, appropriations, indebtedness, licensing of regulated businesses and trades, and other municipal purposes.

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

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

THE REPORTING ENTITY

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

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

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

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

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

The City is a member of the Central Ohio Health Care Consortium (the "Pool"), a risk sharing pool which provides health insurance. The Pool, which commenced business on January 1, 1992, has five members consisting of various cities, villages, and townships. The members originally entered into an irrevocable agreement to remain members of the Pool for a minimum of three years. This agreement was renewed for an additional three years on January 1, 2007. The Pool is governed by a Board of Directors consisting of one director appointed by each member. The Board elects a chairman, a vice chairman and a secretary. The Board is responsible for its own financial matters and the Pool maintains its own books of account. Budgeting and financing of the Pool is subject to the approval of the Board. The City has no explicit and measurable equity interest in the Pool. The City has no ongoing financial responsibility other than the three year minimum membership. See Note 19.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain City functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds utilized by the City: governmental, proprietary, and fiduciary.

GOVERNMENTAL FUNDS

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

The following are the City's major governmental funds:

> General Fund - This fund accounts for all 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Pinnacle TIF Debt Service Fund – This fund accounts for the resources that are used for payment of principal and interest and fiscal charges on the Pinnacle Bonds.

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

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

PROPRIETARY FUNDS

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FIDUCIARY FUNDS

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

MEASUREMENT FOCUS

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF ACCOUNTING

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

REVENUES - EXCHANGE AND NON-EXCHANGE TRANSACTIONS

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within thirty-one days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, revenue in lieu of taxes, grants, entitlements, and donations. On an accrual basis, revenue from income tax is recognized in the year in which the income is earned. Revenue from property taxes and revenue in lieu of taxes is recognized in the year for which the taxes are levied (See Note 8). 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, 2007, but were levied to finance 2008 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met have also been recorded as deferred revenue.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

EXPENSES/EXPENDITURES

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

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

CASH AND CASH EQUIVALENTS

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "Equity In Pooled Cash And Cash Equivalents" on the financial statements. The City has permissive motor vehicle license money, which is held by the Franklin County Engineer as agent and distributed to the City for approved street projects. The balance in this account is presented on the Balance Sheet as "Cash And Cash Equivalents With Fiscal Agents". The City utilizes trustee accounts to hold monies for the payment of principal and interest and as a reserve required by the debt covenant relating to the Buckeye Center Tax Increment Financing Revenue Bonds and the Pinnacle Bonds. The balances in the accounts are presented on the Balance Sheet as "Restricted Assets: Cash And Cash Equivalents With Trustee".

During the year, investments were limited to Federal Home Loan Bank Consolidation Bonds, Federal Home Loan Bank Bonds, Federal Home Loan Mortgage Corporation Bonds, Federal National Mortgage Association Bonds, Federal Farm Credit Bank Consolidation Bonds, 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 2007 amounted to $1,536,546, which includes $781,904 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond December 31, 2007, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure is reported in the year in which services are consumed.

CAPITAL ASSETS

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

Capital assets are capitalized at cost (or estimated historical cost which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and deletions during the year. Donated capital assets are recorded at their fair market values on the date received. The City maintains a capitalization threshold of one thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All reported capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacements. In the case of the initial capitalization of general infrastructure assets, the City chose to include all infrastructure items regardless of their acquisition date.

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

	YEARS
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
Infrastructure:	
Curbs And Gutters	15
Sidewalks	15
Streets	20-50
Street Lights	30
Storm Sewer Lines	50
Traffic Signals	30
Other Infrastructure	20-50
Water And Sewer Lines	50

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

COMPENSATED ABSENCES

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

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

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

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

BOND PREMIUM/UNAMORTIZED BOND ISSUANCE COSTS/LOSS

On the government-wide financial statements, bond premiums and issuance costs are deferred and amortized over the term of the bonds using the straight-line method, since the results are not significantly different from the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds payable whereas issuance costs are recorded as deferred charges. On the governmental fund financial statements, issuance costs and bond premiums and discounts are recognized in the period in which the debt is issued.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CONTRIBUTIONS OF CAPITAL

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

RESERVES OF FUND BALANCE

Reserves of fund equity in governmental funds indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for encumbrances and debt service. The reserve for debt service is the amount required by the tax increment financing revenue bond covenant to be maintained in a separate trustee account.

RESTRICTED ASSETS

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets are for monies held in a trustee account relating to the tax increment financing revenue bonds.

INTERFUND RECEIVABLES/PAYABLES

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

INTERNAL ACTIVITY

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NET ASSETS

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

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

The government-wide Statement of Net Assets reports $14,298,277 of restricted net assets for governmental activities, none of which are 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.

BUDGETS AND BUDGETARY ACCOUNTING

All funds other than agency funds are legally required to be budgeted and appropriated. The Pinnacle TIF Debt Service Fund was not budgeted for 2007. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriation resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the fund, function, object level for all funds.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

CHANGES IN ACCOUNTING PRINCIPLES

During 2007, the City has implemented *Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues",* and *GASB Statement No. 50, "Pension Disclosures"*.

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees' years of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. An OPEB liability at transition was determined in accordance with this Statement for both the OPERS and the OP&F post-employment healthcare plans in the amount of $57,160 and $150,539, respectively, which are the same as the previously reported liabilities.

GASB Statement No. 48 addresses how to account for the exchange of an interest in expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments. The statement established criteria used to determine whether the transaction should be recorded as revenue or as a liability (a sale or a collateralized borrowing). The implementation of this statement did not result in any change to the financial statements.

GASB Statement No. 50 requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements. The implementation of this statement did not result in any change to the financial statements.

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

RESTATEMENT OF PRIOR YEAR NET ASSETS

Due to changes in asset classifications for governmental assets and the City having missed recording some underground water and sewer lines in prior years and the misapplication of tap-in-fees, it was necessary to restate net assets at December 31, 2006 as follows:

	Governmental Activities	*Business-Type Activities*	*Total*
Net Assets, December 31, 2006	$185,551,117	$46,883,108	$232,434,225
Restatement of Assets	$0	($175,666)	($175,666)
Restatement of Capital Assets	(407,993)	2,767,156	2,359,163
Net Assets, December 31, 2006 as Restated	$185,143,124	$49,474,598	$234,617,722

	Water	*Sewer*	*Total*
Net Assets, December 31, 2006	$21,641,837	$25,241,271	$46,883,108
Restatement of Assets	0	(175,666)	(175,666)
Restatement of Capital Assets	1,654,860	1,112,296	2,767,156
Net Assets, December 31, 2006 as Restated	$23,296,697	$26,177,901	$49,474,598

NOTE 4 - COMPLIANCE

The Emergency 911 Special Revenue Fund had original and final appropriations in excess of estimated revenues and available fund balance in the amount of $140,786. The Drug Law Enforcement Special Revenue Fund had final appropriations in excess of revenues and available fund balance in the amount of $328. The City will monitor budgetary controls more closely and ensure that documents are filed with the County Auditor in a timely manner in the future to alleviate such compliance issues

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

17 CFR 240.15c-12 and the City's debt covenants require the City to provide a copy of their annual report to each Nationally Recognized Municipal Securities Information Repository (NRMSIR) and State Information Depository (SID) on annual basis. During 2007, the City did not submit the annual financial report to the NRMSIR or SID. The City will file future annual reports.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position and results of operations on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) is presented for the General Fund and the Police Pension Special Revenue Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are that:

(a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

(b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

(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).

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (Continued)

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis for the General Fund and the Police Pension Special Revenue Fund are as follows:

Net Change
In Fund Balance

	General	*Police Pension*
GAAP Basis	$2,205,845	$195,644
Increases (Decreases) Due To:		
Revenue Accruals	(277,355)	1,057
Expenditure Accruals	209,407	45,112
Encumbrances Outstanding At Year-end (Budget Basis)	(2,068,775)	(453,012)
Change In Fair Value Of Investments - 2007	(205,628)	0
Unrecorded Cash - 2007	(413,589)	0
Change In Fair Value Of Investments - 2006	(61,603)	0
Unrecorded Cash - 2006	14,484	0
Budget Basis	($597,214)	($211,199)

NOTE 6 - DEPOSITS AND INVESTMENTS

The investment and deposit of City monies are governed by the Ohio Revised Code and the City's charter. State statutes classify monies held by the City into three categories.

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

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

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

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

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

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above 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;

6. The State Treasurer's investment pool (STAROhio); and

7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time.

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

1. Bonds of the State of Ohio;

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.

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS

As of December 31, 2007, the City had the following investments:

		Investment Maturities (in Years)			
	Fair Value	*Less than 1*	*1 - 2*	*3 - 5*	*Call Date*
Federal Home Loan Bank Consolidation Bonds	$5,994,901	$2,104,306	$1,504,845	$2,385,750	1/12/2008 to 11/19/2008
Federal Home Loan Bank Bonds	6,648,942	1,620,502	1,999,690	3,028,750	3/24/2007 to 10/1/2009
Federal Home Loan Mortgage Corporation Bonds	2,505,446	350,252	1,651,044	504,150	1/13/2008 to 10/23/2008
Federal National Mortgage Association Bonds	8,135,168	0	3,128,531	5,006,637	6/30/2004 to 9/25/2009
Federal Farm Credit Bank Consolidation Bonds	1,000,310	0	0	1,000,310	Continuously Callable
Repurchase Agreement	4,921,454	4,921,454	0	0	-----
Totals	$29,206,221	$8,996,514	$8,284,110	$11,925,597	

INTEREST RATE RISK

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

CREDIT RISK

The Federal Home Loan Bank Consolidation Bonds, Federal Home Loan Bank Bonds, Federal Home Loan Mortgage Corporation Bonds, Federal National Mortgage Association Bonds and Federal Farm Credit Bank Consolidation Bonds carry a rating of Aaa by Moody's and AAA by Standard and Poor's. The Repurchase Agreement (underlying investments of Federal Home Loan Bank Note) has a credit rating of Aaa by Moody's and AAA by Standard and Poor's. The City has no policy regarding credit risk.

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

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 Federal Farm Credit Bank Consolidation Bonds represent 20.53 percent, 22.77 percent, 8.58 percent, 27.85 percent and 3.42 percent respectively, of the City's total investments. The remaining 16.85 percent is invested in a Repurchase Agreement.

NOTE 7 - MUNICIPAL INCOME TAX

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

NOTE 8 - PROPERTY TAX

Property taxes include amounts levied against all real, public utility, and tangible personal property (used in business) located in the City. Property tax revenue received during 2007 for real and public utility property taxes represents collections of 2006 taxes. Property tax payments received during 2007 for tangible personal property (other than public utility property) are for 2007 taxes.

2007 real property taxes are levied after October 1, 2007 on the assessed value as of January 1, 2007, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2007 real property taxes are collected in and intended to finance 2008.

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. 2007 public utility property taxes became a lien December 31, 2006, are levied after October 1, 2007, and are collected in 2008 with real property taxes.

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

NOTE 8 - PROPERTY TAX (Continued)

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

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

The full tax rate for all City operations for the year ended December 31, 2007, was $3.50 per $1,000 of assessed value. The assessed values of real and tangible personal property upon which 2007 property tax receipts were based are as follows:

Category	*Assessed Value*
Real Property	
Residential/Agricultural	$634,232,410
Commercial/Industiral/Public Utility	172,120,240
Public Utility Personal	7,283,000
General Business Personal	24,003,306
Total Property Taxes	$837,638,956

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Grove City. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represents real and tangible personal property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2007, 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 2007 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 9 - RECEIVABLES

Receivables at December 31, 2007, consisted of property and other local taxes, revenue in lieu of taxes, municipal income taxes, accounts, special assessments, interest on investments, and intergovernmental receivables arising from grants, entitlements or shared revenues. All receivables are considered fully collectible and will be received within one year with the exception of property taxes, income taxes and special assessments. Water and sewer charges receivable which, if delinquent, may be certified and collected as a special assessment, are subject to foreclosure for nonpayment. Property and income taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. Special assessments expected to be collected in more than one year for the City amount to $53,251. The City had $3,062 in delinquent special assessments at December 31, 2007.

NOTE 9 - RECEIVABLES (Continued)

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities:	
Local Government	$752,770
Liquor Permits	35,000
Cigarette Tax	966
U.S.Department Of Justice Bulletproof Vest Grant	11,819
STOP Program	2,714
DUI Task Force Grant	2,170
DARE Grant	44,538
Ohio Public Works Commission Grant	96,775
Estate Tax	163,803
Immobilization Fee	400
Fines And Forfeitures	317
Personal Property Exemption	4,036
Homestead And Rollback	373,399
Pari-Mutuel Tax	17,302
Gasoline Tax	544,230
Motor Vehicle License Tax	125,645
Permissive Motor Vehicle License Tax	122,021
Total Intergovernmental Receivable	$2,297,905

REVENUE IN LIEU OF TAXES

Beginning in 2006, the City began receiving revenue in lieu of taxes from the Buckeye Center Tax Increment Financing Agreement entered into between the City and Stringtown Partners North, Stringtown Partners South, and Lucas State Street Stringtown Limited, for the purpose of constructing the Parkway Center North and South retail center.

Starting in 2007, the City began receiving additional revenue in lieu of taxes from the Pinnacle Tax Increment Financing Agreements entered into between the City and Pinnacle Development Company, Ltd., and M/I Homes of Central Ohio for the purpose of constructing a golf course community consisting of a golf course, single-family homes and attached and detached residential condominiums.

NOTE 9 - RECEIVABLES (Continued)

To encourage these improvements, the companies and home owners were granted an exemption from paying any property taxes on the new construction; however, payments in lieu of taxes are made to the City in an amount equal to the real property taxes that otherwise would have been due in that current year. These payments are being used to finance public improvements and will continue over thirty years. Additional payments are made to the South-Western City School District since it is impacted by the exemption for a period of up to thirty years. The City is not able to record a receivable for all future payments because the payments are based upon the projected collections. A receivable has been recorded in the amount of $3,532,292, which represents amounts measurable at December 31, 2007.

