



**Auditor of State
Betty Montgomery**

CITY OF GROVE CITY
FRANKLIN COUNTY

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**CITY OF GROVE CITY
FRANKLIN COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2002**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. Department of Housing and Urban Development</u>			
<i>Passed Through Ohio Department of Development:</i>			
Community Development Block Grant (CDBG)	B01-UC-39-0002	14.228	\$262,987
	B02-UC-39-0002		
Total Community Development Block Grant (CDBG)			<u>262,987</u>
Total U.S. Department of Housing and Urban Development:			<u>262,987</u>
<u>U.S. Department of Justice</u>			
Public Safety and Partnership and Community Policing Grant (COPS)	N/A	16.710	230,809
Bulletproof Vest Partnership Program	N/A	16.607	11,180
Total U.S. Department of Justice			<u>241,989</u>
Total			<u><u>\$504,976</u></u>

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

**CITY OF GROVE CITY
FRANKLIN COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2002**

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B- MATCHING REQUIREMENTS

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



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

City of Grove City
Franklin County
P.O. Box 427
4035 Broadway
Grove City, Ohio 43123

To the Members of Council:

We have audited the financial statements of the City of Grove City, Franklin County, Ohio (the City) as of and for the year ended December 31, 2002, and have issued our report thereon dated August 6, 2003, wherein we noted the City adopted Governmental Accounting Standards Board Statement No. 34. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated August 6, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the City in a separate letter dated August 6, 2003.

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Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
www.auditor.state.oh.us

This report is intended for the information and use of the audit committee, management, City Council, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

August 6, 2003



Auditor of State Betty Montgomery

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

City of Grove City
Franklin County
P.O Box 427
4035 Broadway
Grove City, Ohio 43123

To the Members of Council:

Compliance

We have audited the compliance of the City of Grove City, Franklin County, Ohio, (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2002. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2002

Internal Control Over Compliance

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

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

Schedule of Federal Awards Expenditures

We have audited the financial statements of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2002, which collectively comprise the City's basic financial statements and have issued our report thereon dated August 6, 2003, wherein we noted the City implemented a new financial reporting model as required by the provisions of Governmental Accounting Standards Board Statement No. 34. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the audit committee, management, City Council, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Betty Montgomery
Auditor of State

August 6, 2003

**CITY OF GROVE CITY
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2002**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

X

COMPREHENSIVE ANNUAL FINANCIAL REPORT of the City of Grove City, Ohio For the Year Ended December 31, 2002

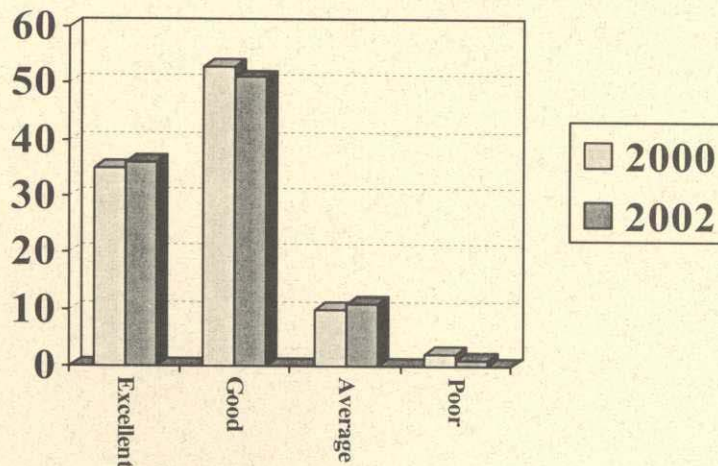
Grove City Surveys Tell It Like It Is. Community Satisfaction

90% designated fire/paramedic service as above average

76% voiced satisfaction in safety services

87% graded the city above average as a place to live

Overall feelings about
Grove City as a place to live



Issued by
Department of Finance
Robert E. Behlen, Director

4035 Broadway
Grove City, Ohio 43123

City of Grove City
Comprehensive Annual Financial Report

For the Year Ended December 31, 2002

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The City of Grove City, Ohio

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

CHERYL L. GROSSMAN
Mayor

August 6, 2003

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

I am pleased to present our Comprehensive Annual Financial Report of the City of Grove City for the year ended December 31, 2002. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

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

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

The primary government consists of all funds and departments that provide various services including public safety, public service, street maintenance, parks and recreation, a senior center, engineering, and general administrative services. The City of Grove City is responsible for the construction, maintenance and repairs associated with all public infrastructures that include 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 Grove City Area Community Improvement Corporation (CIC), a not-for-profit corporation established by state law, provides financing and development services to the City by means of issuing Certificates of Participation and selling unused City land to enhance economic development. Because this service entirely benefits the City, the CIC is considered a blended component unit of the City.

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

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

THE CITY AND FORM OF GOVERNMENT

The City of Grove City, Ohio, is a rapidly expanding community of 30,679 residents and a growing municipality in central Ohio. Only eleven miles from downtown Columbus, the City is the southern gateway to the 1.7 million inhabitants of the Columbus Metropolitan Area. The City has one interchange on Interstate 270 (the Columbus outerbelt), the City's northern boundary, and two interchanges on Interstate 71 within the corporate boundaries of the City. Rail service is provided by CSX, while private air service is available at Bolton Field, five miles northwest of the City. Public air service is available 15 miles northeast at Port Columbus International Airport via Interstates 270 or 670, while Rickenbacker Port Authority, one of the country's fastest growing freight airports, is less than 10 miles east of the City.

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

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

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

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

ECONOMIC CONDITION AND OUTLOOK

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

Grove City is a vital link to the growth of the Columbus Metropolitan Area. With more than \$678 million in building permits issued over the past ten years, Grove City has contributed to the Columbus area's commerce and industry as well as to its population. In the past eleven years, assessed value of taxable property, which includes real property, public utility property and tangible personal property, has climbed from \$223 million to \$664 million. This is a result of the access and availability of well-priced land that has attracted industry leaders and the up and coming to Grove City. Approximately 65.2 percent of the current tax base is in residential property while the remainder is made up of commercial (14.5 percent), industrial (5.5 percent), personal and public utility inventory (14.6 percent) and agricultural (.2 percent) categories.

Grove City continues to experience strong fiscal management and a stable financial position that is a direct result of the increase in income tax revenue generated by its expanding employment base and a 3% vacancy rate in our business parks. Grove City's diverse employment base is demonstrated by its business citizens, varying from Ohio Health Urgent Care that employs 100 people, Converse Electric that employs 75 people, to the Beulah Park Jockey Club, a thoroughbred horse track that employs in excess of 300 persons, to Wal-Mart Distribution which employs over 1,300 associates. The total Grove City work force is estimated at 19,234 workers.

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

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

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

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

To accommodate such industrial and commercial growth, the City cooperated with private investors to develop seven commerce parks: GROVE CITY INDUSTRIAL PARK, a 100-acre park with 13 major buildings and 1 to 20 acre tracts available at I-71 and State Route 665; SOUTHPARK, a 350-acre park with 17 major buildings and 1 to 20 acre tracts available at I-71 and I-270; CAPITAL PARK SOUTH, a 150-acre park with 6 major buildings and 1 to 30 acre tracts available at I-270 and State Route 62; SOUTHPOINTE, a 53-acre park with 6 major buildings; GATEWAY BUSINESS PARK, a 114-acre park with 4 major buildings and 35 acres available at I-71

and State Route 665; GATEWAY BUSINESS PARK WEST, a 232-acre park that was platted in 1999 and GATEWAY TO THE CITY OFFICE PARK, a 35-acre park with 7 of its 16 platted sites currently occupied or under construction at I-71 and Stringtown Road.

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

The City offers a wide range of housing opportunities. Between 1980 and 2002, the average cost of a newly constructed single-family dwelling increased from \$58,000 to \$204,584. In 2002, the selling price ranged from \$80,000 to \$452,000.

The projected development area of the City of Grove City is approximately 23 square miles. Of the 14.52 square miles currently within the City, 10.5 are developed, with the balance in agricultural use or holdings.

MAJOR INITIATIVES

FOR THE YEAR

In 1852 William Foster Breck led the effort to layout 15 acres of land in town lots creating the village of Grove City. 150 years later, citizens gathered in the historic Town Center, the beginnings of Breck's Grove City, and celebrated the City's Sesquicentennial. Activities were held throughout the year and left an indelible mark on the community.

Grove City continues to enjoy a vibrant, dynamic, stable and healthy business community. The YMCA of Central Ohio, in partnership with the City, broke ground at Fryer Park on a 49,700 sq. ft. full service facility. Amenities include a gymnasium, an indoor track, a fitness area with equipment, a daycare area, indoor and outdoor swimming facilities and a physical therapy clinic owned and operated by The Ohio State University Medical Center. Commercial and Industrial residents invested over \$6 million in new construction and alterations. Churches invested \$5.5 million in alterations and expansions and South-Western City Schools invested \$43.6 million in new facilities and alterations to existing facilities. Residential and commercial housing developments continued to expand in 2002 with 221 single-family permits valued at \$45,213,074, including 40 condominium units valued at \$4,416,880.

The Development Department commissioned studies updating comprehensive land and beautification plans for the City, and managing a large number of development requests and proposals including a 56-acre mixed-use business park and the comprehensive Stringtown East development.

The Service Department coordinated activities and provided continuity in the midst of a number of street and utility projects in progress, and the day-to-day maintenance of City owned infrastructure. The major projects completed in 2002 were Hoover Road from Dartmoor to Milligan Grove, with the assistance of the Ohio Public Works Commission; completion of the Westgrove North Street Lighting project; the lighting of all commercial area streets intersecting Stringtown Road between Jackpot Road and Parkmead Drive and \$1million in residential and secondary street improvements; installation of the second phase of the West Side Waterline Replacement project and the design phase for the retention feature of the Westside Storm Water Mitigation Project. Other notable projects completed include: the reconstruction of a portion of Holt Road as well as Big Run South from Holt to Demorest Roads which was a joint project with Jackson Township, South-Western City Schools and the Franklin County Engineer; a new traffic control system for the Town Center, and the intersections of Demorest and Gantz Roads on Southwest Boulevard; the third phase of the Stringtown Road – I-71 landscaping; the I-270 / Broadway landscaping; cost sharing various sections of Buckeye Parkway that is the planned north-south boulevard on the east side of Grove City; the extension of water and sanitary sewer lines to Fryer Park to support the development of the YMCA at Fryer Park and the reconstruction of Lincoln Street, with the assistance of the Franklin County Commissioners, community block grant program.

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

With the area growing rapidly, the City's community-based policing strategy has made an impact on crime. The City's eight block watch groups, its strict enforcement of traffic laws, and the "Don't Tempt a Thief Program," (an ongoing public awareness effort in cooperation with the local business community), have helped to decrease the number of reported major crimes. These efforts have been complemented with an expanded D.A.R.E. program, an "Adopt a COP program" serving local elementary schools, Explorer post activities, a five percent increase in house watches, and an increase in foot patrols in targeted public parks, residential and business districts. The police department also increased the staffing for the bike patrol and speakers bureau that have been well received by the community. These achievements have been assisted with the implementation of in-car video and speed trailer technology. The Division is reinforcing its programs by focused involvement in the accreditation program of the Commission on Accreditation for Law Enforcement Agencies. The Mayor's Court administrative addition and the remodeling of the communications center at the Safety Complex was completed in the spring of 2002 to allow for the implementation of a local juvenile court and the new computer aided dispatching facilities for police and fire which includes mobile data terminals, as well as digital imaging and fingerprinting system for assigned vehicles

The Grove City Public Parks System has grown to include more than 400 acres of passive or active land. The centrally located Windsor Park is fully loaded with recreational opportunity with lighted tennis courts, basketball and horseshoe courts and batting cages available to the public. Windsor is home to our senior center with over 1,200 members and our youth baseball programs offering six little league, two pony league and three t-ball diamonds hosting our nearly 1,000 league participants and ten regional tournaments. The Big Splash at Evans Park, a state-of-the art family aquatic center, celebrated its third full season of operation with more than 50,000 passing through the facility's gates. Softball, the restoration of the Orders Road School House, the location of a 49,700 sq. ft. full service YMCA and other strategic site planning has kept the 110-acre Fryer Park in the hearts, minds and under the feet of the Grove City community. Grove City's community amenities are a proven motivating factor in "our" residents calling this city home. The 2002 Community Attitude Study (Saperstein and Associates) showed that nearly nine out of ten residents have favorable impressions of our community events which range from an alumni homecoming, community independence day to the winter Town Center tree lighting celebrations; punctuated by other family oriented events co-sponsored with other community groups such as Boo on Broadway, Arts in the Alley and the Big Bear Balloon Festival.

The Building Department, with three full-time inspectors and one zoning compliance officer, made over 9,500 inspections in response to 3,092 permits issued for new construction and alteration of structures in excess of \$108 million of new value, and over 2,000 inspections in response to property management and other environmental code violations. The Department updated their administrative code and also participated in the recodification of the City development code.

The Finance Department continued to receive a positive return from income tax and personal property tax surveillance that realized over \$421,259 for the City, as well as increased personal property revenue to the township and the school district. Surveillance of building license registrations with the assistance of the Building Department realized increased revenues of \$21,587. The Department participated in the further development of computer-based information systems, management of \$4.1 million of outside funding for capital projects and other City programs. The Department also actively participated on the executive committee of the Central Ohio Health Care Consortium that has managed the health care expenditures of Grove City and twelve other communities over the last twelve years with an average expenditure increase of fewer than ten percent for the period. This year will mark the fifteenth year of filing financial statements according to Generally Accepted

Accounting Principles (GAAP) and the fourteenth submission of a Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers Association for their Certificate of Achievement program.

FOR THE FUTURE

The City is eagerly anticipating the opening and dedication of the YMCA facility at Fryer Park; the completion of the City's reconstruction of portions of Stringtown and White Roads east of I-71; completion of Buckeye Parkway, associated streets and ground breakings by the developers of \$139 million, for a 204-acre mixed retail and commercial development east of I-71 between Stringtown and White Roads; and the annexation and final development plans for the Pinnacle Club of Grove City, a 606 -acre signature golf course and upscale housing community.

Other significant and historic events include the reconstruction of Hoover Road from Grove City High School to Orders Road, which is the last section of Hoover Road to be completed. The Ohio Public Works Commission (Issue II Infrastructure Improvements) and the Franklin County Engineer are funding portions of this \$3.2 million project scheduled to start in the summer of 2003. The City hopes to continue to be successful in leveraging local capital project monies through this competitive funding program that was renewed by the voters of Ohio to fund reconstruction of Big Run Road with the cooperation of the Franklin County Engineer, The Ohio Public Works Commission and private developers.

The City of Grove City has appropriated \$7.3 million for fiscal year 2003 to fund the balance of the project cost for the "Issue II" projects discussed above and other capital improvements scheduled for 2003. The most notable upcoming projects include: the construction of the 21 inch waterline on SR665 from Buckeye Parkway to Hoover Road; the realignment of Marlane Drive; the street maintenance program; the ongoing curb ramp replacement program; the I-270/Broadway landscaping, the Hoover Road/Orders Road Realignment; cost-sharing various sections of Buckeye Parkway that is the planned north-south boulevard on the east side of Grove City; and the reconstruction of Elm Street, with the assistance of the Franklin County Commissioners' community block grant program.

Residential and commercial developments will continue to expand in 2003. In 2002, 221 new home permits were issued, 40 lots were platted. The inventory of developed residential lots available as of 12/31/02 was 440 with an additional 225 lots pending. There is a \$30 million 59,000 sq. ft. addition to the Fed Ex facility at SR 665 that has been approved and will be under construction the summer of 2003 and a number of new residential and commercial subdivisions that are in different stages of the public development process.

The Building Department plans to implement a new records management system for all development related functions. Both systems will integrate with the City's GIS data and mapping system.

FINANCIAL INFORMATION

INTERNAL CONTROL STRUCTURE AND BUDGETARY CONTROLS

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

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

FINANCIAL CONDITION

The City has prepared financial statements following GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." GASB 34 creates new basic financial statements for reports as follows:

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

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

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

As part of this new reporting model, management is responsible for preparing a Management's Discussion and Analysis of the City. This discussion follows the Report of the Independent Accountants, providing an assessment of the City finances for 2002.

CASH MANAGEMENT

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

RISK MANAGEMENT

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

OTHER INFORMATION

INDEPENDENT AUDIT

Included in this report is an unqualified audit opinion rendered on the City's financial statements for the year ended December 31, 2002, by the Auditor of State. City management plans to continue to subject the financial statements to an annual independent audit as part of the preparation of a Comprehensive Annual Financial Report. An annual audit serves to maintain and strengthen the City's accounting and budgetary controls.

CERTIFICATE OF ACHIEVEMENT

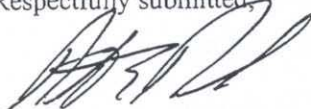
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Grove City, Ohio, for its 2001 comprehensive annual financial report. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting, and its attainment is a significant accomplishment for the City. We believe this comprehensive annual financial report meets the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA for review and determination of its eligibility for a certificate for 2002.

ACKNOWLEDGMENTS

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

Respectfully submitted,



Robert E. Behlen III
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Grove City,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2001

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



President

Executive Director

List of Principal Officials

Elected City Officials

MAYOR

CHERYL L. GROSSMAN

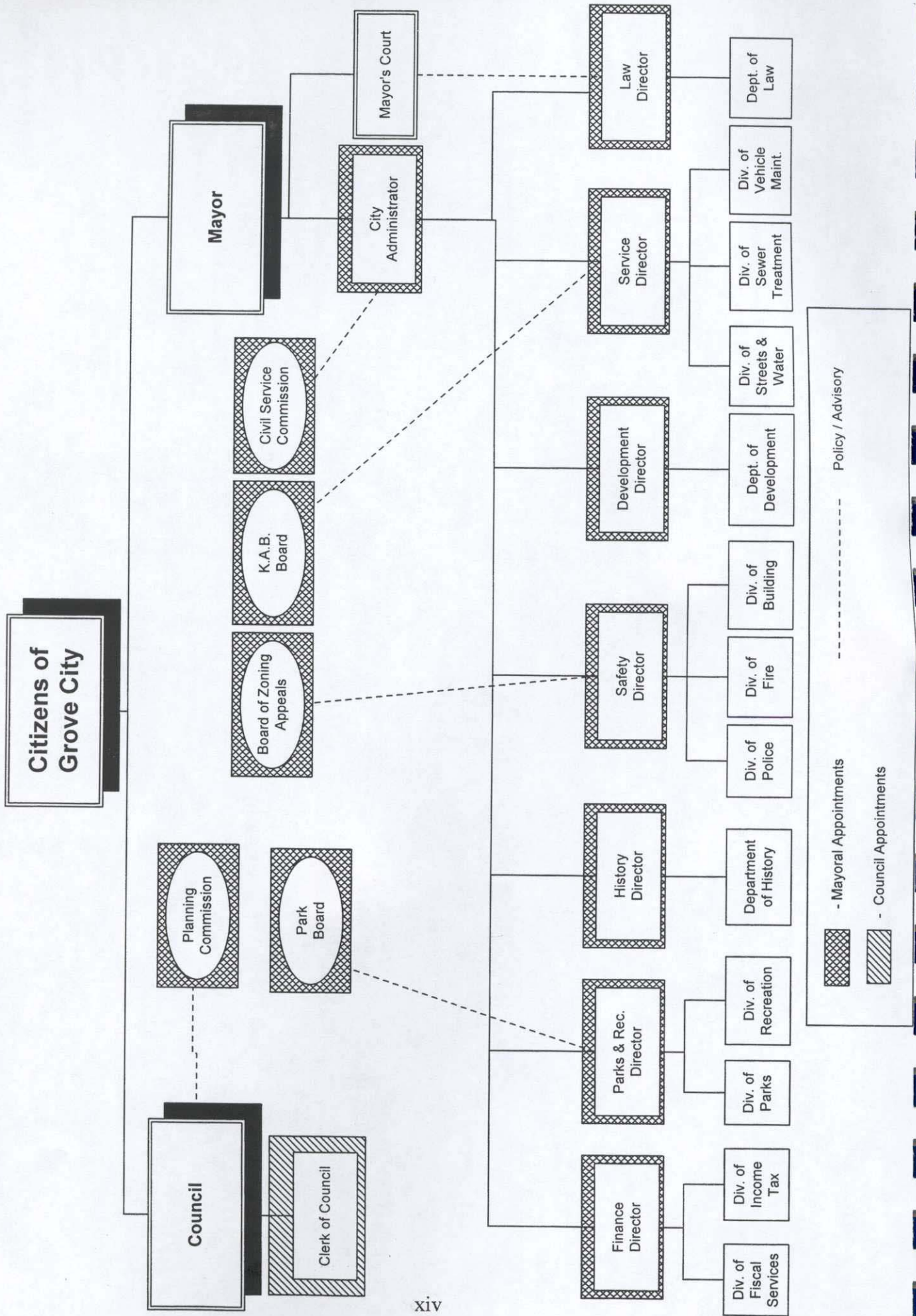
City Council

Bob Hatley	<i>Councilman Ward 3</i>
Vaughn Radi	<i>Councilman Ward 1</i>
Arthur “Budd” Eversman	<i>Councilman Ward 2</i>
Maria Klemack	Council President <i>Councilman Ward 4</i>
Bill Saxton	<i>Council Member At Large</i>

Appointed City Officials

Richard “Ike” Stage	<i>City Administrator</i>
Robert E. Behlen III	<i>Finance Director</i>
Thomas R. Clark	<i>Law Director</i>

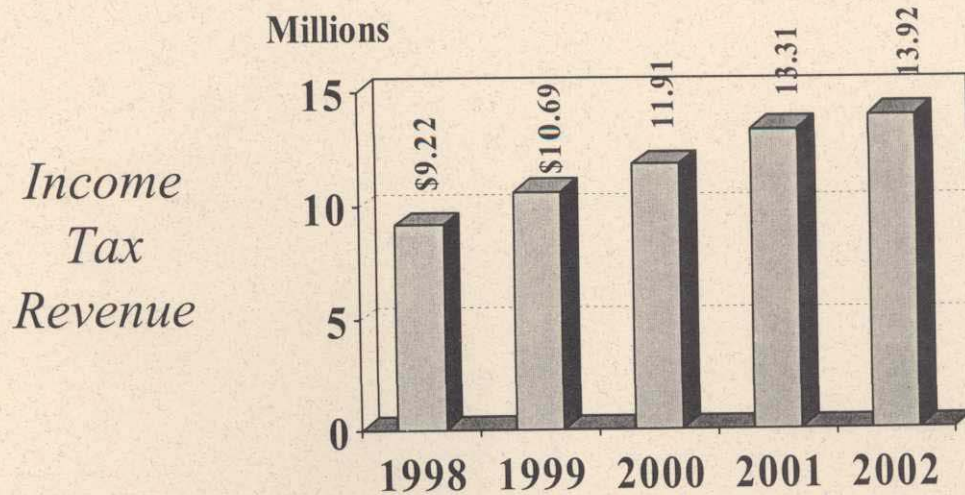
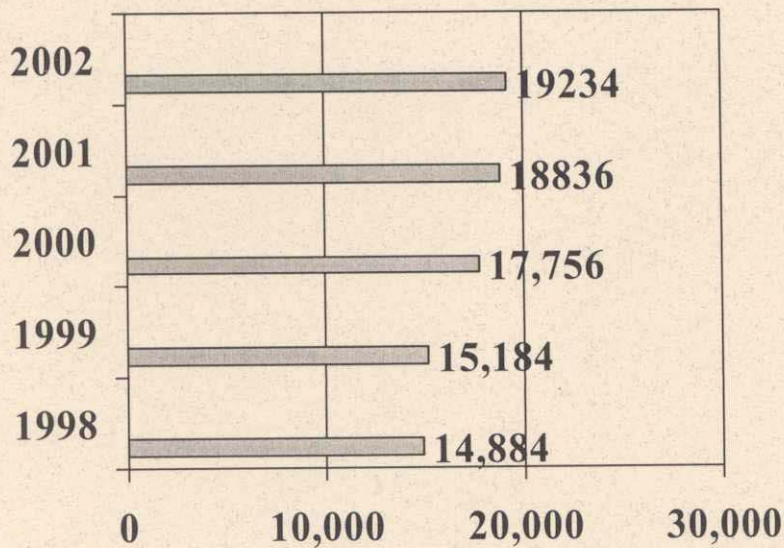
City of Grove City Organizational Chart



City of Grove City, Ohio

FINANCIAL SECTION

Grove City Thrives on Employment.





