



Mary Taylor, CPA
Auditor of State

CITY OF STOW
SUMMIT COUNTY

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Mary Taylor, CPA

Auditor of State

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

City of Stow
Summit County
3760 Darrow Road
Stow, Ohio 44224

To the Honorable Mayor and City Council:

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Stow, Summit County, Ohio, (the City) as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statement and have issued our report thereon dated June 19, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

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

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

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

We noted certain matters that we reported to the City's management in a separate letter dated June 19, 2009.

Compliance and Other Matters

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

We did note certain noncompliance or other matters that we reported to the City's management in a separate letter dated June 19, 2009.

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



Mary Taylor, CPA
Auditor of State

June 19, 2009

**CITY OF STOW
SUMMIT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-001	Cash Reconciliation	No	Partially Corrected – See Management Letter.
2007-002	Capital Assets	No	Partially Corrected – See Management Letter.

CITY OF STOW, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2008

PREPARED BY:

THE DEPARTMENT OF FINANCE
JOHN M. BARANEK, DIRECTOR OF FINANCE

*3760 DARROW ROAD
STOW, OHIO 44224*

INTRODUCTORY SECTION

CITY OF STOW, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2008

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John M. Baranek
Director of Finance

June 19, 2009

The Honorable Mayor Karen Fritschel,
Members of City Council
and Citizens of the City of Stow, Ohio

Ladies and Gentlemen:

The Comprehensive Annual Financial Report for the City of Stow (the “City”) for the fiscal year ended December 31, 2008, is hereby respectfully submitted. It includes information pertaining to all of the City’s funds and financial transactions and selected financial and other information for the most recently completed fiscal year (2008). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation rests with the City. To the best of our knowledge, the data in this report is accurate in all material respects and it presents fairly the financial position and results of operations of the City. All disclosures necessary to provide the reader with a better understanding of the City’s financial activities have been included.

The City is responsible for establishing and maintaining an internal control structure designed to protect its assets from loss, theft or misuse. Furthermore, the accounting system must be adequate to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

The City is required by state law to have an audit performed by the Auditor of State’s Office. The City continues to receive an unqualified opinion. The Independent Accountants’ Report of the Auditor of State on the City’s financial statements is included in the Financial Section of this report.

As a part of the City’s independent audit, considerations are made to assess the internal control structure, in relation to the financial statements, as well as to determine that the City has complied with applicable laws and regulations. The results of the City’s independent audit for the year ended December 31, 2008, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

This transmittal letter is designed to provide historical information about the City, as well as compliment the required Management’s Discussion and Analysis (MD&A). Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements. The City’s MD&A, which focuses on the government-wide statements and major funds, can be found immediately following the Independent Accountants’ Report.

COMMUNITY PROFILE

The City of Stow was incorporated in 1957 as a village and became a City in 1960. The City is located in Summit County approximately 30 miles southeast of Cleveland, Ohio and 8 miles northeast of Akron, Ohio. With a population of 32,139 according to the 2000 Census, Stow is the third largest City in Summit County. The City operates under, and is governed by, its Charter, which was first adopted by the voters in 1958. The Charter is subject to amendment from time-to-time by the voters.

Under the Ohio Constitution, the City has the right to exercise all powers of local self-government. The Charter provides for a Mayor-Council form of government, and also for independently elected Finance and Law Directors. Legislative authority is vested in a seven-member City Council. Three Council members are elected at-large and four members are elected from wards. All members serve two-year terms. The presiding officer of City Council is the President, who is elected from among its members for a one-year term.

The City's chief executive and administrative officer is the Mayor, who is elected to serve a four-year term. The Mayor also serves as Public Safety Director. The Mayor may veto any legislation passed by the Council. A veto may be overridden by a two-thirds vote of the members of the Council. The Mayor and Law Director are limited by the Charter to eight consecutive years in office. All other elected City officials have no term limitations.

The City of Stow provides a full range of services to its citizens. The City's major general government services include police and fire protection, emergency medical service, street maintenance and snow removal, parks and recreation, building and zoning inspection and enforcement, urban forestry and various administrative and operational services. The City also operates and maintains the Stow Water System which provides water distribution service to all Stow residents and businesses and a Storm Water Management Utility. Three cemeteries and numerous community and neighborhood parks, playgrounds and other recreation facilities, including an 18 hole municipal golf course, are also owned and managed by the City for the benefit of its citizens.

The basic financial statements, schedules and statistical tables presented herein include all funds that are controlled by or are dependent upon the City of Stow. These funds are determined on the basis of budgetary overview, obligations to fund deficits or control of the use of surplus funds, the taxing authority and fiscal management responsibilities. The Stow-Munroe Falls City School District, the Stow-Munroe Falls Public Library and the Stow Historical Society, conduct all or a portion of their activities within the boundaries of the City. However, these organizations are not considered part of the reporting entity because the City does not exercise significant influence over their daily operations, approve their budgets, or maintain their accounting records. In addition, the City is not responsible for the organizations' debt or for funding any operating deficits.

ECONOMIC CONDITION AND FUTURE OUTLOOK

Local Economy

The City of Stow was originally founded as a township, eventually became a village and was incorporated as a city in 1960 with a population of 12,194. The 2000 population reached 32,139. Stow became the third largest city in Summit County in 1990 and continued as such in 2008. The most recent Census Bureau estimate indicates that Stow's population reached 34,051 in 2008, which is nearly a 6.0 percent increase from 2000. To accommodate the City's population growth, over 10,000 dwelling units have been constructed in Stow since 1970. It has been recently estimated that there is unused community capacity for at least an additional 3,600 dwelling units to be constructed in Stow in the future. Recent projections estimate the fully developed population of the City of Stow to be nearly 40,000 residents. This estimated range could be reached sometime within the next 25 years.

Stow is a growing, predominately residential community which has a balanced commercial and industrial tax base to help absorb the tax burden associated with providing services to its residents. Because Stow is in a strategic growth corridor between the Cleveland and Akron metropolitan areas, it is likely that these positive development trends will continue. The City, through the application of its Comprehensive Land Use Plan, attempts to influence and guide development in a manner which results in a pleasant suburban environment where residences are the predominant land use but with sufficient commercial and industrial enterprises to pay for a significant portion of the local government's cost of providing high quality services to all residents and businesses.

Substantial commercial, office and industrial growth has occurred in Stow in recent years. As part of the effort to update the City's Comprehensive Land Use Plan, City officials, with the assistance of a professional development consultant, prepared a market study to analyze existing and potential nonresidential development in the City and the future local market for office and retail expansion. It was determined that the City of Stow has a substantial supply of competitive retail space – approximately 2.7 million square feet. Stow's retail vacancy rates have fluctuated from 8 to 15 percent over the past several years. With a few exceptions, the Stow vacancy rate for retail has typically been lower than the rate for the Akron Metropolitan Area. The most recent vacancy rate (May 2009) is approximately 11.5 percent which is below the Akron Metropolitan Area rate of 14 percent. It is anticipated that the City will take the necessary policy steps to ensure that the local retail sector continues to remain strong. Estimates place the potential demand for additional retail space in Stow to be as high as 380,000 square feet or more over the next ten years.

City officials have placed a particular emphasis on the development of the office and industrial market in Stow, recognizing the positive revenue implications resulting from this type of development. As of May 2009, there was approximately 597,000 square feet of office space in Stow. The office vacancy rate was 10.6 percent, which is below the 13.5 percent vacancy rate for the Akron Metropolitan Area. In addition, there was over 3,700,000 square feet of industrial space in Stow, and the vacancy rate was 14.2 percent as of May 2009, which is consistent with the region's rate.

Through the use of development incentive programs and an aggressive construction schedule for public infrastructure, City officials are planning to encourage the construction of a minimum of 240,000 square feet of additional office, flex space and light industrial space alone by 2012. The planned Seasons Road/State Route 8 Interchange project will accommodate much of the expected office, retail and light industrial development in the northwest sector of the City. The current development of the Steels Corners Road Interchange area could eventually account for 100,000-150,000 square feet of the City's expected new office space by the end of this decade. Supporting commercial and service and related businesses are already constructed or being planned in the vicinity of the Interchange, including three medium-sized hotels which have opened. A sizeable health and wellness medical facility opened in June of 2007.

The City of Stow offers an excellent opportunity for business growth because of a broad network of state and interstate highways which provide the area with access to regional and national markets. Stow is fortunate to have a diversified tax base comprised of many small-to-medium sized industries. The City has at least ten private companies that employ between 100 and 400 workers. Additional industrial development is expected to be derived from the City's participation in the Foreign Trade Zone which is located in the northwest area of Stow and was created for the purpose of promoting local industrial development.

In 2006, the City administration completed its first long-term Economic Development Strategy to guide and facilitate the efforts of the City government and other community organizations in undertaking economic development activities in Stow. The formal Strategy Plan was reviewed and evaluated in public by Stow's legislative body and was officially adopted by the City. It is now being implemented by the City administration.

Major Initiatives and Long-Term Financial Planning

Current Year – The City's voter-approved program to expand the City's Emergency Medical Services (EMS) and fire response capabilities has proven to be very successful for the community. The expansion program was funded through an increase of 2.3 mills in the City's Charter property tax rate and included two new fire stations, and fifteen additional paramedics as well as new fire trucks and equipment. One of the new fire stations is an additional station to increase emergency coverage on the City's east side, while the other is a relocated replacement facility to improve response times on the City's west side. The fifteen additional paramedics have enabled the City's Fire Department to operate a full EMS transport system throughout the entire community and to fully staff the two new fire stations. The City's centrally located Safety Building continues to serve the community as its main fire station. Three new fire trucks were acquired in 2007 and two new EMS response vehicles were purchased in 2008 to further upgrade and enhance the City's ability to provide high quality emergency service to its residents.

Recent construction of the City's new Service Maintenance and Parks Maintenance and Urban Forestry Centers provided almost 100,000 square feet of new space for the City's combined maintenance operations, including Water System maintenance. They enable the City to store virtually all of its service and parks vehicles indoors. The new structures cost approximately \$9.8 million combined. They replaced the existing undersized and outdated buildings which were used by Stow for many years. These two new City structures are major components of the City's ongoing long-term plan to construct new public service facilities for the City government to serve its residents and businesses. Previous new buildings constructed include the Stow City Hall, which was opened in 1986, and the Safety Building (Police, Fire, EMS and Communications) which was completed in 1995. The City continued its building upgrade program on a more modest scale in 2008 with modifications to several parks buildings.

Maintenance and repair of roads throughout the community to accommodate the growing population and expanding commercial and industrial base continues to be a high priority for the City government. In the 2003-2004 Capital Improvements Budget, the City allocated nearly \$3.6 million for road-related projects, including general road repaving. In the amended 2005-2006 Budget, the amount allocated for road projects was also \$3.6 million, including funding for two major road projects designed to improve the community's overall transportation system and the future flow of traffic in Stow. The City allocated \$4.1 million for major road projects in the 2007-2008 Capital Budget. The City has allocated additional funding for three major capital road projects in Stow as part of the 2009-2010 Capital Budget which will be finalized in the second half of 2009.

A program to revitalize older commercial areas of the City by completing improvements in or adjacent to the City right-of-way such as the installation of needed sidewalks, landscape strips, street trees, planters and/or decorative paving blocks was continued by the City in 2008. Each improvement is being completed in cooperation with the property owners who will share the cost with the City. As part of the program, the property owners are also committing to building renovations. The program has helped improve the appearance of the City's older commercial areas. Two or three projects are planned to be completed each year.

In order to accommodate the expected continued population and business growth in Stow, the City government will continue to invest in its public facilities, its transportation system, the Stow Water System and the community infrastructure in the years ahead. City officials are guided in the development of the community in the future by the City's Comprehensive Land Use Plan which was updated and approved in 2001. Before it received final approval, the new Plan was the subject of many public hearings and community meetings held by Stow City officials.

In November, 2001, the City of Stow regained ownership of the Stow Water System from the Summit County government and immediately became fully responsible for its daily operation. The City completed seven very successful full operating years for the System in 2008. The City provides water to its citizens based on a 99-year water service agreement between Stow and the City of Akron whereby Akron supplies water directly to Stow on a wholesale basis. The detailed terms of the Stow water supply agreement with Akron were finalized and a formal contract executed in December of 2006.

A long-term comprehensive Operating Budget for the Stow Water System was developed when the System was acquired by the City in 2001 to guide the City in managing the operation and maintenance of the System. The Budget is updated each year with current financial information and is used to assist the administration and City Council in determining and meeting the operating needs of the System and assessing the adequacy and level of future water rates. As a result of detailed budget planning, the Water System is financially very sound. It has adequate reserves to address virtually any unanticipated operating expense.

With the assistance of the City's consulting engineering firm, the City of Stow has completed a long-term Water System Capital Improvements Plan. The Plan identifies some \$11.3 million in necessary current improvements for the Water System to be undertaken over the next five-ten years or longer, and nearly \$3.1 million in future improvements that will be considered for completion in at least ten years. As part of the long-term Capital Plan, the consultant developed a comprehensive computerized model for the Water Distribution System. The model has proven useful in identifying and resolving System problems, undertaking hydraulic analysis when necessary and forecasting future water usage. It enables the City to make Water System capital investment decisions that are designed to efficiently meet present and future water demands in Stow.

In 2008, the City continued with the long-term improvements program outlined in its comprehensive Capital Plan for the Water System, including numerous waterline replacement projects and rehabilitation of a secondary pump station. The City previously enacted an ongoing, monthly \$4.00 Water System capital improvements fee for all water customers to generate the revenue necessary to undertake and complete the improvements identified in the long-term Plan on a programmed basis over the next twenty years and also to implement an automatic, radio-based meter reading system for more efficient and timely reading of the meters of Stow's water customers. Installation of the automatic meter reading system has been completed and is now being monitored for accuracy and reliability. It cost approximately \$2.3 million and, except for the correction of minor problems, is now fully operational.

In order to accomplish the Water System improvements on an accelerated time schedule, the City is combining debt financing and grant funding with cash allocations in the next few years to maximize the amount of upfront funds available.

The City established a Storm Water Management Utility in 2004 to address flooding issues and problems throughout the Stow community. This past year the City continued the phased engineering studies in every neighborhood within the City to identify storm water problems that need to be corrected as part of a long-term storm water management plan. An ongoing, monthly storm water improvement fee was enacted by City Council to pay all future operating and capital costs associated with maintaining and upgrading the City's existing storm water management system over the next ten-twenty years. The fee is graduated and is based on an engineering evaluation of the size of the impervious surfaces of individual residential and non-residential properties in Stow. Numerous storm water projects have been completed over the past four years with funding provided by the enactment of the new fee. Many more projects are being evaluated and prioritized for completion in 2009 and 2010.

In 2008, the City of Stow continued many of its ongoing programs which are designed to improve the community as a whole and its individual neighborhoods. The provision of such programs as the Stow Senior Center, adopt-a-spot beautification, the neighborhood playground upgrades, residential storm sewer improvements, sidewalk repair, housing repair, litter and recycling education and awareness, neighborhood beautification and tree planting programs were important accomplishments of the City again this past year.

A comprehensive ten-year Capital Improvements Financial Plan was prepared by the City in 2002 to guide City officials in undertaking and completing the City's major permanent improvement projects over the period, 2002-2011. The Plan was used in 2008 and will continue to be used as it is updated in future years to identify available capital improvement funding sources and all potential general capital projects which are necessary to improve the City's infrastructure, buildings, facilities and major equipment over the ten-year period. The Plan also serves as the City's guide for both short-term and long-term debt management.

In May of 2006, the City Council adopted a long-term master plan for the development of the City Center Site which encompasses the centrally located municipal government offices, a large playground and the surrounding acreage. The development of the site includes public gathering facilities for entertainment, an amphitheater, cultural and arts centers, walking trails and some mixed use buildings. The master plan for the maintenance, development and future management of the City's arboretum/sancturetum, which is located near Stow City Hall, continued to be updated in 2008. It is included as a major

component of the City's overall City Center Site long-term plan. It is the intent of the City to further develop detailed plans and possible funding sources to enhance the arboretum/sancturetum in several phases. It was opened fully to the public in the summer of 2006. Preservation of this unique and extensive outdoor natural resource is a long-standing commitment of the City.

In February of 2006, the Stow City government completed the acquisition of an 18-hole municipal golf course located on 140 acres of land within a highly developed residential area of the City. The golf course, which was named the best privately owned public golf course in Ohio in 2005, was successfully operated by the City's Parks and Recreation Department on a better than break-even basis in 2006, 2007 and 2008. The City's commitment to purchase the golf course ensured its retention and preservation as a highly-valued recreational asset in the Stow community.

A unique, special needs playground was completed as a supplemental facility in one of Stow's major parks in 2008. It cost approximately \$278,000 and was funded through a combination of private donations, a state grant and City funding. It is designed for the inclusion and accessibility of all children regardless of disability.

After assessing the feasibility of converting its Safety/Service communications system to 800 MHz capability, in 2006, the City executed a 10-year agreement to participate with other communities in the Summit County/Akron radio system. The County-wide system increases compatibility, interoperability and mutual communications capabilities with surrounding communities. The City continued its effort to implement the new radio system for its safety forces in 2008.