NOTE 10 - CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2007, was as follows:

	Restated Balance At 12/31/2006	*Additions*		*Deletions*	*Balance At 12/31/2007*
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	$34,988,166	$4,008,208	*	$0	$38,996,374
Construction In Progress	1,796,797	5,910,537		(1,787,392)	5,919,942
Total Capital Assets, Not Being Depreciated	36,784,963	9,918,745		(1,787,392)	44,916,316
Depreciable Capital Assets:					
Buildings	6,189,664	0		0	6,189,664
Improvements Other Than Buildings	3,053,672	277,890		(67,193)	3,264,369
Machinery And Equipment	4,588,191	1,156,700		(1,307,353)	4,437,538
Furniture And Fixtures	462,191	92,026		(135,232)	418,985
Vehicles	2,307,072	340,582		(180,861)	2,466,793
Computer Equipment	2,118,785	193,524		(130,943)	2,181,366
Infrastructure:					
Curbs And Gutters	17,354,621	1,894,392	*	(642,793)	18,606,220
Sidewalks	5,659,921	290,831	*	0	5,950,752
Streets	170,757,164	9,283,788	*	(5,177,446)	174,863,506
Street Lights	2,389,847	124,128		0	2,513,975
Storm Sewer Lines	8,138,748	33,270		0	8,172,018
Traffic Signals	1,663,006	0		0	1,663,006
Other Infrastructure	2,413,847	297,769		0	2,711,616
Total Depreciable Capital Assets	$227,096,729	$13,984,900		($7,641,821)	$233,439,808

(Continued)

NOTE 10 - CAPITAL ASSETS (Continued)

	Restated Balance At 12/31/2006	*Additions*	*Deletions*	*Balance At 12/31/2007*
Less Accumulated Depreciation:				
Buildings	($3,082,810)	($76,854)	$0	($3,159,664)
Improvements Other Than Buildings	(1,690,437)	(259,420)	54,872	(1,894,985)
Machinery And Equipment	(2,542,786)	(349,698)	970,130	(1,922,354)
Furniture And Fixtures	(292,034)	(32,371)	54,585	(269,820)
Vehicles	(1,153,193)	(211,866)	106,442	(1,258,617)
Computer Equipment	(1,224,748)	(306,456)	123,760	(1,407,444)
Infrastructure:				
Curbs And Gutters	(8,547,940)	(1,083,524)	444,489	(9,186,975)
Sidewalks	(2,431,533)	(326,101)	0	(2,757,634)
Streets	(59,781,778)	(6,354,343)	2,352,467	(63,783,654)
Street Lights	(132,545)	(82,004)	0	(214,549)
Storm Sewer Lines	(618,034)	(138,082)	0	(756,116)
Traffic Signals	(164,795)	(65,013)	0	(229,808)
Other Infrastructure	(230,463)	(144,020)	0	(374,483)
Total Accumulated Depreciation	(81,893,096)	(9,429,752)	4,106,745	(87,216,103)
Depreciable Capital Assets, Net	145,203,633	4,555,148	(3,535,076)	146,223,705
Governmental Activities Capital Assets, Net	$181,988,596	$14,473,893	($5,322,468)	$191,140,021

* $10,297,933 of the additions consisted of assets donated by developers.

Depreciation expense was charged to governmental programs as follows:

Security Of Persons And Property	$509,502
Leisure Time Activities	380,367
Community Development	27,231
Transportation	6,484,033
General Government	2,028,619
Total Depreciation Expense	$9,429,752

NOTE 10 - CAPITAL ASSETS (Continued)

	Restated Balance At 12/31/2006	*Additions*	*Deletions*	*Balance At 12/31/2007*
Business-Type Activities				
Capital Assets Not Being Depreciated:				
Land	$10,000	$0	$0	$10,000
Construction In Progress	312,753	232,555	(470,178)	75,130
Total Capital Assets, Not Being Depreciated	322,753	232,555	(470,178)	85,130
Depreciable Capital Assets:				
Buildings	868,211	0	0	868,211
Improvements Other Than Buildings	569,402	0	(1,285)	568,117
Machinery And Equipment	223,463	0	(18,839)	204,624
Furniture And Fixtures	1,511	0	0	1,511
Vehicles	113,555	0	0	113,555
Computer Equipment	7,235	0	0	7,235
Infrastructure:				
Water Lines	25,293,104	456,104	0	25,749,208
Sewer Lines	30,955,746	974,500	0	31,930,246
Total Depreciable Capital Assets	58,032,227	1,430,604	(20,124)	59,442,707
Less Accumulated Depreciation:				
Buildings	(75,652)	(16,765)	0	(92,417)
Improvements Other Than Buildings	(419,709)	(17,734)	406	(437,037)
Machinery And Equipment	(107,071)	(7,832)	15,720	(99,183)
Furniture And Fixtures	(264)	(151)	0	(415)
Vehicles	(67,262)	(4,514)	0	(71,776)
Computer Equipment	(7,235)	0	0	(7,235)
Infrastructure:				
Water Lines	(5,220,920)	(515,147)	0	(5,736,067)
Sewer Lines	(6,730,131)	(642,290)	0	(7,372,421)
Total Accumulated Depreciation	(12,628,244)	(1,204,433)	16,126	(13,816,551)
Depreciable Capital Assets, Net	45,403,983	226,171	(3,998)	45,626,156
Business-Type Activities Capital Assets, Net	$45,726,736	$458,726	($474,176)	$45,711,286

For the year ended December 31, 2007, the City's enterprise funds received water and sewer lines that were both donated by developers and paid for from other governmental funds. The water and sewer lines were recorded as capital assets in the respective funds. The value of the water and sewer lines were $213,210 and $683,412, respectively as donated by developers and $50,000 in the Sewer Fund paid from Governmental Funds.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description - The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional 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. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2007, members in state and local classifications contributed 9.5 percent of covered payroll, public safety members contributed 9.75 percent, and law enforcement members contributed 10.1 percent.

The City's contribution rate for 2007 was 13.85 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.17 percent of covered payroll. For the period January 1 through June 30, a portion of the City's contribution equal to 5.0 percent of covered payroll was allocated to fund the post-employment health care plan; for the period July 1 through December 31, 2007 this amount was increased to 6.0 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the City of 14.0 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were $370,171, $440,706 and $410,971 respectively; 90.07 percent has been contributed for 2007 and 100 percent for 2006 and 2005. Contributions to the member-directed plan for 2007 were $19,736 made by the City and $13,537 made by the plan members.

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

OHIO POLICE AND FIRE PENSION FUND

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

Funding Policy - Plan members are required to contribute 10.0 percent of their annual covered salary to fund pension obligations. The City's contribution was 19.5 percent for police officers and 24.0 percent for firefighters. The City has no firefighters. Contribution rates are established by State statute. For 2007, a portion of the City's contribution equal to 6.75 percent of covered payroll was allocated to fund the post-employment health care plan. The City's pension contributions to OP&F for police and firefighters were $647,020 for the year ended December 31, 2007, $530,442 for the year ended December 31, 2006, and $475,527 for the year ended December 31, 2005. The full amount has been contributed for 2006 and 2005. 69.83 percent has been contributed for 2007.

NOTE 12 - POSTEMPLOYMENT BENEFITS

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description - OPERS maintains a cost sharing multiple employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for post-employment health care coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2007, local government employers contributed 13.85 percent of covered payroll (17.17 percent for public safety and law enforcement). Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding postemployment health care benefits. The amount of the employer contributions which was allocated to fund post-employment health care was 5.0 percent of covered payroll from January 1 through June 30, 2007, and 6.0 percent from July 1 to December 31, 2007.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2007, 2006, and 2005 were $282,934, $215,563 and $172,134 respectively; 76.43 percent has been contributed for 2007 and 100 percent for 2006 and 2005.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

OHIO POLICE AND FIRE PENSION FUND

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

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit or is a spouse or eligible dependent child of such person.

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

NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)

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

Funding Policy - OP&F's post-employment healthcare plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2007, the employer contribution allocated to the healthcare plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the OPEB Plan.

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police were $342,540 for the year ended December 31, 2007, $349,866 for the year ended December 31, 2006, and $313,646 for the year ended December 31, 2005. The full amount has been contributed for 2006 and 2005. 52.94 percent has been contributed for 2007.

NOTE 13 - 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 employees' 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.

NOTE 13 - 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 employees' earned unused sick leave upon termination from the City or the full balance may be transferred to another governmental agency. In the event that an employee dies as the result of injuries sustained on the job, his or her estate will be paid the total allowable amount of all earned unused sick leave.

HEALTH CARE BENEFITS

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

DEFERRED COMPENSATION

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

NOTE 14 - CAPITAL LEASES - LESSEE DISCLOSURE

During 2007 and in prior years, the City has entered into capitalized leases for postage systems and a telephone system. The leases meet the criteria of a capital lease as defined by *Statement of Financial Accounting Standards No. 13, "Accounting for Leases"*, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. The capital lease relating to the telephone system relates to a renovation project where the City made upgrades to its telephone system and installed Voice Over Internet Protocol technology. As part of the agreement Key Government Finance, Inc., the lessor deposited $349,267 in the City's name, with an escrow agent for the project. Amounts were paid to contractors by the lessor as worked progressed. The City would then record a memo entry for the activity paid on its behalf on its books. At year-end, the project was completed and no money was held by the escrow agent. The City makes monthly principal and interest payments to the lessor. Key Government Finance, Inc. will be repaid in 2012. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

Capital assets acquired by lease were capitalized in the amount of $381,171. This amount represents the present value of the minimum lease payments at the time of acquisition. Principal payments in 2007 totaled $61,698 in the governmental funds.

NOTE 14 - CAPITAL LEASES - LESSEE DISCLOSURE (Continued)

The assets acquired through capital leases as of December 31, 2007, are as follows:

	Asset Value	*Accumulated Depreciation*	*Net Book Value*
Postage Systems	$31,904	$3,083	$28,821
Telephone System	349,267	7,584	341,683
Totals	$381,171	$10,667	$370,504

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, 2007:

Year Ending December 31,	*Payments*
2008	$84,666
2009	84,665
2010	84,504
2011	82,961
2012	19,705
Total	356,501
Less: Amount Representing Interest	(35,152)
Present Value of Minimum Lease Payment	$321,349

NOTE 15 - 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, 2007, were as follows:

Types / Issues	*Balance 12/31/06*	*Issued*	*Retired*	*Balance 12/31/07*	*Due Within One Year*
Business-Type Activities					
Ohio Public Works Commission (OPWC) Loans					
1993 - 0.00% Park Street Improvements $86,907	$17,381	$0	$6,952	$10,429	$6,952
1994 - 3.50% Columbus Street Reconstruction $128,422	67,012	0	7,395	59,617	7,656
1995 - 3.00% Kingston Avenue Reconstruction $200,624	112,225	0	10,375	101,850	10,688
1995 - 3.50% Grant Run Interceptor Phase II $537,324	305,898	0	27,661	278,237	28,637
1999 - 3.00% Marsh Run Gravity Sewer $703,276	564,577	0	30,305	534,272	31,221
Total OPWC Loans	1,067,093	0	82,688	984,405	85,154
Compensated Absences	24,632	40,955	13,746	51,841	14,391
Total Business-Type Activities	$1,091,725	$40,955	$96,434	$1,036,246	$99,545

NOTE 15 - OUTSTANDING DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

Types / Issues	*Balance 12/31/06*	*Issued*	*Retired*	*Balance 12/31/07*	*Due Within One Year*
Governmental Activities					
General Obligation Bonds					
1991 - 6.65% Various Purpose Street Improvement Bonds $1,220,000	$545,000	$0	$95,000	$450,000	$100,000
1993 - 2.85% - 5.25% General Obligation Refunding Bonds $2,815,000	790,000	0	250,000	540,000	265,000
2001 - 4.51% Various Purpose Improvement Bonds $1,840,000	1,610,000	0	55,000	1,555,000	55,000
2004 - 2.00% General Obligation Refunding Bonds $1,360,000	1,090,000	0	145,000	945,000	150,000
Deferred Loss On Refunding	(29,284)	0	(4,183)	(25,101)	0
2006 - Pinnacle Club Drive Construction And Improvement Bonds					
Serial Bonds 4.0% - 5.25% $4,225,000	4,225,000	0	110,000	4,115,000	215,000
Term Bonds 4.0% $4,505,000	4,505,000	0	0	4,505,000	0
Premium On Bonds	63,700	0	2,548	61,152	0
Total General Obligation Bonds Payable	12,799,416	0	653,365	12,146,051	785,000
Special Assessment Bonds With Governmental Commitment					
1988 - 7.5% Sewer Construction And Installation $60,000	10,000	0	5,000	5,000	5,000
1990 - 7.5% Home Road Construction $112,415	44,352	0	9,916	34,436	10,659
1998 - 6.0% Seeds Road Improvement $200,000	40,000	0	20,000	20,000	20,000
Total Special Assessment Bonds	$94,352	$0	$34,916	$59,436	$35,659

(Continued)

NOTE 15 - OUTSTANDING DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

Types / Issues	*Balance 12/31/06*	*Issued*	*Retired*	*Balance 12/31/07*	*Due Within One Year*
Ohio Public Works Commission (OPWC) Loans					
1993 - 0.00% Park Street Improvements $292,009	$69,531	$0	$27,811	$41,720	$27,810
1998 - 0.00% Haughn Road Widening $446,773	263,485	0	22,911	240,574	22,911
1997 - 0.00% Hoover Road/ SR 665 Realignment $351,546	203,528	0	18,503	185,025	18,502
1999 - 0.00% Broadway $409,887	276,676	0	20,494	256,182	20,494
1999 - 0.00% Hoover Road/ Buckeye Ranch/ Orders Road $518,378	336,945	0	25,919	311,026	25,919
2000 - 0.00% Hoover Road/ Old Stringtown To Sonora Drive $745,578	540,544	0	37,279	503,265	37,279
2001 - 0.00% Broadway $456,181	422,470	0	36,737	385,733	36,737
2004 - 0.00% Hoover Road/ Milligan Road To Orders Road $720,000	662,099	0	35,789	626,310	35,789
2005 - 0.00% Demorest Road/ Big Run Road $543,017	529,442	0	27,151	502,291	27,151
2005 - 0.00% Stringtown Road/ Interstate 71 To McDowell Road $1,235,678	746,397	57,925	20,108	784,214	40,216
Total OPWC Loans	4,051,117	57,925	272,702	3,836,340	292,808
Tax Increment Financing Revenue Bonds					
2006 - 5.13% - 5.38% Buckeye Center TIF Revenue Bonds $16,290,000	$16,290,000	$0	$30,000	$16,260,000	$185,000

(Continued)

NOTE 15 - OUTSTANDING DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

Types / Issues	*Balance 12/31/06*	*Issued*	*Retired*	*Balance 12/31/07*	*Due Within One Year*
Other Long-Term Obligations					
Capital Leases	$3,211	$379,836	$61,698	$321,349	$70,585
2007 - 4.0% State Route 665 Construction and Improvement Bond Anticipation Notes $9,530,240	0	9,530,240	0	9,530,240	9,530,240
Compensated Absences	1,133,709	555,750	557,571	1,131,888	590,196
Total Other Long-Term Obligations	1,136,920	10,465,826	619,269	10,983,477	10,191,021
Total Governmental Activities	$34,371,805	$10,523,751	$1,610,252	$43,285,304	$11,489,488

The City's overall legal debt margin was $68,658,828, with an unvoted debt margin of $26,776,881 at December 31, 2007.