**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

City of Grove City
Franklin County
P.O. Box 427
4035 Broadway
Grove City, Ohio 43123

To the Members of Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Grove City, Franklin County, Ohio, (the City) as of and for the year ended December 31, 2002, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 that 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, 2002, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General fund, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2002, the City implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 6, 2003, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical tables are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining and individual 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 and statistical sections to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

Betty Montgomery
Auditor Of State

August 6, 2003

City of Grove City, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2002

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, 2002.

FINANCIAL HIGHLIGHTS

- ❑ The City's total net assets increased \$11,670,920. Revenues of governmental activities exceeded expenses by \$11,341,912. Much of this excess was used for the acquisition and construction of capital assets including the reconstruction of Hoover Road, Milligan/Dartmoor Road and Land that included the purchase of the Grove City Lumber Yard and right-a-way for the Stringtown and White Road improvements. Net assets of business-type activities increased by \$329,008, mainly due to an increase unrestricted net assets off set by a decrease in Invested in Capital Assets as a result of the restatement of financial records pursuant to GASB 34.

- ❑ General revenues of governmental activities accounted for \$21,423,601 or 79 percent of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$5,857,685 or 21 percent of total revenues of \$27,281,286.

- ❑ Enterprise funds reflected a total operating loss of \$428,102. The water fund reflected an operating loss of \$60,254 while the sewer fund reflected an operating loss of \$367,848. The operating loss of the Sewer Fund was a result of increasing depreciation cost and the increasing demand for labor proportionate to the growth of the community.

- ❑ The City had \$15,800,212 in expenses related to governmental activities; \$5,857,685 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily income taxes) of \$21,423,601 were more than adequate to provide for these programs. The City had \$1,464,724 in expenses related to business-type activities; \$1,462,052 of these expenses were offset by program specific charges for services while \$192,518 in general revenues were adequate to cover all remaining expenses.

USING THIS ANNUAL FINANCIAL REPORT

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

The Statement of Net Assets and Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Major 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 also look at 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, leisure time activities, community environment, transportation, and general government.

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

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

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 relationship (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 2002 compared to 2001.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
Assets						
Current and Other Assets	\$35,371,240	\$27,568,747	\$3,024,900	\$3,131,078	\$38,396,140	\$30,699,825
Nondepreciable Capital Assets	8,732,110	5,874,884	1,168,125	1,710,082	9,900,235	7,584,966
Depreciable Capital Assets, Net	13,610,893	6,364,588	27,137,105	26,527,585	40,747,998	32,892,173
Total Assets	<u>57,714,243</u>	<u>39,808,219</u>	<u>31,330,130</u>	<u>31,368,745</u>	<u>89,044,373</u>	<u>71,176,964</u>
Liabilities						
Current and Other Liabilities	5,552,826	4,442,009	79,699	218,104	5,632,525	4,660,113
Long-Term Liabilities: Due Within One Year	1,391,861	1,282,929	246,228	230,679	1,638,089	1,513,608
Due in More Than One Year	15,105,136	9,760,773	1,876,416	2,121,183	16,981,552	11,881,956
Total Liabilities	<u>22,049,823</u>	<u>15,485,711</u>	<u>2,202,343</u>	<u>2,569,966</u>	<u>24,252,166</u>	<u>18,055,677</u>
Net Assets						
Invested in Capital Assets, Net Of Related Debt	13,725,255	3,522,025	26,232,968	27,556,976	39,958,223	31,079,001
Restricted for:						
Capital Projects	0	246,160	0	0	0	246,160
Debt Service	1,934,976	1,795,759	0	0	1,934,976	1,795,759
Other Purposes	3,486,836	3,181,107	0	0	3,486,836	3,181,107
Revenue Bonds Current Debt Service	0	0	199,580	199,990	199,580	199,990
Revenue Bonds Improvement And Replacement	0	0	77,800	77,800	77,800	77,800
Unrestricted	16,517,353	15,577,457	2,617,439	964,013	19,134,792	16,541,470
Total Net Assets	<u>\$35,664,420</u>	<u>\$24,322,508</u>	<u>\$29,127,787</u>	<u>\$28,798,779</u>	<u>\$64,792,207</u>	<u>\$53,121,287</u>

Total net assets increased \$11,670,920. Net assets of the City's governmental activities increased by \$11,341,912 with unrestricted net assets decreasing \$939,896.

The net assets of the City's business-type activities increased by \$329,008. The City strives to control operation expenses for business-type activities in order to maintain stability in charges for services and closely monitors the trends of our growing community in order to adjust for budgetary issues and changes in city code where necessary.

Table 2 shows the changes in net assets for the year ended December 31, 2002. Since this is the first year the City has prepared financial statements following *GASB Statement No. 34*, revenue and expense comparisons to 2001 are not available. In future years, when prior year information is available, a comparative analysis of government-wide data will be presented.

Table 2
Changes In Net Assets

	Governmental Activities	Business-Type Activities	Total
Revenues			
Program Revenues:			
Charges for Services	\$2,063,255	\$747,470	2,810,725
Operating Grants, Contributions and Interest	1,601,207	0	1,601,207
Capital Grants, Contributions and Interest	2,193,223	714,582	2,907,805
Total Program Revenues	<u>5,857,685</u>	<u>1,462,052</u>	<u>7,319,737</u>
General Revenues:			
Property and Other Taxes	3,226,778	0	3,226,778
Income Taxes	15,372,667	0	15,372,667
Grants and Entitlements	2,031,459	0	2,031,459
Investment Earnings	459,190	22,015	481,205
Other	333,507	170,503	504,010
Total General Revenues	<u>21,423,601</u>	<u>192,518</u>	<u>21,616,119</u>
Total Revenues	<u>27,281,286</u>	<u>1,654,570</u>	<u>28,935,856</u>
Program Expenses:			
Security of Persons and Property	6,230,404	0	6,230,404
Public Health	316,933	0	316,933
Leisure Time Activities	2,472,982	0	2,472,982
Community Environment	919,545	0	919,545
Transportation	1,016,020	0	1,016,020
General Government	4,366,767	0	4,366,767
Interest and Fiscal Charges	477,561	0	477,561
Water	0	569,277	569,277
Sewer	0	895,447	895,447
Total Expenses	<u>15,800,212</u>	<u>1,464,724</u>	<u>17,264,936</u>
Increase in Net Assets before Transfers	11,481,074	189,846	11,670,920
Transfers	<u>(139,162)</u>	<u>139,162</u>	<u>0</u>
Increase in Net Assets	11,341,912	329,008	11,670,920
Net Assets January 1, 2002	<u>24,322,508</u>	<u>28,798,779</u>	<u>53,121,287</u>
Net Assets December 31, 2002	<u>\$35,664,420</u>	<u>\$29,127,787</u>	<u>\$64,792,207</u>

Governmental Activities

The 2 % income tax is the largest source of revenue for the General Fund and the City of Grove City. Employee withholding contributes 76.62% of the revenue received in 2002 with business earnings contributing 15.39% and individuals contributing 7.99%. The City provides full tax credit for taxes paid to another municipality and an exemption for residents under the age of 18.

Since 1992, income tax revenue has increased annually an average of 12.3%. During 2001 and 2002, a few of Grove City's employers went through reorganization and downsizing. However, other companies expanded and new businesses were added to the economic base.

Administration and Council has a quality of life commitment to the citizens and businesses located in Grove City. With this in mind, Council committed through appropriations in 2002 over \$9,249,768 from governmental, business sources as well federal and state grants for capital assets, equipment and repairs. These assets included street reconstruction, street resurfacing, sidewalk replacements, safety and street maintenance equipment and vehicles, as well as park and recreation equipment.

Governmental program expenses for 2002 were as follows:

Security of Person And Property	39.43%
Public Health	2.01%
Leisure Time Activity	15.65%
Community Development	5.82%
Transportation	6.43%
General Government	27.64%
Interest And Fiscal Charges	3.02%
	<u>100.00%</u>

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

When looking at the sources of income to support governmental activities, it should be noted that charges for services are only 7.56% of revenue. Revenues provided by sources other than City residents in the form of operating and capital grants comprise another 8.63%. 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.

Business-Type Activities

The City’s business-type activities include Water and Sewer.

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

THE CITY'S FUNDS

Information about the City's major governmental funds begins on page 14. These funds are reported using the modified accrual basis of accounting. All Governmental funds had total revenues of \$26,982,290 and expenditures of \$27,077,443. The General fund balance increased by \$1,413,159.

The Road Improvement fund balance increased \$4,879,127, due to the issuance of \$6 million G.O. bond anticipation notes for the reconstruction of Stringtown and White Roads.

The Debt Service fund balance increased \$100,807. Fund balance at December 31, 2002, was \$1,297,592.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of receipts, disbursements and encumbrances. The City's budget is adopted on a fund basis. Before the budget is adopted Council reviews detailed budget worksheets of each function within the General fund and then adopts the budget on a fund basis. During 2002 there were fourteen revisions to the General fund budget. The net effect of the revisions was an increase in the appropriations of \$1,196,710.

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

Original General fund budgeted revenues were \$17,405,062. The final budgeted amount was \$18,505,063. This increase of \$1,100,001 was due primarily to an increase in income tax revenue, the reimbursement of \$146,081 from the COPFAST Fund and a \$92,647 reimbursement from the City of Columbus for our extension of the Marsh Run Sanitary Sewer.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Table 3
Capital Assets
(Net Of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
Land	\$4,528,715	\$3,451,528	\$121,987	\$118,775	4,650,702	3,570,303
Construction in Progress	4,203,395	2,423,356	1,046,138	1,591,307	5,249,533	4,014,663
Buildings	2,275,298	2,151,463	70,420	71,793	2,345,718	2,223,256
Improvement Other Than Buildings	1,550,208	1,326,255	1,016,939	1,063,048	2,567,147	2,389,303
Machinery And Equipment	1,573,639	1,560,892	193,581	205,363	1,767,220	1,766,255
Furniture And Fixtures	516,950	471,541	0	0	516,950	471,541
Vehicles	155,681	17,913	46,820	56,031	202,501	73,944
Computers Equipment	1,649,845	836,524	128	1,457	1,649,973	837,981
Infrastructure	5,889,272	0	25,809,217	26,729,684	31,698,489	26,729,684
Totals	<u>\$22,343,003</u>	<u>\$12,239,472</u>	<u>\$28,305,230</u>	<u>\$29,837,458</u>	<u>\$50,648,233</u>	<u>\$42,076,930</u>

The increase in infrastructure was the result of the first-time inclusion of \$5,889,272 of Infrastructure (includes streets, curb and gutter, street lights, storm sewers and related structures) as part of the financial records pursuant to GASB 34.

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

Debt

At December 31, 2002, the City of Grove City had \$17,770,815 in debt outstanding.

Table 4
Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities	
	2002	2001	2002	2001
Mortgage Revenue Bonds	\$0	\$0	\$710,000	\$865,000
General Obligation Bonds	5,900,000	6,315,000	0	0
Special Assessment Bonds	227,563	259,470	0	0
OPWC Loans Payable	2,758,551	2,513,773	1,374,701	1,446,179
Bond Anticipation Notes	6,000,000	0	0	0
Certificates of Participation	800,000	1,170,000	0	0
Total	<u>\$15,686,114</u>	<u>\$10,258,243</u>	<u>\$2,084,701</u>	<u>\$2,311,179</u>

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 OPWC loans and certificates of participation will be paid through the General fund with property and income tax revenues. The Water Fund's revenue bonds are paid from operating revenues of the water enterprise operation. The OPWC loans will be paid from Water and Sewer Enterprise Fund revenue.

The City's overall 10.5 percent legal debt margin was \$59,219,701 as of December 31, 2002. The more restrictive unvoted legal debt margin within 5.5 percent was \$25,971,078 as of the same date. See Note 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 Robert E. Behlen III Finance Director, City of Grove City, P. O. Box 427, 4035 Broadway, Grove City, Ohio 43123.

City of Grove City
Statement Of Net Assets
December 31,2002

	Governmental Activities	Business-Type Activities	Total
<i>Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$26,229,220	\$2,555,979	\$28,785,199
Cash and Cash Equivalents			
With Fiscal Agents	965,067	199,580	1,164,647
Accrued Interest Receivable	12,208	0	12,208
Accounts Receivable	3,048	223,768	226,816
Municipal Income Tax Receivable	2,946,016	0	2,946,016
Due from Other Government:	2,097,038	0	2,097,038
Prepaid Items	19,699	0	19,699
Materials and Supplies Inventory	24,654	0	24,654
Property And Other Local Taxes Receivable	2,691,463	0	2,691,463
Unamortized Bond Costs	0	12,439	12,439
Special Assessments Receivable	382,827	33,134	415,961
Land And Construction In Progress	8,732,110	1,168,125	9,900,235
Depreciable Capital Assets, Net	13,610,893	27,137,105	40,747,998
Total Assets	57,714,243	31,330,130	89,044,373
<i>Liabilities:</i>			
Accounts Payable	424,232	3,147	427,379
Accrued Wages	234,152	7,859	242,011
Contracts Payable	1,742,716	6,996	1,749,712
Retainage Payable	229,449	21,214	250,663
Due to Other Governments	397,777	36,626	434,403
Deferred Revenue	2,408,580	0	2,408,580
Matured Interest Payable	1,762	0	1,762
Accrued Interest Payable	114,158	3,857	118,015
Long-Term Liabilities:			
Due Within One Year	1,391,861	246,228	1,638,089
Due Within More Than One Year	15,105,136	1,876,416	16,981,552
Total Liabilities	22,049,823	2,202,343	24,252,166
<i>Net Assets:</i>			
Invested in capital assets, net of related debt	13,725,255	26,232,968	39,958,223
Restricted for:			
Debt Service	1,964,976	0	1,964,976
Other Purposes	3,486,836	0	3,486,836
Revenue Bonds Current Debt Service	0	199,580	199,580
Revenue Bond Improvement And Replacement	0	77,800	77,800
Unrestricted	16,487,353	2,617,439	19,104,792
Total Net Assets	\$35,664,420	\$29,127,787	\$64,792,207

See Accompanying Notes to the Basic Financial Statement:

City of Grove City

Statement Of Activities

For the Year Ended December 31, 2002

	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
<u>Governmental Activities:</u>				
Security of Persons and Property	\$6,230,404	\$309,365	\$384,365	\$0
Public Health	316,933	90,645	3,925	0
Leisure Time Activities:	2,472,982	1,247,357	10,000	0
Community Developmen	919,545	403,313	0	0
Transportation	1,016,020	0	1,202,917	2,193,223
General Governmen	4,366,767	12,575	0	0
Interest and Fiscal Charge:	477,561	0	0	0
<i>Total Governmental Activities</i>	<u>15,800,212</u>	<u>2,063,255</u>	<u>1,601,207</u>	<u>2,193,223</u>
<u>Business-Type Activities:</u>				
Water	569,277	426,079	0	347,167
Sewer	895,447	321,391	0	367,415
<i>Total Business-Type Activities</i>	<u>1,464,724</u>	<u>747,470</u>	<u>0</u>	<u>714,582</u>
<i>Total Activites</i>	<u>\$17,264,936</u>	<u>\$2,810,725</u>	<u>\$1,601,207</u>	<u>\$2,907,805</u>

General Revenues:

Property and Other Taxes Levied for:

 General Purposes

 Debt Service

 Police

 Community Developmen

Municipal Income Taxes Levied fo

 General Purposes

Grants and Entitlements not Restricted to Specific Program

Unrestricted Investment Earning

Other

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year - See Note 3

Net Assets End of Year

See Accompanying Notes to the Basic Financial Statement

Net (Expense) Revenue and Changes in Net Asset:

Governmental Activities	Business-Type Activities	Total
(\$5,536,674)	\$0	(\$5,536,674)
(222,363)	0	(222,363)
(1,215,625)	0	(1,215,625)
(516,232)	0	(516,232)
2,380,120	0	2,380,120
(4,354,192)	0	(4,354,192)
(477,561)	0	(477,561)
<u>(9,942,527)</u>	<u>0</u>	<u>(9,942,527)</u>
0	203,969	203,969
0	(206,641)	(206,641)
<u>0</u>	<u>(2,672)</u>	<u>(2,672)</u>
<u>(9,942,527)</u>	<u>(2,672)</u>	<u>(9,945,199)</u>
1,718,790	0	1,718,790
754,820	0	754,820
587,781	0	587,781
165,387	0	165,387
15,372,667	0	15,372,667
2,031,459	0	2,031,459
459,190	22,015	481,205
333,507	170,503	504,010
(139,162)	139,162	0
<u>21,284,439</u>	<u>331,680</u>	<u>21,616,119</u>
11,341,912	329,008	11,670,920
<u>24,322,508</u>	<u>28,798,779</u>	<u>53,121,287</u>
<u>\$35,664,420</u>	<u>\$29,127,787</u>	<u>\$64,792,207</u>

CITY OF GROVE CITY, OHIO

**Balance Sheet
Governmental Funds**

December 31, 2002

	General	Road Improvement	Debt Service	Nonmajor Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$16,759,927	\$5,514,813	\$1,289,665	\$2,664,815	\$26,229,220
Cash and Cash Equivalents With Fiscal Agents	0	0	2,161	612,778	614,939
Receivables:					
Property And Other Local Taxes	1,203,847	0	827,702	659,914	2,691,463
Municipal Income Tax	2,946,016	0	0	0	2,946,016
Accounts	3,048	0	0	0	3,048
Interfund	104,731	0	0	1,920	106,651
Special Assessments	129,939	0	252,888	0	382,827
Accrued Interest	2,065	5,490	4,653	0	12,208
Restricted Assets:					
Cash and Cash Equivalents with Fiscal Agents	350,128	0	0	0	350,128
Due from Other Governments	1,076,695	136,344	47,089	836,910	2,097,038
Materials and Supplies Inventory	6,512	0	0	18,142	24,654
Prepaid Items	19,699	0	0	0	19,699
Total Assets	\$22,602,607	\$5,656,647	\$2,424,158	\$4,794,479	\$35,477,891
<u>Liabilities and Fund Balances</u>					
<u>Liabilities:</u>					
Accounts Payable	\$255,515	\$0	\$0	\$168,717	\$424,232
Contracts Payable	1,053,169	689,221	0	326	1,742,716
Interfund Payable	1,920	0	0	104,731	106,651
Accrued Wages	205,283	0	0	28,869	234,152
Retainage Payable	141,028	88,421	0	0	229,449
Due to Other Governments	86,708	0	0	21,259	107,967
Deferred Revenue	3,173,448	141,834	1,124,804	1,231,940	5,672,026
Matured Interest Payable	0	0	1,762	0	1,762
Total Liabilities	4,917,071	919,476	1,126,566	1,555,842	8,518,955
<u>Fund Balances:</u>					
Reserved for Encumbrances	5,092,148	3,955,759	0	441,184	9,489,091
Reserved for Debt Service	350,128	0	0	0	350,128
Unreserved:					
Undesignated, Reported in:					
General Fund	12,243,260	0	0	0	12,243,260
Special Revenue Funds	0	0	0	2,641,552	2,641,552
Debt Service Funds	0	0	1,297,592	0	1,297,592
Capital Projects Funds	0	781,412	0	155,901	937,313
Total Fund Balances	17,685,536	4,737,171	1,297,592	3,238,637	26,958,936
Total Liabilities and Fund Balances	\$22,602,607	\$5,656,647	\$2,424,158	\$4,794,479	\$35,477,891