As of January 1, 2009, the City of Stow became the new home of the Stow Municipal Court (formerly the Cuyahoga Falls Municipal Court). Construction of the new \$9.2 million courthouse commenced in 2007 in northwest Stow near a major interchange and was completed at year-end 2008. The new Court serves over 180,000 people in 16 local communities. The new court facility is already a recognized landmark and an important community asset in Stow.

This past year, the City contracted with two other area communities to establish a regional dispatch communications center in the Stow Safety Building. The center, which was established on August 1, 2008, is being operated by the Stow police department. It has eliminated duplicative dispatching facilities and will potentially reduce long-term capital and operating costs for each of the participating governments. A township was added to the regional center as a communications service user in early 2009. Several additional cities are also considering contracting with Stow for the provision of dispatching services to their communities.

Future – Various major initiatives designed to improve and enhance the City of Stow and/or to enable the City to accommodate the continued growth and development of the Stow community are underway in 2009.

The new Route 8 Interchange, located at State Route 8 and Seasons Road in both Stow and Hudson, is under construction and will be completed in late 2010. The project is a joint undertaking of the State of Ohio, the City of Stow and the City of Hudson. Along with the recently-completed Seasons/Norton Roads connection project, the new interchange is necessary to facilitate expansion of the industrial and commercial growth areas of Stow. The total design and construction cost for the interchange will be approximately \$7.7 million, with \$4.0 million paid by a federal grant. Stow and Hudson will pay for a combined fifty percent of the remaining cost, or \$1.85 million each.

The cities of Stow, Hudson and Cuyahoga Falls have reached a tentative agreement to create a tax sharing district around the interchange in which specified taxes generated by new businesses will be shared by the three communities. The tax sharing area will help eliminate competition among the communities for the location of new businesses. If the tentative tax sharing agreement is finalized and adopted by the three communities, Cuyahoga Falls will also share equally in the local cost of the construction of the new Route 8 Interchange, which will reduce the local cost for Stow and Hudson.

A major new employer with the potential to locate in the new interchange area is a 100-bed hospital facility. The hospital is currently in the planning stages, but due to economic conditions, is not expected to move forward for several more years. If it is completed, the hospital facility will generate related economic activity in the area surrounding the interchange.

Through the City's annual concrete and asphalt road paving program and such projects as the Norton/Seasons Roads connection, the Route 8 Interchange construction, the Steels Corners Interchange upgrade, the Hudson Drive widening, the Graham Road upgrade and various other planned road, intersection, traffic light and bridge improvements, the City of Stow will continue to upgrade the community transportation system significantly over the next decade.

In addition to the Seasons/Norton Roads Connection and the two interchange projects, ten major road projects and a hike and bike trail improvement/extension project have been identified for inclusion in the City's long-term Capital Improvements Financial Plan as being necessary to be undertaken by the City during the upcoming ten-year period. Up to ten of the projects as well as the hike & bike trail have or will receive state and/or federal funding.

In 2009, the City will also be continuing its ongoing traffic signal upgrade program at major intersections throughout the community. Local funds will be combined with grant funds and other sources to finance the installation of new signals at high traffic volume locations to improve traffic control and/or to meet safety concerns.

Construction of a new boulevard to provide public access through the large City Hall site has been completed in basic form. The landscaping is now being finished and the new roadway should receive final paving in 2010. It will be compatible with the planned community facilities on the City Center campus, such as the amphitheater and other related improvements.

The proceeds of the City's lodging tax, which is collected on all overnight hotel and motel room occupancies, have been dedicated to pay for infrastructure improvements in specified areas of the City to encourage economic development. In 2007, the usage of the tax was expanded to include support of the City's Community Improvement Corporation (C.I.C.), which has the ability to offer financial aid to new and/or expanding businesses in Stow. In 2009, the C.I.C. will be expanding its activities to include a business loan program.

In May 2009, the City completed renovation of a City-owned building to replace the former Senior Center which had previously been in rented quarters. The new Senior Center, which is near the Stow City Hall, is more centrally located than the former Center and will provide improved accessibility for seniors throughout Stow.

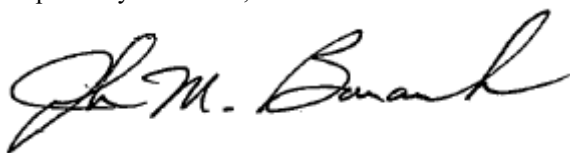
The City administration will continue to emphasize economic development in Stow in 2009 and will begin initial preparations for updating the 2001 city-wide Comprehensive Plan.

OTHER INFORMATION

Awards – The City prepared and submitted a Comprehensive Annual Financial Report (CAFR) for the first time for 2000 to the Government Finance Officers Association of the United States and Canada (GFOA). A Certificate of Achievement for Excellence in Financial Reporting was awarded to the City of Stow for its Comprehensive Annual Financial Report for the years ended December 31, 2000, 2001, 2002, 2003, 2004, 2005, 2006 and 2007. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both Generally Accepted Accounting Principles and applicable legal requirements. We believe our current report for 2008 conforms to the Certificate of Achievement for Excellence in Financial Reporting program requirements, and we are submitting it to the GFOA to determine its eligibility for a 2008 award.

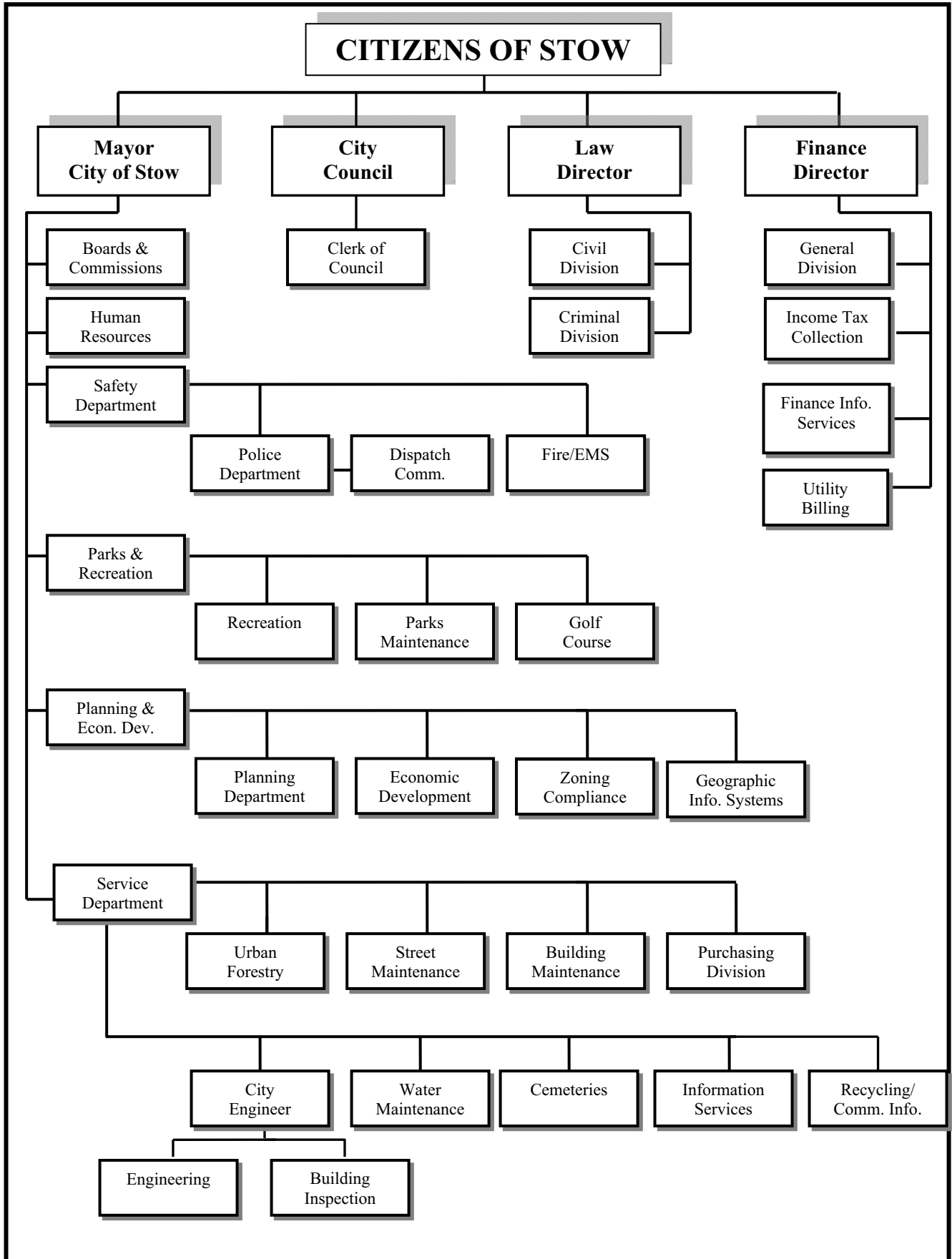
Acknowledgment – I would like to express my sincere appreciation and thanks to those individuals who assisted in the preparation of the 2008 Comprehensive Annual Financial Report. Successful preparation of a report of this scope required the dedicated services of the entire staff of the Finance Department. I also extend my appreciation to the Mayor, City Council and all Department Heads for their support and assistance in completing this Comprehensive Annual Financial Report.

Respectfully submitted,



John M. Baranek
Director of Finance

City of Stow, Ohio
General Organization Chart
 2008



CITY OF STOW, OHIO
PRINCIPAL CITY OFFICIALS
AS OF DECEMBER 31, 2008

Elected Officials

Mayor	Karen Fritschel
Finance Director	John Baranek
Law Director	Brian Reali
President of Council	Janet D'Antonio (At Large)
Vice President	Mary Bednar (Ward IV)
President Pro-Tem	Ron Alexander (At-Large)
Council Member	Matt Riehl (Ward I)
Council Member	James Costello (Ward II)
Council Member	John Pribonic (Ward III)
Council Member	Sara Drew (At-Large)

Department Officials

Service Director	Dano Koehler
Planning & Development Director	Ken Trenner
City Engineer	J. William Drew
Fire Chief	William Kalbaugh
Fire Division Chief	Lou Ann Metz
Police Chief	Louis A. Dirker, Jr.
Police Captain	Rick Myers
Assistant Service Director	Michael Chastain
Director of Budget & Management	John Earle
Assistant City Engineer	Jim McCleary
Assistant City Engineer	Gerald Dolson
Manager of Information Services	Mark Hatfield
Tax Administrator	Dennis Bernaciak
Deputy City Engineer	Edward Carey
Deputy Planning Director	Rob Kurtz
Deputy Law Director	John Scavelli
Economic Development Coordinator	Mike Weddle
Senior Engineer	Brad Kosco
Parks and Recreation Director	Nick Wren
Human Resources Director	Patrick Graham
Water Distribution Superintendent	Kathy Vaughn
Project Manager of Information Services	Dale Germano
Chief Building Inspector	Tony Catalona
Parks Manager	Paul Kelly
Assistant Law Director/Prosecutor	Katherine Bettasso
Road Superintendent	Charlie Riedel
Landscape Arborist	Sue Mottl
M.I.S. Coordinator – Finance	Lisa Paxton
M.I.S. Coordinator – Network	Sean Shotts
Clerk of Council	Bonnie Emahiser
Inspector	Tony Avolio
Youth Services Coordinator	Renee Armbruster
Community Information Coordinator	Linda Nahrstedt
Recreation Supervisor	Anne Baranek
Assistant Recreation Supervisor	Kathy McConnell

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Stow
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

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.



A handwritten signature in black ink, appearing to read "M. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

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FINANCIAL SECTION



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

City of Stow
Summit County
3760 Darrow Road
Stow, Ohio 44224

To the Honorable Mayor and City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Stow, Summit County, Ohio, (the City) as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Stow, Summit County, Ohio, as of December 31, 2008, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and the EMS/Fire Levy Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2009, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

June 19, 2009

CITY OF STOW, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008 (UNAUDITED)

The management's discussion and analysis for the City of Stow's (the "City") financial statements provides an overview of the City's financial activities for the year ended December 31, 2008. The intent of this discussion and analysis is to provide a narrative that describes the City's performance as a whole. To obtain a more detailed understanding, one should also review the transmittal letter, the notes to the basic financial statements and the basic financial statements.

Financial Highlights

The City's key financial highlights for 2008 are as follows:

- The assets of the City exceeded its liabilities at the close of the year ended December 31, 2008 by \$74,884,423 (net assets). Of this amount, \$11,437,818 is considered restricted for various purposes such as capital projects, debt service and other restrictions, and \$57,752,523 is invested in capital assets. These combined amounts are lower than the City's total net assets at year end, resulting in a balance of \$5,694,082 in unrestricted net assets.
- Total net assets increased \$7,361,307 or 10.90 percent as a result of this year's operations. Net assets for business-type activities increased \$1,435,049 or 5.89 percent, while the net assets related to governmental activities increased \$5,926,258, or 13.74 percent.
- The City's total revenues amounted to \$41,601,043 in 2008, of which \$33,653,490 related to governmental activities and \$7,947,553 to business-type activities. Program specific revenues in the form of charges for services, grants and contributions accounted for \$16,709,464 or 40.17 percent of total revenues.
- The City had \$34,239,736 in expenses in 2008, \$27,799,640 of which were for governmental activities and \$6,440,096 for business-type activities.
- Among the major funds, the general fund had \$19,443,833 in revenues and \$18,957,512 in expenditures in 2008. The amount of \$734,445 was transferred to other funds.
- The general fund's balance decreased to \$5,634,646, a decrease of \$248,124 from the beginning of 2008. The general fund balance was 28.99 percent of total general fund revenues, which is a slight decrease from the percentage in 2007.
- The City's total governmental activities long-term obligations increased from \$28,513,458 to \$31,934,872 during 2008. This increase of \$3,421,414 was due primarily to the issuance of new bonds and notes for capital improvements.

Using this Comprehensive Annual Financial Report (CAFR)

The City's annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the City of Stow as a total financial and operating entity. The individual statements provide a detailed look at specific financial activities.

The City's basic financial statements are comprised of three components: 1) City-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The statement of net assets and the statement of activities provide information about the activities of the City as a whole and present a long-term view of the City's finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell the reader how services were financed in the short-term, as well as the amount of funds remaining for future spending. The fund financial statements also look at the City's major funds with all other non-major funds presented in total in one column.

CITY OF STOW, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008 (UNAUDITED)

Reporting the City as a Whole

Statement of Net Assets and Statement of Activities

The analysis of the City as a whole begins on page 6. One of the most important questions asked about the City's finances is, "How did the City perform financially during 2008?" The statement of net assets and the statement of activities provide information concerning the City as a whole and its financial activities that will assist the reader in answering this question. These statements include all assets and liabilities using the accrual method of accounting similar to the accounting used by most private-sector businesses. This method of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's net assets and changes in those assets. The change in net assets is important because it allows the reader to judge in many respects whether or not the City's financial position has improved or diminished over the past year. The causes of any change in financial position for the City may be related to, or the result of, many factors, some of which may be directly financial, and others which may be only indirectly related to the City's finances. Indirect financial factors include changes in the City's tax or revenue base, changes in general tax law in Ohio or the City, variations in economic conditions, the condition of the City's capital assets and other related factors which may impact revenues or expenses.

In the statement of net assets and the statement of activities, the City operation is divided into two distinct types of activities as follows:

- **Governmental Activities** - Most of the City's programs and services are considered to be governmental activities, including general government, security of persons and property, leisure time activities, community and economic development and transportation. These services are funded primarily by taxes and intergovernmental revenues including federal and state grants and other shared revenues.
- **Business-Type Activities** - These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided.

The City-wide financial statements can be found on pages 15 through 17 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like the state and other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds, not on the City as a whole. The City's major governmental funds are: the general fund, the EMS/fire tax levy fund and the general capital improvements fund. The City's major proprietary funds are the water, golf and storm water utility funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on events that produce near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the year. This information is useful in evaluating a government's near-term financing requirements.

CITY OF STOW, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008 (UNAUDITED)

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the City's governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 18 through 23 of this report.

The City adopts an annual appropriation budget for its general fund and other funds. Budgetary statements and schedules have been provided for all annually budgeted funds to demonstrate compliance.

Proprietary Funds

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water system, golf and storm water utility operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-insurance programs for medical-related employee benefits. The basic proprietary fund statements can be found on pages 24 through 27 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the City's programs. The accounting method used for fiduciary funds is much like that used for the proprietary funds. The basic fiduciary fund financial statements can be found on pages 28 and 29 of this report.

Notes to the Basic Financial Statements

The financial statement notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Notes to the basic financial statements can be found on pages 31 through 64 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements, schedules, and a statistical section, which can be found on pages 65 through 185 of this report.