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

	Governmental Activities					
	General Obligation Bonds				*Special Assessment Bonds With Governmental Commitment*	
	Serial Bonds		*Term Bonds*			
Year	*Principal*	*Interest*	*Principal*	*Interest*	*Principal*	*Interest*
2008	$785,000	$361,620	$0	$180,200	$35,659	$4,078
2009	815,000	324,363	0	180,200	11,459	1,783
2010	555,000	284,508	0	180,200	12,318	924
2011	595,000	257,748	0	180,200	0	0
2012	475,000	228,772	0	180,200	0	0
2013-2017	1,955,000	827,313	0	901,000	0	0
2018-2022	1,455,000	380,915	745,000	886,400	0	0
2023-2027	455,000	167,350	2,160,000	586,600	0	0
2028-2031	515,000	41,200	1,600,000	175,000	0	0
Totals	$7,605,000	$2,873,789	$4,505,000	$3,450,000	$59,436	$6,785

NOTE 15 - OUTSTANDING DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

	Governmental Activities					
	OPWC Loans		*Revenue Bonds*		Bond Anticipation Notes	
Year	*Principal*	*Interest*	*Principal*	*Interest*	*Principal*	*Interest*
2008	$292,808	$0	$185,000	$864,575	$9,530,240	$381,210
2009	278,904	0	330,000	855,094	0	0
2010	264,999	0	395,000	838,181	0	0
2011	264,998	0	420,000	817,937	0	0
2012	264,999	0	440,000	796,413	0	0
2013-2017	1,324,994	0	2,555,000	3,620,750	0	0
2018-2022	779,165	0	3,305,000	3,070,518	0	0
2023-2027	365,473	0	4,295,000	1,881,789	0	0
2028-2031	0	0	4,335,000	597,699	0	0
Totals	$3,836,340	$0	$16,260,000	$13,342,956	$9,530,240	$381,210

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

	Business-Type Activities			
	Water OPWC Loans		*Sewer OPWC Loans*	
Year	*Principal*	*Interest*	*Principal*	*Interest*
2008	$25,296	$4,996	$59,858	$25,286
2009	22,414	4,403	61,814	23,331
2010	19,550	3,790	63,833	21,312
2011	20,183	3,158	65,918	19,226
2012	20,837	2,504	68,071	17,073
2013-2017	63,616	3,563	317,031	51,501
2018-2021	0	0	175,984	12,084
Totals	$171,896	$22,414	$812,509	$169,813

NOTE 15 - OUTSTANDING DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

OHIO PUBLIC WORKS COMMISSION (OPWC) LOANS

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

GENERAL OBLIGATION BONDS

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and refinancing of bond anticipation notes. General obligation bonds are direct obligations and pledge the full faith and credit of the City for repayment. These bonds are generally issued as 20 year serial bonds with equal amounts of principal maturing each year and are paid with property taxes from the Debt Service Fund. The refunded bonds were retired on December 1, 2004.

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

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

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

NOTE 15 - OUTSTANDING DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

SPECIAL ASSESSMENT BONDS

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

TAX INCREMENT FINANCING REVENUE BONDS

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

The City has pledged future revenue, to repay revenue bonds in the Buckeye Center TIF Debt Service Fund. The debt is payable solely from revenues and are payable through 2031. The amount of revenue that will be generated over the life of the assessment is not able to be estimated. The total principal and interest remaining to be paid on the bonds is $29,602,956. Principal and interest paid for the current year and total revenues were $903,330 and $1,509,214, respectively.

The term bonds, issued at $3,790,000, maturing on December 1, 2008 to December 1, 2016 are subject to a mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount plus accrued interest to the date of redemption, on December 1 in each of the years 2008 through 2016.

Year	*Amount*
2008	$185,000
2009	330,000
2010	395,000
2011	420,000
2012	440,000
2013	460,000
2014	485,000
2015	510,000
2016	535,000
	$3,760,000

NOTE 15 - OUTSTANDING DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

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

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

MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS

The City has one outstanding issue of multifamily housing revenue bonds in the aggregate principal amount of $12,215,000 at December 31, 2007 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.

CONSTRUCTION AND IMPROVEMENT NOTES

On March 15, 2007, the City issued 4.0 percent State Route 665 Construction and Improvement Bond Anticipation Notes, Series 2007, in the amount of $9,530,240. The notes were issued for the purpose of widening, reconstructing and improving State Route 665. As of December 31, 2007, the City has spent $3,515,400 of the proceeds.

COMPENSATED ABSENCES/CAPITAL LEASES

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

NOTE 16 - CONSTRUCTION COMMITMENTS

The City has entered into various contracts for the construction and acquisition of capital assets. At December 31, 2007, the significant outstanding construction commitments are:

Project	*Contract Amount*	*Amount Expended*	*Balance At 12/31/07*
London Groveport Road Widening	$7,026,067	$4,017,113	$3,008,954
Columbus Street Sanitary Relief Sewer	428,973	387,100	41,873
Improvement To Streets 2007 - Contract A	1,214,488	1,064,545	149,943
Improvement To Streets 2007 - Contract C	111,708	107,240	4,468
Meadow Grove Street Lighting Phase IV	242,978	194,640	48,338
Totals	$9,024,214	$5,770,638	$3,253,576

NOTE 17 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains comprehensive insurance coverage with private carriers for real property, building contents, vehicles, general liability, and police professional liability. The City also carries public officials liability insurance. Settlements have not exceeded coverage in any of the last three years. There has not been a significant reduction in coverage from the prior year.

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

NOTE 18 – INTERFUND ACTIVITY

Interfund activity at December 31, 2007 consisted of the following individual fund receivables and payables:

		Payable
Receivable		General Fund
	Water Fund	$181,154

The General Fund payable to the Water Fund is due to the Water Fund paying for an OPWC debt obligation of the General Fund and for governmental capital assets that the Water Fund acquired.

NOTE 19 - SHARED RISK POOL

On January 1, 1992, the City joined the Central Ohio Health Care Consortium (the "Pool"), a risk-sharing pool, which provides employee health care benefits for all full-time employees who wish to participate in the Pool. The Pool consists of five political subdivisions who pool risk for basic hospital, surgical, and prescription drug coverage. The City pays monthly contributions to the Consortium, which are used to cover claims and administrative costs, and to purchase excess loss insurance for the plan. The Pool has entered into an agreement for individual and aggregate excess loss coverage with a commercial insurance carrier. The individual excess loss coverage has been structured to indemnify the Pool for medical claims paid for an individual in excess of $175,000 per claim per year, with an individual lifetime maximum of $2,000,000. The aggregate excess loss coverage has been structured to indemnify the Pool for aggregate claims paid in excess of $6,670,318 to a maximum of $1,000,000 annually. In the event that the losses of the Pool in any year exceeds amounts paid to the Pool, together with all stop-loss, reinsurance, and other coverage then in effect, then the payment of all uncovered losses shall revert to and be the sole obligation of the political subdivision against which the claim was made. In the event that an entity should withdraw from the plan, the withdrawing member is required to either reimburse the Pool for any claims paid on its behalf or the member must pay the claims directly.

NOTE 20 - CONTINGENT LIABILITIES

LITIGATION

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

FEDERAL AND STATE GRANTS

For the period January 1, 2007, to December 31, 2007, the City received federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE 21 - SUBSEQUENT EVENT

On March 13, 2008, the City issued $9,530,240 in State Route 665 Construction and Improvement Bond Anticipation Notes, Series 2008. The notes were issued at a rate of 2.32 percent and will mature on March 12, 2009. The notes were issued for the purpose of retiring the State Route 665 Construction and Improvement Bond Anticipation Notes, Series 2007.

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Combining Financial Statements

SPECIAL REVENUE FUNDS

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

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

(Continued)

Nonmajor Special Revenue Funds

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

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

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

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

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

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

Emergency 911 Fund
The Emergency 911 Fund accounts for grant monies used for the purpose of updating the City's emergency call center.

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

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

(Continued)

CAPITAL PROJECTS FUNDS

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

Nonmajor Capital Projects Fund

Recreation Development Fund

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

CITY OF GROVE CITY, OHIO

Combining Balance Sheet
Nonmajor Governmental Funds

December 31, 2007

	Nonmajor Special Revenue Funds	*Nonmajor Capital Projects Fund*	*Total Nonmajor Governmental Funds*
Assets:			
Equity In Pooled Cash And Cash Equivalents	$3,480,232	$182,833	$3,663,065
Cash And Cash Equivalents With Fiscal Agents	541,484	0	541,484
Receivables:			
Other Local Taxes	13,766	0	13,766
Accounts	190	0	190
Accrued Interest	12,038	0	12,038
Due From Other Governments	794,171	0	794,171
Materials And Supplies Inventory	22,133	0	22,133
Total Assets	$4,864,014	$182,833	$5,046,847
Liabilities And Fund Balances			
Liabilities:			
Accounts Payable	$68,652	$2,468	$71,120
Contracts Payable	0	20,000	20,000
Accrued Wages Payable	4,578	0	4,578
Due To Other Governments	59,490	0	59,490
Deferred Revenue	672,317	0	672,317
Total Liabilities	805,037	22,468	827,505
Fund Balances:			
Reserved For Encumbrances	140,603	21,335	161,938
Unreserved:			
Undesignated, Reported In:			
Special Revenue Funds	3,918,374	0	3,918,374
Capital Projects Funds	0	139,030	139,030
Total Fund Balances	4,058,977	160,365	4,219,342
Total Liabilities And Fund Balances	$4,864,014	$182,833	$5,046,847

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CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2007

	Nonmajor Special Revenue Funds	*Nonmajor Capital Projects Fund*	*Total Nonmajor Governmental Funds*
Revenues:			
Other Local Taxes	$223,756	$0	$223,756
Intergovernmental	1,978,103	0	1,978,103
Charges For Services	1,318,449	0	1,318,449
Licenses And Permits	73,128	171,126	244,254
Fines And Forfeitures	30,578	0	30,578
Interest	69,371	0	69,371
Increase In Fair Value Of Investments	9,284	0	9,284
Rent	21,990	0	21,990
Contributions And Donations	56,883	0	56,883
Miscellaneous	45,182	875	46,057
Total Revenues	3,826,724	172,001	3,998,725
Expenditures:			
Current Operations And Maintenance:			
Security Of Persons And Property	43,910	0	43,910
Public Health	19,959	0	19,959
Leisure Time Activities	1,410,064	18,162	1,428,226
Community Development	289,499	0	289,499
Transportation	1,282,222	0	1,282,222
General Government	2,516	0	2,516
Capital Outlay	294,416	421,471	715,887
Total Expenditures	3,342,586	439,633	3,782,219
Net Change In Fund Balance	484,138	(267,632)	216,506
Fund Balances At Beginning Of Year	3,574,839	427,997	4,002,836
Fund Balances At End Of Year	$4,058,977	$160,365	$4,219,342

CITY OF GROVE CITY, OHIO

Combining Balance Sheet
Nonmajor Special Revenue Funds

December 31, 2007

	Street Maintenance	*State Highway*	*General Recreation*	*City Permissive MVL*
Assets:				
Equity In Pooled Cash And Cash Equivalents	$1,493,401	$263,795	$537,967	$191,783
Cash And Cash Equivalents				
With Fiscal Agents	0	0	0	0
Receivables:				
Other Local Taxes	0	0	0	0
Accounts	0	0	190	0
Accrued Interest	8,360	1,393	0	1,143
Due From Other Governments	619,634	50,241	0	81,913
Materials And Supplies Inventory	4,037	18,096	0	0
Total Assets	$2,125,432	$333,525	$538,157	$274,839
Liabilities And Fund Balances				
Liabilities:				
Accounts Payable	$24,929	$0	$31,435	$0
Accrued Wages Payable	3,201	0	1,309	68
Due To Other Governments	21,490	0	28,109	2,802
Deferred Revenue	521,926	43,034	0	70,221
Total Liabilities	571,546	43,034	60,853	73,091
Fund Balances:				
Reserved For Encumbrances	61,634	0	19,787	2,044
Unreserved, Undesignated	1,492,252	290,491	457,517	199,704
Total Fund Balances	1,553,886	290,491	477,304	201,748
Total Liabilities And Fund Balances	$2,125,432	$333,525	$538,157	$274,839

County Permissive MVL	*Senior Nutrition*	*Drug Law Enforcement*	*DARE Program*	*Community Development*
$213,044	$14,774	$12,202	$36,867	$192,553
541,484	0	0	0	0
0	0	0	0	13,766
0	0	0	0	0
1,142	0	0	0	0
40,108	0	0	0	0
0	0	0	0	0
$795,778	$14,774	$12,202	$36,867	$206,319
$0	$0	$0	$6,858	$1,447
0	0	0	0	0
0	0	0	0	401
34,966	0	0	0	0
34,966	0	0	6,858	1,848
50,000	0	0	0	332
710,812	14,774	12,202	30,009	204,139
760,812	14,774	12,202	30,009	204,471
$795,778	$14,774	$12,202	$36,867	$206,319

(Continued)

CITY OF GROVE CITY, OHIO

Combining Balance Sheet
Nonmajor Special Revenue Funds
(Continued)