See Accompanying Notes to the Basic Financial Statements

CITY OF GROVE CITY, OHIO

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

December 31, 2002

Total Governmental Fund Balances	\$26,958,936
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:	
Land	4,528,715
Construction In Progress	4,203,395
Infrastructure	6,423,386
Other Capital Assets	14,060,911
Accumulated Depreciation	<u>(6,873,404)</u>
Total	22,343,003
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Municipal Income Taxes	1,082,140
Property and Other Taxes	193,260
Intergovernmental	1,596,681
Special Assessments	385,875
Accrued Interest	<u>5,490</u>
Total	3,263,446
Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds:	
	(289,810)
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	(114,158)
General Obligation Bonds	(5,900,000)
Special Assessment Bonds	(227,563)
OPWC Loans	(2,758,551)
Certificates of Participation	(800,000)
Capital Leases Payable	(5,127)
Compensated Absences	(805,756)
Notes Payable	<u>(6,000,000)</u>
Total	<u>(16,611,155)</u>
Net Assets of Governmental Activities	<u><u>\$35,664,420</u></u>

See accompanying notes to the basic financial statement

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2002

	<u>General</u>	<u>Road Improvement</u>	<u>Debt Service</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<u>Revenues:</u>					
Property Taxes	\$1,112,589	\$0	\$742,071	\$576,322	\$2,430,982
Municipal Income Taxes	15,248,743	0	0	0	15,248,743
Other Local Taxes	584,798	0	0	165,387	750,185
Intergovernmental	1,911,438	2,179,605	87,250	1,416,581	5,594,874
Charges For Services	133,607	0	0	1,199,208	1,332,815
Licenses And Permits	403,313	0	0	138,794	542,107
Fines And Forfeitures	170,057	0	0	18,276	188,333
Special Assessments	37,948	0	30,082	0	68,030
Interest	410,505	33,524	47,984	701	492,714
Miscellaneous	275,040	0	0	58,467	333,507
Total Revenues	20,288,038	2,213,129	907,387	3,573,736	26,982,290
<u>Expenditures:</u>					
Current Operations And Maintenance:					
Security Of Persons And Property	4,879,895	0	0	750,943	5,630,838
Public Health	206,693	0	0	110,489	317,182
Leisure Time Activities	966,387	0	0	1,102,411	2,068,798
Community Development	710,947	0	0	158,420	869,367
Transportation	0	0	0	1,043,677	1,043,677
General Government	3,329,204	0	0	0	3,329,204
Capital Outlay	8,326,630	3,731,695	0	372,311	12,430,636
Debt Service:					
Principal Retirement	530,786	0	446,907	0	977,693
Interest And Fiscal Charges	50,182	0	359,673	193	410,048
Total Expenditures	19,000,724	3,731,695	806,580	3,538,444	27,077,443
Excess Of Revenues Over (Under) Expenditures	1,287,314	(1,518,566)	100,807	35,292	(95,153)
<u>Other Financing Sources:</u>					
Notes Issued	0	6,000,000	0	0	6,000,000
Proceeds From Sale Of Fixed Assets	125,845	0	0	0	125,845
Loans	0	397,693	0	0	397,693
Total Other Financing Sources	125,845	6,397,693	0	0	6,523,538
Net Change In Fund Balance	1,413,159	4,879,127	100,807	35,292	6,428,385
Fund Balances (Deficit) At Beginning Of Year - Restated (See Note 3)	16,272,377	(141,956)	1,196,785	3,203,345	20,530,551
Fund Balance At End Of Year	\$17,685,536	\$4,737,171	\$1,297,592	\$3,238,637	\$26,958,936

See Accompanying Notes to the Basic Financial Statements

CITY OF GROVE CITY, OHIO
Reconciliation Of The Statement Of Revenues, Expenditures And Changes
In Fund Balances Of Governmental Funds To The Statement Of Activities
For the Year Ended December 31, 2002

Net Change in Fund Balances - Total Governmental Funds \$6,428,385

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	11,436,019	
Depreciation	(1,173,090)	
Excess of Capital Outlay over Depreciation Expense	10,262,929	10,262,929

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

Proceeds from Sale of Fixed Assets	(125,845)	
Loss on Assets Sold	(33,553)	
	(159,398)	(159,398)

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

General Obligation Bond Principal Payments	415,000	
Special Assessment Bond Principal Payments	31,907	
Ohio Public Works Commission Loan Principal Payments	152,915	
Capital Lease Payments	7,871	
Certificates of Participation Principal Payments	370,000	
	977,693	977,693

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	123,924	
Property and Other Taxes	45,611	
Intergovernmental	190,584	
Special Assessments	(66,613)	
Interest	5,490	
	298,996	298,996

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.

Loans Payable		(397,693)
Notes Payable		(6,000,000)

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

Net Increase in Accrued Interest		(67,513)
----------------------------------	--	----------

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

These activities consist of:

Increase in Compensated Absences	(33,295)	
Decrease in Due to Other Governments	31,808	
	(1,487)	(1,487)

Change in Net Assets of Governmental Activities \$11,341,912

See Accompanying Notes to the Basic Financial Statements

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:				
Property Taxes	\$1,011,553	\$1,011,553	\$1,112,589	\$101,036
Municipal Income Taxes	13,118,509	13,991,547	13,993,545	1,998
Other Local Taxes	505,000	575,000	582,905	7,905
Intergovernmental	1,447,000	1,677,000	1,827,611	150,611
Charges For Services	125,000	135,000	142,370	7,370
Licenses And Permits	404,000	403,000	403,313	313
Fines And Forfeitures	153,000	153,000	173,657	20,657
Special Assessments	21,000	21,000	37,948	16,948
Interest	550,000	430,000	437,001	7,001
Miscellaneous	70,000	107,963	372,446	264,483
Total Revenues	<u>17,405,062</u>	<u>18,505,063</u>	<u>19,083,385</u>	<u>578,322</u>
Expenditures:				
Current Operations And Maintenance:				
Security Of Persons And Property	5,345,821	5,304,377	5,032,262	272,115
Public Health	199,299	213,232	209,149	4,083
Leisure Time Activities	997,823	987,775	910,593	77,182
Community Development	894,897	884,221	758,769	125,452
General Government	4,420,894	4,497,059	4,195,749	301,310
Capital Outlay	14,115,619	15,302,667	13,514,582	1,788,085
Debt Service:				
Principal Retirement	500,106	500,106	500,106	0
Interest And Fiscal Charges	63,994	45,726	45,467	259
Total Expenditures	<u>26,538,453</u>	<u>27,735,163</u>	<u>25,166,677</u>	<u>2,568,486</u>
Excess Of Revenues Over (Under) Expenditures	<u>(9,133,391)</u>	<u>(9,230,100)</u>	<u>(6,083,292)</u>	<u>3,146,808</u>
Other Financing Sources (Uses):				
Other Financing Uses	(50,000)	(50,000)	0	50,000
Sale Of Fixed Assets	0	0	125,845	125,845
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>125,845</u>	<u>175,845</u>
Net Change In Fund Balance	(9,183,391)	(9,280,100)	(5,957,447)	3,322,653
Fund Balance At Beginning Of Year	12,808,392	12,808,392	12,808,392	0
Prior Year Encumbrances	3,526,512	3,526,512	3,526,512	0
Fund Balance At End Of Year	<u>\$7,151,513</u>	<u>\$7,054,804</u>	<u>\$10,377,457</u>	<u>\$3,322,653</u>

See Accompanying Notes to the Basic Financial Statements

CITY OF GROVE CITY, OHIO

**Statement Of Fund Net Assets
Enterprise Funds**

December 31, 2002

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Assets:</u>			
<u>Current Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$1,184,072	\$1,294,107	\$2,478,179
Receivables:			
Accounts	125,539	98,229	223,768
Special Assessments	0	33,134	33,134
Total Current Assets	1,309,611	1,425,470	2,735,081
<u>Non-Current Assets:</u>			
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	77,800	0	77,800
Cash and Cash Equivalents with Fiscal Agents	199,580	0	199,580
Unamortized Bond Issue Costs	12,439	0	12,439
Land and Construction in Progress	504,733	663,392	1,168,125
Depreciable Capital Assets, Net	11,405,452	15,731,653	27,137,105
Total Non-Current Assets	12,200,004	16,395,045	28,595,049
Total Assets	13,509,615	17,820,515	31,330,130
<u>Liabilities:</u>			
<u>Current Liabilities:</u>			
Accounts Payable	57	3,090	3,147
Contracts Payable	6,996	0	6,996
Accrued Wages	1,238	6,621	7,859
Compensated Absences Payable	3,073	9,577	12,650
Retainage Payable	0	21,214	21,214
Due to Other Governments	1,354	35,272	36,626
Accrued Interest Payable	3,857	0	3,857
Revenue Bonds Payable	160,000	0	160,000
OPWC Loans Payable	22,600	50,978	73,578
Total Current Liabilities	199,175	126,752	325,927
<u>Long-Term Liabilities (Net Of Current Portion):</u>			
OPWC Loans Payable	267,515	1,033,608	1,301,123
Revenue Bonds Payable	550,000	0	550,000
Compensated Absences Payable	2,655	22,638	25,293
Total Long-Term Liabilities	820,170	1,056,246	1,876,416
Total Liabilities	1,019,345	1,182,998	2,202,343
<u>Net Assets:</u>			
Invested in capital assets, net of related debt	10,922,509	15,310,459	26,232,968
Restricted for:			
Revenue Bonds Current Debt Service	199,580	0	199,580
Revenue Bond Improvement & Replacement	77,800	0	77,800
Unrestricted	1,290,381	1,327,058	2,617,439
Total Net Assets	\$12,490,270	\$16,637,517	\$29,127,787

See Accompanying Notes to the Basic Financial Statement

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2002

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Operating Revenues:</u>			
Charges for Services	\$426,079	\$321,391	\$747,470
Miscellaneous	71	170,432	170,503
<i>Total Operating Revenues</i>	<u>426,150</u>	<u>491,823</u>	<u>917,973</u>
<u>Operating Expenses:</u>			
Salaries	40,701	285,027	325,728
Purchased Services	108,921	57,554	166,475
Materials and Supplies	3,000	42,024	45,024
Depreciation	333,782	420,472	754,254
Other Operating Expenses	0	54,594	54,594
<i>Total Operating Expenses</i>	<u>486,404</u>	<u>859,671</u>	<u>1,346,075</u>
Operating Loss	<u>(60,254)</u>	<u>(367,848)</u>	<u>(428,102)</u>
<u>Non Operating Revenues (Expenses):</u>			
Interest	22,015	0	22,015
Interest and Fiscal Charges	(82,873)	(35,776)	(118,649)
<i>Total Non Operating Revenues (Expenses)</i>	<u>(60,858)</u>	<u>(35,776)</u>	<u>(96,634)</u>
Loss Before Contributions	(121,112)	(403,624)	(524,736)
Capital Contributions	<u>347,167</u>	<u>506,577</u>	<u>853,744</u>
Change in Net Assets	226,055	102,953	329,008
Net Assets at Beginning of Year - Restated (See Note 3)	<u>12,264,215</u>	<u>16,534,564</u>	<u>28,798,779</u>
<i>Net Assets At End Of Year</i>	<u><u>\$12,490,270</u></u>	<u><u>\$16,637,517</u></u>	<u><u>\$29,127,787</u></u>

See Accompanying Notes to the Basic Financial Statements

CITY OF GROVE CITY, OHIO

**Statement Of Cash Flows
Enterprise Funds**

For The Year Ended December 31, 2002

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Increases (decreases) In Cash And Cash Equivalents:</u>			
<u>Cash Flows From Operating Activities:</u>			
Cash Received From Customers	\$491,134	\$380,327	\$871,461
Cash Payments For Personal Services	(40,689)	(285,254)	(325,943)
Cash Payments To Suppliers for Goods and Services	(112,717)	(143,816)	(256,533)
Other Operating Revenues	71	3,727	3,798
Tap-In Fees	0	169,915	169,915
Tap-In Fees Paid To Other Governments	0	(169,915)	(169,915)
Net Cash Provided By (Used For) Operating Activities	<u>337,799</u>	<u>(45,016)</u>	<u>292,783</u>
<u>Cash Flows From Capital And Related Financing Activities:</u>			
Tap-In Fees	30,176	154,335	184,511
Acquisition Of Capital Assets	(114,848)	(37,736)	(152,584)
Principal Paid On Revenue Bonds	(155,000)	0	(155,000)
Principal Paid On OPWC Loans	(22,110)	(49,368)	(71,478)
Interest And Fiscal Charges Paid On Revenue Bonds	(54,121)	0	(54,121)
Interest And Fiscal Charges Paid On OPWC Loans	(8,184)	(35,776)	(43,960)
Net Cash Provided By (Used For) Capital And Related Financing Activities	<u>(324,087)</u>	<u>31,455</u>	<u>(292,632)</u>
<u>Cash Flows From Investing Activities:</u>			
Interest	18,898	0	18,898
Net Increase (Decrease) In Cash And Cash Equivalents	32,610	(13,561)	19,049
Cash And Cash Equivalents At Beginning Of Year	<u>1,428,842</u>	<u>1,307,668</u>	<u>2,736,510</u>
Cash And Cash Equivalents At End Of Year	<u>\$1,461,452</u>	<u>\$1,294,107</u>	<u>\$2,755,559</u>

(continued)

CITY OF GROVE CITY, OHIO

**Statement Of Cash Flows
Enterprise Funds**

For The Year Ended December 31, 2002

(Continued)

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<i>Reconciliation Of Operating Loss To</i>			
<u>Net Cash Provided By (Used For) Operating Activities:</u>			
Operating Loss	(\$60,254)	(\$367,848)	(\$428,102)
<i>Adjustments To Reconcile Operating Loss To</i>			
<u>Net Cash Provided By (Used For) Operating Activities:</u>			
Depreciation	333,782	420,472	754,254
Changes In Assets And Liabilities:			
Decrease In Accounts Receivable	65,055	57,521	122,576
Decrease In Special Assessments Receivable	0	1,415	1,415
Decrease In Accounts Payable	(41)	(4,250)	(4,291)
Decrease In Contracts Payable	(796)	(142,880)	(143,676)
Increase In Contracts Retainage Payable	0	1,810	1,810
Increase In Accrued Wages Payable	458	2,154	2,612
Increase (Decrease) In Due To Other Governments	345	(11,420)	(11,075)
Decrease In Compensated Absences Payable	(750)	(1,990)	(2,740)
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>\$337,799</u>	<u>(\$45,016)</u>	<u>\$292,783</u>

Noncash Capital Financing Activities:

For the year ended December 31, 2002, the City's enterprise funds received sewer lines that were paid for from the general fund.

The sewer lines were recorded as capital assets and capital contributions in the sewer fund. The value of the sewer lines was \$139,162.

Developers during the year donated \$316,991 of water lines to the water fund.

Developers during the year donated \$213,080 of sewer lines to the sewer fund.

See Accompanying Notes to the Basic Financial Statements

CITY OF GROVE CITY, OHIO

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

December 31, 2002

<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$703,275
Receivables:	
Taxes	<u>8,752</u>
<i>Total Assets</i>	<u><u>\$712,027</u></u>
<u>Liabilities:</u>	
Undistributed Assets	\$19,764
Deposits Held and Due to Others	<u><u>\$692,263</u></u>
<i>Total Liabilities</i>	<u><u>\$712,027</u></u>

See Accompanying Notes to the Basic Financial Statements

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

For The Year Ended December 31, 2002

NOTE 1 – DESCRIPTION OF THE CITY AND REPORTING ENTITY

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

THE REPORTING ENTITY

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

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units also include organizations that are fiscally dependent on the City in that the City approves the organization's budget, the issuance of its debt or the levying of its taxes.

The 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 an eight member Board of Trustees, five of which are elected or appointed officials of the City. The CIC provides financing services to the City by means of the issuance of Certificates of Participation, and acquired and sold real property to increase the opportunities for employment and strengthen the economic development of Grove City. Because this service entirely benefits the City, the CIC is considered a blended component unit of the City. This activity is presented as a special revenue fund 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 twelve 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, 2001. 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 13.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements
(Continued)

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 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 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.

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.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements
(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING

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

GOVERNMENTAL FUNDS

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

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

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

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

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

PROPRIETARY FUNDS

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

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

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

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

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements
(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FIDUCIARY FUNDS

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

MEASUREMENT FOCUS

A. 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 on Net Assets. The Statement of Activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net assets.

B. FUND FINANCIAL STATEMENTS

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

Like the government-wide statements, all enterprise funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its enterprise activities.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements
(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF ACCOUNTING

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

REVENUES - EXCHANGE AND NON-EXCHANGE TRANSACTION

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income tax is recognized in the year in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied. (See Note 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, 2002, but were levied to finance 2003 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met have also been recorded as deferred revenue.

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

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements
(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

BUDGETS AND BUDGETARY ACCOUNTING

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

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

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

CASH AND CASH EQUIVALENTS

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

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements
(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

During the year, investments were limited to repurchase agreements, certificates of deposit, and money market funds. 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 and nonnegotiable certificates of deposit are reported at cost.

Interest income is distributed to the funds according to Ohio constitutional and statutory requirements. Interest revenue credited to the general fund during fiscal year 2002 amounted to \$410,505, which includes \$134,622 assigned from other funds.

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

MATERIALS AND SUPPLIES INVENTORY

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used.

Inventory consists of expendable supplies held for consumption.

PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond December 31, 2002, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure is reported in the year in which services are consumed.

RESTRICTED ASSETS

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

CAPITAL ASSETS

General capital assets are capital assets that are associated with and generally rise from governmental activities. They generally result from expenditures in governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide statement of net assets and in the respective funds.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements
(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market values on the date donated. The City maintains a capitalization threshold of one thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are expended.

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

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

The City’s infrastructure consists of streets, curbs and gutters, sidewalks, street lighting, storm sewer, and water and sewer lines. For 2002, the City reported infrastructure for the first time. The City only reports the amounts acquired after 2001. The City plans to phase in the prior year amounts in future years.

COMPENSATED ABSENCES

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

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

INTERFUND RECEIVABLES/PAYABLES

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “interfund receivables/payables.” Interfund balances are eliminated on the governmental-wide statement of net assets except for any net residual amounts due between governmental and business-type activities, which are presented as “internal balances.”

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

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

UNAMORTIZED BOND ISSUE COSTS

Issuance costs incurred in a prior year bond refunding are deferred and amortized over the term of the bonds using the straight line method since the results are not significantly different from the effective interest method. Issuance costs are recorded as deferred charges in the account Unamortized Bond Issue Costs. Premiums and issuance costs on long-term notes issued during fiscal year 2002 were immaterial.

CONTRIBUTIONS OF CAPITAL

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

RESERVES OF FUND EQUITY

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

INTERFUND TRANSACTIONS

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

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

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements
(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NET ASSETS

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

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

The City's sewer and water enterprise funds have restricted net assets relative to those resources necessary to comply with various covenants of bond financing agreements.

OPERATING REVENUES AND EXPENSES

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

ESTIMATES

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

EXTRAORDINARY AND SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions of events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements
(Continued)

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR FUND EQUITY

CHANGES IN ACCOUNTING PRINCIPLES

For 2002, the City has implemented GASB Statement No. 34, “Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments”, GASB Statement No. 37, “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments: Omnibus”, Statement No. 38, “Certain Financial Statement Note Disclosures”, and GASB Interpretation No. 6, “Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.”

GASB 34 creates new basic financial statements for reporting on the City’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Fiduciary funds are reported by type.

The government-wide financial statements split the City’s programs between governmental and business-type activities. Except for the restatement explained below, the beginning net asset amount for the business-type activities equals fund equity of the enterprise funds from last year. The beginning net asset amount for governmental activities reflects the change in fund balance for governmental funds at December 31, 2001, caused by the conversion to the accrual basis of accounting.

GASB Statement No. 37 clarifies certain provisions of Statement No. 34, including the required content of Management’s Discussion and Analysis, the classification of program revenues and the criteria for determining major funds.

GASB Statement No. 38 modifies, establishes and rescinds certain financial statement note disclosures.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

The City has also implemented a new capital asset policy which increases the capitalization threshold for capital assets from \$200 to \$1,000.