CITY OF STOW, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(UNAUDITED)*

Government-Wide Financial Analysis

As noted earlier, the trend in net assets serves as an indicator of a government's changing financial position. At the close of 2008 the City's total assets, as shown in Table 1, exceeded liabilities by \$74,884,423. Some \$49,065,283 of these net assets was in governmental activities while \$25,819,140 was in business-type activities. The table below provides a summary of the City's net assets for 2008 compared to 2007:

Table 1 - Net Assets

	Governmental Activities <u>2008</u>	Governmental Activities <u>2007</u>	Business-Type Activities <u>2008</u>	Business-Type Activities <u>2007</u>	2008 Total	2007 Total
Assets						
Current and other assets	\$ 30,520,171	\$ 33,435,721	\$ 3,703,892	\$ 4,122,877	\$ 34,224,063	\$ 37,558,598
Capital assets, net	<u>61,539,490</u>	<u>48,600,703</u>	<u>30,743,448</u>	<u>29,402,012</u>	<u>92,282,938</u>	<u>78,002,715</u>
Total assets	<u>92,059,661</u>	<u>82,036,424</u>	<u>34,447,340</u>	<u>33,524,889</u>	<u>126,507,001</u>	<u>115,561,313</u>
Liabilities						
Current and other liabilities	11,059,506	10,383,941	586,644	516,427	11,646,150	10,900,368
Long term liabilities:						
Due within one year	2,682,907	2,092,052	428,840	912,719	3,111,747	3,004,771
Due in more than one year	<u>29,251,965</u>	<u>26,421,406</u>	<u>7,612,716</u>	<u>7,711,652</u>	<u>36,864,681</u>	<u>34,133,058</u>
Total liabilities	<u>42,994,378</u>	<u>38,897,399</u>	<u>8,628,200</u>	<u>9,140,798</u>	<u>51,622,578</u>	<u>48,038,197</u>
Net Assets						
Invested in capital assets, net of related debt	34,733,562	32,776,346	23,018,961	21,095,746	57,752,523	53,872,092
Restricted	11,437,818	7,217,515	-	-	11,437,818	7,217,515
Unrestricted	<u>2,893,903</u>	<u>3,145,164</u>	<u>2,800,179</u>	<u>3,288,345</u>	<u>5,694,082</u>	<u>6,433,509</u>
Total net assets	<u>\$ 49,065,283</u>	<u>\$ 43,139,025</u>	<u>\$ 25,819,140</u>	<u>\$ 24,384,091</u>	<u>\$ 74,884,423</u>	<u>\$ 67,523,116</u>

During 2008, the City's overall financial position improved by \$7,361,307 as governmental activities net assets increased by \$5,926,258 and those for business-type activities increased by \$1,435,049.

The majority of the City's net assets (77.12 percent) reflect its investment in capital assets (e.g. land, construction in progress, buildings and building improvements, vehicles, infrastructure and equipment, furniture and fixtures), less any related debt used to acquire those assets. These capital assets are utilized by the City to provide services to its citizens. They are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

CITY OF STOW, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(UNAUDITED)*

Statement of Activities

The table below shows the changes in net assets for years ended 2008 and 2007.

Table 2 - Change in Net Assets

	Governmental Activities <u>2008</u>	Governmental Activities <u>2007</u>	Business-Type Activities <u>2008</u>	Business-Type Activities <u>2007</u>	2008 <u>Total</u>	2007 <u>Total</u>
Revenues						
Program revenues:						
Charges for services	\$ 2,462,507	\$ 2,172,643	\$ 6,611,873	\$ 6,916,822	\$ 9,074,380	\$ 9,089,465
Operating grants and contributions	3,552,329	2,307,965	-	-	3,552,329	2,307,965
Capital grants and contributions	<u>3,347,895</u>	<u>1,406,531</u>	<u>734,860</u>	<u>414,871</u>	<u>4,082,755</u>	<u>1,821,402</u>
Total program revenues	<u>9,362,731</u>	<u>5,887,139</u>	<u>7,346,733</u>	<u>7,331,693</u>	<u>16,709,464</u>	<u>13,218,832</u>
General revenues:						
Taxes	19,556,258	20,282,821	300,000	197,571	19,856,258	20,480,392
Grants and entitlements	3,942,230	3,890,054	-	-	3,942,230	3,890,054
Investment income	470,727	1,293,813	-	-	470,727	1,293,813
Miscellaneous	<u>321,544</u>	<u>414,403</u>	<u>300,820</u>	<u>320,614</u>	<u>622,364</u>	<u>735,017</u>
Total general revenues	<u>24,290,759</u>	<u>25,881,091</u>	<u>600,820</u>	<u>518,185</u>	<u>24,891,579</u>	<u>26,399,276</u>
Total revenues	<u>33,653,490</u>	<u>31,768,230</u>	<u>7,947,553</u>	<u>7,849,878</u>	<u>41,601,043</u>	<u>39,618,108</u>
Expenses:						
General government	6,147,957	6,578,566	-	-	6,147,957	6,578,566
Security of persons and property	13,327,278	14,252,725	-	-	13,327,278	14,252,725
Public health	425,367	434,833	-	-	425,367	434,833
Leisure time activities	2,044,492	2,208,765	-	-	2,044,492	2,208,765
Community and economic development	1,420,185	1,527,660	-	-	1,420,185	1,527,660
Transportation	3,574,568	5,164,464	-	-	3,574,568	5,164,464
Interest and fiscal charges	859,793	831,442	-	-	859,793	831,442
Water	-	-	4,073,731	4,404,703	4,073,731	4,404,703
Golf	-	-	1,328,960	1,304,665	1,328,960	1,304,665
Storm water utility	<u>-</u>	<u>-</u>	<u>1,037,405</u>	<u>907,519</u>	<u>1,037,405</u>	<u>907,519</u>
Total expenses	<u>27,799,640</u>	<u>30,998,455</u>	<u>6,440,096</u>	<u>6,616,887</u>	<u>34,239,736</u>	<u>37,615,342</u>
Transfers	<u>72,408</u>	<u>(110,000)</u>	<u>(72,408)</u>	<u>110,000</u>	<u>-</u>	<u>-</u>
Change in net assets	5,926,258	659,775	1,435,049	1,342,991	7,361,307	2,002,766
Net assets at beginning of year	<u>43,139,025</u>	<u>42,479,250</u>	<u>24,384,091</u>	<u>23,041,100</u>	<u>67,523,116</u>	<u>65,520,350</u>
Net assets at end of year	<u>\$ 49,065,283</u>	<u>\$ 43,139,025</u>	<u>\$ 25,819,140</u>	<u>\$ 24,384,091</u>	<u>\$ 74,884,423</u>	<u>\$ 67,523,116</u>

CITY OF STOW, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(UNAUDITED)*

Governmental Activities

The information in Table 2 indicates that security of persons and property accounted for \$13,327,278, or 47.94 percent of the \$27,799,640 expensed for governmental activities this past year. General government accounted for \$6,147,957, or 22.12 percent in the governmental activities category.

Some \$19,556,258 in tax revenues was generated for the City in 2008 to support governmental activities. This amount represented 58.11 percent of total revenues for governmental activities which reached \$33,653,490 in 2008. Other major revenues received by the City included \$3,942,230 in unrestricted grants and entitlements.

Program revenues to support governmental activities amounted to \$9,362,731 in 2008, which included \$2,462,507 in charges for services. Capital grants and contributions increased by \$1,941,364 over prior year due to the receipts of funding in 2008 for transportation projects.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

	Total Cost of Services <u>2008</u>	Net Cost of Services <u>2008</u>	Total Cost of Services <u>2007</u>	Net Cost of Services <u>2007</u>
Program Expenses:				
General government	\$ 6,147,957	\$ 3,138,675	\$ 6,578,566	\$ 4,550,187
Security of persons and property	13,327,278	12,312,133	14,252,725	13,482,919
Public health	425,367	348,312	434,833	352,570
Leisure time activities	2,044,492	1,166,984	2,208,765	1,909,602
Community and economic development	1,420,185	1,179,981	1,527,660	1,064,915
Transportation	3,574,568	(568,969)	5,164,464	2,919,681
Interest and fiscal charges	<u>859,793</u>	<u>859,793</u>	<u>831,442</u>	<u>831,442</u>
Total Expenses	<u>\$ 27,799,640</u>	<u>\$ 18,436,909</u>	<u>\$ 30,998,455</u>	<u>\$ 25,111,316</u>

The dependence upon general revenues for governmental activities is apparent, with 66.32% of expenses supported through taxes and other general revenues in 2008 and 81.01% in 2007.

Business-Type Activities

Water system expenses were \$4,073,731 for the year, which were offset by the \$4,937,932 in charges for services generated by the water system through the operation of the City's water distribution system in 2008.

Golf expenses were \$1,328,960 for the year, which were offset by the \$888,706 in charges for services generated by the Fox Den Golf Course through user fees.

Storm water utility expenses were \$1,037,405 for the year, which were offset by the \$785,235 in charges for services generated by the storm water system in 2008.

The City experienced an increase in net assets of \$1,435,049 in the area of business-type activities in 2008. Water system revenues totaled \$5,538,681 for the year as compared to \$5,704,102 in 2007. This decrease was due to fewer capital grants and contributions obtained for City water system improvements and decreased service charges and tap in fees.

CITY OF STOW, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008 (UNAUDITED)

Financial Analysis of the City's Funds

As discussed previously, the City maintains a fund accounting system to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements and its ability to meet them. In particular, unreserved fund balance serves as a useful measure of a City's net resources available for spending at the end of the year.

As of the end of the current year, the City's governmental funds reported combined ending balances of \$16,090,685, a decrease of \$3,485,164 as compared with the prior year. Approximately 84.63 percent of this total year end amount or \$13,617,317, represents unreserved fund balance, which is available at the City's discretion within certain legal constraints and purpose restrictions. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) to liquidate contracts and purchase orders of the prior period (\$1,970,548); 2) to repay loans (\$200,000); and 3) for materials and supplies (\$302,820).

The general fund is the City's chief operating fund. The general fund's year end balance decreased by \$248,124 during the current year to reach an ending total of \$5,634,646. The unreserved fund balance of the general fund was \$5,140,973. As a measure of the general fund's liquidity, it is useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The unreserved fund balance represents 27.12 percent of total general fund expenditures, while total fund balance represents 29.72 percent of such expenditures.

The City's two other major governmental funds are the EMS/fire levy fund and the general capital improvements fund. The fund balance of the EMS/fire levy fund decreased \$109,559 during 2008, a decline from a \$50,105 decrease in fund balance during 2007. The fund balance of the general capital improvements fund decreased \$3,832,004 as a result of the construction of the Municipal Courthouse. Construction on the Courthouse began in late 2007 and will be completed in early 2009.

Transfers from the general fund to other governmental funds, which occurred principally for funding of pensions, amounted to \$734,445.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail. Unrestricted net assets for the City's water, golf and storm water utility funds at the end of the year amounted to \$2,806,490. Total assets were \$34,653,651 at year-end. The water fund net assets increased 7.14% during 2008 due to tightly controlled expenses.

Budgeting Highlights

The City's budgeting process is prescribed by the Ohio Revised Code. The authority for the City to expend money is derived from its appropriations ordinance which must be approved by City Council each year. The appropriations are limited and restricted by the amounts of anticipated revenues as estimated, in part, by the City and certified by the County Budget Commission in accordance with the Ohio Revised Code. Within the restrictions itemized above as they may be revised or amended, the City has the ability to adjust its budget during the course of the year due to actual activity related to either revenue or expenditures.

CITY OF STOW, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008 (UNAUDITED)

Regarding revenues, there were no significant differences between the general fund original budget and the final budget. The income tax revenue projection in the original and final budgets was significantly in excess of actual revenues due to the effects of a poor economy and a partial overestimate of expected revenues. For the reasons indicated, actual total revenues and other financing sources were \$2,068,084 less than final budgeted revenues.

There were no significant differences between the general fund original and final budget estimates for expenditures and other financing uses. Actual amounts for 2008 were less than final budgeted amounts by \$2,604,888. This variance was the result of the conservative budgeting by the City, a large contingency allocation that was not expended, and the decision not to expand the City's safety forces as had been originally contemplated, particularly in the police area, due to insufficient revenue enhancement to pay for such employee expansion.

Capital Assets and Debt Administration

Capital Assets

The City's net investment in capital assets, for both its governmental and business-type activities amounted to \$92,282,938 (net of accumulated depreciation) at year end 2008. The investment in capital assets, which include land, buildings and building improvements, vehicles, equipment, furniture and fixtures, infrastructure and construction in progress, increased by \$14,280,223 during 2008.

**Table 3 - Capital Assets at December 31
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Land	\$ 11,327,515	\$ 11,315,360	\$ 5,377,376	\$ 5,377,376	\$ 16,704,891	\$ 16,692,736
Construction in progress	15,820,309	3,108,666	1,364,145	1,606,646	17,184,454	4,715,312
Buildings and building improvements	15,875,007	16,517,663	2,815,682	2,900,111	18,690,689	19,417,774
Vehicles	3,897,629	3,912,139	566,988	301,608	4,464,617	4,213,747
Equipment, furniture and fixtures	1,495,720	1,003,053	37,723	100,726	1,533,443	1,103,779
Infrastructure	<u>13,123,310</u>	<u>12,743,822</u>	<u>20,581,534</u>	<u>19,115,545</u>	<u>33,704,844</u>	<u>31,859,367</u>
Totals	<u>\$61,539,490</u>	<u>\$48,600,703</u>	<u>\$30,743,448</u>	<u>\$29,402,012</u>	<u>\$92,282,938</u>	<u>\$78,002,715</u>

Additional detailed information relating to the City's capital assets is contained in Note 9 of the notes to the basic financial statements.

Debt

At the end of the current fiscal year, the City's total outstanding general obligation bonded debt for governmental activities amounted to \$16,853,932 (before unamortized charges and unamortized premium). Part of this debt was originally issued in the amount of \$6.44 million in 2004 to pay for the refinancing of the Stow Safety Center debt issued in 1995. The amount of \$4,200,000 was issued in 2007 to finance the construction of the Municipal Courthouse. The remainder was issued in 2008. The City also had governmental activity general obligation notes outstanding at year-end in the amount of \$9,475,000. As can be seen from Table 4, the total debt for governmental activities increased \$2,789,906 or 11.91 percent during the year. This increase is due to the issuance of general obligation bonds totaling \$8,073,932 to finance the construction of the service center and fire station.

CITY OF STOW, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008 (UNAUDITED)

Debt related to business-type activity for the City amounted to \$7,524,884 at year-end, which consisted of \$6,127,948 in general obligation bonds, \$1,200,000 in general obligation notes and \$196,936 in Ohio Public Works Commission (OPWC) loans. Total business-type activity debt for the City decreased \$874,655 or 10.41 percent of the total business-type activity outstanding debt at the commencement of the year.

At December 31, 2008, the City's outstanding general obligation bonds were rated "Aa3" by Moody's Investors Service. State statute limits the total amount of debt a governmental entity may issue. The City's debt limitation at year-end, per the limits described by state statute, was substantially higher than the City's existing outstanding debt.

In addition to bonded debt, note and loan debt as itemized in Table 4, the City's other long-term obligations include compensated absences payable and capital lease obligations.

Additional information regarding the City's long-term obligations can be found in Note 11 of this report. Note 15, provides information relating to compensated absences.

Table 4 - Long-Term Debt

	Governmental Activities		Business-type Activities		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
General obligation bonds	\$ 16,746,267	\$ 8,866,189	\$ 6,127,948	\$ 5,585,207	\$ 22,874,215	\$ 14,451,396
General obligation notes	9,475,000	14,565,172	1,200,000	2,579,828	10,675,000	17,145,000
OWDA loans	-	-	-	25,984	-	25,984
OPWC loans	-	-	196,936	208,520	196,936	208,520
Total long-term obligations	<u>\$ 26,221,267</u>	<u>\$ 23,431,361</u>	<u>\$ 7,524,884</u>	<u>\$ 8,399,539</u>	<u>\$ 33,746,151</u>	<u>\$ 31,830,900</u>

Economic Factors and Next Year's Budget

The City is a growing community with a stable and diversified economy. Since 2000, the City's population has grown by 7.0 percent. Trends in the local economy compare favorably with those of the state and nation. The City's unemployment rate in 2008 stood at 5.3 percent. The county, state and national unemployment rates were 7.4, 7.1, and 7.7 percent, respectively in 2008.

The City's budgets were forecast conservatively for 2008 and 2009 based on local, state and national economic conditions and trends. The service needs of the citizens of Stow were taken into account as were the ongoing financial condition of the City and any applicable budgetary constraints.

In 2009, the City assumed responsibility for the operations of the Stow Municipal Court. The Court, which was formerly located in neighboring Cuyahoga Falls, will be a component of the City's general fund in the 2009 operating budget.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for City officials, members of the public and others who may have an interest in the City's financial standing. It also is designed to demonstrate the City's accountability for the money it receives from all sources, particularly the taxpayers of Stow. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mr. John Baranek, Director of Finance, Stow City Hall, 3760 Darrow Road, Stow, Ohio 44224.