December 31, 2007

	Community Environment	*Enforcement And Education*	*Gardens At Gantz*	*U. S. Department Of Justice*
Assets:				
Equity In Pooled Cash And Cash Equivalents	$359,790	$18,860	$800	$36,537
Cash And Cash Equivalents				
With Fiscal Agents	0	0	0	0
Receivables:				
Other Local Taxes	0	0	0	0
Accounts	0	0	0	0
Accrued Interest	0	0	0	0
Due From Other Governments	0	2,275	0	0
Materials And Supplies Inventory	0	0	0	0
Total Assets	$359,790	$21,135	$800	$36,537
Liabilities And Fund Balances				
Liabilities:				
Accounts Payable	$1,094	$0	$0	$0
Accrued Wages Payable	0	0	0	0
Due To Other Governments	0	0	0	0
Deferred Revenue	0	2,170	0	0
Total Liabilities	1,094	2,170	0	0
Fund Balances:				
Reserved For Encumbrances	0	0	0	0
Unreserved, Undesignated	358,696	18,965	800	36,537
Total Fund Balances	358,696	18,965	800	36,537
Total Liabilities And Fund Balances	$359,790	$21,135	$800	$36,537

Mayor's Court Computer	*Big Splash*	*Emergency 911*	*Senior Stage*	*Park Donation*	*Total*
$69,325	$20,486	$20	$5,444	$12,584	$3,480,232
0	0	0	0	0	541,484
0	0	0	0	0	13,766
0	0	0	0	0	190
0	0	0	0	0	12,038
0	0	0	0	0	794,171
0	0	0	0	0	22,133
$69,325	$20,486	$20	$5,444	$12,584	$4,864,014
$116	$2,773	$0	$0	$0	$68,652
0	0	0	0	0	4,578
0	6,688	0	0	0	59,490
0	0	0	0	0	672,317
116	9,461	0	0	0	805,037
5,194	1,612	0	0	0	140,603
64,015	9,413	20	5,444	12,584	3,918,374
69,209	11,025	20	5,444	12,584	4,058,977
$69,325	$20,486	$20	$5,444	$12,584	$4,864,014

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, 2007

	Street Maintenance	*State Highway*	*General Recreation*	*City Permissive MVL*
Revenues:				
Other Local Taxes	$0	$0	$0	$0
Intergovernmental	1,311,884	106,369	10,000	164,403
Charges For Services	0	3,891	1,059,087	0
Licenses And Permits	0	0	0	0
Fines And Forfeitures	0	0	0	0
Interest	48,150	8,058	0	6,628
Increase In Fair Value Of Investments	6,447	1,075	0	881
Rent	0	0	16,230	0
Contributions And Donations	0	0	0	900
Miscellaneous	5,551	0	31,794	654
Total Revenues	1,372,032	119,393	1,117,111	173,466
Expenditures:				
Current Operations And Maintenance:				
Security Of Persons And Property	0	0	0	0
Public Health	0	0	0	0
Leisure Time Activities	0	0	1,138,117	0
Community Development	0	0	0	0
Transportation	1,008,202	66,006	0	149,567
General Government	0	0	0	0
Capital Outlay	153,650	0	0	0
Total Expenditures	1,161,852	66,006	1,138,117	149,567
Net Change In Fund Balance	210,180	53,387	(21,006)	23,899
Fund Balances At Beginning Of Year	1,343,706	237,104	498,310	177,849
Fund Balances At End Of Year	$1,553,886	$290,491	$477,304	$201,748

County Permissive MVL	*Senior Nutrition*	*Drug Law Enforcement*	*DARE Program*	*Community Development*
$0	$0	$0	$0	$223,756
224,834	0	304	0	0
0	19,729	0	0	0
0	0	0	0	0
0	0	5,331	0	0
6,535	0	0	0	0
881	0	0	0	0
0	0	0	0	0
0	0	0	29,637	16,900
0	0	1,750	0	3,166
232,250	19,729	7,385	29,637	243,822
0	0	0	43,910	0
0	19,959	0	0	0
0	0	0	0	0
0	0	0	0	221,800
58,447	0	0	0	0
0	0	0	0	0
0	0	0	0	0
58,447	19,959	0	43,910	221,800
173,803	(230)	7,385	(14,273)	22,022
587,009	15,004	4,817	44,282	182,449
$760,812	$14,774	$12,202	$30,009	$204,471

(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, 2007

	Community Environment	*Enforcement And Education*	*Garden At Gantz*	*U. S. Department Of Justice*
Revenues:				
Other Local Taxes	$0	$0	$0	$0
Intergovernmental	14,347	5,176	0	0
Charges For Services	0	0	0	0
Licenses And Permits	73,128	0	0	0
Fines And Forfeitures	0	4,009	0	0
Interest	0	0	0	0
Increase In Fair Value Of Investments	0	0	0	0
Rent	0	0	0	0
Contributions And Donations	3,575	0	500	0
Miscellaneous	1,640	0	0	0
Total Revenues	92,690	9,185	500	0
Expenditures:				
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	67,699	0	0	0
Transportation	0	0	0	0
General Government	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	67,699	0	0	0
Net Change In Fund Balance	24,991	9,185	500	0
Fund Balances At Beginning Of Year	333,705	9,780	300	36,537
Fund Balances At End Of Year	$358,696	$18,965	$800	$36,537

Mayor's Court Computer	*Big Splash*	*Emergency 911*	*Senior Stage*	*Park Donation*	*Total*
$0	$0	$0	$0	$0	$223,756
0	0	140,786	0	0	1,978,103
0	235,742	0	0	0	1,318,449
0	0	0	0	0	73,128
21,238	0	0	0	0	30,578
0	0	0	0	0	69,371
0	0	0	0	0	9,284
0	5,760	0	0	0	21,990
0	0	0	0	5,371	56,883
0	627	0	0	0	45,182
21,238	242,129	140,786	0	5,371	3,826,724
0	0	0	0	0	43,910
0	0	0	0	0	19,959
0	271,947	0	0	0	1,410,064
0	0	0	0	0	289,499
0	0	0	0	0	1,282,222
2,516	0	0	0	0	2,516
0	0	140,766	0	0	294,416
2,516	271,947	140,766	0	0	3,342,586
18,722	(29,818)	20	0	5,371	484,138
50,487	40,843	0	5,444	7,213	3,574,839
$69,209	$11,025	$20	$5,444	$12,584	$4,058,977

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Agency Fund Descriptions

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

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 ensure 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, 2007

	Section 125 Cafeteria Plan	*Deposit Trust*
Assets:		
Equity In Pooled Cash And Cash Equivalents	$16,870	$1,100,719
Receivables:		
Other Local Taxes	0	0
Total Assets	$16,870	$1,100,719
Liabilities:		
Undistributed Assets	$0	$0
Deposits Held And Due To Others	16,870	1,100,719
Total Liabilities	$16,870	$1,100,719

Convention Bureau	*Total*
$18,151	$1,135,740
13,766	13,766
$31,917	$1,149,506
$31,917	$31,917
0	1,117,589
$31,917	$1,149,506

CITY OF GROVE CITY, OHIO

Combining Statement Of Changes In Assets And Liabilities
Agency Funds

For The Year Ended December 31, 2007

	Balance January 1, 2007	Additions	Deductions	Balance December 31, 2007
SECTION 125 CAFETERIA PLAN				
Assets:				
Equity In Pooled Cash And Cash Equivalents	$9,300	$30,821	$23,251	$16,870
Liabilities:				
Deposits Held And Due To Others	$9,300	$30,821	$23,251	$16,870
DEPOSIT TRUST				
Assets:				
Equity In Pooled Cash And Cash Equivalents	$1,204,412	$1,552,519	$1,656,212	$1,100,719
Liabilities:				
Deposits Held And Due To Others	$1,204,412	$1,552,519	$1,656,212	$1,100,719
MAYOR'S COURT				
Assets:				
Equity In Pooled Cash And Cash Equivalents	$0	$271,682	$271,682	$0
Liabilities:				
Deposits Held And Due To Others	$0	$271,682	$271,682	$0

(Continued)

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2007

	Balance January 1, 2007	*Additions*	*Deductions*	*Balance December 31, 2007*
CONVENTION BUREAU				
Assets:				
Equity In Pooled Cash And Cash Equivalents	$17,234	$221,563	$220,646	$18,151
Receivables:				
Other Local Taxes	11,572	13,766	11,572	13,766
Total Assets	$28,806	$235,329	$232,218	$31,917
Liabilities:				
Undistributed Assets	$28,806	$235,329	$232,218	$31,917
TOTAL - ALL AGENCY FUNDS				
Assets:				
Equity In Pooled Cash And Cash Equivalents	$1,230,946	$2,076,585	$2,171,791	$1,135,740
Receivables:				
Other Local Taxes	11,572	13,766	11,572	13,766
Total Assets	$1,242,518	$2,090,351	$2,183,363	$1,149,506
Liabilities:				
Undistributed Assets	$28,806	$235,329	$232,218	$31,917
Deposits Held And Due To Others	1,213,712	1,855,022	1,951,145	1,117,589
Total Liabilities	$1,242,518	$2,090,351	$2,183,363	$1,149,506

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, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Revenues:				
Property Taxes	$1,378,233	$1,073,607	$1,152,763	$79,156
Municipal Income Taxes	15,399,266	16,485,396	17,082,343	596,947
Other Local Taxes	620,000	620,000	790,869	170,869
Intergovernmental	1,387,000	1,387,000	2,019,918	632,918
Charges For Services	125,000	125,000	134,834	9,834
Licenses And Permits	704,000	704,000	659,866	(44,134)
Fines And Forfeitures	155,000	155,000	211,607	56,607
Special Assessments	23,000	23,000	44,228	21,228
Interest	1,000,000	1,000,000	1,213,703	213,703
Rent	0	0	25,038	25,038
Contributions And Donations	100,000	100,000	2,500	(97,500)
Miscellaneous	50,000	50,000	110,915	60,915
Total Revenues	20,941,499	21,723,003	23,448,584	1,725,581
Expenditures:				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Personal Services	7,066,072	7,270,677	6,758,090	512,587
Materials And Supplies	256,581	324,644	306,416	18,228
Contractual Services	514,200	672,346	575,110	97,236
Other Operating Charges	10,000	16,622	9,122	7,500
Total Police Department	7,846,853	8,284,289	7,648,738	635,551
Garage				
Personal Services	62,372	62,561	61,122	1,439
Materials And Supplies	267,650	310,865	282,133	28,732
Contractual Services	3,000	3,500	1,588	1,912
Total Garage	333,022	376,926	344,843	32,083
Safety Administration				
Personal Services	27,040	27,040	23,450	3,590
Total Security Of Persons And Property	8,206,915	8,688,255	8,017,031	671,224
Public Health				
Health Department				
Contractual Services	210,000	242,213	218,735	23,478
Leisure Time Activities				
Parks				
Personal Services	362,320	370,632	284,603	86,029
Materials And Supplies	32,250	38,778	23,573	15,205
Contractual Services	188,350	246,097	158,847	87,250
Total Leisure Time Activities	$582,920	$655,507	$467,023	$188,484

(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, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Community Development				
Development				
Personal Services	$186,001	$199,797	$167,637	$32,160
Materials And Supplies	5,000	7,000	886	6,114
Contractual Services	75,000	79,704	53,509	26,195
Total Development	266,001	286,501	222,032	64,469
Building Department				
Personal Services	670,466	680,334	581,687	98,647
Materials And Supplies	47,793	52,725	44,656	8,069
Contractual Services	52,540	106,061	81,571	24,490
Total Building Department	770,799	839,120	707,914	131,206
Total Community Development	1,036,800	1,125,621	929,946	195,675
General Government				
City Council				
Personal Services	116,187	116,523	108,754	7,769
Materials And Supplies	1,200	1,341	778	563
Contractual Services	18,300	22,068	11,541	10,527
Total City Council	135,687	139,932	121,073	18,859
Administration				
Personal Services	281,814	284,726	257,931	26,795
Materials And Supplies	16,510	17,658	10,412	7,246
Contractual Services	20,500	24,988	13,151	11,837
Total Administration	318,824	327,372	281,494	45,878
History				
Materials And Supplies	500	500	0	500
Contractual Services	0	4,557	4,439	118
Total History	500	5,057	4,439	618
Finance				
Personal Services	316,904	422,267	385,201	37,066
Materials And Supplies	15,675	17,194	10,749	6,445
Contractual Services	656,857	697,943	628,784	69,159
Total Finance	$989,436	$1,137,404	$1,024,734	$112,670

(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, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Law				
Personal Services	$117,319	$143,351	$89,121	$54,230
Materials And Supplies	5,100	5,126	1,094	4,032
Contractual Services	352,000	467,862	464,745	3,117
Total Law	474,419	616,339	554,960	61,379
Lands And Buildings				
Personal Services	648,576	654,229	612,049	42,180
Materials And Supplies	151,850	178,624	140,881	37,743
Contractual Services	685,108	821,206	715,928	105,278
Total Lands And Buildings	1,485,534	1,654,059	1,468,858	185,201
General Miscellaneous				
Personal Services	775,862	838,032	783,887	54,145
Materials And Supplies	17,834	20,452	11,961	8,491
Contractual Services	932,900	1,068,666	984,747	83,919
Other Operating Charges	220,000	246,915	170,084	76,831
Total General Miscellaneous	1,946,596	2,174,065	1,950,679	223,386
Engineering				
Contractual Services	190,000	923,857	923,857	0
Planning Commission				
Contractual Services	18,000	18,000	14,900	3,100
Information System				
Personal Services	241,613	245,612	238,126	7,486
Materials And Supplies	35,000	34,690	32,079	2,611
Contractual Services	150,760	225,783	223,114	2,669
Total Information System	427,373	506,085	493,319	12,766
Public Information				
Personal Services	130,422	130,800	125,209	5,591
Materials And Supplies	10,500	16,879	7,826	9,053
Contractual Services	84,500	119,568	83,950	35,618
Total Public Information	$225,422	$267,247	$216,985	$50,262