CHANGE IN ACCOUNTING ESTIMATE

The City changed the useful life for the asset classes because the useful life of the assets was more than the original estimates.

CORRECTION OF ERROR

During 2002, it was determined that interfund receivables and interfund payables were overstated at December 31, 2001. The City received donated assets from developers in during 2001, but were not added to the capital assets listing until 2002.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements
(Continued)

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR FUND EQUITY (Continued)

RESTATEMENT OF FUND BALANCE

The implementation of these changes had the following effects on fund balance of the major and nonmajor funds of the City as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

	General	Road Improvement	Debt Service
Fund Balances (Deficit) December 31, 2001	\$16,340,595	(\$141,956)	\$1,196,785
Restatement of Interfund Receivable	(142,429)	0	0
Restatement of Interfund Payable	45,754	0	0
GASB Interpretation No. 6	28,457	0	0
Adjusted Fund Balance (Deficit), December 31, 2001	\$16,272,377	(\$141,956)	\$1,196,785
	Nonmajor	Total	
Fund Balances (Deficit) December 31, 2001	\$3,065,898	\$20,461,322	
Restatement of Interfund Receivable	0	(142,429)	
restatement of Interfund Payable	135,597	181,351	
GASB Interpretation No. 6	1,850	30,307	
Adjusted Fund Balance (Deficit), December 31, 2001	\$3,203,345	20,530,551	
GASB 34 Adjustments:			
Deferred Assets:			
Delinquent Property Taxes		147,649	
Special Assessments		452,488	
Municipal Income Tax		958,216	
Due From Other Governments		1,406,097	
Capital Assets, Net		12,239,472	
Intergovernmental Payables		(321,618)	
Accrued Interest Payable		(46,645)	
Long-Term Liabilities		(11,043,702)	
Governmental Activities, Net Assets December 31, 2001		\$24,322,508	

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements
(Continued)

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR FUND EQUITY (Continued)

	<u>Water</u>	<u>Sewer</u>	<u>Business-Type Activities</u>
Fund Equity December 31, 2001	\$10,869,708	\$15,846,865	\$26,716,573
Special Assessments	0	2,979	2,979
Interfund Receivable	(45,754)	0	(45,754)
Interfund Payable	6,832	0	6,832
Capital Assets, Net	<u>1,433,429</u>	<u>684,720</u>	<u>2,118,149</u>
Adjusted Net Assets, December 31, 2001	<u><u>\$12,264,215</u></u>	<u><u>\$16,534,564</u></u>	<u><u>\$28,798,779</u></u>

NOTE 4 – ACCOUNTABILITY

At December 31, 2002, the U. S. Department of Justice Special Revenue Fund had a deficit balance of \$104,731, which was the result of a negative cash balance. An interfund receivable/payable was established to cover the negative balance.

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 (Non-GAAP Basis) and Actual is presented for the General Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget.

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

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- (c) Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements
(Continued)

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (Continued)

- (d) The City does not budget for the activities of the trustees and fiscal agents who collect and hold the restricted assets used for the retirement of the certificates of participation, and certain projects under the control of a third party. However, the activities of the trustees and fiscal agents are included in the general fund for GAAP reporting purposes.
- (e) 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.

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

<i>Net Change In Fund Balance</i>	
GAAP Basis	\$1,413,159
<u>Increases (decreases) Due To:</u>	
Revenue Accruals	(1,211,368)
Expenditure Accruals	242,673
Encumbrances Outstanding At Year End (Budget Basis)	(6,408,626)
Unrecorded Cash	6,929
Excess of Revenues Under Expenditures For Unbudgeted Funds Or Activity Of Trustee	<u>(214)</u>
Budget Basis	<u><u>(\$5,957,447)</u></u>

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements
(Continued)

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

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

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

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the finance director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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

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

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

1. Bonds of the State of Ohio;

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements
(Continued)

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the finance director or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year end, the carrying amount of the City's deposits was \$19,161,414, and the bank balance was \$19,769,822. Of the bank balance, \$302,161 was covered by federal depository insurance. The remaining amounts were uninsured and uncollateralized. Although the balance was collateralized by securities held by the financial institutions' trust departments in the City's name and all State statutory requirements for the deposit of money had been followed, non compliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

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

	Category 3	Carrying and Fair Value
Repurchase Agreements	<u>\$11,491,707</u>	<u>\$11,491,707</u>

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

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements
(Continued)

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

	Cash and Cash Equivalents/Deposits	Investment
<i>GASB Statement No. 9</i>	\$30,653,121	\$0
Investment:		
Repurchase Agreements	(11,491,707)	11,491,707
<i>GASB Statement No. 3</i>	<u>\$19,161,414</u>	<u>\$11,491,707</u>

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 of Columbus administers and collects income taxes for the City of Grove City. Payments, net of a two percent collection fee, are remitted monthly for tax revenues received by Columbus in the prior month. All proceeds go to the General Fund.

NOTE 8 - PROPERTY TAX

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2002 for real and public utility property taxes represents collections of 2001 taxes. Property tax payments received during 2002 for tangible personal property (other than public utility property) are for 2002 taxes.

2002 real property taxes are levied after October 1, 2002 on the assessed value as of January 1, 2002, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2002 real property taxes are collected in and intended to finance 2003.

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. 2002 public utility property taxes became a lien December 31, 2001, are levied after October 1, 2002, and are collected in 2003 with real property taxes.

2002 tangible personal property taxes are levied after October 1, 2001, on the value as of December 31, 2001. Collections are made in 2002. Tangible personal property assessments are 25 percent of true value for capital assets and 24 percent of true value for inventory.

The full tax rate for all City operations for the year ended December 31, 2002, was \$4.30 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2002 property tax receipts were based are as follows:

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements
(Continued)

NOTE 8 - PROPERTY TAX (Continued)

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$570,587,460
Public Utility Property	10,036,670
Tangible Personal	84,348,339
Total Property Taxes	<u>\$664,972,469</u>

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

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

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Grove City. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2002, and for which there is an enforceable legal claim. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2002 operations. The receivable is offset by deferred revenue. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

NOTE 9 - RECEIVABLES

Receivables at December 31, 2002, consisted of taxes, interfund, intergovernmental receivables arising from grants, entitlements or shared revenues, special assessments, charges for services and interest on investments. All receivables are considered fully collectible, including water and sewer charges receivable which, if delinquent, may be certified and collected as a special assessment, subject to foreclosure for nonpayment. Special assessments expected to be collected in more than one year for the City amount to \$319,576. The City has \$15,938 in delinquent special assessments at December 31, 2002.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements
(Continued)

NOTE 9 – RECEIVABLES (Continued)

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental Activities	
Local Government	\$682,895
Local Government Revenue Assistance	62,323
Liquor Permit	27,603
Cigarette Tax	973
Fryer Park Natureworks Grant	6,948
Fryer Park HB640 Grant	40,000
Big Splash Bike Path	3,720
DARE Grant	31,220
Bulletproof vest	11,790
Estate Taxes	112,501
Immobilization Fee	300
Fines And Forfeitures	11,192
Personal Property Exemption	11,499
Homestead And Rollback	\$146,245
Pari-Mutuel Tax	15,088
Gasoline Tax	260,834
Motor Vehicle License Tax	159,183
Permissive Motor Vehicle License Taxes	106,383
ODNR/SWACO Clean Community Grant	1,233
COPS - In School	31,250
COPS - More 98	150,231
Local Law Enforcement Block Grant	12,283
COPS - Civilan	75,000
Ohio Public Works Commission Grant	136,344
Total Intergovernmental Receivable	<u><u>\$2,097,038</u></u>

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

(Continued)

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2002, was as follows:

	Restated Balance At 12/31/2001	Additions	Deletions	Balance At 12/31/2002
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$3,451,528	\$1,202,702	(\$125,515)	\$4,528,715
Construction in Progress	2,423,356	3,884,422	(2,104,383)	4,203,395
Total Capital Assets Not Being Depreciated	<u>5,874,884</u>	<u>5,087,124</u>	<u>(2,229,898)</u>	<u>8,732,110</u>
Depreciable Capital Assets:				
Buildings	4,822,280	176,427	(65,901)	4,932,806
Improvements Other Than Buildings	2,110,886	324,734	0	2,435,620
Machinery and Equipment	2,889,676	262,863	(1,195)	3,151,344
Furniture and Fixtures	590,886	75,610	0	666,496
Vehicles	575,312	279,814	(44,169)	810,957
Computer Equipment	1,180,605	910,444	(27,361)	2,063,688
Infrastructure	0	6,423,386	0	6,423,386
Total Depreciable Capital Assets	<u>12,169,645</u>	<u>8,453,278</u>	<u>(138,626)</u>	<u>20,484,297</u>
Total Capital Assets At Historical Cost	<u>18,044,529</u>	<u>13,540,402</u>	<u>(2,368,524)</u>	<u>29,216,407</u>
Less Accumulated Depreciation:				
Buildings	(2,670,817)	(42,707)	56,016	(2,657,508)
Improvements Other Than Buildings	(784,631)	(100,781)	0	(885,412)
Machinery and Equipment	(1,328,784)	(249,475)	554	(1,577,705)
Furniture and Fixtures	(119,345)	(30,201)	0	(149,546)
Vehicles	(557,399)	(131,727)	33,850	(655,276)
Computer Equipment	(344,081)	(84,085)	14,323	(413,843)
Infrastructure	0	(534,114)	0	(534,114)
Total Accumulated Depreciation	<u>(5,805,057)</u>	<u>(1,173,090)</u>	<u>104,743</u>	<u>(6,873,404)</u>
Depreciable Capital Assets, Net	<u>6,364,588</u>	<u>7,280,188</u>	<u>(33,883)</u>	<u>13,610,893</u>
Governmental Activities Capital Assets, Net	<u>\$12,239,472</u>	<u>\$12,367,312</u>	<u>(\$2,263,781)</u>	<u>\$22,343,003</u>

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

(Continued)

NOTE 10 - CAPITAL ASSETS (Continued)

	Restated Balance At 12/31/2001	Additions	Deletions	Balance At 12/31/2002
Business-Type Activities				
Capital Assets Not Being Depreciated				
Land	\$118,775	\$3,537	\$325	\$121,987
Construction in Progress	1,591,307	561,046	1,106,215	1,046,138
Total Capital Assets, Not Being Depreciated	<u>1,710,082</u>	<u>564,583</u>	<u>1,106,540</u>	<u>1,168,125</u>
Depreciable Capital Assets:				
Buildings	88,625	0	0	88,625
Improvements Other Than Buildings	1,360,916	0	0	1,360,916
Machinery and Equipment	269,716	2,986	0	272,702
Vehicles	92,117	0	0	92,117
Computer Equipment	10,465	0	0	10,465
Infrastructure				
Water Lines	13,711,660	275,187	1,489,002	12,497,845
Sewer Lines	20,807,690	1,085,601	408,446	21,484,845
Total Depreciable Capital Assets	<u>36,341,189</u>	<u>1,363,774</u>	<u>1,897,448</u>	<u>35,807,515</u>
Total Capital Assets At Historical Cost	<u>38,051,271</u>	<u>1,928,357</u>	<u>3,003,988</u>	<u>36,975,640</u>
Less Accumulated Depreciation:				
Buildings	(16,832)	(1,373)	0	(18,205)
Improvements Other Than Buildings	(297,868)	(46,109)	0	(343,977)
Machinery and Equipment	(64,353)	(14,768)	0	(79,121)
Vehicles	(36,086)	(9,211)	0	(45,297)
Computer Equipment	(9,008)	(1,329)	0	(10,337)
Infrastructure				
Water Lines	(3,263,564)	(286,090)	(7,174)	(3,542,480)
Sewer Lines	(4,526,102)	(395,374)	(290,483)	(4,630,933)
Total Accumulated Depreciation	<u>(8,213,813)</u>	<u>(754,254)</u>	<u>(297,657)</u>	<u>(8,670,410)</u>
Depreciable Capital Assets, Net	<u>28,127,376</u>	<u>609,520</u>	<u>1,599,791</u>	<u>27,137,105</u>
Business-Type Activities Capital Assets, Net	<u>\$29,837,458</u>	<u>\$1,174,103</u>	<u>\$2,706,331</u>	<u>\$28,305,230</u>

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements
(Continued)

NOTE 10 - CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental programs as follows:

Security of Person And Property	\$275,737
Leisure Time Activity	237,917
Community Development	29,884
Transportation	92,390
General Government	537,162
Total Depreciation Expense	<u>\$1,173,090</u>

NOTE 11 - DEFINED BENEFIT PENSION PLANS

A. OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

All full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple-employer public employee retirement system administered by the Ohio Public Employees Retirement Board. OPERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. The 2002 employer pension contribution rate for the City was 8.55 percent of covered payroll, a decrease from 9.25 percent in 2001. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ended December 31, 2002, 2001, and 2000 were \$328,374, \$379,216, and \$159,825, respectively. The full amount has been contributed for 2001 and 2000. The amount contributed for 2002 was 75.97 percent with the remainder being reported as a liability.

B. OHIO POLICE AND FIRE PENSION FUND

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

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements
(Continued)

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 11.75 percent for police. The City has no firefighters. For 2001, the City contributions were 12.00 percent for police. Contributions are authorized by State statute. The City's contributions to the Fund for the years ended December 31, 2002, 2001, and 2000 were \$313,179, \$364,560, and \$295,372 respectively, equal to the required contributions for each year. The full amount has been contributed for 2001 and 2000. The amount contributed for 2002 was 74.33 percent with the remainder being reported as a liability.

NOTE 12 - POSTEMPLOYMENT BENEFITS

A. OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2002 employer contribution rate was 13.55 percent of covered payroll; 5.00 percent was the portion that was used to fund health care for 2002. For 2001, the contribution rate was 13.55 percent of covered payroll; 4.30 percent was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2001, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.00 percent annually.

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

The number of active contributing participants was 402,041. The City's actual contributions for 2002 which were used to fund postemployment benefits were \$192,032. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2001, (the latest information available) were \$11.6 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$16.4 billion and \$4.8 billion, respectively.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements
(Continued)

NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)

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

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

B. OHIO POLICE AND FIRE PENSION FUND

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

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2002. For 2001, the percent used to fund healthcare was 7.5 percent. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Grove City has no fire personnel; therefore, OP&F covers police personnel only.

The City's actual contributions for 2002 that were used to fund postemployment benefits were \$206,565 for police. The OP&F's total health care expense for the year ended December 31, 2001, (the latest information available) was \$122,298,771, which was net of member contributions of \$6,874,699. The number of OP&F participants eligible to receive health care benefits as of December 31, 2001, was 13,174 for police and 10,239 for firefighters.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements
(Continued)

NOTE 13 - EMPLOYEE BENEFITS

A. COMPENSATED ABSENCES

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

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

B. HEALTH CARE BENEFITS

On January 1, 1992, the City joined the Central Ohio Health Care Consortium, a risk-sharing pool, which provides employee health care benefits for all full-time employees who wish to participate in the plan. The pool consists of twelve political subdivisions who pool risk for basic hospital, surgical and prescription drug coverage. The City pays monthly contributions to the Consortium, which are used to cover claims and administrative costs, and to purchase excess loss insurance for the plan. The Consortium has entered into an agreement for individual and aggregate excess loss coverage with a commercial insurance carrier. The individual excess loss coverage has been structured to indemnify the Plan for medical claims paid for an individual in excess of \$150,000 per claim per year, with an individual lifetime maximum of \$2,000,000. The aggregate excess loss coverage has been structured to indemnify the Plan for aggregate claims paid in excess of \$7,772,042 to a maximum of \$1,000,000 annually. In the event that the losses of the Consortium in any year exceeds amounts paid to the Consortium, together with all stop-loss, reinsurance and other coverage then in effect, then the payment of all uncovered losses shall revert to and be the sole obligation of the political subdivision against which the claim was made.

C. 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.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements
(Continued)

NOTE 14 - CAPITAL LEASES - LESSEE DISCLOSURE

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

General capital assets consisting of equipment have been capitalized in the amount of \$38,280. This amount represents the present value of the minimum lease payments at the time of acquisition. Principal payments in 2002 totaled \$7,871 in the governmental funds.

The assets acquired through capital leases as of December 31, 2002, are as follows:

	<u>Asset Value</u>	<u>Accumulated Depreiation</u>	<u>Net Book Value</u>
Copier Equipment	<u>\$38,280</u>	<u>\$29,815</u>	<u>\$8,465</u>

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2002:

	<u>Year Ending December 31,</u>	
	2003	<u>\$4,536</u>
	2004	<u>756</u>
Total		<u>5,292</u>
Less: Amount representing Interest		<u>(165)</u>
Present Value of Minimum Lease Payment		<u>\$5,127</u>

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

(Continued)

NOTE 15 - OUTSTANDING DEBT AND OTHER LONG-TERM OBLIGATIONS

A. BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS

Bonded debt and other long-term obligations payable activity for the year ended December 31, 2002, were as follows:

<i>Types / Issues</i>	<i>Balance 12/31/01</i>	<i>Issued</i>	<i>Retired</i>	<i>Balance 12/31/02</i>	<i>Due Within One Year</i>
<u>Business-Type Activities</u>					
<u>Mortgage Revenue Bonds</u>					
1992 - 3.5%-6.6% Waterworks System First Mortgage Revenue Refunding Bonds \$1,510,000	\$865,000	\$0	\$155,000	\$710,000	\$160,000
<u>Ohio Public Works Commission (OPWC) Loans</u>					
1993 - 0.00% Park Street Improvements \$86,907	52,142	0	6,953	45,189	6,953
1994 - 3.50% Columbus Street Reconstruction \$128,422	100,374	0	6,217	94,157	6,437
1995 - 3.00% Kingston Avenue Reconstruction \$200,624	159,709	0	8,940	150,769	9,210
1995 - 3.50% Grant Run Interceptor Phase II \$537,324	430,678	0	23,255	407,423	24,076
1999 - 3.00% Marsh Run Gravity Sewer \$703,276	703,276	0	26,113	677,163	26,902
Total OPWC Loans	<u>1,446,179</u>	<u>0</u>	<u>71,478</u>	<u>1,374,701</u>	<u>73,578</u>
Compensated Absences	<u>40,683</u>	<u>1,461</u>	<u>4,201</u>	<u>37,943</u>	<u>12,650</u>
Total Business-Type Activities	<u>\$2,351,862</u>	<u>\$1,461</u>	<u>\$230,679</u>	<u>\$2,122,644</u>	<u>\$246,228</u>

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements
(Continued)

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

<i>Types / Issues</i>	<i>Balance 12/31/01</i>	<i>Issued</i>	<i>Retired</i>	<i>Balance 12/31/02</i>	<i>Due Within One Year</i>
<u>Governmental Activities</u>					
<u>General Obligation Bonds</u>					
1991 - 6.65% Various Purpose Street Improvement Bonds \$1,220,000	\$940,000	\$0	\$70,000	\$870,000	\$70,000
1993 - 2.85%-5.25% General Obligation Refunding Bonds \$2,815,000	1,900,000	0	205,000	1,695,000	215,000
1993 - 4.30%-5.65% Various Purpose Street Improvement/Senior Center Addition Bonds \$2,085,000	1,635,000	0	100,000	1,535,000	110,000
2001 - 4.51% Various Purpose Improvement Bonds \$1,840,000	1,840,000	0	40,000	1,800,000	45,000
Total General Obligation Bonds	6,315,000	0	415,000	5,900,000	440,000
<u>Special Assessment Bonds</u>					
1988 - 7.5% Sewer Construction And Installation \$60,000	35,000	0	5,000	30,000	5,000
1990 - 7.5% Home Road Construction \$112,415	84,470	0	6,907	77,563	7,425
1998 - 6.0% Seeds Road Improvement \$200,000	140,000	0	20,000	120,000	20,000
Total Special Assessment Bonds	\$259,470	\$0	\$31,907	\$227,563	\$32,425

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements
(Continued)

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

<i>Types / Issues</i>	<i>Balance 12/31/01</i>	<i>Issued</i>	<i>Retired</i>	<i>Balance 12/31/02</i>	<i>Due Within One Year</i>
<u>Ohio Public Works Commission</u>					
<u>(OPWC) Loans</u>					
1993 - 0.00% Park Street Improvements \$292,009	\$208,581	\$0	\$27,810	\$180,771	\$27,810
1998 - 0.00% Haughn Road Widening \$446,773	378,040	0	22,911	355,129	22,911
1997 - 0.00% Hoover Road/ SR 665 Realignment \$351,546	296,039	0	18,502	277,537	18,503
1999 - 0.00% Broadway \$409,887	379,146	0	20,494	358,652	20,494
1999 - 0.00% Hoover Road/ /Buckeye Ranch/ Orders Road \$518,378	466,540	0	25,919	440,621	25,919
2000 - 0.00% Hoover Road/ Old Stringtown To Sonora Drive \$745,578	726,939	0	37,279	689,660	37,279
2001 0.00% Broadway \$456,181	58,488	397,693	0	456,181	0
Total OPWC Loans	<u>2,513,773</u>	<u>397,693</u>	<u>152,915</u>	<u>2,758,551</u>	<u>152,916</u>
Other Long-Term Obligations					
2002 - 2.35% Street And Infrastructure Construction Notes \$6,000,000	0	6,000,000	0	6,000,000	0
Capital Leases	12,998	0	7,871	5,127	4,376
1993 3.0% - 5.0% Certificates Of Participation \$2,800,000	1,170,000	0	370,000	800,000	390,000
Compensated Absences	772,461	338,531	305,236	805,756	372,145
Total Governmental Activities	<u>\$11,043,702</u>	<u>\$6,736,224</u>	<u>\$1,282,929</u>	<u>\$16,496,997</u>	<u>\$1,391,861</u>