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BASIC
FINANCIAL STATEMENTS

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CITY OF STOW, OHIO

STATEMENT OF NET ASSETS

DECEMBER 31, 2008

Primary Government

	Governmental Activities	Business-type Activities	Total	Component Unit
Assets:				
Equity in pooled cash and investments	\$ 13,444,823	\$ 3,237,708	\$ 16,682,531	\$ 39,100
Cash held with fiscal and escrow agent	4,250,675	-	4,250,675	-
Receivables:				
Property taxes	7,269,261	-	7,269,261	-
Income taxes	1,783,331	-	1,783,331	-
Accounts	189,181	441,992	631,173	-
Intergovernmental	2,652,267	-	2,652,267	-
Accrued interest	52,036	-	52,036	-
Special assessments	46,396	-	46,396	-
Internal balances	206,311	(206,311)	-	-
Materials and supplies inventory	302,820	138,623	441,443	-
Deferred charges	323,070	91,880	414,950	-
Capital assets:				
Nondepreciable capital assets	27,147,824	6,741,521	33,889,345	-
Depreciable capital assets, net	34,391,666	24,001,927	58,393,593	-
Total capital assets	<u>61,539,490</u>	<u>30,743,448</u>	<u>92,282,938</u>	<u>-</u>
Total assets	<u>92,059,661</u>	<u>34,447,340</u>	<u>126,507,001</u>	<u>39,100</u>
Liabilities:				
Accounts payable	288,990	34,350	323,340	-
Contracts payable	701,025	-	701,025	-
Accrued wages and benefits	234,876	22,905	257,781	-
Intergovernmental payable	2,229,921	470,945	2,700,866	-
Unearned revenue	6,969,022	-	6,969,022	-
Accrued interest payable	130,672	58,444	189,116	-
Claims payable	505,000	-	505,000	-
Long-term liabilities:				
Due within one year	2,682,907	428,840	3,111,747	-
Due in more than one year	29,251,965	7,612,716	36,864,681	-
Total liabilities	<u>42,994,378</u>	<u>8,628,200</u>	<u>51,622,578</u>	<u>-</u>
Net assets:				
Invested in capital assets, net of related debt	34,733,562	23,018,961	57,752,523	-
Restricted for:				
EMS/fire protection	80,695	-	80,695	-
Police	45,681	-	45,681	-
Street repair and maintenance	1,247,263	-	1,247,263	-
Public health	18,162	-	18,162	-
Leisure time activities	599,777	-	599,777	-
Community and economic development	275,707	-	275,707	-
Municipal court	702,647	-	702,647	-
Capital outlay	7,991,957	-	7,991,957	-
Other purposes	475,929	-	475,929	-
Unrestricted	<u>2,893,903</u>	<u>2,800,179</u>	<u>5,694,082</u>	<u>39,100</u>
Total net assets	<u>\$ 49,065,283</u>	<u>\$ 25,819,140</u>	<u>\$ 74,884,423</u>	<u>\$ 39,100</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008*

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government.	\$ 6,147,957	\$ 1,175,185	\$ 1,002,209	\$ 831,888
Security of persons and property	13,327,278	602,385	412,760	-
Public health.	425,367	42,465	34,590	-
Leisure time activities.	2,044,492	363,040	149,192	365,276
Community and economic development	1,420,185	235,657	4,547	-
Transportation.	3,574,568	43,775	1,949,031	2,150,731
Interest and fiscal charges.	859,793	-	-	-
	<u>27,799,640</u>	<u>2,462,507</u>	<u>3,552,329</u>	<u>3,347,895</u>
Business-type Activities:				
Water	4,073,731	4,937,932	-	479,250
Golf	1,328,960	888,706	-	-
Storm Water Utility.	1,037,405	785,235	-	255,610
	<u>6,440,096</u>	<u>6,611,873</u>	<u>-</u>	<u>734,860</u>
Total business-type activities	<u>6,440,096</u>	<u>6,611,873</u>	<u>-</u>	<u>734,860</u>
Total primary government.	<u>\$ 34,239,736</u>	<u>\$ 9,074,380</u>	<u>\$ 3,552,329</u>	<u>\$ 4,082,755</u>
Component Unit:				
Stow Community Improvement Corporation	<u>\$ 10,900</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ -</u>

General Revenues:

Property taxes levied for:

General purposes	
Special revenue	
Municipal income taxes	
Grants and entitlements not restricted to specific programs	
Investment earnings	
Other.	

Total general revenues.

Transfers.

Change in net assets

Net assets at beginning of year.

Net assets at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Primary Government

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total	Component Unit
\$ (3,138,675)	\$ -	\$ (3,138,675)	\$ -
(12,312,133)	-	(12,312,133)	-
(348,312)	-	(348,312)	-
(1,166,984)	-	(1,166,984)	-
(1,179,981)	-	(1,179,981)	-
568,969	-	568,969	-
(859,793)	-	(859,793)	-
<u>(18,436,909)</u>	<u>-</u>	<u>(18,436,909)</u>	<u>-</u>
-	1,343,451	1,343,451	-
-	(440,254)	(440,254)	-
-	3,440	3,440	-
<u>-</u>	<u>906,637</u>	<u>906,637</u>	<u>-</u>
<u>(18,436,909)</u>	<u>906,637</u>	<u>(17,530,272)</u>	<u>-</u>
-	-	-	39,100
4,787,453	-	4,787,453	-
2,264,687	-	2,264,687	-
12,504,118	300,000	12,804,118	-
3,942,230	-	3,942,230	-
470,727	-	470,727	-
321,544	300,820	622,364	-
24,290,759	600,820	24,891,579	-
72,408	(72,408)	-	-
5,926,258	1,435,049	7,361,307	39,100
43,139,025	24,384,091	67,523,116	-
<u>\$ 49,065,283</u>	<u>\$ 25,819,140</u>	<u>\$ 74,884,423</u>	<u>\$ 39,100</u>

CITY OF STOW, OHIO

*BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2008*

	General	EMS/Fire Tax Levy	General Capital Improvements	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents	\$ 4,653,917	\$ 20,421	\$ 4,885,920	\$ 2,491,318	\$ 12,051,576
Cash held with fiscal and escrow agent	675	-	4,250,000	-	4,250,675
Receivables:					
Property taxes	5,023,741	1,750,697	-	494,823	7,269,261
Income taxes	1,069,999	-	713,332	-	1,783,331
Accounts	122,784	-	-	66,036	188,820
Intergovernmental	1,659,738	157,126	-	835,403	2,652,267
Accrued interest	52,036	-	-	-	52,036
Special assessments	-	-	46,396	-	46,396
Loans to other funds	200,000	-	-	-	200,000
Materials and supplies inventory	108,418	-	-	194,402	302,820
Total assets	<u>\$ 12,891,308</u>	<u>\$ 1,928,244</u>	<u>\$ 9,895,648</u>	<u>\$ 4,081,982</u>	<u>\$ 28,797,182</u>
Liabilities:					
Accounts payable	\$ 97,460	\$ 1,904	\$ 66,510	\$ 123,116	\$ 288,990
Contracts payable	-	-	701,025	-	701,025
Accrued wages and benefits	214,329	20,079	-	468	234,876
Intergovernmental payable	659,710	134,793	1,089,760	345,658	2,229,921
Deferred revenue	1,443,526	219,847	89,262	530,028	2,282,663
Unearned revenue	4,841,637	1,687,237	-	440,148	6,969,022
Loans from other funds	-	-	-	-	-
Total liabilities	<u>7,256,662</u>	<u>2,063,860</u>	<u>1,946,557</u>	<u>1,439,418</u>	<u>12,706,497</u>
Fund Balances:					
Reserved for encumbrances	185,255	10,053	1,693,794	81,446	1,970,548
Reserved for materials and supplies	108,418	-	-	194,402	302,820
Reserved for loans	200,000	-	-	-	200,000
Unreserved, undesignated, reported in:					
General fund	5,140,973	-	-	-	5,140,973
Special revenue funds	-	(145,669)	-	2,366,716	2,221,047
Capital projects funds	-	-	6,255,297	-	6,255,297
Total fund balances (deficit)	<u>5,634,646</u>	<u>(135,616)</u>	<u>7,949,091</u>	<u>2,642,564</u>	<u>16,090,685</u>
Total liabilities and fund balances	<u>\$ 12,891,308</u>	<u>\$ 1,928,244</u>	<u>\$ 9,895,648</u>	<u>\$ 4,081,982</u>	<u>\$ 28,797,182</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2008*

Total governmental fund balances		\$ 16,090,685
<i>Amounts reported for governmental activities on 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.		61,539,490
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Delinquent property taxes receivable	\$ 262,118	
Municipal income taxes receivable	107,166	
Intergovernmental receivable	1,836,820	
Special assessments receivable	46,396	
Interest receivable	30,163	
Total		2,282,663
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The long-term liabilities are as follows:		
Compensated absences	(4,805,874)	
Capital lease obligation	(907,731)	
General obligation bonds payable	(16,853,932)	
Construction notes payable	(9,475,000)	
Total		(32,042,537)
In the statement of activities interest is accrued on outstanding bonds and notes payable, whereas in governmental funds, interest expenditures are reported when due.		(130,672)
Bond issuance costs reported as an expenditure in the funds are allocated as an expense over the life of the debt on a full accrual basis.		323,070
Unamortized premiums on bond issuance are not recognized in the funds.		(221,836)
Unamortized deferred charges on refundings are not recognized in the funds.		329,501
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		888,608
An internal balance is recorded in governmental activities to reflect underpayments to the internal service fund by the business-type activities.		6,311
Net assets of governmental activities		\$ 49,065,283

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>General</u>	<u>EMS/Fire Tax Levy</u>	<u>General Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property and other taxes	\$ 4,913,598	\$ 1,719,707	\$ -	\$ 600,409	\$ 7,233,714
Income taxes	8,275,870	100,000	2,385,828	2,023,586	12,785,284
Special assessments	-	-	24,767	55,786	80,553
Charges for services	354,959	-	-	643,259	998,218
Licenses and permits	640,021	-	-	6,636	646,657
Fines and forfeitures	397,724	-	-	69,795	467,519
Intergovernmental	3,899,525	300,383	1,967,106	3,131,773	9,298,787
Investment income	434,585	-	-	30,616	465,201
Rent	206,007	-	-	89,761	295,768
Contributions and donations	8,128	-	177,499	21,164	206,791
Other	313,416	-	682,267	173,666	1,169,349
Total revenues	<u>19,443,833</u>	<u>2,120,090</u>	<u>5,237,467</u>	<u>6,846,451</u>	<u>33,647,841</u>
Expenditures:					
Current:					
General government	5,748,373	-	-	429,989	6,178,362
Security of persons and property	9,133,099	2,219,765	-	1,468,163	12,821,027
Public health	420,247	-	-	41,302	461,549
Leisure time activities	1,790,366	-	-	173,364	1,963,730
Community and economic development	1,379,379	-	-	63,901	1,443,280
Transportation	486,048	-	-	2,582,642	3,068,690
Capital outlay	-	240,771	12,570,792	703,406	13,514,969
Debt service:					
Principal retirement	-	2,925,000	11,290,172	740,000	14,955,172
Interest and fiscal charges	-	15,000	546,206	673,606	1,234,812
Bond and note issuance costs	-	45,080	131,066	-	176,146
Total expenditures	<u>18,957,512</u>	<u>5,445,616</u>	<u>24,538,236</u>	<u>6,876,373</u>	<u>55,817,737</u>
Excess (deficiency) of revenues over (under) expenditures	<u>486,321</u>	<u>(3,325,526)</u>	<u>(19,300,769)</u>	<u>(29,922)</u>	<u>(22,169,896)</u>
Other financing sources (uses):					
Bonds issued	-	2,150,000	5,923,932	-	8,073,932
Notes issued	-	775,000	8,700,000	-	9,475,000
Capital lease transaction	-	240,771	666,960	-	907,731
Premium on bonds and notes	-	50,196	177,873	-	228,069
Transfers in	-	-	-	764,445	764,445
Transfers out	<u>(734,445)</u>	<u>-</u>	<u>(30,000)</u>	<u>-</u>	<u>(764,445)</u>
Total other financing sources (uses)	<u>(734,445)</u>	<u>3,215,967</u>	<u>15,438,765</u>	<u>764,445</u>	<u>18,684,732</u>
Net change in fund balances	(248,124)	(109,559)	(3,862,004)	734,523	(3,485,164)
Fund balances at beginning of year	<u>5,882,770</u>	<u>(26,057)</u>	<u>11,811,095</u>	<u>1,908,041</u>	<u>19,575,849</u>
Fund balances (deficit) at end of year	<u>\$ 5,634,646</u>	<u>\$ (135,616)</u>	<u>\$ 7,949,091</u>	<u>\$ 2,642,564</u>	<u>\$ 16,090,685</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, 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, 2008*

Net change in fund balances - total governmental funds		\$ (3,485,164)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Government 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. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital asset additions	\$ 15,435,962	
Current year depreciation	<u>(2,695,324)</u>	
Total		12,740,638
In the statement of activities, capital contributions are reported.		521,023
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(322,874)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property taxes	(181,574)	
Intergovernmental	(31,952)	
Municipal income taxes	(281,166)	
Special assessments	(26,208)	
Interest	<u>5,526</u>	
Total		(515,374)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement net assets.		14,955,172
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.		
Accrued interest	376,292	
Unamortized charges	(32,950)	
Bond premium	(163,196)	
Bond issuance costs	<u>142,950</u>	
Total		323,096
The issuance of bonds, notes and capital lease obligations is recorded as revenue in the funds, however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net assets.		(18,456,663)
Some expenses, such as compensated absences, reported in the statement of activities do not require the use of financial resources and therefore are not reported as expenditures in governmental funds.		
		276,223
Internal service funds used by management to charge the cost of insurance, to individual funds is not reported in the expenditures and related internal service fund revenues are eliminated. The net expense of the internal service funds is allocated among the governmental activities		
		<u>(109,819)</u>
Change in net assets of governmental activities		\$ 5,926,258

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other taxes	\$ 5,008,450	\$ 5,008,450	\$ 4,913,598	\$ (94,852)
Income taxes	10,107,531	10,107,531	8,199,554	(1,907,977)
Charges for services	380,175	380,175	354,894	(25,281)
Licenses and permits.	652,592	652,592	607,785	(44,807)
Fines and forfeitures.	236,511	236,511	229,400	(7,111)
Intergovernmental	3,781,207	3,781,207	3,931,399	150,192
Investment income	500,000	500,000	381,516	(118,484)
Rental income	175,000	175,000	206,007	31,007
Contributions and donations.	15,000	15,000	8,128	(6,872)
Other	329,956	329,956	286,057	(43,899)
Total revenues.	<u>21,186,422</u>	<u>21,186,422</u>	<u>19,118,338</u>	<u>(2,068,084)</u>
Expenditures:				
Current:				
General government	6,516,999	6,516,999	5,921,672	595,327
Security of persons and property.	11,018,376	11,018,376	9,187,106	1,831,270
Public health	431,623	431,623	425,635	5,988
Leisure time activities.	1,900,820	1,900,820	1,843,953	56,867
Community and economic environment	1,433,079	1,433,079	1,389,071	44,008
Transportation	508,304	508,304	457,073	51,231
Total expenditures.	<u>21,809,201</u>	<u>21,809,201</u>	<u>19,224,510</u>	<u>2,584,691</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(622,779)</u>	<u>(622,779)</u>	<u>(106,172)</u>	<u>516,607</u>
Other financing sources (uses):				
Transfers out	(754,642)	(754,642)	(734,445)	20,197
Advance in	50,000	50,000	50,000	-
Total other financing sources (uses).	<u>(704,642)</u>	<u>(704,642)</u>	<u>(684,445)</u>	<u>20,197</u>
Net change in fund balance	(1,327,421)	(1,327,421)	(790,617)	536,804
Fund balance at beginning of year	4,520,349	4,520,349	4,520,349	-
Prior year encumbrances appropriated.	502,555	502,555	502,555	-
Fund balance at end of year	<u>\$ 3,695,483</u>	<u>\$ 3,695,483</u>	<u>\$ 4,232,287</u>	<u>\$ 536,804</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMS/FIRE LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other local taxes	\$ 1,740,065	\$ 1,740,065	\$ 1,719,707	\$ (20,358)
Income taxes	244,528	244,528	100,000	(144,528)
Intergovernmental.	291,265	291,265	300,373	9,108
Other	100	100	-	(100)
Total revenues	<u>2,275,958</u>	<u>2,275,958</u>	<u>2,120,080</u>	<u>(155,878)</u>
Expenditures:				
Current:				
Security of persons and property.	2,234,360	2,309,758	2,235,170	74,588
Capital outlay.	7,116	7,351	-	7,351
Debt service:				
Principal retirement	2,831,348	2,925,000	2,925,000	-
Interest and fiscal charges	172,785	178,500	15,000	163,500
Bond issue costs	45,080	45,080	45,080	-
Total expenditures	<u>5,290,689</u>	<u>5,465,689</u>	<u>5,220,250</u>	<u>245,439</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(3,014,731)</u>	<u>(3,189,731)</u>	<u>(3,100,170)</u>	<u>89,561</u>
Other financing sources:				
Sale of bonds	4,529,265	4,529,265	2,150,000	(2,379,265)
Sale of notes	1,632,642	1,632,642	775,000	(857,642)
Premium on bonds and notes.	105,745	105,745	50,196	(55,549)
Total other financing sources	<u>6,267,652</u>	<u>6,267,652</u>	<u>2,975,196</u>	<u>(3,292,456)</u>
Net change in fund balance	3,252,921	3,077,921	(124,974)	(3,202,895)
Fund balance at beginning of year	113,528	113,528	113,528	-
Prior year encumbrances appropriated.	19,912	19,912	19,912	-
Fund balance at end of year	<u>\$ 3,386,361</u>	<u>\$ 3,211,361</u>	<u>\$ 8,466</u>	<u>\$ (3,202,895)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