(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, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Human Resource				
Personal Services	$64,050	$64,394	$53,481	$10,913
Materials And Supplies	200	200	0	200
Contractual Services	70,000	71,732	57,377	14,355
Total Human Resource	134,250	136,326	110,858	25,468
Total General Government	6,346,041	7,905,743	7,166,156	739,587
Capital Outlay:				
Police Department	428,648	519,014	489,768	29,246
City Garage	13,000	13,000	12,675	325
Parks And Recreation	170,100	689,373	758,872	(69,499)
Development	2,000	2,000	1,575	425
Building Department	25,000	28,923	8,620	20,303
Lands And Buildings	270,500	771,395	537,583	233,812
City Council	3,000	5,000	2,504	2,496
Administration	6,000	6,000	4,726	1,274
History	0	30,399	29,199	1,200
Finance	10,000	10,000	7,877	2,123
General Miscellaneous	135,000	479,764	473,457	6,307
Engineering	2,075,000	5,356,673	3,995,854	1,360,819
Information System	103,000	249,329	248,424	905
Public Information	6,000	8,500	6,078	2,422
Phone System	0	349,267	349,267	0
Total Capital Outlay	3,247,248	8,518,637	6,926,479	1,592,158
Debt Service:				
Principal Retirement	382,702	382,702	382,702	0
Interest And Fiscal Charges	565,398	588,309	286,993	301,316
Total Expenditures	20,578,024	28,106,987	24,395,065	3,711,922
Excess Of Revenues Over (Under) Expenditures	363,475	(6,383,984)	(946,481)	5,437,503
Other Financing Sources (Uses):				
Proceeds of Capital Lease	0	349,267	349,267	0
Transfers - Out	(80,000)	(70,000)	0	70,000
Total Other Financing Sources (Uses)	(80,000)	279,267	349,267	70,000
Net Change In Fund Balance	283,475	(6,104,717)	(597,214)	5,507,503
Fund Balance At Beginning Of Year	14,881,641	14,881,641	14,881,641	0
Prior Year Encumbrances	5,749,885	5,749,885	5,749,885	0
Fund Balance At End Of Year	$20,915,001	$14,526,809	$20,034,312	$5,507,503

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, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Revenues:				
Property Taxes	$798,118	$987,984	$1,040,395	$52,411
Intergovernmental	141,397	142,546	106,675	(35,871)
Miscellaneous	0	0	140	140
Total Revenues	939,515	1,130,530	1,147,210	16,680
Expenditures:				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Personal Services	1,132,332	1,358,409	1,358,409	0
Net Change In Fund Balance	(192,817)	(227,879)	(211,199)	16,680
Fund Balance At Beginning Of Year	397,571	397,571	397,571	0
Prior Year Encumbrances	226,076	226,076	226,076	0
Fund Balance At End Of Year	$430,830	$395,768	$412,448	$16,680

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, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Revenues:				
Property Taxes	$871,293	$760,592	$817,581	$56,989
Intergovernmental	111,443	102,559	116,984	14,425
Interest	115,673	16,449	121,424	104,975
Miscellaneous	0	0	2,161	2,161
Total Revenues	1,098,409	879,600	1,058,150	178,550
Expenditures:				
Debt Service:				
Principal Retirement	579,916	579,916	579,916	0
Interest And Fiscal Charges	222,084	489,713	206,412	283,301
Total Expenditures	802,000	1,069,629	786,328	283,301
Excess Of Revenues Over (Under) Expenditures	296,409	(190,029)	271,822	461,851
Other Financing Sources:				
Premium On Debt Issued	0	0	36,407	36,407
Net Change In Fund Balance	296,409	(190,029)	308,229	498,258
Fund Balance At Beginning Of Year	2,014,796	2,014,796	2,014,796	0
Prior Year Encumbrances	267,629	267,629	267,629	0
Fund Balance At End Of Year	$2,578,834	$2,092,396	$2,590,654	$498,258

CITY OF GROVE CITY, OHIO

Buckeye Center TIF Debt Service Fund
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual
(Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Revenues:				
Revenue In Lieu Of Taxes	$1,500,000	$1,199,424	$1,198,082	($1,342)
Intergovernmental	0	0	154	154
Miscellaneous	0	0	1,187	1,187
Total Revenues	1,500,000	1,199,424	1,199,423	(1)
Expenditures:				
Debt Service:				
Principal Retirement	30,000	30,000	30,000	0
Interest And Fiscal Charges	1,470,000	1,470,000	821,097	648,903
Total Expenditures	1,500,000	1,500,000	851,097	0
Net Change In Fund Balance	0	(300,576)	348,326	648,902
Fund Balance At Beginning Of Year	1,237,937	1,237,937	1,237,937	0
Fund Balance At End Of Year	$1,237,937	$937,361	$1,586,263	$648,902

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Revenues:				
Intergovernmental	$1,235,265	$1,019,343	$1,002,966	($16,377)
Charges For Services	0	87,876	86,464	(1,412)
Interest	0	909,073	894,467	(14,606)
Total Revenues	1,235,265	2,016,292	1,983,897	(32,395)
Expenditures:				
Capital Outlay:				
Infrastructure	86,464	12,748,995	11,726,665	1,022,330
Debt Service:				
Interest And Fiscal Charges	0	0	202,914	(202,914)
Total Expenditures	86,464	12,748,995	11,929,579	819,416
Excess Of Revenues Over (Under) Expenditures	1,148,801	(10,732,703)	(9,945,682)	787,021
Other Financing Sources:				
Proceeds Of OPWC Loan	0	0	57,925	57,925
Bond Anticipation Notes Issued	0	9,530,240	9,530,240	0
Refund Of Prior Year Expenditures	0	0	66,169	66,169
Total Other Financing Sources	0	9,530,240	9,654,334	124,094
Net Change In Fund Balance	1,148,801	(1,202,463)	(291,348)	911,115
Fund Balance At Beginning Of Year	306,607	306,607	306,607	0
Prior Year Encumbrances	1,283,585	1,283,585	1,283,585	0
Fund Balance At End Of Year	$2,738,993	$387,729	$1,298,844	$911,115

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, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Revenues:				
Charges For Services	$464,517	$464,517	$495,153	$30,636
Tap-In Fees	265,483	265,483	284,180	18,697
Interest	18,000	18,000	25,743	7,743
Miscellaneous	0	0	7	7
Total Revenues	748,000	748,000	805,083	57,083
Expenses:				
Personal Services	50,282	51,049	45,914	5,135
Contractual Services	24,985	25,043	23,452	1,591
Supplies And Materials	19,429	24,879	7,094	17,785
Capital Outlay	256,000	490,528	276,965	213,563
Debt Service:				
Principal Retirement	47,634	47,634	47,634	0
Interest And Fiscal Charges	20,743	20,743	5,572	15,171
Total Expenses	419,073	659,876	406,631	253,245
Change In Fund Equity Before Advances	328,927	88,124	398,452	310,328
Advances - In	0	0	122,911	122,911
Net Change In Fund Equity	328,927	88,124	521,363	433,239
Fund Equity At Beginning Of Year	1,765,633	1,765,633	1,765,633	0
Prior Year Encumbrances	240,803	240,803	240,803	0
Fund Equity At End Of Year	$2,335,363	$2,094,560	$2,527,799	$433,239

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, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Revenues:				
Charges For Services	$415,000	$415,000	$475,266	$60,266
Tap-In Fees	600,000	600,000	910,965	310,965
Miscellaneous	4,500	4,500	229	(4,271)
Total Revenues	1,019,500	1,019,500	1,386,460	366,960
Expenses:				
Personal Services	335,809	349,927	343,240	6,687
Contractual Services	221,050	293,233	258,334	34,899
Supplies And Materials	63,450	80,571	64,130	16,441
Capital Outlay	190,000	483,066	365,909	117,157
Debt Service:				
Principal Retirement	0	57,966	57,966	0
Interest And Fiscal Charges	0	27,178	27,178	0
Total Expenses	810,309	1,291,941	1,116,757	175,184
Net Change In Fund Equity Before Advances	209,191	(272,441)	269,703	542,144
Advances - Out	0	0	(100,000)	(100,000)
Change In Fund Eauity	209,191	(272,441)	169,703	442,144
Fund Equity At Beginning Of Year	2,291,986	2,291,986	2,291,986	0
Prior Year Encumbrances	296,488	296,488	296,488	0
Fund Equity At End Of Year	$2,797,665	$2,316,033	$2,758,177	$442,144

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, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Revenues:				
Intergovernmental	$970,000	$970,000	$1,305,045	$335,045
Interest	0	0	16,716	16,716
Contributions And Donations	6,000	6,000	0	(6,000)
Miscellaneous	1,000	1,000	5,551	4,551
Total Revenues	977,000	977,000	1,327,312	350,312
Expenditures:				
Current Operations And Maintenance:				
Transportation				
Street Maintenance				
Personal Services	797,408	805,910	719,572	86,338
Materials And Supplies	186,475	229,871	227,947	1,924
Contractual Services	103,900	113,431	111,659	1,772
Other Operating Charges	10,200	11,640	8,855	2,785
Total Transportation	1,097,983	1,160,852	1,068,033	92,819
Capital Outlay:				
Engineering	118,000	158,237	153,900	4,337
Total Expenditures	1,215,983	1,319,089	1,221,933	97,156
Net Change In Fund Balance	(238,983)	(342,089)	105,379	447,468
Fund Balance At Beginning Of Year	1,154,001	1,154,001	1,154,001	0
Prior Year Encumbrances	101,877	101,877	101,877	0
Fund Balance At End Of Year	$1,016,895	$913,789	$1,361,257	$447,468

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, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Revenues:				
Intergovernmental	$84,000	$84,000	$105,815	$21,815
Charges For Services	0	0	3,891	3,891
Interest	2,000	2,000	2,579	579
Total Revenues	86,000	86,000	112,285	26,285
Expenditures:				
Current Operations And Maintenance:				
Transportation				
Street Maintenance				
Materials And Supplies	67,000	67,000	61,385	5,615
Contractual Services	10,000	10,000	5,127	4,873
Total Expenditures	77,000	77,000	66,512	10,488
Net Change In Fund Balance	9,000	9,000	45,773	36,773
Fund Balance At Beginning Of Year	211,465	211,465	211,465	0
Fund Balance At End Of Year	$220,465	$220,465	$257,238	$36,773

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, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Revenues:				
Intergovernmental	$11,500	$11,500	$10,000	($1,500)
Charges For Services	1,148,500	1,148,500	1,059,322	(89,178)
Rent	18,000	18,000	16,230	(1,770)
Miscellaneous	42,500	42,500	31,794	(10,706)
Total Revenues	1,220,500	1,220,500	1,117,346	(103,154)
Expenditures:				
Current Operations And Maintenance:				
Leisure Time Activities				
Recreation				
Personal Services	791,324	828,950	718,315	110,635
Materials And Supplies	296,500	362,201	265,039	97,162
Contractual Services	233,300	284,852	195,813	89,039
Other Operating Charges	12,000	23,521	2,335	21,186
Total Expenditures	1,333,124	1,499,524	1,181,502	318,022
Net Change In Fund Balance	(112,624)	(279,024)	(64,156)	214,868
Fund Balance At Beginning Of Year	391,960	391,960	391,960	0
Prior Year Encumbrances	155,798	155,798	155,798	0
Fund Balance At End Of Year	$435,134	$268,734	$483,602	$214,868

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, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Revenues:				
Intergovernmental	$169,000	$169,000	$163,943	($5,057)
Interest	0	0	2,132	2,132
Contributions And Donations	1,000	1,000	900	(100)
Miscellaneous	1,000	1,000	654	(346)
Total Revenues	171,000	171,000	167,629	(3,371)
Expenditures:				
Current Operations And Maintenance:				
Transportation				
Street Maintenance				
Personal Services	88,012	89,566	78,319	11,247
Materials And Supplies	54,000	69,447	57,855	11,592
Contractual Services	13,000	13,900	13,620	280
Total Expenditures	155,012	172,913	149,794	23,119
Net Change In Fund Balance	15,988	(1,913)	17,835	19,748
Fund Balance At Beginning Of Year	149,526	149,526	149,526	0
Prior Year Encumbrances	17,001	17,001	17,001	0
Fund Balance At End Of Year	$182,515	$164,614	$184,362	$19,748

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, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Revenues:				
Intergovernmental	$80,000	$80,000	$80,274	$274
Interest	0	0	2,096	2,096
Total Revenues	80,000	80,000	82,370	2,370
Expenditures:				
Current Operations And Maintenance:				
Transportation				
Street Maintenance				
Materials And Supplies	80,000	144,666	95,968	48,698
Contractual Services	12,000	12,512	12,479	33
Total Expenditures	92,000	157,178	108,447	48,731
Net Change In Fund Balance	(12,000)	(77,178)	(26,077)	51,101
Fund Balance At Beginning Of Year	118,625	118,625	118,625	0
Prior Year Encumbrances	65,178	65,178	65,178	0
Fund Balance At End Of Year	$171,803	$106,625	$157,726	$51,101

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, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Revenues:				
Charges For Services	$5,000	$5,000	$19,729	$14,729
Expenditures:				
Current Operations And Maintenance:				
Public Health				
Other Public Health Services				
Other Operating Charges	10,000	20,000	19,959	41
Net Change In Fund Balance	(5,000)	(15,000)	(230)	14,770
Fund Balance At Beginning Of Year	15,004	15,004	15,004	0
Fund Balance At End Of Year	$10,004	$4	$14,774	$14,770

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, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Revenues:				
Intergovernmental	$0	$0	$304	$304
Fines And Forfeitures	0	0	5,331	5,331
Miscellaneous	0	0	1,750	1,750
Total Revenues	0	0	7,385	7,385
Expenditures:				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Materials And Supplies	304	5,145	0	5,145
Net Change In Fund Balance	(304)	(5,145)	7,385	12,530
Fund Balance At Beginning Of Year	4,817	4,817	4,817	0
Fund Balance (Deficit) At End Of Year	$4,513	($328)	$12,202	$12,530

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, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Revenues:				
Contributions And Donations	$7,500	$7,500	$29,637	$22,137
Expenditures:				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Materials And Supplies	43,666	44,666	43,910	756
Net Change In Fund Balance	(36,166)	(37,166)	(14,273)	22,893
Fund Balance At Beginning Of Year	41,084	41,084	41,084	0
Prior Year Encumbrances	3,198	3,198	3,198	0
Fund Balance At End Of Year	$8,116	$7,116	$30,009	$22,893