The City's overall legal debt margin was \$59,219,701, with an unvoted debt margin of \$25,971,078 at December 31, 2002.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements
(Continued)

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

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

<i>Year</i>	<i>Governmental Activities</i>					
	<i>General Obligation Bonds</i>		<i>Special Assessment Bonds</i>		<i>OPWC Loans</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2003	\$440,000	\$307,661	\$32,425	\$14,787	\$152,916	\$0
2004	455,000	286,658	32,982	12,735	152,916	0
2005	485,000	264,038	33,580	10,642	152,916	0
2006	500,000	239,496	34,224	8,503	152,916	0
2,007	530,000	213,571	34,916	6,316	152,916	0
2008-2012	2,045,000	657,451	59,436	6,785	667,244	0
2013-2017	540,000	299,153	0	0	625,528	0
2018-2022	450,000	196,475	0	0	245,018	0
2023-2027	455,000	64,350	0	0	0	0
Totals	\$5,900,000	\$2,528,853	\$227,563	\$59,768	\$2,302,370	\$0

<i>Year</i>	<i>Governmental Activities</i>			
	<i>Bond Anticipation Notes</i>		<i>Certificates of Participation</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2003	\$6,000,000	\$72,625	\$390,000	\$29,958
2004	0	0	410,000	10,250
Totals	\$6,000,000	\$72,625	\$800,000	\$40,208

Because the City has not received the entire proceeds of the 2001 OPWC loans (Broadway), no debt service payment schedule has been prepared and neither principal nor interest are included in the above schedule.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements
(Continued)

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

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

<u>Year</u>	<i>Business-Type Activities</i>					
	<i>Water Revenue Bonds</i>		<i>Water OPWC Loans</i>		<i>Sewer OPWC Loans</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2003	\$160,000	\$46,278	\$22,599	\$7,694	\$50,979	\$34,166
2004	170,000	36,038	23,105	7,189	52,642	32,502
2005	185,000	24,988	23,627	6,666	54,360	30,785
2006	195,000	12,870	24,166	6,127	56,134	29,010
2007	0	0	24,723	5,571	57,966	27,178
2008-2012	0	0	108,281	18,852	319,493	106,228
2013-2017	0	0	63,614	3,563	317,029	51,501
2018-2022	0	0	0	0	175,983	12,084
Totals	<u>\$710,000</u>	<u>\$120,174</u>	<u>\$290,115</u>	<u>\$55,662</u>	<u>\$1,084,586</u>	<u>\$323,454</u>

B. FIRST MORTGAGE REVENUE REFUNDING BONDS

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

C. OHIO PUBLIC WORKS COMMISSION (OPWC) LOANS

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

D. COMPENSATED ABSENCES/CAPITAL LEASES

Compensated absences will be paid from the General fund, Street Maintenance fund, General Recreation fund, Water fund and Sewer fund. Capital leases will be paid from the General fund.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements
(Continued)

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

E. 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.

F. SPECIAL ASSESSMENT BONDS

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

G. STREET AND INFRASTRUCTURE CONSTRUCTION NOTES

On June 26, 2002, the City issued a total of \$6,000,000 general obligation bond anticipation notes at 2.35 percent interest. The notes were issued for the purpose of Street and Infrastructure Construction. The notes mature on June 25, 2003 and will be retired from the Road Improvement Capital Projects Fund from additional note proceeds. At year end the City had spent \$485,187 of the note proceeds. The notes were refinanced on June 26, 2003. See Note 19.

H. CERTIFICATES OF PARTICIPATION

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

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

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

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements
(Continued)

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

The obligation of the City under the lease and any subsequent lease renewal is subject to the annual appropriation of the rental payments. Legal title to the facilities remains with the CIC until all payments required under the lease have been made. At that time, title will be transferred to the City. In the event the City defaults on the lease, after thirty days the lessor may lease the facilities to a new tenant. Under terms of the lease agreement, the City may not lease, acquire, or allocate funds to acquire functionally similar facilities for thirty days after default.

The liability for the 1993 Series Certificates are payable from the General Fund. The Certificates of Participation are not a general obligation of the City but are payable only from appropriations by the City for annual lease payments.

I. INDUSTRIAL REVENUE BOND/MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS

The City has one outstanding issue of industrial development revenue bonds in the aggregate principal amount of \$845,000, and one outstanding issue of multifamily housing revenue bonds in the aggregate principal amount of \$13,500,000 at December 31, 2002 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.

NOTE 16 - CONSTRUCTION COMMITMENTS

The City has entered into various contracts for the construction and acquisition of capital assets. At December 31, 2002, the significant outstanding construction commitments are:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Balance At 12/31/02</u>
Hoover Road-Milligan to Dartmoor	\$2,682,758	\$2,278,625	\$404,133
Improvements to Street - 2002	1,082,128	722,802	359,326
Lincoln Street Improvements	430,212	276,778	153,434
Various Traffic Control Improvements	691,729	144,843	546,886
Moore Avenue Waterline	92,733	75,181	17,552
Orders Road-Fryer Park Water Main	300,994	274,282	26,712
Stringtown Road & White Road Reconstrucion	3,444,197	103,399	3,340,798
1-270/1-71 Corridor Site	261,188	97,674	163,514
Street Lighting Improvements	122,512	15,412	107,100
Southwest Blvd Intersection Improvements	197,574	188,892	8,682
Gantz Park Shelter House	130,038	84,599	45,439
Broadway-Civic to Woodlawn	590,678	477,545	113,133
Grant Run Sanitary Sewer	530,339	509,125	21,214
Totals	<u>\$10,557,080</u>	<u>\$5,249,157</u>	<u>\$5,307,923</u>

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements
(Continued)

NOTE 17 - RISK MANAGEMENT

The City maintains comprehensive insurance coverage with private carriers for real property, building contents, vehicles and general liability insurance and police professional liability insurance. 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 BALANCES

Interfund balances at December 31, 2002, consist of the following individual fund receivables and payables:

	Payable			
		Nonmajor Governmental		
	General	Fund	Total	
Receivables	General	\$0	\$104,731	\$104,731
	Nonmajor Governmental Fund	1,920	0	1,920
	Total	\$1,920	\$104,731	\$106,651

The amount due to the non-major governmental fund from the general fund resulted from the withholding of the hospitalization deduction from the wrong fund. The amount due to the general fund is the result of negative cash balance in a non-major governmental fund. The general fund will be reimbursed when funds become available in the non-major governmental fund.

NOTE 19 - CONTINGENT LIABILITIES

A. LITIGATION

The City of Grove City is party to various legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending projects. The City management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City, with the exception of a suit filed by Mid-Ohio Board for Independent Living Environment (MOBILE), which is presently pending in the U. S. District Court for the Southern District of Ohio, Case Number C 201889.

CITY OF GROVE CITY, OHIO

Notes To The Basic Financial Statements

(Continued)

NOTE 19 - CONTINGENT LIABILITIES (Continued)

The suit alleges that Grove City has failed to properly install, repair and maintain curb ramps when constructing, resurfacing, or altering City streets and sidewalks, in violation of Title II of the Americans With Disabilities Act, 42 U.S.C. 12101.

This type of action has been maintained against numerous other Central Ohio municipalities including the City of Columbus over the past few years.

The City has entered into a Consent Decree with the Plaintiff, and is making every possible effort possible to settle the suit to minimize financial exposure, and additional expenses associated with the suit.

B. FEDERAL AND STATE GRANTS

For the period January 1, 2002, to December 31, 2002, 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 20 - SUBSEQUENT EVENT

On June 26, 2003, the City issued .98 percent Street and Infrastructure Notes, Series 2003, in the amount of \$6,700,000. The notes will mature on June 25, 2004. A portion of these notes was used to repay the Street and Infrastructure Notes that were issued on June 26, 2002 and matured on June 25, 2003. The remaining balance will be used for street and infrastructure construction.

Combining Financial Statements

CITY OF GROVE CITY, OHIO

Nonmajor Fund Descriptions

SPECIAL REVENUE FUNDS

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

Nonmajor Special Revenue Funds

Street Maintenance Fund

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

State Highway Fund

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

Police Pension Fund

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

General Recreation Fund

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

City Permissive MVL Fund

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

County Permissive MVL Fund

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

Senior Nutrition Fund

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

Drug Law Enforcement Fund

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

DARE Program Fund

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

(continued)

CITY OF GROVE CITY, OHIO

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

Nonmajor Special Revenue Funds

Community Development Fund

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

Community Environment Fund

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

Enforcement And Education Fund

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

U. S. Department Of Justice Fund

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

Mayor's Court Computer Fund

To account 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 grants and a donation from Jackson Township to be used for the purpose of developing and maintaining the Big Splash recreational water facility at Evans Park.

Community Improvement Corporation Fund

To account for financial activity of the blended component unit whose purpose is to provide financing services to the City. This blended component unit has no budget presented.

Senior Stage

This fund was established, via contributions, for the construction and maintenance of the stage at the newly constructed addition at the Grove City and Jackson Township Senior Center.

(continued)

CITY OF GROVE CITY, OHIO

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

CAPITAL PROJECTS FUNDS

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

Nonmajor Capital Projects Funds

City Improvement Fund

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

Recreation Development Fund

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

Building Construction Fund

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

CITY OF GROVE CITY, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds**

December 31, 2002

	<i>Nonmajor Special Revenue Funds</i>	<i>Nonmajor Capital Projects Funds</i>	<i>Total Nonmajor Governmental Funds</i>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$2,507,717	\$157,098	\$2,664,815
Cash and Cash Equivalents			
With Fiscal Agents	612,778	0	612,778
Receivables:			
Taxes	659,914	0	659,914
Interfund	1,920	0	1,920
Due from Other Governments	836,910	0	836,910
Materials and Supplies Inventory	18,142	0	18,142
<i>Total Assets</i>	<u>\$4,637,381</u>	<u>\$157,098</u>	<u>\$4,794,479</u>
<u>Liabilities and Fund Balances</u>			
<u>Liabilities:</u>			
Accounts Payable	\$168,717	\$0	\$168,717
Contracts Payable	0	326	326
Interfund Payable	104,731	0	104,731
Accrued Wages	28,869	0	28,869
Due to Other Governments	21,259	0	21,259
Deferred Revenue	1,231,940	0	1,231,940
<i>Total Liabilities</i>	<u>1,555,516</u>	<u>326</u>	<u>1,555,842</u>
<u>Fund Balances:</u>			
Reserved for Encumbrances	440,313	871	441,184
Unreserved:			
Undesignated, Reported in:			
Special Revenue Funds	2,641,552	0	2,641,552
Capital Projects Funds	0	155,901	155,901
<i>Total Fund Balances</i>	<u>3,081,865</u>	<u>156,772</u>	<u>3,238,637</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,637,381</u>	<u>\$157,098</u>	<u>\$4,794,479</u>

CITY OF GROVE CITY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds**

December 31, 2002

	<u>Street Maintenance</u>	<u>State Highway</u>	<u>Police Pension</u>	<u>General Recreation</u>
<u>Assets:</u>				
Equity In Pooled Cash And Cash Equivalents	\$805,802	\$138,785	\$419,709	\$471,147
Cash And Cash Equivalents				
With Fiscal Agents	0	0	0	0
Receivables:				
Taxes	0	0	651,162	0
Interfund	1,920	0	0	0
Due from Other Governments	388,515	31,501	39,503	0
Materials and Supplies Inventory	1,298	16,844	0	0
Total Assets	\$1,197,535	\$187,130	\$1,110,374	\$471,147
<u>Liabilities and Fund Balances</u>				
<u>Liabilities:</u>				
Accounts Payable	\$76,653	\$977	\$0	\$42,582
Interfund Payable	0	0	0	0
Accrued Wages	14,941	0	0	12,575
Due to Other Governments	14,588	0	0	4,060
Deferred Revenue	338,080	27,412	688,574	0
Total Liabilities	444,262	28,389	688,574	59,217
<u>Fund Balances:</u>				
Reserved for Encumbrances	228,136	11,952	33,256	80,349
Unreserved,				
Undesignated	525,137	146,789	388,544	331,581
Total Fund Balances	753,273	158,741	421,800	411,930
Total Liabilities and Fund Balances	\$1,197,535	\$187,130	\$1,110,374	\$471,147

continued

<i>City Permissive MVL</i>	<i>County Permissive MVL</i>	<i>Senior Nutrition</i>	<i>Drug Law Enforcement</i>	<i>DARE Program</i>
\$49,324	\$211,114	\$5,011	\$4,064	\$637
0	612,778	0	0	0
0	0	0	0	0
0	0	0	0	0
71,415	34,968	0	0	0
0	0	0	0	0
<u>\$120,739</u>	<u>\$858,860</u>	<u>\$5,011</u>	<u>\$4,064</u>	<u>\$637</u>
\$0	\$0	\$0	\$0	\$249
0	0	0	0	0
0	0	0	0	0
441	0	0	0	0
61,902	30,310	0	0	0
<u>62,343</u>	<u>30,310</u>	<u>0</u>	<u>0</u>	<u>249</u>
10,567	11,625	0	0	0
<u>47,829</u>	<u>816,925</u>	<u>5,011</u>	<u>4,064</u>	<u>388</u>
<u>58,396</u>	<u>828,550</u>	<u>5,011</u>	<u>4,064</u>	<u>388</u>
<u>\$120,739</u>	<u>\$858,860</u>	<u>\$5,011</u>	<u>\$4,064</u>	<u>\$637</u>

CITY OF GROVE CITY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
(Continued)
December 31, 2002**

	Community Development	Community Environment	Enforcement And Education	U. S. Department Of Justice
<u>Assets:</u>				
Equity In Pooled Cash And Cash Equivalents	\$97,783	\$222,510	\$9,027	\$0
Cash And Cash Equivalents				
With Fiscal Agents	0	0	0	0
Receivables:				
Taxes	8,752	0	0	0
Interfund	0	0	0	0
Due from Other Governments	0	1,233	51	268,764
Materials and Supplies Inventory	0	0	0	0
Total Assets	\$106,535	\$223,743	\$9,078	\$268,764
<u>Liabilities and Fund Balances</u>				
<u>Liabilities:</u>				
Accounts Payable	\$2,626	\$45,630	\$0	\$0
Interfund Payable	0	0	0	104,731
Accrued Wages	1,353	0	0	0
Due to Other Governments	403	0	0	0
Deferred Revenue	0	0	0	85,662
Total Liabilities	4,382	45,630	0	190,393
<u>Fund Balances:</u>				
Reserved for Encumbrances	23,282	0	0	40,665
Unreserved,				
Undesignated	78,871	178,113	9,078	37,706
Total Fund Balances	102,153	178,113	9,078	78,371
Total Liabilities and Fund Balances	\$106,535	\$223,743	\$9,078	\$268,764

<i>Mayor's Court Computer</i>	<i>Big Splash</i>	<i>Community Improvement Corporation</i>	<i>Senior Stage</i>	<i>Total</i>
\$16,392	\$34,414	\$19,295	\$2,703	\$2,507,717
0	0	0	0	612,778
0	0	0	0	659,914
0	0	0	0	1,920
960	0	0	0	836,910
0	0	0	0	18,142
<u>\$17,352</u>	<u>\$34,414</u>	<u>\$19,295</u>	<u>\$2,703</u>	<u>\$4,637,381</u>
\$0	\$0	\$0	\$0	\$168,717
0	0	0	0	104,731
0	0	0	0	28,869
0	1,767	0	0	21,259
0	0	0	0	1,231,940
<u>0</u>	<u>1,767</u>	<u>0</u>	<u>0</u>	<u>1,555,516</u>
0	481	0	0	440,313
<u>17,352</u>	<u>32,166</u>	<u>19,295</u>	<u>2,703</u>	<u>2,641,552</u>
<u>17,352</u>	<u>32,647</u>	<u>19,295</u>	<u>2,703</u>	<u>3,081,865</u>
<u>\$17,352</u>	<u>\$34,414</u>	<u>\$19,295</u>	<u>\$2,703</u>	<u>\$4,637,381</u>

CITY OF GROVE CITY, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds**

December 31, 2002

	<u>City Improvement</u>	<u>Recreation Development</u>	<u>Building Construction</u>	<u>Total</u>
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	<u>\$326</u>	<u>\$117,949</u>	<u>\$38,823</u>	<u>\$157,098</u>
<u>Liabilities and Fund Balances</u>				
<u>Liabilities:</u>				
Contracts Payable	<u>\$326</u>	<u>\$0</u>	<u>\$0</u>	<u>\$326</u>
<u>Fund Balances:</u>				
Reserved for Encumbrances	0	871	0	871
Unreserved, Undesignated	<u>0</u>	<u>117,078</u>	<u>38,823</u>	<u>155,901</u>
<i>Total Fund Balances</i>	<u>0</u>	<u>117,949</u>	<u>38,823</u>	<u>156,772</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$326</u>	<u>\$117,949</u>	<u>\$38,823</u>	<u>\$157,098</u>

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2002

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>			
Property Taxes	\$576,322	\$0	\$576,322
Other Local Taxes	165,387	0	165,387
Intergovernmental	1,416,581	0	1,416,581
Charges For Services	1,199,208	0	1,199,208
Licenses And Permits	84,000	54,794	138,794
Fines And Forfeitures	18,276	0	18,276
Interest	251	450	701
Miscellaneous	58,467	0	58,467
Total Revenues	3,518,492	55,244	3,573,736
<u>Expenditures:</u>			
Current Operations And Maintenance:			
Security Of Persons And Property	750,943	0	750,943
Public Health	110,489	0	110,489
Leisure Time Activities	1,102,411	0	1,102,411
Community Environment	158,420	0	158,420
Transportation	1,043,677	0	1,043,677
Capital Outlay	249,073	123,238	372,311
Debt Service:			
Interest And Fiscal Charges	0	193	193
Total Expenditures	3,415,013	123,431	3,538,444
Net Change In Fund Balance	103,479	(68,187)	35,292
Fund Balances At Beginning Of Year	2,978,386	224,959	3,203,345
Fund Balances At End Of Year	\$3,081,865	\$156,772	\$3,238,637

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, 2002

	<u>Street Maintenance</u>	<u>State Highway</u>	<u>Police Pension</u>	<u>General Recreation</u>
<u>Revenues:</u>				
Property Taxes	\$0	\$0	\$576,322	\$0
Other Local Taxes	0	0	0	0
Intergovernmental	742,495	60,202	67,893	10,000
Charges For Services	0	0	0	926,888
Licenses And Permits	0	0	0	0
Fines And Forfeitures	0	0	0	0
Interest	0	0	0	0
Miscellaneous	4,037	226	0	29,502
Total Revenues	746,532	60,428	644,215	966,390
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property	0	0	601,364	0
Public Health	0	0	0	0
Leisure Time Activities	0	0	0	848,596
Community Development	0	0	0	0
Transportation	790,559	49,698	0	0
Capital Outlay	94,469	0	0	0
Total Expenditures	885,028	49,698	601,364	848,596
Net Change In Fund Balance	(138,496)	10,730	42,851	117,794
Fund Balances At Beginning Of Year	891,769	148,011	378,949	294,136
Fund Balance At End Of Year	\$753,273	\$158,741	\$421,800	\$411,930

continued

<i>City Permissive MVL</i>	<i>County Permissive MVL</i>	<i>Senior Nutrition</i>	<i>Drug Law Enforcement</i>	<i>DARE Program</i>
\$0	\$0	\$0	\$0	\$0
0	0	0	0	0
141,743	194,860	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	118	0
0	0	0	0	0
144	0	15,199	0	9,269
<u>141,887</u>	<u>194,860</u>	<u>15,199</u>	<u>118</u>	<u>9,269</u>
0	0	0	3,498	0
0	0	15,000	0	12,868
0	0	0	0	0
0	0	0	0	0
162,557	40,863	0	0	0
25,488	0	0	0	0
<u>188,045</u>	<u>40,863</u>	<u>15,000</u>	<u>3,498</u>	<u>12,868</u>
(46,158)	153,997	199	(3,380)	(3,599)
<u>104,554</u>	<u>674,553</u>	<u>4,812</u>	<u>7,444</u>	<u>3,987</u>
<u>\$58,396</u>	<u>\$828,550</u>	<u>\$5,011</u>	<u>\$4,064</u>	<u>\$388</u>

CITY OF GROVE CITY, OHIO

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

(Continued)

For The Year Ended December 31, 2002

	Community Development	Community Environment	Enforcement And Education	U. S. Department Of Justice
<u>Revenues:</u>				
Property Taxes	\$0	\$0	\$0	\$0
Other Local Taxes	165,387	0	0	0
Intergovernmental	0	12,305	0	187,083
Charges For Services	0	6,645	0	0
Licenses And Permits	0	84,000	0	0
Fines And Forfeitures	0	0	2,166	0
Interest	0	0	0	0
Miscellaneous	0	0	0	0
Total Revenues	165,387	102,950	2,166	187,083
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property	0	0	0	146,081
Public Health	0	82,621	0	0
Leisure Time Activities	0	0	0	0
Community Development	157,181	0	0	0
Transportation	0	0	0	0
Capital Outlay	0	0	0	109,566
Total Expenditures	157,181	82,621	0	255,647
Net Change In Fund Balance	8,206	20,329	2,166	(68,564)
Fund Balances At Beginning Of Year	93,947	157,784	6,912	146,935
Fund Balance At End Of Year	\$102,153	\$178,113	\$9,078	\$78,371

<i>Mayor's Court Computer</i>	<i>Big Splash</i>	<i>Community Improvement Corporation</i>	<i>Senior Stage</i>	<i>Total</i>
\$0	\$0	\$0	\$0	\$576,322
0	0	0	0	165,387
0	0	0	0	1,416,581
0	265,675	0	0	1,199,208
0	0	0	0	84,000
15,992	0	0	0	18,276
0	0	251	0	251
0	0	0	90	58,467
<u>15,992</u>	<u>265,675</u>	<u>251</u>	<u>90</u>	<u>3,518,492</u>
0	0	0	0	750,943
0	0	0	0	110,489
0	253,815	0	0	1,102,411
0	0	1,239	0	158,420
0	0	0	0	1,043,677
19,550	0	0	0	249,073
<u>19,550</u>	<u>253,815</u>	<u>1,239</u>	<u>0</u>	<u>3,415,013</u>
(3,558)	11,860	(988)	90	103,479
<u>20,910</u>	<u>20,787</u>	<u>20,283</u>	<u>2,613</u>	<u>2,978,386</u>
<u>\$17,352</u>	<u>\$32,647</u>	<u>\$19,295</u>	<u>\$2,703</u>	<u>\$3,081,865</u>

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2002

	<u>City Improvement</u>	<u>Recreation Development</u>	<u>Building Construction</u>	<u>Total</u>
<u>Revenues:</u>				
Licenses And Permits	\$0	\$54,794	\$0	\$54,794
Interest	0	0	450	450
Total Revenues	0	54,794	450	55,244
<u>Expenditures:</u>				
Capital Outlay	326	122,912	0	123,238
Debt Service:				
Interest And Fiscal Charges	0	0	193	193
Total Expenditures	326	122,912	193	123,431
Net Change In Fund Balance	(326)	(68,118)	257	(68,187)
Fund Balances At Beginning Of Year	326	186,067	38,566	224,959
Fund Balances At End Of Year	\$0	\$117,949	\$38,823	\$156,772

CITY OF GROVE CITY, OHIO

Agency Fund Descriptions

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

Section 125 Cafeteria Plan

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

Deposit Trust Fund

The Deposit Trust Fund accounts for deposits from contractors, held by the City, to insure compliance with various City ordinances regarding development within the City.