STATEMENT OF FUND NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2008

	Business-type Activities -Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Golf	Storm Water Utility	Total	
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents . . .	\$ 3,037,991	\$ 70,094	\$ 129,623	\$ 3,237,708	\$ 1,393,247
Receivables:					
Accounts	368,518	-	73,474	441,992	361
Materials and supplies inventory	138,623	-	-	138,623	-
Total current assets	<u>3,545,132</u>	<u>70,094</u>	<u>203,097</u>	<u>3,818,323</u>	<u>1,393,608</u>
Noncurrent assets:					
Deferred charges	10,093	81,787	-	91,880	-
Capital assets:					
Nondepreciable capital assets	1,626,156	5,115,365	-	6,741,521	-
Depreciable capital assets, net.	18,096,869	171,853	5,733,205	24,001,927	-
Total noncurrent assets	<u>19,733,118</u>	<u>5,369,005</u>	<u>5,733,205</u>	<u>30,835,328</u>	<u>-</u>
Total assets	<u>23,278,250</u>	<u>5,439,099</u>	<u>5,936,302</u>	<u>34,653,651</u>	<u>1,393,608</u>
Liabilities:					
Current liabilities:					
Accounts payable	15,658	5,171	13,521	34,350	-
Accrued wages and benefits.	16,756	1,314	4,835	22,905	-
Intergovernmental	432,207	24,413	14,325	470,945	-
Accrued interest payable.	19,371	39,073	-	58,444	-
Claims payable.	-	-	-	-	505,000
Notes payable	200,000	-	-	200,000	-
Current portion of general obligation bonds payable	12,660	145,000	-	157,660	-
Current portion of OPWC loan	11,584	-	-	11,584	-
Current portion of capital lease obligation	-	-	24,087	24,087	-
Current portion of compensated absences	29,414	-	6,095	35,509	-
Total current liabilities	<u>737,650</u>	<u>214,971</u>	<u>62,863</u>	<u>1,015,484</u>	<u>505,000</u>
Long-term liabilities:					
Notes payable	1,000,000	-	-	1,000,000	-
General obligation bonds payable	543,501	5,426,787	-	5,970,288	-
OPWC loan	185,352	-	-	185,352	-
Loans from other funds	200,000	-	-	200,000	-
Capital lease obligation	-	-	267,396	267,396	-
Compensated absences	152,881	-	36,799	189,680	-
Total long-term liabilities	<u>2,081,734</u>	<u>5,426,787</u>	<u>304,195</u>	<u>7,812,716</u>	<u>-</u>
Total liabilities	<u>2,819,384</u>	<u>5,641,758</u>	<u>367,058</u>	<u>8,828,200</u>	<u>505,000</u>
Net assets:					
Invested in capital assets, net of related debt.	17,780,021	(202,782)	5,441,722	23,018,961	-
Unrestricted.	2,678,845	123	127,522	2,806,490	888,608
Total net assets	<u>\$ 20,458,866</u>	<u>\$ (202,659)</u>	<u>\$ 5,569,244</u>	<u>25,825,451</u>	<u>\$ 888,608</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				(6,311)	
Net assets of business-type activities				<u>\$ 25,819,140</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008*

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Golf	Storm Water Utility	Total	
Operating revenues:					
Charges for services	\$ 4,867,602	\$ 888,706	\$ 785,235	\$ 6,541,543	\$ 2,539,087
Tap-in fees	70,330	-	-	70,330	-
Other.	121,499	174,379	4,942	300,820	-
Total operating revenues	<u>5,059,431</u>	<u>1,063,085</u>	<u>790,177</u>	<u>6,912,693</u>	<u>2,539,087</u>
Operating expenses:					
Personal services	1,108,662	505,436	309,825	1,923,923	-
Contract services	2,443,864	237,637	305,547	2,987,048	249,851
Materials and supplies	90,045	324,801	187,451	602,297	-
Claims.	-	-	-	-	2,363,316
Depreciation	411,432	5,004	242,597	659,033	-
Total operating expenses	<u>4,054,003</u>	<u>1,072,878</u>	<u>1,045,420</u>	<u>6,172,301</u>	<u>2,613,167</u>
Operating income (loss)	<u>1,005,428</u>	<u>(9,793)</u>	<u>(255,243)</u>	<u>740,392</u>	<u>(74,080)</u>
Nonoperating revenues (expenses):					
Income taxes	-	300,000	-	300,000	-
Intergovernmental.	342,964	-	13,060	356,024	-
Interest expense and fiscal charges	(48,915)	(254,619)	-	(303,534)	-
Total nonoperating revenues (expenses)	<u>294,049</u>	<u>45,381</u>	<u>13,060</u>	<u>352,490</u>	<u>-</u>
Income (loss) before transfers and capital contributions	1,299,477	35,588	(242,183)	1,092,882	(74,080)
Capital contributions	136,286	-	242,550	378,836	-
Transfers out.	(72,408)	-	-	(72,408)	-
Changes in net assets.	1,363,355	35,588	367	1,399,310	(74,080)
Net assets (deficit) at beginning of year.	<u>19,095,511</u>	<u>(238,247)</u>	<u>5,568,877</u>		<u>962,688</u>
Net assets (deficit) at end of year	<u>\$ 20,458,866</u>	<u>\$ (202,659)</u>	<u>\$ 5,569,244</u>		<u>\$ 888,608</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				<u>35,739</u>	
Changes in net assets of business-type activities				<u>\$ 1,435,049</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Golf	Storm Water Utility	Total	
Cash flows from operating activities:					
Cash received from customers	\$ 4,889,353	\$ 888,708	\$ 794,588	\$ 6,572,649	\$ 2,539,343
Cash received from tap-in fees	70,330	-	-	70,330	-
Cash received from other operations.	121,499	177,168	4,942	303,609	-
Cash payments for personal services	(1,105,578)	(510,753)	(306,492)	(1,922,823)	-
Cash payments for contract services	(2,161,214)	(239,042)	(320,985)	(2,721,241)	(249,851)
Cash payments for materials and supplies	(164,777)	(333,425)	(187,644)	(685,846)	-
Cash payments for claims	-	-	-	-	(2,381,652)
Net cash provided by (used in) operating activities.	<u>1,649,613</u>	<u>(17,344)</u>	<u>(15,591)</u>	<u>1,616,678</u>	<u>(92,160)</u>
Cash flows from noncapital financing activities:					
Income taxes	-	300,000	-	300,000	-
Cash payments to other funds	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>	<u>-</u>
Net cash provided by (used in) noncapital financing activities	<u>(50,000)</u>	<u>300,000</u>	<u>-</u>	<u>250,000</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets.	(1,391,281)	(279)	(26,664)	(1,418,224)	-
Principal retirement	(2,617,396)	(10,000)	-	(2,627,396)	-
Intergovernmental.	342,964	-	13,060	356,024	-
Bond issuance.	546,068	-	-	546,068	-
Note issuance	1,200,000	-	-	1,200,000	-
Premium on bonds and notes	18,832	-	-	18,832	-
Bond issue costs.	(10,363)	-	-	(10,363)	-
Interest and fiscal charges.	<u>(105,008)</u>	<u>(366,807)</u>	<u>-</u>	<u>(471,815)</u>	<u>-</u>
Net cash used in capital and related financing activities	<u>(2,016,184)</u>	<u>(377,086)</u>	<u>(13,604)</u>	<u>(2,406,874)</u>	<u>-</u>
Net decrease in cash and cash equivalents.	(416,571)	(94,430)	(29,195)	(540,196)	(92,160)
Cash and cash equivalents at beginning of year	<u>3,454,562</u>	<u>164,524</u>	<u>158,818</u>	<u>3,777,904</u>	<u>1,485,407</u>
Cash and cash equivalents at end of year	<u>\$ 3,037,991</u>	<u>\$ 70,094</u>	<u>\$ 129,623</u>	<u>\$ 3,237,708</u>	<u>\$ 1,393,247</u>

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CITY OF STOW, OHIO

*STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2008*

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Golf	Storm Water Utility	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 1,005,428	\$ (9,793)	\$ (255,243)	\$ 740,392	\$ (74,080)
Adjustments:					
Depreciation.	411,432	5,004	242,597	659,033	-
Changes in assets and liabilities:					
(Increase) in materials and supplies inventory	(62,694)	-	-	(62,694)	-
Decrease in accounts receivable	21,751	2,791	9,353	33,895	256
Decrease in accounts payable.	(106,156)	(13,398)	(19,353)	(138,907)	-
Increase in accrued wages and benefits	7,845	731	2,133	10,709	-
Increase (decrease) in due to other governments	375,381	(2,679)	1,191	373,893	-
Increase (decrease) in compensated absences payable.	(3,374)	-	3,731	357	-
Decrease in claims payable	-	-	-	-	(18,336)
Net cash provided by (used in) operating activities	<u>\$ 1,649,613</u>	<u>\$ (17,344)</u>	<u>\$ (15,591)</u>	<u>\$ 1,616,678</u>	<u>\$ (92,160)</u>

Non-cash transactions:

During 2007, the Water, Golf and Storm Water Utility funds purchased \$14,967, \$279, and \$420 of capital assets on account. The Storm Water Utility fund entered into a capital lease obligation during 2008 in the amount of \$291,483. The Water fund transferred \$72,408 from construction in progress to the governmental activities infrastructure capital assets during 2008. The Water and Storm Water Utility funds received \$136,286 and \$242,550, respectively, in capital contributions during 2008.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2008*

	<u>Private Purpose Trust</u>	<u>Agency</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 1,566	\$ 587,422
Receivables:		
Intergovernmental.	<u>-</u>	<u>150</u>
Total assets	<u>1,566</u>	<u>\$ 587,572</u>
Liabilities:		
Intergovernmental payable	-	150
Deposits held and due to others.	-	20,557
Undistributed monies	<u>-</u>	<u>\$ 566,865</u>
Total liabilities	<u>-</u>	<u>\$ 587,572</u>
Net assets:		
Held in trust.	<u>1,566</u>	
Total net assets	<u>\$ 1,566</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Private Purpose Trust</u>
Deductions:	
Miscellaneous	\$ 234
Total deductions	<u>234</u>
Changes in net assets	(234)
Net assets at beginning of year	\$ 1,800
Net assets at end of year	<u><u>1,566</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 1 - DESCRIPTION OF THE CITY

The City of Stow, Ohio, (the "City") is a home rule municipal corporation which was established under the laws of the State of Ohio and operates under its own charter. The current charter, which provides for a Mayor/Council form of government, was adopted in 1958 and became effective January 2, 1960. Amendments to the charter have been approved by the electorate in 1965, 1968, 1970, 1972, 1975, 1980, 1985, 1990, 1991, 1997, 1998, 2000 and 2002.

The City provides various services and consists of many different activities and smaller accounting entities which include police, fire-fighting and EMS forces, street and highway maintenance, building and zoning inspection, comprehensive community planning, various general government services and a water distribution system. The City offers numerous parks and recreation programs and operates a park system, three municipal cemeteries and a group of rental lodges available for public or private events.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (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 its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has the option to also apply FASB Statements and Interpretations issued after November 30, 1989 to its business-type activities and enterprise funds, subject to this same limitation. The City has elected not to apply these FASB Statements and Interpretations. The City's significant accounting policies are described below.

A. 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, boards, agencies and commissions that are not legally separate from the City.

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; (3) the City is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to, the organization; (4) or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes. The City has one component unit.

Stow Community Improvement Corporation (CIC) - The Stow Community Improvement Corporation was formed pursuant to Ohio Revised Code Section 1724. The Articles of Incorporation were approved on November 8, 1985. The CIC was designated as a not-for-profit agency of the City for advancing, encouraging and promoting the industrial, economic, commercial, and civic development of Stow and the surrounding territory surrounding Stow. The CIC had no financial activity from 1985 through 2007.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The Board of Trustees consists of seventeen members, which include the Mayor, Director of Planning and Development, Director of Finance, Law Director, City Council President, City Council Finance Committee Chairperson, Stow-Munroe Falls School District Treasurer or Designee, and City Council Chairperson. Trustees also include at least one representative of each of the following categories: private citizens, small business, commerce, industry, civic organizations, and financial institution. The CIC is dependent on the City for financial support and is therefore presented as a component unit of the City. Financial statements can be obtained from the Director of Finance, Stow Community Improvement Corporation, 3760 Darrow Road, Stow, Ohio 44224. Information relative to the component unit is presented in Note 18.

B. Basis of Presentation - Fund Accounting

The City's BFS 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 activities of the internal service funds are eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental 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 business segment or governmental functions are self-financing or draw 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. The internal service funds are presented in a single column on the face of the proprietary fund financial statements. Fiduciary funds are reported by type.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the City's proprietary funds are charges for services. Operating expenses for the enterprise funds include personnel and other expenses related to water, golf course and storm water operations and operating expenses for the internal service funds include claims and administrative expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. 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: governmental, proprietary and fiduciary. The following categories are used by the City:

Governmental Funds - Governmental funds are those through which most governmental functions typically 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 purposes 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 - The general 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 charter of the City of Stow and/or the general laws of Ohio.

EMS/fire tax levy fund - The EMS/fire tax levy fund is a special revenue fund that accounts for proceeds of levy money that is legally restricted to expenditures to provide EMS and fire protection services.

General capital improvements fund - The general capital improvements fund accounts for the portion of municipal income tax designated by Council for the purpose of improving, constructing, maintaining, and purchasing the capital items necessary to enhance the operation of the City.

Other governmental funds of the City are used to account for grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds - Proprietary fund reporting focuses on changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

Enterprise funds - The 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 accounts for revenues generated from the charges for the treatment and provisions of water to the residents and commercial users of the City.

Storm water utility fund - The storm water utility fund accounts for the provision of storm drainage runoff service to the residents and commercial users located within the City.

Golf fund - The golf fund accounts for revenues generated and expenses for the Fox Den golf course.

Internal service fund - Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service funds are the Administrative Insurance fund and the Self-Insurance fund which report on the administrative costs and the payments of premiums and claims for healthcare.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

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. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City's trust funds are private-purpose trust funds established to account for funds bequeathed and donated to the City for the Wells Perkins cemetery, scholarships and Stow seniors commission. The City's agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The City's agency funds account for building permit fees collected on behalf of the State, municipal court collections that are distributed to various local governments and performance bonds pledged by contractors. The City does not have pension trust funds or investment trust funds.

D. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All non-fiduciary assets and all liabilities associated with the operation of the City are included on the statement of net assets. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net assets.

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

Like the government-wide statements, all proprietary funds are accounted for on 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 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 proprietary activities. The private-purpose trust fund is accounted for using the flow of economic resources measurement focus.

The agency funds do not report on a measurement focus as they do not report operations.

E. 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. Governmental funds use the modified accrual basis of accounting. Proprietary and agency funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

Nonexchange 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 taxes is recognized in the period in which the income is earned (see Note 8). Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange 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 tax, State-levied locally shared taxes (including gasoline tax, local government funds and permissive tax), interest, grants, fees and rentals.

Unearned Revenue and Deferred Revenue - Unearned revenue and deferred revenue 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, 2008, but which were levied to finance year 2009 operations, and other revenues received in advance of the fiscal year for which they were intended to finance, have been recorded as unearned revenue. Income taxes and special assessments not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at December 31, 2008, are recorded as deferred revenue in the governmental funds.

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

F. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Tax Budget (or the Alternative Tax Budget as permitted by law), the certificate of estimated resources and the annual appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the annual appropriation ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. Budgets were not adopted in 2008 for the probation, indigent drivers, court technology, court clerk technology, and IDIA monitoring nonmajor special revenue funds because the funds had no cash-basis activity during the year. The legal level of budgetary control has been established by Council at the personal services and other object level within each department of each fund. For both the personal services and object levels the Finance Director has been authorized to allocate appropriations within any object level which he maintains on his books.

Estimated Resources - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate of estimated resources may be further amended during the year if the Finance Director determines and the Budget Commission agrees that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the original and final amended official certificate of estimated resources issued during 2008.

Appropriations - For management, a temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. The Annual Appropriation Ordinance must be passed by April 1 of each year for the period January 1 to December 31. Appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriations at any level of control.

Any revisions that alter the appropriations of the legal level of budgetary control within a fund must first be approved by City Council. Council may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources.

Formal budgetary integration is employed as a management control device during the year for all funds consistent with statutory provisions. Appropriation amounts are as originally adopted, or as amended by City Council throughout the year by supplemental appropriations which either reallocate or increase the original appropriation amounts. During the year, supplemental appropriation measures were legally enacted; however, none of these amendments were significant. The budgetary figures which appear in the statements of budgetary comparisons represent the original and final appropriation amounts, including all amendments and modifications.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Encumbrances - As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations at the legal level of budgetary control. On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balances for subsequent-year expenditures for governmental funds.

Lapsing of Appropriations - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding year and is not reappropriated.

G. Cash, Cash Equivalents and Investments

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. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

During 2008, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), repurchase agreements, and federal agency securities.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on December 31, 2008.

Following Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during 2008 amounted to \$434,585 of which \$327,553 was assigned from other City funds.