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, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Revenues:				
Other Local Taxes	$140,000	$140,000	$221,562	$81,562
Contributions and Donations	0	0	16,900	16,900
Miscellaneous	0	0	3,552	3,552
Total Revenues	140,000	140,000	242,014	102,014
Expenditures:				
Current Operations And Maintenance:				
Community Development				
Community Development				
Personal Services	17,400	17,645	9,998	7,647
Materials And Supplies	7,000	7,871	6,912	959
Contractual Services	1,000	1,000	0	1,000
Other Operating Charges	134,400	261,242	205,151	56,091
Total Expenditures	159,800	287,758	222,061	65,697
Net Change In Fund Balance	(19,800)	(147,758)	19,953	167,711
Fund Balance At Beginning Of Year	143,157	143,157	143,157	0
Prior Year Encumbrances	27,958	27,958	27,958	0
Fund Balance At End Of Year	$151,315	$23,357	$191,068	$167,711

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, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Revenues:				
Intergovernmental	$0	$0	$19,039	$19,039
Licenses And Permits	7,500	7,500	73,128	65,628
Contributions and Donations	0	0	3,575	3,575
Miscellaneous	0	0	1,640	1,640
Total Revenues	7,500	7,500	97,382	89,882
Expenditures:				
Current Operations And Maintenance:				
Community Development				
Community Development				
Materials And Supplies	7,000	15,800	14,855	945
Contractual Services	0	57,652	52,844	4,808
Total Expenditures	7,000	73,452	67,699	5,753
Net Change In Fund Balance	500	(65,952)	29,683	95,635
Fund Balance At Beginning Of Year	329,013	329,013	329,013	0
Fund Balance At End Of Year	$329,513	$263,061	$358,696	$95,635

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, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Revenues:				
Intergovernmental	$0	$0	$5,176	$5,176
Fines And Forfeitures	3,000	3,000	3,954	954
Total Revenues	3,000	3,000	9,130	6,130
Expenditures:				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Materials And Supples	2,159	2,159	0	2,159
Net Change In Fund Balance	841	841	9,130	8,289
Fund Balance At Beginning Of Year	9,730	9,730	9,730	0
Fund Balance At End Of Year	$10,571	$10,571	$18,860	$8,289

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, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Revenues:				
Contributions and Donations	$0	$0	$500	$500
Expenditures:	0	0	0	0
Net Change In Fund Balance	0	0	500	500
Fund Balance At Beginning Of Year	300	300	300	0
Fund Balance At End Of Year	$300	$300	$800	$500

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, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Revenues:	$0	$0	$0	$0
Expenditures:				
Capital Outlay:				
Police Department	31,186	31,186	0	31,186
Net Change In Fund Balance	(31,186)	(31,186)	0	31,186
Fund Balance At Beginning Of Year	36,537	36,537	36,537	0
Fund Balance At End Of Year	$5,351	$5,351	$36,537	$31,186

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, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Revenues:				
Fines And Forfeitures	$15,000	$15,000	$21,308	$6,308
Expenditures:				
Current Operations And Maintenance:				
General Government				
Police Department				
Contractual Services	18,000	19,200	7,710	11,490
Net Change In Fund Balance	(3,000)	(4,200)	13,598	17,798
Fund Balance At Beginning Of Year	47,667	47,667	47,667	0
Prior Year Encumbrances	1,200	1,200	1,200	0
Fund Balance At End Of Year	$45,867	$44,667	$62,465	$17,798

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, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Revenues:				
Charges For Services	$250,250	$250,250	$235,742	($14,508)
Rent	5,400	5,400	5,760	360
Miscellaneous	0	0	627	627
Total Revenues	255,650	255,650	242,129	(13,521)
Expenditures:				
Current Operations And Maintenance:				
Leisure Time Activities				
Recreation				
Personal Services	188,989	186,311	177,107	9,204
Materials And Supplies	42,820	32,471	30,252	2,219
Contractual Services	41,500	66,206	64,450	1,756
Other Operating Charges	7,140	5,640	2,499	3,141
Total Expenditures	280,449	290,628	274,308	16,320
Excess Of Revenues Over (Under) Expenditures	(24,799)	(34,978)	(32,179)	2,799
Other Financing Uses:				
Operating Transfers - Out	(2,000)	(2,000)	0	2,000
Net Change In Fund Balance	(26,799)	(36,978)	(32,179)	4,799
Fund Balance At Beginning Of Year	37,132	37,132	37,132	0
Prior Year Encumbrances	10,209	10,209	10,209	0
Fund Balance At End Of Year	$20,542	$10,363	$15,162	$4,799

CITY OF GROVE CITY, OHIO

Emergency 911 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, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Revenues:				
Intergovernmental	$0	$0	$140,786	$140,786
Expenditures:				
Capital Outlay:				
E - 911 System	140,786	140,786	140,766	20
Net Change In Fund Balance	(140,786)	(140,786)	20	140,806
Fund Balance At Beginning Of Year	0	0	0	0
Fund Balance At End Of Year	($140,786)	($140,786)	$20	$140,806

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, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Revenues:	$0	$0	$0	$0
Expenditures:	0	0	0	0
Net Change In Fund Balance	0	0	0	0
Fund Balance At Beginning Of Year	5,444	5,444	5,444	0
Fund Balance At End Of Year	$5,444	$5,444	$5,444	$0

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, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Revenues:				
Contributions And Donations	$0	$0	$5,371	$5,371
Expenditures:				
Current Operations And Maintenance:				
Leisure Time Activities				
Recreation				
Materials And Supplies	500	500	0	500
Net Change In Fund Balance	(500)	(500)	5,371	5,871
Fund Balance At Beginning Of Year	7,213	7,213	7,213	0
Fund Balance At End Of Year	$6,713	$6,713	$12,584	$5,871

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, 2007

	Original Budget	*Revised Budget*	*Budgetary Actual*	*Variance Positive (Negative)*
Revenues:				
Licenses And Permits	$150,000	$150,000	$171,126	$21,126
Miscellaneous	0	0	875	875
Total Revenues	150,000	150,000	172,001	22,001
Expenditures:				
Capital Outlay:				
Parks And Recreation	344,000	471,225	462,806	8,419
Net Change In Fund Balance	(194,000)	(321,225)	(290,805)	30,420
Fund Balance At Beginning Of Year	344,759	344,759	344,759	0
Prior Year Encumbrances	85,075	85,075	85,075	0
Fund Balance At End Of Year	$235,834	$108,609	$139,029	$30,420

City of Grove City, Ohio

STATISTICAL SECTION

STATISTICAL TABLES

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

CONTENTS PAGES

Financial Trends 122-131

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity 132-133

These schedules contain information to help the reader assess the City's most significant local revenue sources, income taxes.

Debt Capacity 134-141

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information 142-143

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information 144-149

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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

CITY OF GROVE CITY, OHIO

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

TABLE 1

	2002	***2003***	***2004***
Governmental Activities:			
Invested In Capital Assets,			
Net Of Related Debt	$118,271,112	$128,823,756	$131,541,261
Restricted	5,456,247	15,342,440	7,171,787
Unrestricted	16,511,889	6,969,952	18,378,378
Total Governmental Activities Net Assets	140,239,248	151,136,148	157,091,426
Business-Type Activities:			
Invested In Capital Assets,			
Net Of Related Debt	26,825,486	26,720,560	29,097,153
Restricted	277,380	277,306	277,704
Unrestricted	2,618,333	2,836,065	3,030,823
Total Business-Type Activities	29,721,199	29,833,931	32,405,680
Primary Government:			
Invested In Capital Assets,			
Net Of Related Debt	145,096,598	155,544,316	160,638,414
Restricted	5,733,627	15,619,746	7,449,491
Unrestricted	19,130,222	9,806,017	21,409,201
Total Primary Government Net Assets	$169,960,447	$180,970,079	$189,497,106

2005	*2006*	*2007*
$129,747,946	$151,881,393	$157,897,919
8,966,640	11,607,974	14,298,277
21,928,148	21,653,757	23,405,676
160,642,734	185,143,124	195,601,872
35,711,995	44,659,643	44,726,881
303,305	0	0
3,871,428	4,814,955	5,828,721
39,886,728	49,474,598	50,555,602
165,459,941	196,541,036	202,624,800
9,269,945	11,607,974	14,298,277
25,799,576	26,468,712	29,234,397
$200,529,462	$234,617,722	$246,157,474

CITY OF GROVE CITY, OHIO

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

TABLE 2

	2002	*2003*	*2004*
Program Revenues:			
Governmental Activities:			
Charges For Services:			
Security Of Persons And Property	$309,365	$325,025	$326,449
Public Health	90,645	0	0
Leisure Time Activities	1,247,357	1,363,264	1,355,898
Community Development	403,313	874,309	848,772
Transportation	0	0	176,669
General Government	12,575	276,418	35,399
Operating Grants, Contributions And Interest	1,601,207	1,662,922	1,574,992
Capital Grants, Contributions And Interest	2,193,223	794,556	967,111
Total Governmental Activities Program Revenues	5,857,685	5,296,494	5,285,290
Business-Type Activities:			
Charges For Services:			
Water	426,079	504,933	544,006
Sewer	321,391	344,215	379,919
Capital Grants, Contributions And Interest	714,582	492,312	1,113,278
Total Business-Type Activities Program Revenues	1,462,052	1,341,460	2,037,203
Total Primary Government Program Revenues	7,319,737	6,637,954	7,322,493
Expenses:			
Governmental Activities:			
Security Of Persons And Property	6,213,923	6,620,720	7,777,311
Public Health	316,933	276,176	255,097
Leisure Time Activities	2,468,187	1,895,869	2,290,652
Community Development	917,167	1,080,886	1,152,824
Transportation	1,014,035	1,091,121	1,353,924
General Government	4,363,435	3,660,892	5,213,511
Interest And Fiscal Charges	477,561	579,482	581,264
Total Governmental Activities Expenses	15,771,241	15,205,146	18,624,583
Bussiness-Type Activities:			
Water	568,830	435,147	482,039
Sewer	895,000	1,012,708	897,353
Total Business-Type Activities Expenses	1,463,830	1,447,855	1,379,392
Total Primary Government Expenses	$17,235,071	$16,653,001	$20,003,975

2005	2006	2007
$345,816	$384,831	$354,699
13,350	34,730	19,729
1,493,001	1,388,567	1,487,945
916,819	782,966	737,648
233,387	74,744	172,461
30,432	42,840	46,774
2,011,152	1,839,548	1,947,050
2,308,353	25,892,937	11,960,441
7,352,310	30,441,163	16,726,747
902,148	760,355	766,940
419,055	552,866	492,827
6,930,563	6,066,255	1,807,587
8,251,766	7,379,476	3,067,354
15,604,076	37,820,639	19,794,101
8,072,763	8,756,725	9,680,259
198,126	223,883	240,079
2,470,743	2,148,506	2,461,442
1,271,478	1,120,005	1,208,483
4,630,846	8,515,515	11,221,371
6,996,686	7,650,006	8,042,295
1,087,320	1,233,592	1,855,328
24,727,962	29,648,232	34,709,257
625,928	821,112	673,536
1,138,042	1,141,117	1,363,050
1,763,970	1,962,229	2,036,586
$26,491,932	$31,610,461	$36,745,843

(Continued)

CITY OF GROVE CITY, OHIO

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

TABLE 2

	2002	*2003*	*2004*
Net (Expense) / Revenues:			
Governmental Activities	($9,913,556)	($9,908,652)	($13,339,293)
Business-Type Activities	(1,778)	(106,395)	657,811
Total Primary Government Net Assets	(9,915,334)	(10,015,047)	(12,681,482)
General Revenues and Transfers:			
Governmental Activities:			
Property Taxes Levied For General Purposes	1,718,790	1,768,060	1,799,108
Property Taxes Levied For Debt Service	754,820	763,926	716,408
Property Taxes Levied For Police	587,781	637,412	646,524
Property Taxes Levied For Community Development	165,387	154,732	159,660
Revenue In Lieu Of Taxes	0	0	0
Other Local Taxes	0	0	0
Municipal Income Tax Levied For General Purposes	15,372,667	14,859,483	15,342,810
Grants And Entitlements Not Restricted	2,031,459	2,011,979	1,940,042
Rent	0	21,722	0
Unrestricted Investment Earnings	459,190	271,514	222,169
Other	333,507	515,356	364,547
Transfers	(139,162)	(198,632)	(1,896,697)
Total Governmental Activities	21,284,439	20,805,552	19,294,571
Business-Type Activities:			
Grants And Entitlements Not Restricted	22,015	18,416	0
Unrestricted Investment Earnings	170,503	2,079	17,241
Transfers	139,162	198,632	1,896,697
Total Business-Type Activities	331,680	219,127	1,913,938
Change In Net Assets:			
Governmental Activities	11,370,883	10,896,900	5,955,278
Business-Type Activities	329,902	112,732	2,571,749
Total Primary Government	$11,700,785	$11,009,632	$8,527,027

2005	*2006*	*2007*
($17,375,652)	$792,931	($17,982,510)
6,487,796	5,417,247	1,030,768
(10,887,856)	6,210,178	(16,951,742)
1,228,149	1,476,272	1,133,738
752,816	910,242	810,143
676,590	821,228	1,048,565
0	0	0
0	2,601,794	3,230,374
780,473	882,644	1,028,325
16,730,688	15,593,062	16,397,634
778,752	1,796,892	2,402,645
0	0	0
558,560	1,260,942	2,166,402
337,772	133,292	273,432
(916,840)	(1,360,916)	(50,000)
20,926,960	24,115,452	28,441,258
55,911	33,274	0
20,501	9,277	236
916,840	1,360,916	50,000
993,252	1,403,467	50,236
3,551,308	24,908,383	10,458,748
7,481,048	6,820,714	1,081,004
$11,032,356	$31,729,097	$11,539,752

CITY OF GROVE CITY, OHIO

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

TABLE 3

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

2002	*2003*	*2004*	*2005*	*2006*	*2007*
$5,442,276	$3,761,539	$3,810,321	$5,626,637	$5,216,142	$1,716,494
12,267,796	14,439,903	13,726,108	13,188,548	16,362,239	22,067,732
17,710,072	18,201,442	17,536,429	18,815,185	21,578,381	23,784,226
4,396,943	3,529,671	10,579,170	3,233,582	3,396,504	8,315,194
2,645,987	2,070,442	2,708,086	3,047,244	3,395,878	4,042,465
1,297,592	1,419,428	1,762,199	1,905,094	1,828,294	2,695,304
937,313	(139,887)	(15,828,723)	(24,361,025)	732,729	1,066,445
9,277,835	6,879,654	(779,268)	(16,175,105)	9,353,405	16,119,408
$26,987,907	$25,081,096	$16,757,161	$2,640,080	$30,931,786	$39,903,634