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, 2002

	<u>Section 125 Cafeteria Plan</u>	<u>Deposit Trust</u>
<u>Assets:</u>		
Equity in Pooled Cash and Cash Equivalents	\$1,503	\$690,760
Receivables:		
Taxes	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$1,503</u></u>	<u><u>\$690,760</u></u>
<u>Liabilities:</u>		
Undistributed Assets	\$0	\$0
Deposits Held and Due to Others	<u>1,503</u>	<u>690,760</u>
<i>Total Liabilities</i>	<u><u>\$1,503</u></u>	<u><u>\$690,760</u></u>

<i>Convention Bureau</i>	<i>Total</i>
\$11,012	\$703,275
<u>8,752</u>	<u>8,752</u>
<u><u>\$19,764</u></u>	<u><u>\$712,027</u></u>
\$19,764	\$19,764
<u>0</u>	<u>692,263</u>
<u><u>\$19,764</u></u>	<u><u>\$712,027</u></u>

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2002

continued

	<u>Balance January 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2002</u>
<u>DEPOSIT TRUST FUND</u>				
<u>Assets:</u>				
Equity In Pooled Cash And Cash Equivalents	<u>\$766,683</u>	<u>\$296,778</u>	<u>\$372,701</u>	<u>\$690,760</u>
<u>Liabilities:</u>				
Deposits Held And Due To Others	<u>\$766,683</u>	<u>\$296,778</u>	<u>\$372,701</u>	<u>\$690,760</u>
 <u>SECTION 125 CAFETERIA PLAN</u>				
<u>Assets:</u>				
Equity In Pooled Cash And Cash Equivalents	<u>\$0</u>	<u>\$3,110</u>	<u>\$1,607</u>	<u>\$1,503</u>
<u>Liabilities:</u>				
Deposits Held And Due To Others	<u>\$0</u>	<u>\$3,110</u>	<u>\$1,607</u>	<u>\$1,503</u>

CITY OF GROVE CITY, OHIO

**Combining Statement Of Changes In Assets And Liabilities
All Agency Funds
(Continued)
For The Year Ended December 31, 2002**

	<u>Balance January 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2002</u>
<u>CONVENTION BUREAU FUND</u>				
<u>Assets:</u>				
Equity In Pooled Cash And Cash Equivalents	\$11,645	\$162,759	\$163,392	\$11,012
Receivables:				
Taxes	6,487	8,752	6,487	8,752
<i>Total Assets</i>	<u>\$18,132</u>	<u>\$171,511</u>	<u>\$169,879</u>	<u>\$19,764</u>
<u>Liabilities:</u>				
Undistributed Assets	<u>\$18,132</u>	<u>\$171,511</u>	<u>\$169,879</u>	<u>\$19,764</u>
<u>TOTAL - ALL AGENCY FUNDS</u>				
<u>Assets:</u>				
Equity In Pooled Cash And Cash Equivalents	\$778,328	\$462,647	\$537,700	\$703,275
Receivables:				
Taxes	6,487	8,752	6,487	8,752
<i>Total Assets</i>	<u>\$784,815</u>	<u>\$471,399</u>	<u>\$544,187</u>	<u>\$712,027</u>
<u>Liabilities:</u>				
Undistributed Assets	\$18,132	\$171,511	\$169,879	\$19,764
Deposits Held And Due To Others	766,683	299,888	374,308	692,263
<i>Total Liabilities</i>	<u>\$784,815</u>	<u>\$471,399</u>	<u>\$544,187</u>	<u>\$712,027</u>

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, 2002

continued

	Original Budget	Revised Budget	Budgetary Actual	Variance Positive (Negative)
<u>Revenues:</u>				
Property Taxes	\$1,011,553	\$1,011,553	\$1,112,589	\$101,036
Municipal Income Taxes	13,118,509	13,991,547	13,993,545	1,998
Other Local Taxes	505,000	575,000	582,905	7,905
Intergovernmental	1,447,000	1,677,000	1,827,611	150,611
Charges For Services	125,000	135,000	142,370	7,370
Licenses And Permits	404,000	403,000	403,313	313
Fines And Forfeitures	153,000	153,000	173,657	20,657
Special Assessments	21,000	21,000	37,948	16,948
Interest	550,000	430,000	437,001	7,001
Miscellaneous	70,000	107,963	372,446	264,483
Total Revenues	17,405,062	18,505,063	19,083,385	578,322
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Personal Services	4,718,862	4,677,419	4,484,527	192,892
Materials And Supplies	185,981	186,981	163,033	23,948
Contractual Services	225,243	224,243	198,224	26,019
Other Operating Charges	5,100	5,100	0	5,100
Total Police Department	5,135,186	5,093,743	4,845,784	247,959
Garage				
Personal Services	73,607	73,606	64,609	8,997
Materials And Supplies	113,347	113,347	101,022	12,325
Contractual Services	2,000	2,000	0	2,000
Total Garage	188,954	188,953	165,631	23,322
Safety Administration				
Personal Services	21,681	21,681	20,847	834
Total Security Of Persons And Property	5,345,821	5,304,377	5,032,262	272,115
Public Health				
Health Department				
Contractual Services	\$199,299	\$213,232	\$209,149	\$4,083

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, 2002

continued

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
Leisure Time Activities				
Parks				
Personal Services	\$737,865	\$737,866	\$730,347	\$7,519
Materials And Supplies	130,165	120,117	77,679	42,438
Contractual Services	129,793	129,792	102,567	27,225
Total Leisure Time Activities	<u>997,823</u>	<u>987,775</u>	<u>910,593</u>	<u>77,182</u>
Community Development				
Development				
Personal Services	141,290	141,289	131,781	9,508
Materials And Supplies	7,350	7,350	7,089	261
Contractual Services	126,006	126,006	106,513	19,493
Total Development	<u>274,646</u>	<u>274,645</u>	<u>245,383</u>	<u>29,262</u>
Building Department				
Personal Services	524,669	524,669	428,967	95,702
Materials And Supplies	79,751	76,533	76,045	488
Contractual Services	15,831	8,374	8,374	0
Total Building Department	<u>620,251</u>	<u>609,576</u>	<u>513,386</u>	<u>96,190</u>
Total Community Development	<u>894,897</u>	<u>884,221</u>	<u>758,769</u>	<u>125,452</u>
General Government				
City Council				
Personal Services	85,756	88,297	87,331	966
Materials And Supplies	5,904	5,904	3,532	2,372
Contractual Services	28,197	25,656	17,394	8,262
Total City Council	<u>119,857</u>	<u>119,857</u>	<u>108,257</u>	<u>11,600</u>
Administration				
Personal Services	372,174	381,426	380,381	1,045
Materials And Supplies	38,468	38,468	30,280	8,188
Contractual Services	130,128	120,875	113,312	7,563
Total Administration	<u>\$540,770</u>	<u>\$540,769</u>	<u>\$523,973</u>	<u>\$16,796</u>

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, 2002

continued

	Original Budget	Revised Budget	Budgetary Actual	Variance Positive (Negative)
Finance				
Personal Services	\$250,394	\$260,140	\$257,891	\$2,249
Materials And Supplies	63,080	38,535	34,409	4,126
Contractual Services	446,143	460,944	451,128	9,816
Total Finance	<u>759,617</u>	<u>759,619</u>	<u>743,428</u>	<u>16,191</u>
Law				
Personal Services	81,077	81,077	73,129	7,948
Materials And Supplies	4,455	5,090	4,064	1,026
Contractual Services	264,685	264,050	251,927	12,123
Total Law	<u>350,217</u>	<u>350,217</u>	<u>329,120</u>	<u>21,097</u>
Lands And Buildings				
Personal Services	34,450	34,449	24,174	10,275
Materials And Supplies	29,530	29,530	18,456	11,074
Contractual Services	461,982	461,248	431,251	29,997
Total Lands And Buildings	<u>525,962</u>	<u>525,227</u>	<u>473,881</u>	<u>51,346</u>
General Miscellaneous				
Personal Services	683,043	683,044	683,044	0
Materials And Supplies	19,294	19,294	12,449	6,845
Contractual Services	780,486	778,553	610,550	168,003
Other Operating Charges	305,581	310,581	301,849	8,732
Total General Miscellaneous	<u>1,788,404</u>	<u>1,791,472</u>	<u>1,607,892</u>	<u>183,580</u>
Engineering				
Contractual Services	288,618	342,118	342,118	0
Planning Commission				
Contractual Services	11,600	12,090	12,090	0
Civil Service				
Materials And Supplies	200	200	0	200
Contractual Services	30,149	46,122	46,122	0
Total Civil Service	<u>30,349</u>	<u>46,322</u>	<u>46,122</u>	<u>200</u>
History				
Materials And Supplies	500	500	0	500
Contractual Services	5,000	8,868	8,868	0
Total History	<u>5,500</u>	<u>9,368</u>	<u>8,868</u>	<u>500</u>
Total General Government	<u>\$4,420,894</u>	<u>\$4,497,059</u>	<u>\$4,195,749</u>	<u>\$301,310</u>

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, 2002

	Original Budget	Revised Budget	Budgetary Actual	Variance Positive (Negative)
Capital Outlay:				
Police Department	\$1,396,775	\$1,438,552	\$1,437,341	\$1,211
Building	52,365	63,040	62,905	135
Parks	1,755,929	1,756,929	1,560,370	196,559
Lands And Buildings	909,848	928,850	502,808	426,042
General Miscellaneous	1,048,095	1,045,595	889,083	156,512
Engineering	8,952,607	10,069,701	9,062,075	1,007,626
Total Capital Outlay	<u>14,115,619</u>	<u>15,302,667</u>	<u>13,514,582</u>	<u>1,788,085</u>
Debt Service:				
Principal Retirement	500,106	500,106	500,106	0
Interest And Fiscal Charges	63,994	45,726	45,467	259
Total Expenditures	<u>26,538,453</u>	<u>27,735,163</u>	<u>25,166,677</u>	<u>2,568,486</u>
Excess Of Revenues Over (Under) Expenditures	<u>(9,133,391)</u>	<u>(9,230,100)</u>	<u>(6,083,292)</u>	<u>3,146,808</u>
Other Financing Sources (Uses) :				
Other Financing Uses	(50,000)	(50,000)	0	50,000
Proceeds From Sale Of Fixed Assets	<u>0</u>	<u>0</u>	<u>125,845</u>	<u>125,845</u>
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>125,845</u>	<u>175,845</u>
Net Change In Fund Balance	(9,183,391)	(9,280,100)	(5,957,447)	3,322,653
Fund Balance At Beginning Of Year	12,808,392	12,808,392	12,808,392	0
Prior Year Encumbrances	<u>3,526,512</u>	<u>3,526,512</u>	<u>3,526,512</u>	<u>0</u>
Fund Balance At End Of Year	<u><u>\$7,151,513</u></u>	<u><u>\$7,054,804</u></u>	<u><u>\$10,377,457</u></u>	<u><u>\$3,322,653</u></u>

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2002

	<i>Original Budget</i>	<i>Revised Budget</i>	<i>Budgetary Actual</i>	<i>Variance Positive (Negative)</i>
<u>Revenues:</u>				
Intergovernmental	\$0	\$3,408,612	\$2,179,605	(\$1,229,007)
Interest	0	0	33,598	33,598
Total Revenues	0	3,408,612	2,213,203	(1,195,409)
<u>Expenditures:</u>				
Capital Outlay:				
Infrastructure	1,117,541	9,479,851	7,838,586	1,641,265
Excess Of Revenues Over (Under) Expenditures	(1,117,541)	(6,071,239)	(5,625,383)	445,856
<u>Other Financing Sources:</u>				
Proceeds Of Loans	0	0	397,693	397,693
Proceeds Of Notes	0	6,000,000	6,000,000	0
Total Other Financing Sources	0	6,000,000	6,397,693	397,693
Net Change In Fund Balance	(1,117,541)	(71,239)	772,310	843,549
Fund Balance At Beginning Of Year	(1,020,018)	(1,020,018)	(1,020,018)	0
Prior Year Encumbrances	1,117,541	1,117,541	1,117,541	0
Fund Balance (Deficit) At End Of Year	<u>(\$1,020,018)</u>	<u>\$26,284</u>	<u>\$869,833</u>	<u>\$843,549</u>

CITY OF GROVE CITY, OHIO

Debt Service Fund

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

(Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Property Taxes	\$745,355	\$745,355	\$742,071	(\$3,284)
Intergovernmental	95,000	842,060	87,214	(754,846)
Special Assessments	100,000	886,378	30,082	(856,296)
Interest	21,351	265,914	43,510	(222,404)
Total Revenues	<u>961,706</u>	<u>2,739,707</u>	<u>902,877</u>	<u>(1,836,830)</u>
<u>Expenditures:</u>				
Debt Service:				
Principal Retirement	446,907	446,907	446,907	0
Interest and Fiscal Charges	362,793	362,793	359,673	3,120
Total Expenditures	<u>809,700</u>	<u>809,700</u>	<u>806,580</u>	<u>3,120</u>
Net Change In Fund Balance	152,006	1,930,007	96,297	(1,833,710)
Fund Balance At Beginning Of Year	<u>1,193,368</u>	<u>1,193,368</u>	<u>1,193,368</u>	<u>0</u>
Fund Balance At End Of Year	<u><u>\$1,345,374</u></u>	<u><u>\$3,123,375</u></u>	<u><u>\$1,289,665</u></u>	<u><u>(\$1,833,710)</u></u>

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2002

	Revised Budget	Revised Budget	Budgetary Actual	Variance Positive (Negative)
<u>Revenues:</u>				
Charges For Services	\$467,000	\$488,881	\$491,134	\$2,253
Tap-In Fees	20,000	30,000	30,176	176
Interest	20,000	20,000	18,898	(1,102)
Miscellaneous	0	0	71	71
Total Revenues	507,000	538,881	540,279	1,398
<u>Expenses:</u>				
Personal Services	62,920	62,920	53,648	9,272
Contractual Services	11,710	11,710	1,809	9,901
Supplies And Materials	19,479	19,479	3,000	16,479
Debt Service:				
Principal Retirement	232,282	232,282	199,920	32,362
Interest And Fiscal Charges	61,895	61,895	61,895	0
Capital Outlay	304,590	304,590	240,273	64,317
Total Expenses	692,876	692,876	560,545	132,331
Net Change In Fund Equity	(185,876)	(153,995)	(20,266)	133,729
Fund Equity At Beginning Of Year	1,133,543	1,133,543	1,133,543	0
Prior Year Encumbrances	93,915	93,915	93,915	0
Fund Equity At End Of Year	<u>\$1,041,582</u>	<u>\$1,073,463</u>	<u>\$1,207,192</u>	<u>\$133,729</u>

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2002

	Revised Budget	Revised Budget	Budgetary Actual	Variance Positive (Negative)
<u>Revenues:</u>				
Charges For Services	\$388,000	\$388,000	\$380,327	(\$7,673)
Tap-In Fees	200,000	316,505	324,250	7,745
Miscellaneous	3,800	3,800	3,727	(73)
Total Revenues	591,800	708,305	708,304	(1)
<u>Expenses:</u>				
Personal Services	331,639	331,638	296,246	35,392
Contractual Services	92,713	97,781	53,151	44,630
Supplies And Materials	68,314	68,314	56,781	11,533
Other Operating Charges	100,000	169,915	169,915	0
Debt Service:				
Principal Retirement	52,224	52,224	49,368	2,856
Interest And Fiscal Charges	35,776	35,776	35,776	0
Capital Outlay	184,511	237,345	181,518	55,827
Total Expenses	865,177	992,993	842,755	150,238
Net Change In Fund Equity	(273,377)	(284,688)	(134,451)	150,237
Fund Equity At Beginning Of Year	1,191,495	1,191,495	1,191,495	0
Prior Year Encumbrances	111,724	111,724	111,724	0
Fund Equity At End Of Year	<u>\$1,029,842</u>	<u>\$1,018,531</u>	<u>\$1,168,768</u>	<u>\$150,237</u>

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$795,000	\$795,000	\$752,663	(\$42,337)
Miscellaneous	5,500	5,500	12,787	7,287
Total Revenues	<u>800,500</u>	<u>800,500</u>	<u>765,450</u>	<u>(35,050)</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Transportation				
Street Maintenance				
Personal Services	623,100	622,800	604,647	18,153
Materials And Supplies	115,855	114,255	101,935	12,320
Contractual Services	79,734	117,434	100,267	17,167
Other Operating Charges	13,734	12,734	10,165	2,569
Total Transportation	832,423	867,223	817,014	50,209
Capital Outlay:				
Engineering				
Engineering	435,132	438,031	310,072	127,959
Total Expenditures	<u>1,267,555</u>	<u>1,305,254</u>	<u>1,127,086</u>	<u>178,168</u>
Net Change In Fund Balance	(467,055)	(504,754)	(361,636)	143,118
Fund Balance At Beginning Of Year	759,895	759,895	759,895	0
Prior Year Encumbrances	83,549	83,549	83,549	0
Fund Balance At End Of Year	<u>\$376,389</u>	<u>\$338,690</u>	<u>\$481,808</u>	<u>\$143,118</u>

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$65,000	\$65,000	\$61,027	(\$3,973)
Miscellaneous	0	0	226	226
Total Revenues	<u>65,000</u>	<u>65,000</u>	<u>61,253</u>	<u>(3,747)</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Transportation				
Street Maintenance				
Materials And Supplies	58,448	58,948	50,911	8,037
Contractual Services	10,000	9,500	5,953	3,547
Total Expenditures	<u>68,448</u>	<u>68,448</u>	<u>56,864</u>	<u>11,584</u>
Net Change In Fund Balance	(3,448)	(3,448)	4,389	7,837
Fund Balance At Beginning Of Year	120,480	120,480	120,480	0
Prior Year Encumbrances	988	988	988	0
Fund Balance At End Of Year	<u><u>\$118,020</u></u>	<u><u>\$118,020</u></u>	<u><u>\$125,857</u></u>	<u><u>\$7,837</u></u>

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Property Taxes	\$585,636	\$585,636	\$576,322	(\$9,314)
Intergovernmental	67,188	67,188	67,867	679
Total Revenues	652,824	652,824	644,189	(8,635)
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Personal Services	634,620	634,620	634,620	0
Net Change In Fund Balance	18,204	18,204	9,569	(8,635)
Fund Balance At Beginning Of Year	325,794	325,794	325,794	0
Prior Year Encumbrances	51,092	51,092	51,092	0
Fund Balance At End Of Year	<u>\$395,090</u>	<u>\$395,090</u>	<u>\$386,455</u>	<u>(\$8,635)</u>