For purposes of the statement of cash flows and for presentation on the statement of net assets, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City, are considered to be cash equivalents. Investments with maturities greater than three months at the time of purchase are reported as investments. An analysis of the City's investment account at year-end is provided in Note 4.

H. Interfund Balances

On fund financial statements, long-term interfund loans are classified as "loans to/from other funds." These amounts are eliminated in the governmental and business-type activities columns of the 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 STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

I. Inventory

Inventories of all funds are stated at cost which is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as expenditures in the governmental fund types and as expenses in the proprietary fund type.

J. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the 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 utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by back trending (i.e. estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost of the acquisition year or estimated acquisition year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$5,000. The City's infrastructure consists of bridges, culverts, curbs, storm sewers, streets, irrigation systems, water and sewer lines and infrastructure acquired December 31, 1980 and later. 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 not. Interest incurred during the construction of capital assets is also capitalized for business-type activities.

All reported capital assets are depreciated except for land and construction in progress. 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 replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings and improvements	4 to 50 years	4 to 50 years
Infrastructure	20 to 75 years	20 to 75 years
Equipment, furniture and fixtures	3 to 15 years	3 to 15 years
Vehicles	15 years	15 years

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employee's 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 accumulated unused vacation time when earned for all employees with more than one year of service.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Sick leave benefits are accrued as a liability using the termination method. An accrual for sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments. In proprietary funds, the entire amount of compensated absences is reported as a fund liability. The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources based upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The City had no compensated absences to report in the governmental fund financial statements at December 31, 2008.

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary 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 and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, long-term notes and capital leases are recognized as a liability on the governmental fund financial statements when due.

M. Fund Balance Reserves

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditures. Fund balance reserves have been established for encumbrances, materials and supplies and loans.

N. 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 borrowing used for the acquisition, construction or improvement of those 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.

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

O. Unamortized Issuance Costs/Bond Premium and Discount/Accounting Gain or Loss

On government-wide financial statements, bond issuance costs are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Unamortized bond issuance costs are recorded as an asset on the financial statements.

Bond premiums are deferred and accreted over the term of the bonds. Bond premiums are presented as an addition to the face amount of the bonds.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

For advance refunding resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as an addition to or reduction of the face amount of the new debt.

On the governmental fund financial statements, issuance costs and bond premiums are recognized in the current period.

P. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are for water, golf course, storm water and self-insurance programs. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the funds. All revenues and expenses not meeting these definitions are reported as non-operating.

Q. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

R. Interfund Activity

Transfers between governmental and business-type activities on the government-wide 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 proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the Basic Financial Statements ("BFS").

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2008.

T. Estimates

The preparation of the BFS in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the BFS and accompanying notes. Actual results may differ from those estimates.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2008, the City has implemented GASB Statement No. 45, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", GASB Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations" and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 establishes uniform standards of financial reporting for other postemployment benefits and increases the usefulness and improves the faithfulness of representations in the financial reports. The implementation of GASB Statement No. 45 did not have an effect on the financial statements of the City; however, certain disclosures related to postemployment benefits (see Note 14) have been modified to conform to the new reporting requirements.

GASB Statement No. 49 addresses accounting and financial reporting standards for pollution remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The implementation of GASB Statement No. 49 did not have an effect on the financial statements of the City.

GASB Statement No. 50 establishes standards that more closely align the financial reporting requirements for pensions with those of other postemployment benefits. The implementation of GASB Statement No. 50 did not have an effect on the financial statements of the City.

B. Deficit Fund Balances

Fund balances/net assets, at December 31, 2008 included the following individual fund deficits:

<u>Major governmental fund</u>	<u>Deficit</u>
EMS/fire tax levy	\$ 135,616
 <u>Nonmajor governmental funds</u>	
Police pension and disability	162,817
Fire pension and disability	143,922
DARE	768
 <u>Major enterprise fund</u>	
Golf	202,659

These funds complied with Ohio State law, which does not permit a cash basis deficit at year-end. The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur.

NOTE 4 - DEPOSITS AND INVESTMENTS

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 STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 4 - 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 in interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts. Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or 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 items (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. High grade commercial paper for a period not to exceed 180 days in an amount not to exceed twenty-five percent of the City's interim monies available for investment; and,
8. Bankers acceptances for a period not to exceed 180 days and in an amount not to exceed twenty-five percent of the City's interim monies available for investment.

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

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

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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.

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 treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash with Fiscal and Escrow Agent

At year-end, the City had \$4,250,675 held in escrow with the Ohio Department of Transportation for the Seasons Rd./State Route 8 project. This amount is not included in the City's depository balance detailed in Note 4.D. \$1,076,260 of the amount held in escrow is due to the City of Hudson for its share of the project and has been reported on the financial statements as "intergovernmental payable" in the capital projects fund.

B. Deposits with Financial Institutions

At December 31, 2008, the carrying amount of all City deposits was \$2,798,251 exclusive of the \$7,915,000 repurchase agreement included in investments below. As of December 31, 2008, the City's bank balance was \$3,216,670, of which \$2,250,000 was exposed to custodial risk as discussed below, while \$966,670 was covered by the Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. As permitted by Ohio Revised Code, the City's deposits are collateralized by a pool of eligible securities deposited with Federal Reserve Banks, or at member banks of the Federal Reserve System, in the name of the depository bank and pledged as a pool of collateral against all public deposits held by the depository. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Investments

As of December 31, 2008, the City had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>				
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>Greater than 24 months</u>
FHLB	\$ 499,250	\$ 499,250	\$ -	\$ -	\$ -	\$ -
FFCB	509,375	-	-	-	509,375	-
FHLMC	1,523,755	-	-	1,021,230	-	502,525
STAR Ohio	4,025,888	4,025,888	-	-	-	-
Repurchase agreement	7,915,000	7,915,000	-	-	-	-
Total	<u>\$ 14,473,268</u>	<u>\$ 12,440,138</u>	<u>\$ -</u>	<u>\$ 1,021,230</u>	<u>\$ 509,375</u>	<u>\$ 502,525</u>

The weighted average maturity of the City's investments is 0.24 years.

Interest Rate Risk: The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City's investment policy addresses interest rate risk by requiring the consideration of market conditions and cash flow requirements in determining the term of an investment.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with investment custodial risk beyond the requirement in Ohio law that prohibits payments for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee. The City's investment in repurchase agreements is collateralized by underlying securities pledged by the investment's counterparty, not in the name of the City. Ohio law requires the market value of the securities subject to a repurchase agreement must exceed the principal value of securities subject to a repurchase agreement by 2%.

Credit Risk: STAR Ohio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating. The City's investments in federal agency securities, and the federal agency securities that underlie the repurchase agreement, were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively.

Concentration of Credit Risk: The City's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

The following table includes the percentage of each investment type held by the City at December 31, 2008:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FHLB	\$ 499,250	3.45
FFCB	509,375	3.52
FHLMC	1,523,755	10.53
STAR Ohio	4,025,888	27.82
Repurchase agreement	<u>7,915,000</u>	<u>54.68</u>
Total	<u>\$ 14,473,268</u>	<u>100.00</u>

D. Reconciliation of Cash and Investments to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets as of December 31, 2008:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 2,798,251
Cash with fiscal and escrow agent	4,250,675
Investments	<u>14,473,268</u>
Total	<u>\$ 21,522,194</u>
 <u>Equity in pooled cash and investments per statement of net assets</u>	
Governmental activities	\$ 17,695,498
Business type activities	3,237,708
Private purpose trust funds	1,566
Agency funds	<u>587,422</u>
Total	<u>\$ 21,522,194</u>

NOTE 5 - INTERFUND TRANSACTIONS

Interfund loan receivable/payable balances at December 31, 2008, consist of the following:

<u>Payable fund</u>	<u>Receivable Fund</u>
	<u>General</u>
Water	\$ 200,000

The \$200,000 loan from the general fund to the water fund will be repaid in accordance with the approved repayment schedule of \$50,000 per year through 2012

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

Interfund loan balances between governmental funds are eliminated for reporting on the government-wide statement of net assets. Interfund loan balances between governmental activities and business-type activities are reported as a component of the “internal balances” reported on the statement of net assets.

Interfund transfers for the year ended December 31, 2008, consisted of the following:

<u>Transfer To</u>	<u>Transfers From</u>
	<u>General</u>
Nonmajor governmental	\$ 764,445

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

Governmental activities received \$72,408 in capital contributions from the water enterprise fund during 2008. This amount, which is not included in the schedule above, is shown as a transfer on the statement of revenues, expenses, and changes in net assets - proprietary funds. This amount is included in transfers in governmental activities and business-type activities on the statement of activities.

NOTE 6 - RECEIVABLES

Receivables at December 31, 2008, consisted primarily of taxes, accounts (billings for user charged services, rents and royalties), special assessments, accrued interest, loans receivable and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are deemed collectible in full.

NOTE 7 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Fiscal Officer at 35 percent of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2008 public utility property taxes became a lien December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 7 - PROPERTY TAXES - (Continued)

Tangible personal property tax revenues received in 2008 (other than public utility property) represent the collection of 2008 taxes. Tangible personal property taxes received in 2008 were levied after October 1, 2007, on the true value as of December 31, 2007. Tangible personal property tax is being phased out - the assessment percentage for property, including inventory, is 6.25% for 2008. This percentage will be reduced to zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City due to the phasing out of the tax. In calendar years 2008-2010, the City will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the County, including the City of Stow. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2008 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by unearned revenue since the current taxes were not levied to finance 2008 operations and the collection of delinquent taxes has been offset by deferred revenue since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

The full tax rate for all City operations for the year ended December 31, 2008 was \$9.50 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2008 property tax receipts were based are as follows:

Real property

Residential/agricultural	\$ 647,520,880
Commercial/industrial/mineral	171,104,170
Tangible personal property	13,619,113

Public utility

Real	11,250
Personal	<u>6,903,620</u>
Total assessed value	<u>\$ 839,159,033</u>

NOTE 8 - INCOME TAX

The City levies and collects a municipal income tax of two percent on all income earned within the City as well as on income of residents earned outside of the City. In the latter case, the City allows a credit of 100 percent on the income earned outside of the City and paid to another municipality. 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 required to pay their estimated tax at least quarterly and file a final return annually.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 8 - INCOME TAX - (Continued)

Income tax revenues are distributed among the general fund (60 percent) and the general capital improvement fund and further distribution to other funds, including the street construction fund to be used for existing and future capital projects and/or expansion or for debt service for existing and future capital improvements (40 percent). In accordance with the City's Charter, all income tax revenues are first recorded in the general fund. Subsequently, 40 percent of those revenues, net of collection expenditures, are distributed to the capital improvement fund and other funds mentioned above.

Accordingly, the capital projects portion of income tax revenues approximated \$2,385,828, the EMS/fire levy was \$100,000, the street construction fund portion was \$1,125,000, the general bond retirement fund was \$898,586, and the golf fund was \$300,000 for 2008. Income tax receivable amounts are reported within the general fund and capital projects fund.

NOTE 9 - CAPITAL ASSETS

A. Capital asset activity for the year ended December 31, 2008, was as follows:

<u>Governmental activities:</u>	<u>Balance</u> <u>12/31/07</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/08</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 11,315,360	\$ 12,155	\$ -	\$ 11,327,515
Construction in progress	<u>3,108,666</u>	<u>12,711,643</u>	<u>-</u>	<u>15,820,309</u>
Total capital assets, not being depreciated	<u>14,424,026</u>	<u>12,723,798</u>	<u>-</u>	<u>27,147,824</u>
<i>Capital assets, being depreciated:</i>				
Buildings and building improvements	22,823,510	81,403	(17,062)	22,887,851
Vehicles	8,397,294	622,189	(106,241)	8,913,242
Equipment, furniture and fixtures	4,373,365	965,678	(19,000)	5,320,043
Infrastructure	<u>20,432,001</u>	<u>1,563,917</u>	<u>(702,124)</u>	<u>21,293,794</u>
Total capital assets, being depreciated	<u>56,026,170</u>	<u>3,233,187</u>	<u>(844,427)</u>	<u>58,414,930</u>
<i>Less: accumulated depreciation:</i>				
Buildings and building improvements	(6,305,847)	(724,059)	17,062	(7,012,844)
Vehicles	(4,485,155)	(636,699)	106,241	(5,015,613)
Equipment, furniture and fixtures	(3,370,312)	(473,011)	19,000	(3,824,323)
Infrastructure	<u>(7,688,179)</u>	<u>(861,555)</u>	<u>379,250</u>	<u>(8,170,484)</u>
Total accumulated depreciation	<u>(21,849,493)</u>	<u>(2,695,324)</u>	<u>521,553</u>	<u>(24,023,264)</u>
Total capital assets, being depreciated, net	<u>34,176,677</u>	<u>537,863</u>	<u>(322,874)</u>	<u>34,391,666</u>
Governmental activities capital assets, net	<u>\$ 48,600,703</u>	<u>\$ 13,261,661</u>	<u>\$ (322,874)</u>	<u>\$ 61,539,490</u>

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 331,894
Security of persons and property	1,064,318
Public health	11,126
Leisure time activities	159,022
Community and economic development	45,206
Transportation	<u>1,083,758</u>
Total depreciation expense	<u>\$ 2,695,324</u>

B. Capital asset activity for the year ended December 31, 2008 was as follows:

	Balance <u>12/31/07</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>12/31/08</u>
<u>Business-type activities:</u>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 5,377,376	\$ -	\$ -	\$ 5,377,376
Construction in progress	<u>1,606,646</u>	<u>1,373,582</u>	<u>(1,616,083)</u>	<u>1,364,145</u>
Total capital assets, not being depreciated	<u>6,984,022</u>	<u>1,373,582</u>	<u>(1,616,083)</u>	<u>6,741,521</u>
<i>Capital assets, being depreciated:</i>				
Buildings and building improvements	3,415,841	-	(17,872)	3,397,969
Vehicles	439,455	294,212	-	733,667
Equipment, furniture and fixtures	346,879	-	-	346,879
Infrastructure	<u>23,632,343</u>	<u>1,948,758</u>	<u>-</u>	<u>25,581,101</u>
Total capital assets, being depreciated	<u>27,834,518</u>	<u>2,242,970</u>	<u>(17,872)</u>	<u>30,059,616</u>
<i>Less: accumulated depreciation:</i>				
Buildings and building improvements	(515,730)	(84,429)	17,872	(582,287)
Vehicles	(137,847)	(28,832)	-	(166,679)
Equipment, furniture and fixtures	(246,153)	(63,003)	-	(309,156)
Infrastructure	<u>(4,516,798)</u>	<u>(482,769)</u>	<u>-</u>	<u>(4,999,567)</u>
Total accumulated depreciation	<u>(5,416,528)</u>	<u>(659,033)</u>	<u>17,872</u>	<u>(6,057,689)</u>
Total capital assets, being depreciated, net	<u>22,417,990</u>	<u>1,583,937</u>	<u>-</u>	<u>24,001,927</u>
Business-type activities capital assets, net	<u>\$ 29,402,012</u>	<u>\$ 2,957,519</u>	<u>\$ (1,616,083)</u>	<u>\$ 30,743,448</u>

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to business - type activities as follows:

Water	\$	411,432
Golf		5,004
Storm water utility		<u>242,597</u>
Total depreciation expense	\$	<u><u>659,033</u></u>

NOTE 10 - LEASES

A. Capital Leases - Lessee Disclosure

During 2008, the City entered into a capital lease agreement for two road rescue/EMS vehicles, a vactor truck, and dispatch consoles and cabinetry. The principal and interest payments for the road rescue/EMS vehicles and dispatch consoles and cabinetry will be paid from the governmental funds and the principal and interest payments for the vactor truck will be paid from the storm water utility enterprise fund.

The lease agreements meet the criteria of a capital lease as defined by FASB Statement 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 in governmental funds have been reclassified and are reflected as debt service expenditures in the combined BFS and are reported as function expenditures on the budgetary statements. In the enterprise fund a liability has been recorded.

Capital assets have been capitalized in the statement of net assets in the amount of \$907,731 in governmental activities. This amount represents the present value of the minimum lease payments at the time of acquisition. A liability of \$907,731 is reported on the statement of net assets at year-end, which represents the amount of principal payments the EMS/fire levy fund and the capital projects fund will be making. Principal and interest payments on the capital lease begin in 2009, there were no payments made during 2008.

The vactor truck has been capitalized in the storm water utility enterprise fund in the amount of \$291,483. The amount of \$291,483 represents the present value of the minimum lease payments at the time of acquisition for the lease and has been recorded as a liability in the storm water utility fund. Principal and interest payments on the capital lease begin in 2009, there were no payments made during 2008.