CITY OF GROVE CITY, OHIO

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

TABLE 4

	1998	*1999*	*2000*	*2001*
Revenues:				
Property Taxes	$1,868,314	$1,863,136	$2,168,790	$2,269,870
Revenue In Lieu Of Taxes	0	0	0	0
Municipal Income Taxes	9,224,779	10,698,896	12,001,602	13,347,610
Other Local Taxes	576,837	619,640	713,219	697,804
Intergovernmental	4,040,704	5,139,965	3,790,545	3,334,238
Charges For Services	1,015,984	1,107,631	1,182,128	1,254,477
Licenses And Permits	510,155	753,284	737,471	595,803
Fines And Forfeitures	152,302	149,261	185,957	200,183
Special Assessments	112,900	135,143	249,172	155,408
Interest	692,330	692,905	1,142,395	857,554
Increase (Decrease) In Fair Value Of Investments	0	0	0	0
Rent	0	0	0	0
Contributions And Donations	0	0	0	0
Miscellaneous	391,201	369,769	197,738	326,071
Total Revenues	18,585,506	21,529,630	22,369,017	23,039,018
Expenditures:				
Current Operations And Maintenance:				
Security of Persons And Property	3,975,713	4,425,832	6,110,569	5,161,180
Public Health	160,275	176,003	269,098	325,658
Leisure Time Activities	2,192,457	1,404,377	1,589,606	1,824,651
Community Development	659,990	654,022	822,290	844,130
Transportation	885,314	847,889	975,507	886,156
General Government	2,614,399	3,233,356	2,350,469	3,202,712
Capital Outlay	6,046,940	8,109,880	7,869,269	6,967,423
Debt Service:				
Principal Retirement	788,505	854,594	929,817	992,722
Interest And Fiscal Charges	501,249	474,533	534,455	432,079
Issuance Costs	0	0	0	0
Deferred Charges	0	0	0	0
Total Expenditures	17,824,842	20,180,486	21,451,080	20,636,711
Excess of Revenues Over (Under) Expenditures	760,664	1,349,144	917,937	2,402,307
Other Financing Sources (Uses):				
Proceeds Of OPWC Loan	458,229	669,515	628,689	434,127
Premium On Debt Issued	0	0	0	0
General Obligation Bonds Issued	200,000	0	0	1,840,000
Revenue Bonds Issued	0	0	0	0
Notes Issued	0	0	0	0
Inception Of Capital Lease	0	0	0	0
Proceeds Of Capital Lease	0	25,688	0	12,592
Current Refunding	0	0	0	0
Proceeds From Sale Of Capital Assets	165,306	0	157,072	12,285
Issuance Of Refunding Bonds	0	0	0	0
Payment Of Refunded Bonds	0	0	0	0
Transfers - In	324,178	354,155	509,500	0
Transfers - Out	(324,178)	(354,155)	(509,500)	0
Total Other Financing Sources (Uses)	823,535	695,203	785,761	2,299,004
Net Change in Fund Balances	$1,584,199	$2,044,347	$1,703,698	$4,701,311
Debt Service As A Percentage Of Noncapital Expenditures	11.0%	11.0%	10.8%	10.4%

2002	*2003*	*2004*	*2005*	*2006*	*2007*
$2,430,982	$2,627,857	$2,557,486	$2,633,055	$3,218,150	$3,010,739
0	0	0	0	1,101,794	1,198,082
15,248,743	14,458,885	13,624,118	15,679,344	17,065,753	17,339,360
750,185	723,303	781,617	768,143	826,628	1,004,656
5,594,874	4,481,523	4,339,465	4,687,994	3,826,781	5,252,502
1,332,815	1,653,811	1,374,320	1,323,490	1,356,110	1,539,747
542,107	997,929	946,310	1,211,756	967,300	904,120
188,333	187,276	198,211	207,624	249,419	245,607
68,030	80,814	86,112	81,799	87,534	76,498
492,714	335,697	549,955	1,084,906	1,735,731	2,031,101
0	0	(116,005)	(60,428)	8,577	382,768
0	21,722	42,730	44,357	51,481	47,028
0	0	45,430	55,379	54,190	59,383
333,507	515,356	92,912	73,382	133,292	273,432
26,982,290	26,084,173	24,522,661	27,790,801	30,682,740	33,365,023
5,614,357	6,215,034	7,169,373	7,539,806	8,092,726	8,890,373
317,182	276,176	255,097	198,126	223,883	240,079
2,064,003	1,653,070	1,789,778	1,851,767	1,762,494	1,890,187
866,989	1,084,086	1,123,302	1,122,303	1,068,489	1,165,585
1,041,692	1,053,306	1,206,133	1,126,447	1,100,085	1,282,273
3,325,872	3,749,317	4,754,778	5,439,363	5,620,981	6,488,046
12,430,636	13,258,603	16,757,169	16,138,194	7,793,740	11,802,699
977,693	7,038,085	7,791,315	743,800	791,246	1,054,316
410,048	526,344	631,910	1,209,421	1,120,325	1,547,618
0	0	0	0	357,067	0
0	0	37,651	0	0	0
27,048,472	34,854,021	41,516,506	35,369,227	27,931,036	34,361,176
(66,182)	(8,769,848)	(16,993,845)	(7,578,426)	2,751,704	(996,153)
397,693	94,868	428,275	1,120,620	456,302	57,925
0	34,773	271,635	264,390	63,700	0
0	0	0	0	8,730,000	0
0	0	0	0	16,290,000	0
6,000,000	6,700,000	7,925,000	0	0	9,530,240
0	0	0	0	0	30,569
0	10,485		1,335	0	349,267
0	0	0	(7,925,000)	0	0
125,845	0	0	0	0	0
0	0	1,360,000	0	0	0
0	0	(1,315,000)	0	0	0
0	72,911	74,000	40,000	1,458,776	0
0	(50,000)	(74,000)	(40,000)	(1,458,776)	0
6,523,538	6,863,037	8,669,910	(6,538,655)	25,540,002	9,968,001
$6,457,356	($1,906,811)	($8,323,935)	($14,117,081)	$28,291,706	$8,971,848
8.9%	35.0%	34.2%	10.2%	11.4%	11.6%

CITY OF GROVE CITY, OHIO

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

TABLE 5

Year	*Withholding*	*Percentage Of Total*	*Individual*	*Percentage Of Total*	*Business Net Profit*	*Percentage Of Total*	*Total*
1998	$7,012,659	77%	$697,472	8%	$1,326,475	15%	$9,036,606
1999	8,131,674	79%	807,211	8%	1,308,484	13%	10,247,369
2000	9,952,680	82%	798,767	7%	1,413,420	12%	12,164,867
2001	10,551,096	82%	971,005	8%	1,419,799	11%	12,941,900
2002	10,960,730	80%	1,005,683	7%	1,817,686	13%	13,784,099
2003	11,020,416	76%	1,301,125	9%	2,143,022	15%	14,464,563
2004	11,208,037	79%	1,095,884	8%	1,921,151	14%	14,225,072
2005	10,607,902	74%	1,457,238	10%	2,218,294	16%	14,283,434
2006	12,222,273	73%	1,525,159	9%	3,117,743	18%	16,865,175
2007	12,867,797	75%	1,352,022	8%	2,862,524	17%	17,082,343

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

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

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

CITY OF GROVE CITY, OHIO

Principal Income Taxpayers - Individual Filers
2005 And 2006

TABLE 6

	2005		*2006 (1)*	
Range Of Withholding Amount	***Number Of Individual Filers***	***Percentage Of Individual Filers***	***Number Of Individual Filers***	***Percentage Of Individual Filers***
$200,000 and higher	80	0.75%	115	1.07%
$175,000 - 199,999	66	0.62%	68	0.63%
$150,000 - 174,999	147	1.38%	156	1.45%
$125,000 - 149,999	316	2.97%	394	3.67%
$100,000 - 124,999	762	7.15%	784	7.31%
$75,000 - 99,999	1,357	12.74%	1,379	12.85%
$50,000 - 74,999	1,956	18.36%	1,910	17.80%
$25,000 - 49,999	2,517	23.62%	2,453	22.86%
$24,999 and lower	3,453	32.41%	3,471	32.35%
Total	10,654	100.00%	10,730	100.00%

(1) This is the latest information available

Source: Regional Income Tax Agency

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

Information prior to 2005 was not available.

CITY OF GROVE CITY, OHIO

Computation Of Legal Debt Margin
Last Ten Years

TABLE 7

	1998	*1999*	*2000*	*2001*
Total Assessed Valuation	$445,428,807	$517,062,465	$547,248,291	$588,752,852
Overall debt limitation - 10.5% of assessed valuation	46,770,025	54,291,559	57,461,071	61,819,049
Gross indebtedness authorized by Council	12,000,968	15,246,074	13,277,688	12,569,422
Less Debt Outside Limitation	(6,300,156)	(6,528,866)	(6,539,084)	(6,254,422)
Net Debt Subject to Limitation	5,700,812	8,717,208	6,738,604	6,315,000
Less amount available in the Debt Service Funds	(963,878)	(753,793)	(1,027,129)	(1,196,785)
Total Net Debt Subject to Limitation	4,736,934	7,963,415	5,711,475	5,118,215
Legal debt margin within 10.5% limitation	$42,033,091	$46,328,144	$51,749,596	$56,700,834
Legal Debt Margin as a Percentage of the Debt Limit	89.9%	85.3%	90.1%	91.7%
Unvoted debt limitation 5.5% of assessed valuation	$24,498,584	$28,438,436	$30,098,656	$32,381,407
Gross indebtedness authorized by Council	12,000,968	15,246,074	13,277,688	12,569,422
Less Debt Outside Limitation	(6,300,156)	(6,528,866)	(6,539,084)	(6,254,422)
Net Debt Subject to Limitation	5,700,812	8,717,208	6,738,604	6,315,000
Debt within 5.5% limitation	5,700,812	8,717,208	6,738,604	6,315,000
Less amount available in the Debt Service Funds	(963,878)	(753,793)	(1,027,129)	(1,196,785)
Total Net Debt Subject to Limitation	4,736,934	7,963,415	5,711,475	5,118,215
Legal debt margin within 5.5% limitation	$19,761,650	$20,475,021	$24,387,181	$27,263,192
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	80.7%	72.0%	81.0%	84.2%

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

2002	*2003*	*2004*	*2005*	*2006*	*2007*
$664,972,469	$684,813,923	$711,751,699	$812,782,633	$839,491,937	$837,638,956
69,822,109	71,905,462	74,733,928	85,342,176	88,146,653	87,952,090
17,770,815	24,694,397	33,482,291	35,785,797	34,267,562	42,780,421
(5,870,815)	(5,138,397)	(4,688,291)	(5,304,797)	(21,502,562)	(21,140,181)
11,900,000	19,556,000	28,794,000	30,481,000	12,765,000	21,640,240
(1,297,592)	(1,419,428)	(1,535,271)	(1,913,242)	(1,828,294)	(2,346,978)
10,602,408	18,136,572	27,258,729	28,567,758	10,936,706	19,293,262
$59,219,701	$53,768,890	$47,475,199	$56,774,418	$77,209,947	$68,658,828
84.8%	74.8%	63.5%	66.5%	87.6%	78.1%
$36,573,486	$37,664,766	$39,146,343	$44,703,045	$46,172,057	$46,070,143
17,770,815	24,694,397	33,482,291	35,785,797	34,267,562	42,780,421
(5,870,815)	(5,138,397)	(4,688,291)	(5,304,797)	(21,502,562)	(21,140,181)
11,900,000	19,556,000	28,794,000	30,481,000	12,765,000	21,640,240
11,900,000	19,556,000	28,794,000	30,481,000	12,765,000	21,640,240
(1,297,592)	(1,419,428)	(1,535,271)	(1,913,242)	(1,828,294)	(2,346,978)
10,602,408	18,136,572	27,258,729	28,567,758	10,936,706	19,293,262
$25,971,078	$19,528,194	$11,887,614	$16,135,287	$35,235,351	$26,776,881
71.0%	51.8%	30.4%	36.1%	76.3%	58.1%

CITY OF GROVE CITY, OHIO

Ratio Of Outstanding Debt By Type
Last Ten Years

TABLE 8

	Governmental Activities						
Year	***General Obligation Bonds***	***Special Assessment Bonds***	***OPWC Loans Payable***	***Bond Anticipation Notes Payable***	***Capital Leases***	***TIF Revenue Bonds***	***Certificates Of Participation***
1998	$5,700,812	$461,620	$1,090,332	$0	$0	$0	$2,185,000
1999	5,307,208	394,664	1,690,623	0	20,878	0	1,865,000
2000	4,898,604	327,291	2,213,921	0	12,428	0	1,525,000
2001	6,315,000	259,470	2,513,773	0	12,998	0	1,170,000
2002	5,900,000	227,563	2,758,551	6,000,000	5,127	0	800,000
2003	5,460,000	195,138	2,682,135	6,700,000	11,236	0	310,000
2004	5,012,349	162,156	2,920,758	7,925,000	7,555	0	0
2005	4,516,532	128,576	3,833,831	0	6,217	0	0
2006	12,799,416	94,352	4,051,117	0	3,211	16,290,000	0
2007	12,146,051	59,436	3,836,340	9,530,240	321,349	16,260,000	0

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

(2) Computation of per capita personal income multiplied by population (in thousands)
The per capita personal income was not available for 2007, the 2006 amount was used as an estimate.