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$11,500	\$11,500	\$10,000	(\$1,500)
Charges For Services	839,000	899,000	926,888	27,888
Miscellaneous	26,000	26,000	29,502	3,502
Total Revenues	<u>876,500</u>	<u>936,500</u>	<u>966,390</u>	<u>29,890</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Leisure Time Activities				
Recreation				
Personal Services	609,885	609,479	542,015	67,464
Materials And Supplies	226,028	226,809	194,100	32,709
Contractual Services	202,850	209,351	193,304	16,047
Other Operating Charges	1,290	490	490	0
Total Expenditures	<u>1,040,053</u>	<u>1,046,129</u>	<u>929,909</u>	<u>116,220</u>
Net Change In Fund Balance	(163,553)	(109,629)	36,481	146,110
Fund Balance At Beginning Of Year	220,265	220,265	220,265	0
Prior Year Encumbrances	85,484	85,484	85,484	0
Fund Balance At End Of Year	<u>\$142,196</u>	<u>\$196,120</u>	<u>\$342,230</u>	<u>\$146,110</u>

CITY OF GROVE CITY, OHIO

City Permissive MVL Special Revenue Fund

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

(Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$160,000	\$160,000	\$143,772	(\$16,228)
Miscellaneous	0	0	144	144
Total Revenues	<u>160,000</u>	<u>160,000</u>	<u>143,916</u>	<u>(16,084)</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Transportation				
Street Maintenance				
Personal Services	77,639	77,639	69,731	7,908
Materials And Supplies	80,809	80,809	68,460	12,349
Contractual Services	35,000	35,000	34,767	233
Total Transportation	193,448	193,448	172,958	20,490
Capital Outlay:				
Engineering	31,000	31,000	25,488	5,512
Total Expenditures	<u>224,448</u>	<u>224,448</u>	<u>198,446</u>	<u>26,002</u>
Net Change In Fund Balance	(64,448)	(64,448)	(54,530)	9,918
Fund Balance At Beginning Of Year	89,160	89,160	89,160	0
Prior Year Encumbrances	4,115	4,115	4,115	0
Fund Balance At End Of Year	<u>\$28,827</u>	<u>\$28,827</u>	<u>\$38,745</u>	<u>\$9,918</u>

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	78,000	78,000	70,397	(\$7,603)
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Transportation				
Street Maintenance				
Materials And Supplies	67,404	67,404	59,596	7,808
Contractual Services	12,000	12,000	11,920	80
Total Expenditures	<u>79,404</u>	<u>79,404</u>	<u>71,516</u>	<u>7,888</u>
Net Change In Fund Balance	(1,404)	(1,404)	(1,119)	285
Fund Balance At Beginning Of Year	181,204	181,204	181,204	0
Prior Year Encumbrances	19,404	19,404	19,404	0
Fund Balance At End Of Year	<u><u>\$199,204</u></u>	<u><u>\$199,204</u></u>	<u><u>\$199,489</u></u>	<u><u>\$285</u></u>

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Miscellaneous	\$5,000	\$12,680	\$15,199	\$2,519
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Public Health				
Other Public Health Services				
Other Operating Charges	<u>5,000</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Net Change In Fund Balance	0	(2,320)	199	2,519
Fund Balance At Beginning Of Year	<u>4,812</u>	<u>4,812</u>	<u>4,812</u>	<u>0</u>
Fund Balance At End Of Year	<u><u>\$4,812</u></u>	<u><u>\$2,492</u></u>	<u><u>\$5,011</u></u>	<u><u>\$2,519</u></u>

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Fines And Forfeitures	\$0	\$3,350	\$118	(\$3,232)
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Materials And Supplies	<u>0</u>	<u>7,444</u>	<u>3,498</u>	<u>3,946</u>
Net Change In Fund Balance	0	(4,094)	(3,380)	714
Fund Balance At Beginning Of Year	<u>7,444</u>	<u>7,444</u>	<u>7,444</u>	<u>0</u>
Fund Balance At End Of Year	<u><u>\$7,444</u></u>	<u><u>\$3,350</u></u>	<u><u>\$4,064</u></u>	<u><u>\$714</u></u>

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Miscellaneous	\$7,500	\$9,269	\$9,269	\$0
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Public Health				
Other Public Health Services				
Materials And Supplies	330	13,054	12,819	235
Net Change In Fund Balance	7,170	(3,785)	(3,550)	235
Fund Balance At Beginning Of Year	3,656	3,656	3,656	0
Prior Year Encumbrances	330	330	330	0
Fund Balance At End Of Year	<u>\$11,156</u>	<u>\$201</u>	<u>\$436</u>	<u>\$235</u>

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Other Local Taxes	\$150,000	\$150,000	\$163,122	\$13,122
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Community Development				
Community Development				
Personal Services	68,111	68,111	67,738	373
Materials And Supplies	1,000	1,000	0	1,000
Contractual Services	1,000	1,000	0	1,000
Other Operating Charges	120,900	138,285	117,579	20,706
Total Expenditures	<u>191,011</u>	<u>208,396</u>	<u>185,317</u>	<u>23,079</u>
Net Change In Fund Balance	(41,011)	(58,396)	(22,195)	36,201
Fund Balance At Beginning Of Year	79,907	79,907	79,907	0
Prior Year Encumbrances	<u>14,162</u>	<u>14,162</u>	<u>14,162</u>	<u>0</u>
Fund Balance At End Of Year	<u><u>\$53,058</u></u>	<u><u>\$35,673</u></u>	<u><u>\$71,874</u></u>	<u><u>\$36,201</u></u>

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$6,000	\$6,000	\$11,072	\$5,072
Charges For Services	0	7,000	6,645	(355)
Licenses And Permits	0	101,000	84,000	(17,000)
Miscellaneous	0	0	1,649	1,649
Total Revenues	<u>6,000</u>	<u>114,000</u>	<u>103,366</u>	<u>(10,634)</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Public Health				
Other Public Health Services				
Materials And Supplies	75	6,075	4,489	1,586
Contractual Services	12,667	83,094	79,260	3,834
Total Expenditures	<u>12,742</u>	<u>89,169</u>	<u>83,749</u>	<u>5,420</u>
Net Change In Fund Balance	(6,742)	24,831	19,617	(5,214)
Fund Balance At Beginning Of Year	150,521	150,521	150,521	0
Prior Year Encumbrances	6,742	6,742	6,742	0
Fund Balance At End Of Year	<u>\$150,521</u>	<u>\$182,094</u>	<u>\$176,880</u>	<u>(\$5,214)</u>

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Fines And Forfeitures	\$3,000	\$3,000	\$2,215	(\$785)
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Contractual Services	0	6,912	0	6,912
Net Change In Fund Balance	3,000	(3,912)	2,215	6,127
Fund Balance At Beginning Of Year	6,812	6,812	6,812	0
Fund Balance At End Of Year	<u>\$9,812</u>	<u>\$2,900</u>	<u>\$9,027</u>	<u>\$6,127</u>

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$0	\$168,722	\$3,981	(\$164,741)
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Security Of Persons And Property				
Police Department				
Personal Services	0	146,081	146,081	0
Capital Outlay:				
Security of Person and Property	0	157,502	150,231	7,271
Total Expenditures	<u>0</u>	<u>303,583</u>	<u>296,312</u>	<u>7,271</u>
Net Change In Fund Balance	0	(134,861)	(292,331)	(157,470)
Fund Balance At Beginning Of Year	<u>146,935</u>	<u>146,935</u>	<u>146,935</u>	<u>0</u>
Fund Balance (Deficit) At End Of Year	<u><u>\$146,935</u></u>	<u><u>\$12,074</u></u>	<u><u>(\$145,396)</u></u>	<u><u>(\$157,470)</u></u>

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Fines And Forfeitures	\$0	\$17,870	\$16,392	(\$1,478)
<u>Expenditures:</u>				
Capital Outlay:				
Engineering	<u>0</u>	<u>19,550</u>	<u>19,550</u>	<u>0</u>
Net Change In Fund Balance	0	(1,680)	(3,158)	(1,478)
Fund Balance At Beginning Of Year	<u>19,550</u>	<u>19,550</u>	<u>19,550</u>	<u>0</u>
Fund Balance At End Of Year	<u><u>\$19,550</u></u>	<u><u>\$17,870</u></u>	<u><u>\$16,392</u></u>	<u><u>(\$1,478)</u></u>

CITY OF GROVE CITY, OHIO

Big Splash Special Revenue Fund

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

(Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Charges For Services	\$254,650	\$254,650	\$265,675	\$11,025
Miscellaneous	1,000	1,000	0	(1,000)
Total Revenues	<u>255,650</u>	<u>255,650</u>	<u>265,675</u>	<u>10,025</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Leisure Time Activities				
Personal Services	187,080	197,945	197,945	0
Materials And Supplies	19,900	17,191	17,191	0
Contractual Services	38,000	30,226	30,226	0
Other Operating Charges	7,960	7,578	7,578	0
Total Expenditures	<u>252,940</u>	<u>252,940</u>	<u>252,940</u>	<u>0</u>
Net Change In Fund Balance	2,710	2,710	12,735	10,025
Fund Balance At Beginning Of Year	20,729	20,729	20,729	0
Prior Year Encumbrances	469	469	469	0
Fund Balance At End Of Year	<u><u>\$23,908</u></u>	<u><u>\$23,908</u></u>	<u><u>\$33,933</u></u>	<u><u>\$10,025</u></u>

CITY OF GROVE CITY, OHIO

Senior Stage Special Revenue Fund

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

(Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Miscellaneous	0	400	90	(310)
<u>Expenditures:</u>	0	0	0	0
Net Change In Fund Balance	0	400	90	(310)
Fund Balance At Beginning Of Year	2,613	2,613	2,613	0
Fund Balance At End Of Year	<u>\$2,613</u>	<u>\$3,013</u>	<u>\$2,703</u>	<u>(\$310)</u>

CITY OF GROVE CITY, OHIO

City Improvement Capital Projects Fund

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

(Non-GAAP Budgetary Basis)

For The Year Ended December 31, 2002

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

CITY OF GROVE CITY, OHIO

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

For The Year Ended December 31, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Licenses And Permits	\$50,000	\$92,000	\$54,794	(\$37,206)
<u>Expenditures:</u>				
Capital Outlay:				
Parks And Recreation	148,444	148,444	132,951	15,493
Net Change In Fund Balance	(98,444)	(56,444)	(78,157)	(21,713)
Fund Balance At Beginning Of Year	154,892	154,892	154,892	0
Prior Year Encumbrances	40,344	40,344	40,344	0
Fund Balance At End Of Year	<u>\$96,792</u>	<u>\$138,792</u>	<u>\$117,079</u>	<u>(\$21,713)</u>



City of Grove City, Ohio

STATISTICAL SECTION

Grove City Continues To Grow.

Building Statistics

221 new single-family homes (231 homes in 2001)

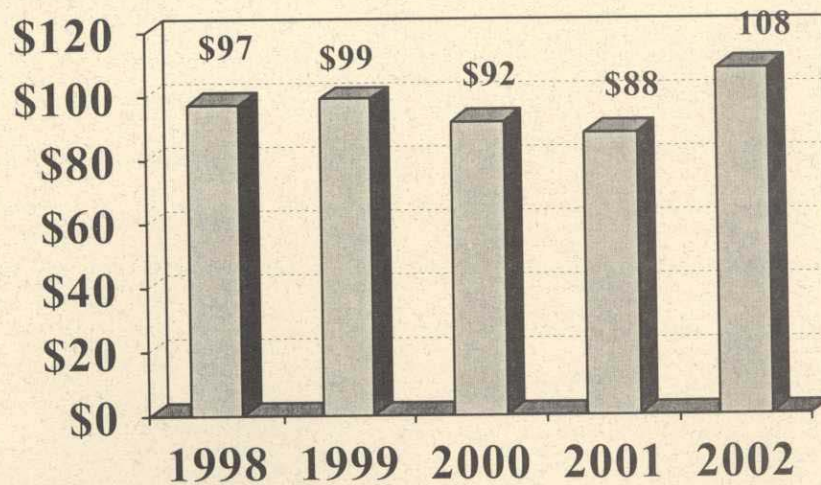
2002 valuation of new residential: \$49.6 million

2002 valuation of new commercial/industrial: \$9.2 million

Average cost of new single-family home: \$204,584

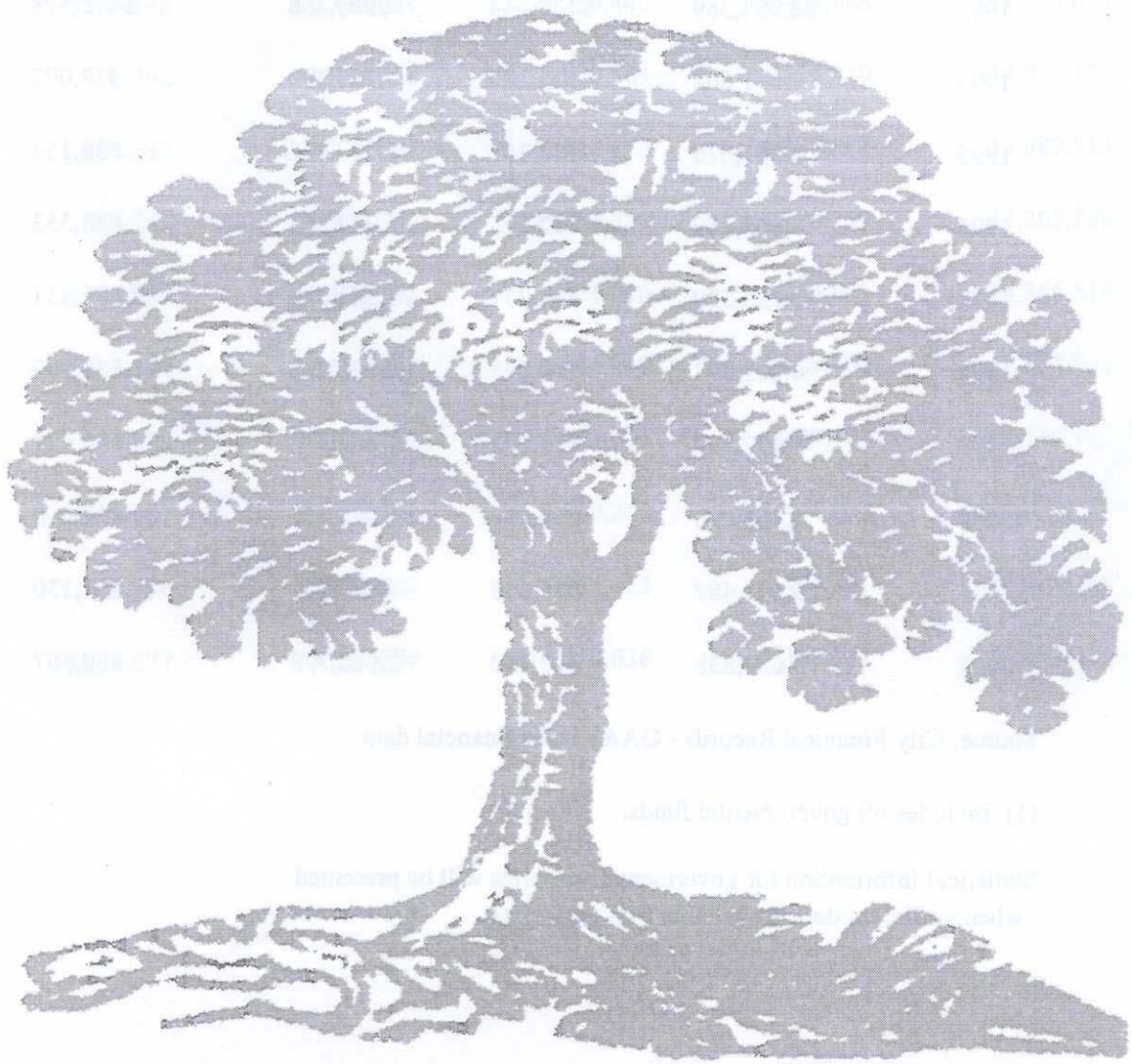
Total valuation of all 2002 construction permits issued: \$108.0 million

Millions



Annual Investment Report (A) to the
City of Granville
2010

Year	Investment	Revenue	Expenses	Net
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CITY OF GROVE CITY, OHIO

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

<u>Year</u>	<u>Security Of Persons And Property</u>	<u>Public Health</u>	<u>Leisure Time Activities</u>	<u>Community Development</u>
1993	\$2,954,389	\$134,644	\$998,468	\$452,578
1994	3,071,602	132,287	1,188,399	578,092
1995	3,361,076	134,155	1,240,012	538,154
1996	3,465,289	132,575	1,307,813	625,553
1997	3,738,520	147,277	1,344,080	589,431
1998	4,001,393	160,275	2,191,902	659,990
1999	4,497,899	176,003	1,404,377	654,022
2000	4,767,693	269,098	1,589,606	822,290
2001	5,191,487	325,658	1,824,651	844,130
2002	5,630,838	317,182	2,068,798	869,367

Source: City Financial Records - GAAP basis financial data

(1) Includes all governmental funds.

Statistical information for governmental activities will be presented when sufficient data is available for comparison.

<u><i>Transportation</i></u>	<u><i>General Government</i></u>	<u><i>Capital Outlay</i></u>	<u><i>Debt Service</i></u>	<u><i>Total</i></u>
\$567,342	\$1,380,484	\$3,759,440	\$1,408,688	\$11,656,033
651,762	1,522,658	5,809,561	1,120,810	14,075,171
805,662	1,773,677	4,538,129	1,298,848	13,689,713
641,280	1,908,756	3,883,851	1,298,169	13,263,286
747,959	2,128,362	4,326,016	1,344,871	14,366,516
885,314	2,618,287	6,046,940	1,289,754	17,853,855
847,889	3,239,772	8,109,098	1,329,127	20,258,187
975,507	2,335,244	7,869,269	1,464,272	20,092,979
886,156	3,216,062	6,967,423	1,424,801	20,680,368
1,043,677	3,329,204	12,430,636	1,387,741	27,077,443

CITY OF GROVE CITY, OHIO

**General Government Revenues (1) By Source
Last Ten Years
TABLE 2**

<i>Year</i>	<i>Property Taxes</i>	<i>Municipal Income Taxes</i>	<i>Other Local Taxes</i>	<i>Inter-Governmental</i>	<i>Charges For Services</i>
1993	\$1,207,861	\$4,970,684	\$350,827	\$2,748,334	\$623,537
1994	1,415,937	5,868,160	393,045	3,525,107	826,882
1995	1,608,600	6,426,759	456,513	3,170,350	880,285
1996	1,572,562	7,241,879	518,698	2,503,068	853,948
1997	1,811,197	7,870,588	546,205	3,802,296	901,731
1998	1,868,314	9,224,779	576,837	4,040,704	1,015,984
1999	1,863,136	10,698,896	619,640	4,529,523	1,107,631
2000	2,168,790	12,001,602	713,219	4,253,894	1,182,128
2001	2,269,870	13,347,610	697,804	3,334,238	1,215,388
2002	2,430,982	15,248,743	750,185	5,594,874	1,332,815

Source: City Financial Records - GAAP basis financial data

(1) Includes all governmental funds.

Statistical information for governmental activities will be presented when sufficient data is available for comparison.

<i>Licenses And Permits</i>	<i>Fines And Forfeitures</i>	<i>Special Assessments</i>	<i>Interest</i>	<i>Miscellaneous</i>	<i>Total</i>
\$444,632	\$220,962	\$141,536	\$275,017	\$134,097	\$11,117,487
359,250	132,533	354,922	308,138	119,343	13,303,317
484,257	147,407	103,851	438,285	181,496	13,897,803
435,970	203,809	96,151	505,755	330,005	14,261,845
448,184	158,830	109,671	583,917	333,773	16,566,392
510,155	152,302	112,900	692,330	389,931	18,584,236
753,284	149,261	135,143	692,905	369,654	20,919,073
737,471	185,957	249,172	1,142,395	196,175	22,830,803
595,803	200,183	155,408	857,554	325,670	22,999,528
542,107	188,333	68,030	492,714	333,507	26,982,290

CITY OF GROVE CITY, OHIO

**Real Property Tax Levies And Collections
Last Ten Years
Table 3**

Collection Year	Current Tax (1) Levy	Delinquent Tax (2) Levy	Total Tax Levy	Current Tax (1) Collections	Percentage Of Current Collections To Current Levy
1993	\$1,231,083	\$39,783	\$1,270,866	\$1,205,126	97.89%
1994	1,363,069	45,846	1,408,915	1,338,614	98.21
1995	1,413,672	44,503	1,458,175	1,387,603	98.16
1996	1,488,325	39,803	1,528,128	1,460,238	98.11
1997	1,676,494	53,122	1,729,616	1,661,423	99.10
1998	1,728,167	51,611	1,779,778	1,691,705	97.89
1999	1,779,726	47,092	1,826,818	1,743,985	97.99
2000	2,222,416	55,468	2,277,884	2,180,387	98.11
2001	2,170,833	63,011	2,233,844	2,112,533	97.31
2002	2,226,609	86,618	2,313,227	2,173,362	97.61

Source: Franklin County Auditor

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

(2) Amounts listed include penalties and interest.