The assets acquired through capital leases are as follows:

	<u>Governmental activities</u>	<u>Business-type activities</u>
Assets:		
Equipment	\$ 666,960	\$ -
Vehicles	<u>240,771</u>	<u>291,483</u>
Less: accumulated depreciation	<u>(29,954)</u>	<u>(1,619)</u>
Total	<u><u>\$ 877,777</u></u>	<u><u>\$ 289,864</u></u>

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 10 - LEASES - (Continued)

<u>Year Ending December 31,</u>	<u>Governmental activities</u>	<u>Business-type activities</u>
2009	\$ 112,870	\$ 36,245
2010	112,870	36,244
2011	112,869	36,244
2012	110,597	35,514
2013	112,871	36,244
2014 - 2018	<u>564,349</u>	<u>181,218</u>
Total	1,126,426	361,709
Less: amount representing interest	<u>(218,695)</u>	<u>(70,226)</u>
Present value of net minimum lease payments	<u>\$ 907,731</u>	<u>\$ 291,483</u>

B. Operating Leases - Lessee Disclosure

In February 2006 the City acquired a golf course and the City assumed an existing operating lease agreement with George and Patricia Hanson to use their premises to operate a driving range. The lease is for a period of five years, commencing April 1, 2004, and ending on March 31, 2009. The lease payments were \$1,800 per month for thirty-six consecutive months beginning April 1, 2004, then \$1,854 for twelve consecutive months beginning April 1, 2007, and then \$1,910 for twelve consecutive months beginning April 1, 2008. The amount of the future lease payments required under the operating lease at December 31, 2008 is \$5,730.

The City assumed an existing operating lease agreement with South East Golf Car Company to lease fifty eight golf cars for use on the golf course acquired by the City in February 2006. The lease is for a period of five years, commencing October 22, 2004, and ending on October 22, 2009. The lease payments are \$900 per car per year, or \$52,200 per year with payments due in five equal monthly installments of \$10,440 due on the tenth day of the months of May through September for each year of the agreement. The amount of the future lease payments required under the operating lease at December 31, 2008 is \$52,200.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 11 - LONG-TERM OBLIGATIONS

The original issue date, interest rate, original issue amount and date of maturity of each of the City's debt issues follows:

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
Business-type activities:			
OWDA water construction loan	8.09%	\$ 120,663	1/1/2009
OPWC Lillian Road waterline improvement	0.00%	231,688	7/1/2025
Golf course general obligation bonds	4.25%-5.25%	5,500,000	12/1/2032
Service center general obligation bonds	3.25%-6.25%	546,068	12/1/2033
2007 Water meter reading system notes	2.25%	1,200,000	5/7/2009
Governmental activities:			
Safety center construction general obligation bond	2.00%-4.05%	6,440,000	12/1/2018
Courthouse general obligation bonds	4.25%-5.25%	4,200,000	12/1/2035
Service center general obligation bonds	3.25%-6.25%	5,923,932	12/1/2033
Fire station general obligation bonds	3.25%-6.25%	2,150,000	12/1/2033
2008 Fire rescue vehicles note	2.25%	775,000	5/7/2009
2008 Municipal court construction note	2.25%	5,000,000	5/7/2009
2008 Rt. 8/Seasons Rd. construction note	2.25%	2,750,000	5/7/2009
2008 Steels Corners construction note	2.25%	950,000	5/7/2009

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Long-term obligations activity for the year ended December 31, 2008 was as follows:

Governmental activities:	<u>Balance</u> <u>12/31/2007</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at</u> <u>12/31/2008</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
<u>General obligation bonds:</u>					
Safety center construction					
general obligation bonds	\$ 4,970,000	\$ -	\$ (385,000)	\$ 4,585,000	\$ 395,000
Less: deferred unamortized charges	(362,451)	-	32,950	(329,501)	-
Service center construction					
general obligation bonds	-	5,923,932	-	5,923,932	137,340
Add: unamortized premium	-	124,640	(3,248)	121,392	-
Fire station construction					
general obligation bonds	-	2,150,000	-	2,150,000	50,000
Add: unamortized premium	-	45,080	(1,175)	43,905	-
Municipal court general					
obligation bonds	4,200,000	-	(5,000)	4,195,000	85,000
Add: unamortized premium	<u>58,640</u>	<u>-</u>	<u>(2,101)</u>	<u>56,539</u>	<u>-</u>
Total general obligation bonds	<u>8,866,189</u>	<u>8,243,652</u>	<u>(363,574)</u>	<u>16,746,267</u>	<u>667,340</u>
<u>Long-term notes:</u>					
2007 Construction note	3,275,000	-	(3,275,000)	-	-
2007 Construction note	5,000,000	-	(5,000,000)	-	-
2007 Construction note	6,290,172	-	(6,290,172)	-	-
2008 Construction note	-	775,000	-	775,000	100,000
2008 Construction note	-	5,000,000	-	5,000,000	-
2008 Construction note	-	2,750,000	-	2,750,000	750,000
2008 Construction note	<u>-</u>	<u>950,000</u>	<u>-</u>	<u>950,000</u>	<u>50,000</u>
Total long-term notes	<u>14,565,172</u>	<u>9,475,000</u>	<u>(14,565,172)</u>	<u>9,475,000</u>	<u>900,000</u>
<u>Other debt:</u>					
Capital lease obligation	-	907,731	-	907,731	75,008
Compensated absences	<u>5,082,097</u>	<u>673,232</u>	<u>(949,455)</u>	<u>4,805,874</u>	<u>1,040,559</u>
Total other debt	<u>5,082,097</u>	<u>1,580,963</u>	<u>(949,455)</u>	<u>5,713,605</u>	<u>1,115,567</u>
Total governmental activities	<u>\$ 28,513,458</u>	<u>\$ 19,299,615</u>	<u>\$ (15,878,201)</u>	<u>\$ 31,934,872</u>	<u>\$ 2,682,907</u>

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Business-type activities:	<u>Balance</u> <u>12/31/2007</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at</u> <u>12/31/2008</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
<u>Loans payable:</u>					
OWDA water construction	\$ 25,984	\$ -	\$ (25,984)	\$ -	\$ -
OPWC Lillian Road water line Improvement	<u>208,520</u>	<u>-</u>	<u>(11,584)</u>	<u>196,936</u>	<u>11,584</u>
Total loans	<u>234,504</u>	<u>-</u>	<u>(37,568)</u>	<u>196,936</u>	<u>11,584</u>
<u>General obligation bonds:</u>					
Golf course general obligation bonds	5,500,000	-	(10,000)	5,490,000	145,000
Add: unamortized premium	85,207	-	(3,420)	81,787	-
Service center general obligation bonds	-	546,068	-	546,068	12,660
Add: unamortized premium	<u>-</u>	<u>10,363</u>	<u>(270)</u>	<u>10,093</u>	<u>-</u>
Total general obligation bonds	<u>5,585,207</u>	<u>556,431</u>	<u>(13,690)</u>	<u>6,127,948</u>	<u>157,660</u>
<u>Long-term notes:</u>					
2007 Water system anticipation	400,000	-	(400,000)	-	-
2007 Construction note	579,828	-	(579,828)	-	-
2007 Water meter note	1,600,000	-	(1,600,000)	-	-
2008 Water meter note	<u>-</u>	<u>1,200,000</u>	<u>-</u>	<u>1,200,000</u>	<u>200,000</u>
Total long-term notes	<u>2,579,828</u>	<u>1,200,000</u>	<u>(2,579,828)</u>	<u>1,200,000</u>	<u>200,000</u>
<u>Other debt:</u>					
Capital lease obligation	-	291,483	-	291,483	24,087
Compensated absences	<u>224,832</u>	<u>36,135</u>	<u>(35,778)</u>	<u>225,189</u>	<u>35,509</u>
Total other debt	<u>224,832</u>	<u>327,618</u>	<u>(35,778)</u>	<u>516,672</u>	<u>59,596</u>
Total business-type activities	<u>\$ 8,624,371</u>	<u>\$ 2,084,049</u>	<u>\$ (2,666,864)</u>	<u>\$ 8,041,556</u>	<u>\$ 428,840</u>

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. During 2004, general obligation bonds totaling \$6,440,000 were issued to refund general obligation bonds of \$5,820,000. During 2007, the City issued \$4,200,000 in general obligation bonds to finance the construction of the Municipal Courthouse. During 2008, the City issued \$6,470,000 and \$2,150,000 in general obligation bonds to retire notes issued to finance the construction of the service and parks maintenance center building and the fire station, respectively. Approximately 8.44 percent of the service and parks maintenance center construction bond is being used to finance the water department maintenance and operational areas of the new service building. Therefore, \$546,068 (approximately 8.44 percent) of the above mentioned \$6,470,000 bond will be allocated to the water fund. General obligation bonds are direct obligations and pledge the full faith and credit of the government. The general obligation bonds will be repaid from income tax monies allocated into the debt service fund from the capital projects funds.

Loans Payable

The OWDA and the OPWC loans will be repaid with operating revenue from the water fund. The OWDA loan was assumed by the City from Summit County.

Notes Payable

During 2008 the City retired \$14,565,172 in governmental notes payable, of which the service and parks maintenance center and fire station note were retired through the issuance of general obligation bonds. The City retired \$2,579,828 in notes from business-type activities during 2008. The water system anticipation note was paid in full and the water portion (8.44 percent) of the service and parks maintenance center note was retired through the issuance of general obligation bonds.

The \$775,000 note in governmental activities is being used to finance the purchase of fire/rescue vehicles and is accounted for in the EMS/fire levy fund. The City reissued \$5,000,000 in municipal courthouse construction notes during 2008. The City issued two new notes in the amounts of \$2,750,000 and \$950,000 in 2008 to finance the Rt.8/Seasons Rd. interchange and Steels Corners upgrade. The \$1,200,000 note in the water fund is being used to finance the installation of the automated water meter reading system.

Compensated Absences

Compensated absences will be paid from the funds from which the employees' salaries are paid. For the City, compensated absences will be paid from the general, EMS/fire tax levy, water, and storm water utility funds.

Capital Lease Obligations

See Note 10 for detail on the capital lease obligations the City entered into during 2008.

Legal Debt Margin

As of December 31, 2008, the City's overall legal debt margin (the ability to issue additional amounts of general obligation debt) was \$63,791,692 and the unvoted legal debt margin was \$45,404,696.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The annual requirements to amortize all long-term debt outstanding as of December 31, 2008 are as follows:

Year Ended	Governmental Activities			Business-Type Activities		
	General Obligation		Bonds Payable	General Obligation		Bonds Payable
	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 667,340	\$ 671,466	\$ 1,338,806	\$ 157,660	\$ 256,512	\$ 414,172
2010	696,327	649,657	1,345,984	158,673	248,488	407,161
2011	715,990	625,024	1,341,014	164,010	240,431	404,441
2012	750,146	599,854	1,350,000	174,854	232,101	406,955
2013	779,470	572,615	1,352,085	180,530	223,218	403,748
2014 - 2018	4,353,659	2,339,283	6,692,942	1,006,341	976,588	1,982,929
2019 - 2023	2,269,584	1,624,874	3,894,458	1,230,416	759,550	1,989,966
2024 - 2028	2,762,050	1,143,759	3,905,809	1,492,950	496,539	1,989,489
2029 - 2033	3,364,366	534,252	3,898,618	1,470,634	161,820	1,632,454
2034 - 2035	495,000	31,876	526,876	-	-	-
Total	\$ 16,853,932	\$ 8,792,660	\$ 25,646,592	\$ 6,036,068	\$ 3,595,247	\$ 9,631,315

Year Ended	Business-Type Activities		
	OPWC Loan Payable		
	Principal	Interest	Total
2009	\$ 11,584	\$ -	\$ 11,584
2010	11,584	-	11,584
2011	11,584	-	11,584
2012	11,584	-	11,584
2013	11,584	-	11,584
2014 - 2018	57,921	-	57,921
2019 - 2023	57,925	-	57,925
2024 - 2025	23,170	-	23,170
Total	\$ 196,936	\$ -	\$ 196,936

NOTE 12 - RISK MANAGEMENT

A. Liability Insurance

The City is exposed to various risks of loss related to torts, theft, damage to or destruction of assets, errors and omissions, employee injuries, and natural disasters. The City has a comprehensive property and casualty policy with a deductible of \$1,000 per incident. The City's vehicle liability insurance policy limit is \$1,000,000 with a \$500 collision deductible; vehicles with a cost of over \$100,000 have a \$2,000 deductible. All Council members, administrators and employees are covered under a City liability policy. The limits of this coverage are \$1,000,000 per occurrence and \$1,000,000 in aggregate. The general liability aggregate is \$2,000,000. The City also carries a \$10,000,000 umbrella liability extending coverage of the general, automobile and employers/public official's liability. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a reduction of coverage from the prior year.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 12 - RISK MANAGEMENT - (Continued)

B. Fidelity Bond

The Finance Director, Assistant Finance Director and Tax Administrator have a \$100,000 position bond. All other City employees who are specifically bonded are covered by a \$100,000 general faithful performance and honesty blanket position bond.

C. Workers' Compensation

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

D. Employee Health Insurance

The City has elected to provide employee medical, prescription and dental benefits through a self-insurance program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risk of loss in this program. This plan provides a medical plan with a \$600.00 family and \$300.00 single deductible and a dental plan with a \$75.00 family and \$25.00 single deductible. A third party administrator, Professional Benefits Administrators, Inc. reviews all medical and dental claims which are then paid by the City. The City has purchased stop-loss coverage of \$125,000 per employee and for claims in excess of \$2,361,126 in the aggregate from Madison National Life Insurance Company. The City pays into the self-insurance internal service fund \$788.99 per month for each employee with family medical coverage and \$252.37 per month for each employee with individual medical coverage. Premiums for dental coverage are \$87.66 monthly for each employee with family coverage and \$28.07 monthly for each employee with individual coverage. All premiums are paid by the fund that pays the salary for the employee.

The claims liability of \$505,000 reported in the self-insurance internal service fund at December 31, 2008 is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Services", which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The claims liability is based on an estimate supplied by the City's third party administrator.

A summary of the fund's claims liability during the past two years is as follows:

	<u>Balance at</u> <u>Beginning</u> <u>of Year</u>	<u>Current</u> <u>Claims</u>	<u>Claims</u> <u>Payment</u>	<u>Balance at</u> <u>End of Year</u>
2008	\$ 523,336	\$ 2,363,316	\$ (2,381,652)	\$ 505,000
2007	195,386	2,536,917	(2,208,967)	523,336

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 13 - PENSION PLANS

A. Ohio Public Employees Retirement System

Plan Description - The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2008, member and contribution rates were consistent across all three plans. While members in the State and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan. The 2008 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 10.10%.

The City's contribution rate for 2008 was 14.00%, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.40% of covered payroll. For 2008, a portion equal to 7.00% of covered payroll was allocated to fund the post-employment health care plan.

The City's contribution rate for pension benefits for 2008 was 7.00%, except for those plan members in law enforcement and public safety. For those classifications, the City's pension contributions were 10.40% of covered payroll. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2008, 2007, and 2006 were \$660,607, \$697,990, and \$739,293, respectively; 92.00% has been contributed for 2008 and 100% has been contributed for 2007 and 2006.

B. Ohio Police and Fire Pension Fund

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

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 13 - PENSION PLANS - (Continued)

Funding Policy - Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute. For 2008, the portion of the City's contributions to fund pension obligations was 12.75% for police officers and 17.25% for firefighters. The City's required contributions for pension obligations to OP&F for police officers and firefighters were \$384,500 and \$609,637 for the year ended December 31, 2008, \$362,858 and \$598,949 for the year ended December 31, 2007, and \$317,591 and \$557,820, for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 73.12% has been contributed for police and firefighters for 2008.

NOTE 14 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

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

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

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2008, local government employers contributed 14.00% of covered payroll (17.40% for public safety and law enforcement). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The amount of the employer contributions which was allocated to fund post-employment healthcare for 2008 was 7.00% of covered payroll.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2008, 2007, and 2006 were \$660,607, \$463,759, and \$361,611, respectively; 92.00% has been contributed for 2008 and 100% has been contributed for 2007 and 2006.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 14 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

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

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

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

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

Funding Policy - The OP&F's post-employment healthcare plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2008, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$203,559 and \$238,554 for the year ended December 31, 2008, \$191,971 and \$234,082 for the year ended December 31, 2007, and \$209,094 and \$266,139, for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 73.12% has been contributed for police and firefighters for 2008.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 15 - COMPENSATED ABSENCES

Full-time City employees earn and accumulate paid vacation leave for each work hour or paid service hour completed for the City. The maximum base used for accumulation of vacation pay is eighty hours per pay period. Based upon length of service, employees can earn vacation at rates varying from two weeks to six weeks per year. Part-time employees may earn partial vacation credits while seasonal employees are ineligible for vacation benefits. Upon termination from the City, an employee is entitled to compensation at his or her current base rate of pay for all earned, but unused vacation leave to his or her credit at the time of termination, subject to the maximum amount which can be accumulated at any time, provided the 50th week of employment had been reached. In the case of death, unused vacation leave is paid in the name of the employee to his or her spouse.

Full-time City employees and certain part-time employees earn sick leave at the rate of .05769 hours for every paid service hour completed for the City. The maximum base used for accumulation of sick pay is 80 hours per pay period. Sick leave to be paid for time away from work due to illness may be accumulated without limit. For employees hired prior to July 1, 1996, an employee or his/her estate is paid upon retirement or death 100 percent of the unused amount accumulated equivalent up to 1,000 hours and 50 percent of unused sick leave up to a maximum hours of an additional 1,000 hours at the current base rate, but only to the extent such benefits have been earned as employees of the City. In the case of retirement or death of an employee hired on or after July 1, 1996, the employee or his/her estate is paid 100 percent of the unused amount accumulated to a maximum of 1,000 hours and is not eligible to receive cash payment of 50 percent of unused sick leave up to a maximum of an additional 1,000 hours. The entitlement award for firefighters is prorated according to their respective work year.