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

Business-Type Activites						
Revenue Bonds	***OPWC Loans Payable***	***Total Primary Government***	***Population (1)***	***Personal Income (2)***	***Debt Per Capita***	***Percentage Of Personal Income***
$1,270,000	$873,204	$11,580,968	24,683	$612,286	$469	1.89%
1,135,000	1,443,579	11,856,952	25,129	648,680	472	1.83%
1,000,000	1,472,871	11,450,115	27,075	742,559	423	1.54%
865,000	1,446,179	12,582,420	29,923	840,208	420	1.50%
710,000	1,374,701	17,775,942	30,224	870,663	588	2.04%
550,000	1,301,124	17,209,633	30,679	898,833	561	1.91%
380,000	1,225,377	17,633,195	30,826	927,277	572	1.90%
195,000	1,147,390	9,827,546	31,580	985,864	311	1.00%
0	1,067,093	34,305,189	32,447	1,053,002	1,057	3.26%
0	984,405	43,137,821	33,483	1,086,624	1,288	3.97%

CITY OF GROVE CITY, OHIO

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

TABLE 9

Year	*General Obligation Bonded Debt*	*Estimated Actual Value Of Taxable Property (1)*	*Population (2)*	*Percentage Of Bonded Debt To Estimated Actual Value*	*Bonded Debt Per Capita*
1998	$5,700,812	$1,320,499,463	24,683	0.43%	$230.96
1999	5,307,208	1,512,426,815	25,129	0.35%	211.20
2000	3,871,475	1,613,865,804	27,075	0.24%	142.99
2001	6,315,000	1,754,839,837	29,923	0.36%	211.04
2002	5,900,000	1,979,048,549	30,224	0.30%	195.21
2003	5,460,000	2,028,932,031	30,679	0.27%	177.97
2004	5,012,349	2,097,872,747	30,826	0.24%	162.60
2005	4,516,532	2,368,849,877	31,580	0.19%	143.02
2006	12,799,416	2,429,368,167	32,447	0.53%	394.47
2007	12,146,051	2,393,254,160	33,483	0.51%	362.75

(1) Franklin County Auditor

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

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

CITY OF GROVE CITY, OHIO

Computation Of Direct And Overlapping Governmental Debt
December 31, 2007

TABLE 10

Jurisdiction	*Long-Term Debt Outstanding*	*Percentage Applicable To City Of Grove City (2)*	*Amount Applicable To City Of Grove City*
Direct:			
City of Grove City			
General Obligation Bonds	$12,146,051	100.00%	$12,146,051
TIF Revenue Bonds	16,260,000	100.00%	16,260,000
Special Assessment Bonds	59,436	100.00%	59,436
OPWC Loans Payable	3,836,340	100.00%	3,836,340
Notes Payable	9,530,240	100.00%	9,530,240
Capital Leases	321,349	100.00%	321,349
Total Direct	42,153,416		42,153,416
Overlapping:			
South-Western City School District (1)			
General Obligation Bonds	115,600,828	31.64%	36,576,102
Energy Conservation Bonds	3,275,000	31.64%	1,036,210
Notes Payable	9,040,579	31.64%	2,860,439
Franklin County			
General Obligation Bonds	239,925,000	2.99%	7,173,758
Special Obligation Bonds And Notes	42,500,000	2.99%	1,270,750
Notes Payable	2,468,000	2.99%	73,793
Total Overlapping	412,809,407		48,991,052
Total Direct And Overlapping Debt	$454,962,823		$91,144,468

Source: Franklin County Auditor

(1) The debt outstanding for South-Western City School District is at June 30, 2007

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

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

CITY OF GROVE CITY, OHIO

Pledged Revenue Coverage
Last Ten Years

TABLE 11

Year	Operating Revenues	Less: Operating Expenses (1)	Net Revenue Available For Debt Service	Debt Service Requirements Principal	Interest	Total	Coverage
			Water Revenue Bonds				
1998	$428,029	$40,958	$387,071	$115,000	$86,185	$201,185	1.92
1999	447,054	38,541	408,513	135,000	79,860	214,860	1.90
2000	537,108	90,643	446,465	135,000	72,165	207,165	2.16
2001	441,885	141,836	300,049	135,000	64,200	199,200	1.51
2002	426,150	152,622	273,528	155,000	55,965	210,965	1.30
2003	504,943	45,527	459,416	160,000	46,278	206,278	2.23
2004	544,006	93,712	450,294	170,000	36,038	206,038	2.19
2005	902,148	177,563	724,585	185,000	24,988	209,988	3.45
2006	769,032	179,796	589,236	195,000	7,870	202,870	2.90
2007	766,947	118,279	648,668	0	0	0	0.00
			Sewer Revenue Bonds				
1998	354,769	324,987	29,782	35,160	2,969	38,129	0.78
1999	355,684	391,100	(35,416)	0	0	0	0.00
2000	421,911	399,564	22,347	0	0	0	0.00
2001	695,529	897,954	(202,425)	0	0	0	0.00
2002	491,823	439,199	52,624	0	0	0	0.00
2003	346,284	536,639	(190,355)	0	0	0	0.00
2004	379,919	390,332	(10,413)	0	0	0	0.00
2005	439,556	551,243	(111,687)	0	0	0	0.00
2006	553,466	434,403	119,063	0	0	0	0.00
2007	493,056	677,126	(184,070)	0	0	0	0.00

(Continued)

(1) Operating expenses do not include depreciation expense.

(2) Tax Increment Financing Revenue Bonds are backed by the revenue in lieu of taxes charged and collected in the same manner and in the same amount as real property taxes. Revenue in lieu of taxes presented on this table only reflect the Buckeye Center TIF and does not include the Pinnacle TIF revenue. Revenue in lieu of taxes is presented on the full accrual basis of accounting.

CITY OF GROVE CITY, OHIO

Pledged Revenue Coverage
Last Ten Years
(Continued)
TABLE 11

Year	Revenue In Lieu Of Taxes (2)	Debt Service Requirements Principal	Interest	Total	Coverage
		TIF Revenue Bonds			
1998	$0	$0	$0	$0	0.00
1999	0	0	0	0	0.00
2000	0	0	0	0	0.00
2001	0	0	0	0	0.00
2002	0	0	0	0	0.00
2003	0	0	0	0	0.00
2004	0	0	0	0	0.00
2005	0	0	0	0	0.00
2006	1,715,213	0	0	0	0.00
2007	1,509,214	30,000	873,330	903,330	1.67

CITY OF GROVE CITY, OHIO

Demographic Statistics
Last Ten Years

TABLE 12

					Unemployment Rate (2)			
Year	***Population (1)***	***Personal Income (3)***	***Per Capita Income (4)***		***Federal***	***State***	***Franklin County***	***Grove City***
1998	24,683	$612,286	$24,806		4.5%	4.3%	2.6%	1.7%
1999	25,129	648,680	25,814		4.2%	4.3%	2.6%	1.6%
2000	27,075	742,559	27,426		4.0%	4.0%	3.1%	2.6%
2001	29,923	840,208	28,079		4.7%	4.4%	3.4%	2.9%
2002	30,224	870,663	28,807		5.8%	5.7%	5.0%	4.2%
2003	30,679	898,833	29,298		6.0%	6.2%	5.3%	4.8%
2004	30,826	927,277	30,081		5.5%	6.1%	5.4%	5.0%
2005	31,580	985,864	31,218		5.1%	5.9%	5.2%	4.8%
2006	32,447	1,053,002	32,453		4.6%	5.4%	4.7%	4.3%
2007	33,483	1,086,624	32,453	(5)	4.6%	5.6%	4.7%	4.3%

Source:

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

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

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

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

(5) The Per Capita Income was not available for 2007, the 2006 amount was used as an estimate.

CITY OF GROVE CITY, OHIO

Principal Employers
2006 And 2007

TABLE 13

	2006			*2007*		
Employer	***Number Of Employees***	***Rank***	***Percentage Of Total Employment***	***Number Of Employees***	***Rank***	***Percentage Of Total Employment***
South-Western City School District	1,418	1	9.01%	1,305	1	8.47%
Wal-Mart Associates	1,050	2	6.67%	1,000	2	6.49%
FedEx Ground Package Systems, Inc.	850	3	5.40%	806	3	5.23%
The GAP Direct	600	4	3.81%	600	4	3.90%
Ohio Auto Auction	600	5	3.81%	485	5	3.15%
Nationwide	600	6	3.81%	450	6	2.92%
Wal-Mart Super Center	450	8	2.86%	450	7	2.92%
Tigerpoly Manufacturing, Inc.	446	9	2.84%	400	8	2.60%
Halcore Group	380	10	2.41%	384	9	2.49%
Tosoh	325	N/A	2.07%	325	10	2.11%
Total Employees	6,719		42.69%	6,205		40.29%
All Other Employers	9,021		57.31%	9,196		59.71%
Total Employment within the City	15,740		100.00%	15,401		100.00%

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

Information prior to 2006 was not available.

CITY OF GROVE CITY, OHIO

Operating Indicators By Function/Program
Last Ten Years

TABLE 14

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

Source: City Departments

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

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

N/A - Information not available

2002	2003	2004	2005	2006	2007
N/A	N/A	10,825	13,297	16,199	18,731
N/A	N/A	737	971	1,143	1,089
N/A	N/A	660	832	949	1,539
404	483	456	342	416	428
1,451	1,454	1,329	1,743	2,257	2,123
534	484	618	595	691	703
71,637	53,556	52,715	51,311	49,867	69,823
1,783	1,206	3,168	3,675	1,877	1,410
1,301	1,267	1,211	1,245	1,245	2,157
N/A	461	515	727	827	N/A
N/A	N/A	1,051	725	515	548
N/A	N/A	1,853	1,838	1,439	1,953
N/A	N/A	304	312	221	407
N/A	N/A	N/A	N/A	484	330
N/A	N/A	N/A	229	331	197
$966,390	$1,047,158	$1,092,924	$1,012,187	$1,009,822	$1,059,087

CITY OF GROVE CITY, OHIO

Capital Assets Statistics By Function/Program
Last Ten Years

TABLE 15

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

Source: City Records
(1) Fire Protection provided by Jackson Township

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

N/A - Information not available

2002	*2003*	*2004*	*2005*	*2006*	*2007*	
1	1	1	1	1	1	
1	1	1	1	1	1	
3	3	3	3	3	3	
7	7	7	7	8	18	(2)
289	289	289	289	289	440	(2)
7	7	7	7	7	14	(2)
1	1	1	1	1	1	
6	6	6	6	6	6	
3	3	3	3	3	3	
1	1	1	1	1	1	
0.0	94.9	96.2	137.2	190.6	195.0	
83.7	85.6	86.3	145.7	181.3	188.0	
29.4	31.3	32.7	108.2	232.4	237.0	
N/A	N/A	N/A	117.1	134.7	135.0	
2,736	2,807	3,207	3,207	3,397	3,492	
2,751	2,801	2,915	2,915	3,225	3,220	
33	36	38	38	41	50	

CITY OF GROVE CITY, OHIO

City Government Employees By Function/Program
Last Six Years

TABLE 16

	2002		*2003*		*2004*		*2005*	
Function/Program	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
Security Of Persons And Property	71	76	76	85	78	84	79	85
Leisure Time Activities	18	49	18	60	20	58	20	57
Community Development	12	16	12	17	13	16	11	13
Transportation	14	16	12	14	16	17	12	12
General Government	11	18	11	19	11	19	16	24
Total Number of Employees	126	175	129	195	138	194	138	191

Source: City Payroll Records

Information prior to 2002 was not available.

2006		*2007*	
Full-Time	All	Full-Time	All
78	83	77	83
21	61	21	57
11	13	11	13
13	14	14	23
17	25	14	25
140	196	137	201

GROVE CITY
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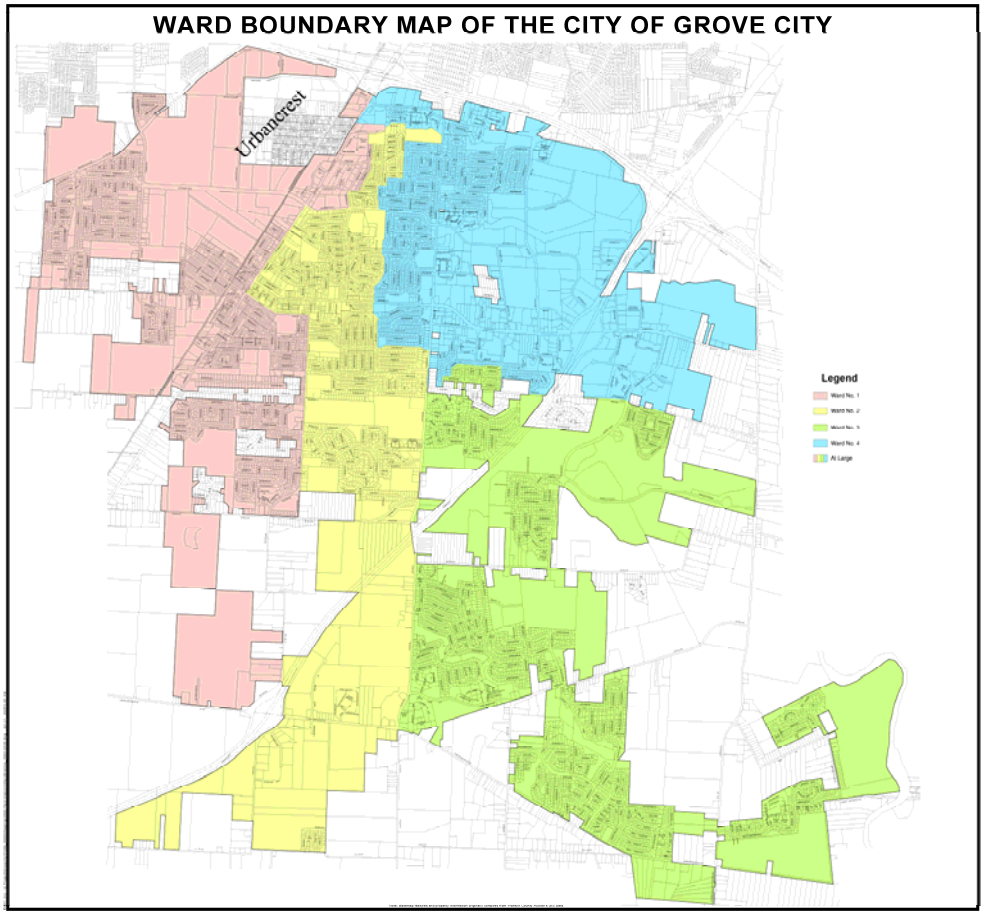
OHIO

Grove City, Ohio

Mayor Cheryl L. Grossman



The City of Grove City, Ohio
Department of Finance
Howard R. Whitney, Director

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