<i>Delinquent Tax Collections</i>	<i>Total Tax Collections</i>	<i>Percentage Of Total Collections To Total Tax Levy</i>	<i>Outstanding Delinquent Taxes (2)</i>	<i>Percentage Of Outstanding Delinquent Taxes To Total Tax Levy</i>
\$24,104	\$1,229,230	96.72%	\$41,636	3.28%
30,158	1,368,772	97.15	40,143	2.85
31,792	1,419,395	97.34	38,780	2.66
25,397	1,485,635	97.22	42,493	2.78
34,465	1,695,888	98.05	33,728	1.95
35,761	1,727,466	97.06	52,312	2.94
35,485	1,779,470	97.41	47,348	2.59
42,110	2,222,497	97.57	55,387	2.43
42,788	2,155,321	96.48	78,523	3.52
54,159	2,227,521	96.29	85,706	3.71

CITY OF GROVE CITY, OHIO
Tangible Personal Property Tax Levies And Collections
Last Ten Years
TABLE 4

<u>Collection Year</u>	<u>Current Tax Levy</u>	<u>Delinquent Tax Levy</u>	<u>Total Tax Levy</u>	<u>Current Tax Collection</u>
1993	\$118,077	\$23,032	\$141,109	\$113,308
1994	198,375	26,741	225,116	186,903
1995	225,982	151,049	377,031	214,380
1996	252,862	27,718	280,580	228,158
1997	288,201	56,976	345,177	265,203
1998	323,916	45,362	369,278	312,080
1999	275,964	38,229	314,193	272,607
2000	322,574	35,331	357,905	304,911
2001	352,265	83,540	435,805	327,850
2002	371,169	209,283	580,452	366,137

Source: Franklin County Auditor

<i>Percentage Of Current Collection To Current Levy</i>	<i>Delinquent Tax Collection</i>	<i>Total Tax Collection</i>	<i>Percentage Of Total Collection To Total Tax Levy</i>	<i>Outstanding Delinquent Taxes</i>	<i>Percentage Of Outstanding Delinquent Taxes To Total Tax Levy</i>
95.96%	\$6,435	\$119,743	84.86%	\$21,366	15.14%
94.22	13,712	200,615	89.12	24,501	10.88
94.87	136,654	351,034	93.10	25,997	6.90
90.23	17,644	245,802	87.60	34,778	12.40
92.02	45,196	310,399	89.92	34,778	10.08
96.35	15,689	327,769	88.76	41,509	11.24
98.78	16,851	289,458	92.13	24,735	7.87
94.52	18,586	323,497	90.39	34,408	9.61
93.07	38,829	366,679	84.14	69,126	15.86
98.64	106,770	472,907	81.47	107,545	18.53

CITY OF GROVE CITY, OHIO
Assessed And Estimated Actual Value Of Taxable Property
Last Ten Years
TABLE 5

Collection Year	Real Property		Public Utility Property	
	Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value
1993	\$207,899,220	\$593,997,771	\$14,295,870	\$16,245,307
1994	252,926,580	722,647,371	15,056,390	17,109,534
1995	270,520,020	772,914,343	16,158,500	18,361,932
1996	287,455,570	821,301,629	16,525,360	18,778,818
1997	329,135,000	940,385,714	16,603,670	18,867,807
1998	361,205,530	1,032,015,800	16,873,820	19,174,795
1999	442,468,070	1,264,194,486	17,511,040	19,898,909
2000	462,637,930	1,321,822,657	16,202,580	18,412,023
2001	491,667,450	1,404,764,143	13,362,700	15,184,886
2002	570,587,460	1,630,249,886	10,036,670	11,405,307

Source: Franklin County Auditor

<i>Tangible Personal Property</i>		<i>Total</i>		<i>Percentage Of Total Assessed Value To Total Est. Actual Value</i>
<i>Assessed Value</i>	<i>Est. Actual Value</i>	<i>Assessed Value</i>	<i>Est. Actual Value</i>	
\$21,256,069	\$85,024,276	\$243,451,159	\$695,267,354	35.02%
38,778,032	155,112,128	306,761,002	894,869,034	34.28
44,505,400	178,021,600	331,183,920	969,297,875	34.17
51,593,239	209,372,956	355,574,169	1,049,453,403	33.88
58,410,921	233,643,684	404,149,591	1,192,897,205	33.88
67,327,217	269,308,868	445,406,567	1,320,499,463	33.73
57,083,355	228,333,420	517,062,465	1,512,426,815	34.19
68,407,781	273,631,124	547,248,291	1,613,865,804	33.91
83,722,702	334,890,808	588,752,852	1,754,839,837	33.55
84,348,339	337,393,356	664,972,469	1,979,048,549	33.60

CITY OF GOVE CITY, OHIO
Property Tax Rates - Direct And Overlapping Governments
Per \$1,000 Of Assessed Valuation
Last Ten Years
TABLE 6

<u>Collection Year</u>	<u>City Of Grove City</u>				<u>Southwestern City School District</u>	<u>Franklin County Commissioners</u>	<u>Jackson Township</u>	<u>Total Tax Levy</u>
	<u>General Fund</u>	<u>Special Funds(1)</u>	<u>Debt Service</u>	<u>Total Levy</u>				
1993	\$1.95	\$1.05	\$2.54	\$5.54	\$42.23	\$14.87	\$20.20	\$82.84
1994	1.95	1.05	2.10	5.10	43.80	14.57	20.20	83.67
1995	1.90	1.10	2.00	5.00	52.56	14.57	20.20	92.42
1996	1.90	1.10	1.90	4.90	52.48	14.82	20.20	92.40
1997	1.90	1.10	1.90	4.90	52.30	15.22	20.20	92.62
1998	1.90	1.10	1.80	4.80	57.18	17.54	20.20	99.72
1999	1.90	1.10	1.70	4.70	57.18	17.54	20.20	99.62
2000	1.90	1.10	1.50	4.50	56.97	17.64	20.20	99.31
2001	1.90	1.10	1.40	4.40	56.61	17.64	20.20	98.85
2002	1.90	1.10	1.30	4.30	56.44	17.64	20.20	98.58

(1) Police Pension Fund

CITY OF GROVE CITY, OHIO
Special Assessment Billings
And Collections
Last Ten Years
TABLE 7

<u>Collection Year</u>	<u>Special Assessment Billings(1)</u>	<u>Total Assessments Collected(2)</u>	<u>Amount Delinquent</u>	<u>Percentage Of Collection To Amount Billed</u>
1993	\$96,618	\$89,678	\$6,940	92.82%
1994	100,251	90,233	10,018	90.01
1995	105,054	103,851	1,203	98.85
1996	116,289	96,151	20,138	82.68
1997	120,609	110,090	10,519	91.28
1998	141,300	112,900	28,400	79.90
1999	137,730	135,143	2,587	98.12
2000	259,126	249,172	9,954	96.16
2001	155,408	155,408	0	100.00
2002	83,968	68,030	15,938	81.02

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

(2) Prepayments of future assessments are not included.

Source: Franklin County Auditor

CITY OF GROVE CITY, OHIO

Principal Property Taxpayers

December 31, 2002

TABLE 8

<i>Taxpayer</i>	<i>Type of Business</i>	<i>Real/Public Utility Property Assessed Valuation</i>
Wal-Mart Stores, Inc	Retail Warehouse	\$2,795,250
Columbus Southern Power	Utility	7,606,550
Tosoh SMD Inc	Manufacturing	680,580
DDR Continental LP	Shopping Center	4,119,510
Ohio Bell Telephone	Utility	4,116,130
Gateway Lakes	Residential Housing	4,024,370
McGraw Hill Companies	Distribution	411,565
Buckeye Grove Shopping	Shopping Center	2,909,580
Banana Republic Direct	Distribution	412,985
Tigerpoly Manufacturing, Inc	Manufacturing	402,255
Banner Property Management	Residential Housing	3,205,660
Beulah Park Limited Partnership	Thoroughbred Race Track	2,610,030
FedEx Ground Package Systems	Freight Distribution	834,930
T Marzetti Company	Distribution	479,885
Ashland Oil Inc	Distribution	1,214,500
Borders Inc	Distribution	330,645
McKesson HBOC	Production Distribution	881,910
Ikon Office Solutions	Distribution	417,321
Groves at 665 Ltd.	Residential Housing	2,170,000
Manheim Services Corp.	Vehicle Auction	1,627,950
MacIntish	Nursing Home	1,826,760
Parcel Direct Ohio	Distribution	481,250
Wallace Computer Services Inc.	Distribution	1,031,800
K Mart Corporation	Merchandising	1,197,000
Sterling Park Inc.	Residential Housing	1,662,510
Pier 1 Imports	Distribution	525,525
Horton Emergency Vehicle Company	Manufacturing	200,935
Clientologic Corporation	Distribution	353,430
Minnesota Mining & Manufacturing Co.	Manufacturing	1,041,980
AARTI Hospitality LLC	Hotel	1,435,010
Abbott Laboratories	Distribution	193,725
Columbia Gas of Ohio	Utility	1,266,370
Time Warner Entertainment Co.	Cable	32,165
Dedicated Logistice	Production Distribution	276,255
Simmons Co./Comptom& Associates	Distribution	105,105
Grove City Storage	Storage	1,050,000
Xerox Corporation	Distribution	609,155
Autozone Texas	Retail	75,075
Total Principal Taxpayers		54,615,656
Total City		\$580,624,130

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

Source: Franklin County Auditor

<i>Tangible Personal Property Assessed Valuation (1)</i>	<i>Total Assessed Valuation</i>	<i>% Of Total City Assessed Valuation (2002 Collection Year)</i>
\$17,820,740	\$20,615,990	3.10%
0	7,606,550	1.14
6,660,640	7,341,220	1.10
451,960	4,571,470	0.69
0	4,116,130	0.62
0	4,024,370	0.61
3,231,350	3,642,915	0.55
665,000	3,574,580	0.54
3,013,260	3,426,245	0.52
2,894,650	3,296,905	0.50
0	3,205,660	0.48
191,170	2,801,200	0.42
1,957,530	2,792,460	0.42
2,278,830	2,758,715	0.41
1,491,580	2,706,080	0.41
2,257,550	2,588,195	0.39
1,581,497	2,463,407	0.37
1,794,860	2,212,181	0.33
0	2,170,000	0.33
332,327	1,960,277	0.29
66,030	1,892,790	0.28
1,326,290	1,807,540	0.27
731,500	1,763,300	0.27
573,110	1,770,110	0.27
0	1,662,510	0.25
1,144,110	1,669,635	0.25
1,396,610	1,597,545	0.24
1,203,214	1,556,644	0.23
436,720	1,478,700	0.22
0	1,435,010	0.22
1,094,280	1,288,005	0.19
0	1,266,370	0.19
1,213,140	1,245,305	0.19
937,670	1,213,925	0.18
1,004,430	1,109,535	0.17
7,000	1,057,000	0.16
325,780	934,935	0.14
525,850	600,925	0.09
58,608,678	113,224,334	17.03%
\$84,348,339	\$664,972,469	

CITY OF GROVE CITY, OHIO
Legal Debt Margin
December 31, 2002
TABLE 9

Total assessed valuation		\$664,972,469
Overall debt limitation - 10.5% of assessed valuation		69,822,109
Gross indebtedness authorized by council	\$17,770,815	
Less debt outside limitation:	<u>(5,870,815)</u>	
Debt within 10.5% limitation	11,900,000	
Less amount available in debt service fund	<u>(1,297,592)</u>	
Net debt within 10.5% limitation		<u>10,602,408</u>
Legal debt margin within 10.5% limitation		<u><u>\$59,219,701</u></u>
<hr/>		
Unvoted debt limitation - 5.5% of assessed valuation		\$36,573,486
Gross indebtedness authorized by council	\$17,770,815	
Less debt outside limitation:	<u>(5,870,815)</u>	
Debt within 5.5% limitation	11,900,000	
Less: amount available in debt service fund	<u>(1,297,592)</u>	
Net debt within 5.5% limitation		<u>10,602,408</u>
Legal debt margin within 5.5% limitation		<u><u>\$25,971,078</u></u>

CITY OF GROVE CITY, OHIO
Ratio Of Net General Obligation Bonded Debt
To Assessed Value And Net General
Obligation Bonded Debt Per Capita
Last Ten Years
TABLE 10

Year	Net General Bonded Debt (1)	Assessed Value (2)	Population (3)	Percentage Of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
1993	\$6,566,652	\$243,451	21,967	2.70%	\$298.93
1994	5,965,162	306,761	22,612	1.94	263.81
1995	5,528,221	331,184	22,970	1.67	240.67
1996	5,173,950	355,574	23,446	1.46	220.68
1997	4,926,689	404,150	24,683	1.22	199.60
1998	4,736,934	445,429	25,821	1.06	183.45
1999	4,553,415	517,062	26,717	0.88	170.43
2000	3,871,475	547,248	27,856	0.71	138.98
2001	5,118,215	588,752	29,178	0.87	175.41
2002	4,602,408	664,972	30,679	0.69	150.02

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

(2) Shown in thousands of dollars

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

CITY OF GROVE CITY, OHIO
Ratio Of Annual Debt Service Expenditures For
General Bonded Debt To Total General Government Expenditures
Last Ten Years
TABLE 11

<u>Year</u>	<u>Principal (1)</u>	<u>Interest And Fiscal Charges</u>	<u>Debt Service On General Obligation Bonded Debt</u>	<u>General Government Expenditures</u>	<u>Ratio</u>
1993	\$198,604	\$406,858	\$605,462	\$6,958,479	8.70%
1994	323,604	398,001	721,605	7,908,033	9.12
1995	333,604	376,222	709,826	9,685,247	7.33
1996	348,604	360,050	708,654	9,079,482	7.81
1997	363,604	342,780	706,384	10,133,558	6.97
1998	373,604	324,393	697,997	12,144,381	5.75
1999	393,604	305,200	698,804	14,424,672	4.84
2000	408,604	285,461	694,065	12,583,728	5.52
2001	423,604	264,958	688,562	15,641,299	4.40
2002	415,000	334,135	749,135	27,077,443	2.77

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

CITY OF GROVE CITY, OHIO
Computation Of Direct And Overlapping
General Obligation Bonded Debt
December 31, 2002
TABLE 12

<u>Jurisdiction</u>	<u>Net Debt Outstanding (1)</u>	<u>Percentage Applicable To City Of Grove City</u>	<u>Amount Applicable To City Of Grove City</u>
Direct:			
City of Grove City	4,602,408	100.00%	<u>\$4,602,408</u>
Overlapping:			
South-Western City School District	149,955,175	26.03	39,033,332
Franklin County	129,925,000	2.66	3,456,005
Jackson Township	<u>0</u>	84.02	<u>0</u>
Total Overlapping	<u>279,880,175</u>		<u>42,489,337</u>
Total Direct And Overlapping Debt	<u><u>\$284,482,583</u></u>		<u><u>\$47,091,745</u></u>

Source: Franklin County Auditor

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

CITY OF GROVE CITY, OHIO
Revenue Bond Coverage
Enterprise Funds
Last Ten Years
TABLE 13

<u>Water Enterprise Fund</u>			
<u>Year</u>	<u>Gross Revenues (1)</u>	<u>Operating Expenses (2)</u>	<u>Net Revenue Available For Debt Service</u>
1993	\$346,603	\$92,612	\$253,991
1994	376,739	67,905	308,834
1995	390,512	153,607	236,905
1996	430,063	81,465	348,598
1997	356,796	58,698	298,098
1998	428,029	40,958	387,071
1999	447,054	38,541	408,513
2000	537,108	90,643	446,465
2001	441,885	141,836	300,049
2002	426,150	152,622	273,528
<u>Sewer Enterprise Fund</u>			
1993	\$296,311	\$511,867	(\$215,556)
1994	310,040	284,444	25,596
1995	328,616	433,382	(104,766)
1996	391,341	416,633	(25,292)
1997	300,748	271,453	29,295
1998	354,769	324,987	29,782
1999	355,684	391,100	(35,416)
2000	421,911	399,564	22,347
2001	695,529	897,954	(202,425)
2002	491,823	439,199	52,624

(1) Total revenues exclusive of interest income and tap-in fees.

(2) Total operating expenses exclusive of depreciation.

<i>Debt Service Requirements</i>			<i>Coverage</i>
<i>Principal</i>	<i>Interest</i>	<i>Total</i>	
\$95,000	\$112,193	\$207,193	1.23
100,000	107,735	207,735	1.49
105,000	91,748	196,748	1.20
110,000	88,671	198,671	1.75
125,000	83,192	208,192	1.43
115,000	104,219	219,219	1.77
135,000	79,860	214,860	1.90
135,000	60,542	195,542	2.28
135,000	57,371	192,371	1.56
155,000	54,121	209,121	1.31
\$43,429	\$15,271	\$58,700	(3.67)
47,723	12,117	59,840	0.43
14,000	5,120	19,120	(5.48)
33,114	9,406	42,520	(0.59)
32,122	6,959	39,081	0.75
35,160	2,969	38,129	0.78
0	0	0	0.00
0	0	0	0.00
0	0	0	0.00
0	0	0	0.00



CITY OF GROVE CITY, OHIO
Demographic Statistics
Last Ten Years
TABLE 14

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Income (1)</u>	<u>School Enrollment (2)</u>	<u>Franklin County Unemployment Rate (3)</u>
1993	21,967	\$15,533	5,847	4.60%
1994	22,612	16,154	5,905	3.2
1995	22,970	16,800	6,097	3.1
1996	23,446	17,388	6,301	2.9
1997	24,683	17,909	6,343	2.7
1998	25,821	18,482	6,402	2.4
1999	26,717	19,168	6,472	2.5
2000	27,856	19,881	6,421	2.7
2001	29,178	20,875	6,930	2.9
2002	30,679	21,543	6,685	3.7

Source:

- (1) "Population Estimates and Projections", published by the Department of Commerce, Bureau of the Census, when available
When unavailable, estimates are interpolated based on increases in construction of single and double family homes.
- (2) South-Western City School District - number of students residing within the City limits
- (3) Ohio Bureau of Employment Services,
Division of Labor Force Research and Statistics

CITY OF GROVE CITY, OHIO
Property Value, Construction
And Bank Deposits
Last Ten Years
TABLE 15

Year	Real Property Value		
	Agricultural/ Residential Value (1)	Commercial/ Industrial Value (1)	Total Value
1993	\$152,352,070	\$55,547,150	\$207,899,220
1994	184,626,740	68,299,840	252,926,580
1995	198,197,320	72,322,700	270,520,020
1996	217,974,780	69,480,790	287,455,570
1997	249,488,520	79,646,480	329,135,000
1998	275,305,530	85,900,000	361,205,530
1999	338,540,410	103,927,660	442,468,070
2000	357,716,980	104,920,950	462,637,930
2001	377,615,340	114,052,110	491,667,450
2002	438,600,610	131,986,850	570,587,460

(1) Franklin County Auditor

(2) City of Grove City Building Department

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

<i>Residential</i>		<i>Commercial</i>		<i>Industrial</i>		<i>Domestic</i>
<i>Number</i>	<i>Construction</i>	<i>Number</i>	<i>Construction</i>	<i>Number</i>	<i>Construction</i>	<i>Bank</i>
<i>Of</i>	<i>Value (2)</i>	<i>Of</i>	<i>Value (2)</i>	<i>Of</i>	<i>Value (2)</i>	<i>Deposits In</i>
<i>Units</i>		<i>Units</i>		<i>Units</i>		<i>County (3)</i>
274	\$40,086,787	72	\$17,257,713	8	\$10,290,583	\$17,027,114
263	39,635,740	53	5,572,000	4	15,936,000	17,360,855
275	40,228,407	21	8,271,265	11	39,564,000	19,120,842
223	33,453,776	23	6,501,185	9	30,265,944	20,786,114
224	33,736,162	80	17,657,766	5	13,014,000	40,835,093
280	45,736,466	12	10,862,743	2	11,400,000	39,976,199
242	41,656,313	15	11,350,000	4	6,825,000	40,785,421
272	50,525,247	267	19,295,900	8	2,065,967	36,305,554
231	45,958,993	136	11,181,515	5	1,545,995	38,669,548
221	45,213,074	69	27,491,148	6	2,923,917	35,950,798

CITY OF GROVE CITY, OHIO

Miscellaneous Statistics

December 31, 2002

TABLE 16

Date of Incorporation:	1852
Effective Date of Charter:	July 1, 1959
Form of Government:	Mayor-Council-Administrator
Area:	14.52
Miles of Streets:	153.8
Number of Street Lights:	2736
Number of Traffic Signs:	2751
Number of Traffic Lights:	33
Miles of Sanitary Sewers:	83.7
Miles of Storm Sewers:	29.4
Miles of Water Distribution:	91.8
Fire Protection:	Jackson Township (1)
Number of Stations	3
Number of Firemen and Officers (FT)	80
Number of Firemen (PT)	28
Number of Certified EMTA's	108
Number of Certified Paramedics	59
Police Protection:	Grove City Police
Number of Stations	1
Number of Policemen and Officers	47
City Employees:	
Number of Full Time Employees	115
Number of Part Time Employees	64
Municipal Water Department:	Served by City of Columbus

Sources: (1) Jackson Township

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

(continued)

CITY OF GROVE CITY, OHIO

Miscellaneous Statistics

December 31, 2002

TABLE 16

(Continued)

Education (2):

Elementary Schools	5
Secondary Schools	4

Number of Teachers

Elementary Instructors	167
Secondary Instructors	256

Total Teachers	423
----------------	-----

2000/2001 Student Enrollment

Elementary Enrollment	2,567
Secondary Enrollment	4,118

Total Enrollment	6,685
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Recreation and Culture:

Number of Parks	7
Number of Playgrounds	7
Number of Swimming Pools	1
Number of Tennis Courts	6
Number of Community Centers	3
Acreage of Parks	289
Public Libraries	1

Public Transportation:

Central Ohio Transit Authority

Tree Page



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CITY OF GROVE CITY

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 30, 2003**