Full-time police officers, communication specialists and firefighters are permitted to accumulate holiday time. Police department employees must use their accumulated holiday time prior to April 1 of the following year and the employees of the fire department by July 1 of the following year.

As of December 31, 2008, the liability for compensated absences was \$5,031,063 for the entire City.

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balances - budget and actual (non-GAAP budgetary basis) presented for the general fund and EMS/fire tax levy fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues and other sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP);
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP);
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP);
4. Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,
5. Unreported 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 statement.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statements for the general fund and major special revenue fund.

Net Change in Fund Balance

	<u>General</u>	<u>EMS/Fire Tax Levy</u>
Budget basis	\$ (790,617)	\$ (124,974)
Net adjustment for revenue accruals	325,495	10
Net adjustment for expenditure accruals	(10,107)	(237,321)
Net adjustment for other sources/uses	(50,000)	240,771
Adjustment for encumbrances	<u>277,105</u>	<u>11,955</u>
GAAP basis	<u>\$ (248,124)</u>	<u>\$ (109,559)</u>

NOTE 17 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the reporting units included herein or on the overall financial position of the City at December 31, 2008.

B. Litigation

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

NOTE 18 - STOW COMMUNITY IMPROVEMENT CORPORATION

The Stow Community Improvement Corporation (“CIC”) was formed pursuant to Ohio Revised Code Section 1724. The Articles of Incorporation were approved on November 8, 1985. The CIC was designated as a not-for-profit agency of the City for advancing, encouraging and promoting the industrial, economic, commercial, and civic development of Stow and the territory surrounding Stow.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 18 - STOW COMMUNITY IMPROVEMENT CORPORATION - (Continued)

The City of Stow (the “City”) is a charter municipal corporation incorporated under the laws of the State of Ohio. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, the City’s financial statements include all organizations, activities and functions which comprise the primary government and those legally separate entities for which the City is financially accountable. The CIC is dependent on the City for financial support and is therefore presented as a discretely presented component unit of the City. The CIC does not include any other units in its presentation.

Summary of Significant Accounting Policies

The basic financial statements (BFS) of the CIC have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The CIC’s significant accounting policies are described below.

A. Basis of Accounting

The financial statements of the CIC are prepared using the accrual basis of accounting.

B. Federal Income Tax

The Stow Community Improvement Corporation is exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code.

C. Cash

All monies received by the CIC are deposited in a demand deposit account.

D. Net Assets

Net assets represent the difference between assets and liabilities.

E. Estimates

The preparation of financial statements in conformity with GAAP 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.

Deposits

At December 31, 2008, the carrying amount of the CIC’s deposits was \$39,100. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of December 31, 2008, the entire bank balance of \$39,100 was covered by the Federal Deposit Insurance Corporation.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 19 - SIGNIFICANT SUBSEQUENT EVENTS

Effective January 1, 2009, the City assumed responsibility for the operations of the Municipal Court from the City of Cuyahoga Falls.

The City entered into a capital lease agreement on February 27, 2009, in the amount of \$316,596 for furniture to furnish the new Municipal Court. Principal and interest payments are due annually beginning in 2010 through 2014 and the lease bears an annual interest rate of 4.16%.

The following notes were due and refinanced in 2009:

- The \$775,000 2008 fire/rescue vehicles notes were retired and \$675,000 was refinanced on May 7, 2009.
- The \$5,000,000 2008 municipal courthouse construction notes were retired and \$5,000,000 was refinanced on May 7, 2009.
- The \$1,200,000 2008 water meter notes were retired and \$1,000,000 was refinanced on May 7, 2009.
- The \$2,750,000 2008 Rt. 8/Seasons Rd. interchange notes were retired and \$2,000,000 was refinanced on May 7, 2009.
- The \$950,000 2008 Steels Corners upgrade notes were retired and \$900,000 was refinanced on May 7, 2009.

On April 22, 2009, the City renewed the operating lease to lease the premises of the golf course driving range. The lease period commences April 1, 2009 and ends on April 1, 2012 with monthly lease payments established at \$2,000 per month for thirty-six months.

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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CITY OF STOW, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

GENERAL FUND

The general 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 charter of the City and/or the general laws of Ohio.

Since there is only one general fund and the level of budgetary control is not greater than that presented in the basic financial statements, no additional financial statements have been presented herein.

SPECIAL REVENUE FUNDS

The special revenue funds are used to account for all specific financial resources (other than major capital projects) that are legally restricted for specified expenditure purposes. The following are the special revenue funds which the City operates:

Nonmajor Special Revenue Funds

Street Construction Fund

This fund accounts for the portion of state gasoline tax and motor vehicle registration fees designated for the maintenance of the streets within the City.

State Highway Improvement Fund

This fund accounts for the portion of the state gasoline tax and motor vehicle registration fees designated for maintenance of state highways within the City.

Police Pension and Disability Fund

This fund accounts for property taxes levied and other monies for the payment of the accrued liability for police disability and pension benefits.

Fire Pension and Disability Fund

This fund accounts for property taxes levied and other monies for the payment of the accrued liability for fire disability and pension benefits.

Motor Vehicle License Tax Fund

This fund accounts for the additional motor vehicle registration fees designated for maintenance and repair of streets within the City.

ODNR Litter Prevention Grant Fund

This fund accounts for grants received from the Ohio Department of Natural Resources and Summit County for the City's litter prevention program.

EMS Transport Fees Fund

This fund accounts for EMS transport fees collected and to disburse collections in accordance with City policy.

Police Enforcement and Education Fund

This fund accounts for proceeds of fines imposed by the Municipal Court for alcohol related offenses involving the operation of a motor vehicle. Fines collected are used for law enforcement and educating the public of the dangers of operating a motor vehicle while under the influence of alcohol.

CITY OF STOW, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

Nonmajor Special Revenue Funds (Continued)

Special Assessment Improvements Fund

This fund accounts for the collected taxes levied by special assessment where specified improvements were levied to specific taxpayers and expenditures to pay the related applicable debt payments and the costs associated with collection and payment.

Tree Trust Fund

This fund accounts for donations or restitutions for damages for planting and relocation of trees and other greenery within the City.

Communications Tower Fund

This fund accounts for monies received from carriers using the GTE MobilNet Communication Tower. Monies are used for park improvements.

Cemetery Trust Fund

This fund accounts for sale of graves, opening and closing of same, sale of monuments, tombs or vaults, burying ashes and disinterment.

Park Improvements Fund

This fund accounts for contributions from residents, civic groups, industries or other gratuitous donors for improvements of City parks.

Other Nonmajor Special Revenue Funds

Federal Law Enforcement Forfeited Fees	Community Development
Commission of the Arts	FEMA
Safety Town	Business Assistance
D.A.R.E. Program	City Lodging Tax
Youth Division Donations	Residential Snow Removal
Fire Department Emergency Equipment	Enhanced 911 Wireless
Parks Youth	Adopt a Tree/Tree City
Police Department Emergency Equipment	Police Officer Training
Youth Division Teen Center	Court Special Projects
Parks Lodge Improvement	Probation
Community Relations	Indigent Drivers
SS Ballfield Complex	Court Technology
Park and Recreation Scholarship	Court Clerk Technology
Police Explorer	IDIA Monitoring

NONMAJOR DEBT SERVICE FUND

General Obligation Bond Retirement Fund

This fund accounts for the resources that are used for the payment of principal, interest, and other fiscal charges on general obligation debt.

MAJOR CAPITAL PROJECTS FUND

The capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary fund types. Following is a description of the City's capital projects fund:

General Capital Improvements Fund

This fund accounts for the portion of municipal income tax designated by Council for the purpose of improving, constructing, maintaining, and purchasing the capital items necessary to enhance the operation of the City.

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CITY OF STOW, OHIO

*BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2008*

	Nonmajor Special Revenue Funds
	<hr/>
Assets:	
Equity in pooled cash and cash equivalents	\$ 2,491,318
Receivables:	
Property taxes.	494,823
Accounts	66,036
Intergovernmental.	835,403
Materials and supplies inventory	<hr/> 194,402
Total assets	<hr/> \$ 4,081,982 <hr/>
Liabilities:	
Accounts payable	\$ 123,116
Accrued wages and benefits	468
Intergovernmental payable.	345,658
Deferred revenue	530,028
Unearned revenue	<hr/> 440,148
Total liabilities	<hr/> 1,439,418 <hr/>
Fund Balances:	
Reserved for encumbrances.	81,446
Reserved for materials and supplies inventory . .	194,402
Unreserved, undesignated, reported in:	
Special revenue funds	<hr/> 2,366,716
Total fund balances	<hr/> 2,642,564 <hr/>
Total liabilities and fund balance	<hr/> \$ 4,081,982 <hr/>

CITY OF STOW, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Revenues:			
Property and other taxes	\$ 600,409	\$ -	\$ 600,409
Income taxes	1,125,000	898,586	2,023,586
Special assessments	55,786	-	55,786
Charges for services	643,259	-	643,259
Licenses and permits	6,636	-	6,636
Fines and forfeitures	69,795	-	69,795
Intergovernmental	3,131,773	-	3,131,773
Investment income	30,616	-	30,616
Rent	89,761	-	89,761
Contributions and donations	21,164	-	21,164
Other	173,666	-	173,666
	<hr/>	<hr/>	<hr/>
Total revenues	5,947,865	898,586	6,846,451
Expenditures:			
Current:			
General government	429,989	-	429,989
Security of persons and property	1,468,163	-	1,468,163
Public health	41,302	-	41,302
Leisure time activities	173,364	-	173,364
Community and economic development	63,901	-	63,901
Transportation	2,582,642	-	2,582,642
Capital outlay.	703,406	-	703,406
Debt service:			
Principal retirement.	350,000	390,000	740,000
Interest and fiscal charges	165,020	508,586	673,606
	<hr/>	<hr/>	<hr/>
Total expenditures	5,977,787	898,586	6,876,373
Excess (deficiency) of revenues over (under) expenditures.	<hr/> (29,922) <hr/>	<hr/> - <hr/>	<hr/> (29,922) <hr/>
Other financing sources:			
Transfers in.	764,445	-	764,445
	<hr/>	<hr/>	<hr/>
Total other financing sources	764,445	-	764,445
Net change in fund balances	734,523	-	734,523
Fund balances at beginning of year	<hr/> 1,908,041 <hr/>	<hr/> - <hr/>	<hr/> 1,908,041 <hr/>
Fund balances at end of year	<hr/> <u>\$ 2,642,564</u> <hr/>	<hr/> <u>\$ -</u> <hr/>	<hr/> <u>\$ 2,642,564</u> <hr/>

CITY OF STOW, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2008*

	<u>Street Construction</u>	<u>State Highway Improvement</u>	<u>Police Pension and Disability</u>	<u>Fire Pension and Disability</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 252,266	\$ 72,249	\$ -	\$ -
Receivables:				
Property taxes.	-	-	228,351	228,351
Accounts	-	-	-	-
Intergovernmental.	647,730	52,484	20,705	20,705
Materials and supplies.	<u>194,402</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,094,398</u>	<u>\$ 124,733</u>	<u>\$ 249,056</u>	<u>\$ 249,056</u>
Liabilities:				
Accounts payable.	\$ 100,203	\$ 6,300	\$ -	\$ -
Accrued wages and benefits	-	-	-	-
Intergovernmental payable	34,978	935	162,913	144,018
Deferred revenue	436,835	35,421	28,886	28,886
Unearned revenue	<u>-</u>	<u>-</u>	<u>220,074</u>	<u>220,074</u>
Total liabilities.	<u>572,016</u>	<u>42,656</u>	<u>411,873</u>	<u>392,978</u>
Fund Balances:				
Reserved for encumbrances.	52,214	-	-	-
Reserved for materials and supplies inventory	194,402	-	-	-
Unreserved, undesignated (deficit), reported in:				
Special revenue funds	<u>275,766</u>	<u>82,077</u>	<u>(162,817)</u>	<u>(143,922)</u>
Total fund balances.	<u>522,382</u>	<u>82,077</u>	<u>(162,817)</u>	<u>(143,922)</u>
Total liabilities and fund balance.	<u>\$ 1,094,398</u>	<u>\$ 124,733</u>	<u>\$ 249,056</u>	<u>\$ 249,056</u>

<u>Motor Vehicle License Tax</u>	<u>ODNR Litter Prevention Grant</u>	<u>EMS Transport Fees</u>	<u>Police Enforcement and Education</u>	<u>Special Assessment Improvements</u>	<u>Tree Trust</u>
\$ 151,528	\$ 45,842	\$ 12,594	\$ 3,699	\$ 1,154	\$ 265,001
-	-	-	-	-	-
-	-	66,036	-	-	-
19,020	-	-	85	-	-
-	-	-	-	-	-
<u>\$ 170,548</u>	<u>\$ 45,842</u>	<u>\$ 78,630</u>	<u>\$ 3,784</u>	<u>\$ 1,154</u>	<u>\$ 265,001</u>
\$ -	\$ 2,721	\$ -	\$ -	\$ -	\$ -
-	468	-	-	-	-
-	1,629	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	4,818	-	-	-	-
-	487	4,486	-	592	-
-	-	-	-	-	-
170,548	40,537	74,144	3,784	562	265,001
<u>170,548</u>	<u>41,024</u>	<u>78,630</u>	<u>3,784</u>	<u>1,154</u>	<u>265,001</u>
<u>\$ 170,548</u>	<u>\$ 45,842</u>	<u>\$ 78,630</u>	<u>\$ 3,784</u>	<u>\$ 1,154</u>	<u>\$ 265,001</u>

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CITY OF STOW, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2008*

	<u>Communication Tower</u>	<u>Cemetery Trust</u>	<u>Park Improvements</u>	<u>Federal Law Enforcement Forfeited Fees</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 269,000	\$ 201,300	\$ 29,797	\$ 35,724
Receivables:				
Property taxes.	-	-	-	-
Accounts	-	-	-	-
Intergovernmental.	-	-	-	-
Materials and supplies.	-	-	-	-
Total assets	<u>\$ 269,000</u>	<u>\$ 201,300</u>	<u>\$ 29,797</u>	<u>\$ 35,724</u>
Liabilities:				
Accounts payable.	\$ 2,233	\$ 1,361	\$ -	\$ 3,845
Accrued wages and benefits	-	-	-	-
Intergovernmental payable	-	-	-	-
Deferred revenue	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities.	<u>2,233</u>	<u>1,361</u>	<u>-</u>	<u>3,845</u>
Fund Balances:				
Reserved for encumbrances.	1,284	-	-	5,230
Reserved for materials and supplies inventory	-	-	-	-
Unreserved, undesignated (deficit), reported in:				
Special revenue funds	<u>265,483</u>	<u>199,939</u>	<u>29,797</u>	<u>26,649</u>
Total fund balances.	<u>266,767</u>	<u>199,939</u>	<u>29,797</u>	<u>31,879</u>
Total liabilities and fund balance.	<u>\$ 269,000</u>	<u>\$ 201,300</u>	<u>\$ 29,797</u>	<u>\$ 35,724</u>

<u>Commission of the Arts</u>	<u>Safety Town</u>	<u>D.A.R.E. Program</u>	<u>Youth Division Donations</u>	<u>Fire Department Emergency Equipment</u>	<u>Parks Youth</u>
\$ 6,675	\$ 902	\$ 417	\$ 6,059	\$ 2,065	\$ 862
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 6,675</u>	<u>\$ 902</u>	<u>\$ 417</u>	<u>\$ 6,059</u>	<u>\$ 2,065</u>	<u>\$ 862</u>
\$ 478	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	1,185	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>478</u>	<u>-</u>	<u>1,185</u>	<u>-</u>	<u>-</u>	<u>-</u>
854	-	-	-	1,162	-
-	-	-	-	-	-
<u>5,343</u>	<u>902</u>	<u>(768)</u>	<u>6,059</u>	<u>903</u>	<u>862</u>
<u>6,197</u>	<u>902</u>	<u>(768)</u>	<u>6,059</u>	<u>2,065</u>	<u>862</u>
<u>\$ 6,675</u>	<u>\$ 902</u>	<u>\$ 417</u>	<u>\$ 6,059</u>	<u>\$ 2,065</u>	<u>\$ 862</u>

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CITY OF STOW, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2008*

	Police Department Emergency Equipment	Youth Division Teen Center	Parks Lodge Improvement	Community Relations
Assets:				
Equity in pooled cash and cash equivalents.	\$ 1,539	\$ 1,956	\$ 66,409	\$ 8,940
Receivables:				
Property taxes.	-	-	-	-
Accounts	-	-	-	-
Intergovernmental.	-	-	-	-
Materials and supplies.	-	-	-	-
Total assets	<u>\$ 1,539</u>	<u>\$ 1,956</u>	<u>\$ 66,409</u>	<u>\$ 8,940</u>
Liabilities:				
Accounts payable.	\$ -	\$ 223	\$ -	\$ -
Accrued wages and benefits	-	-	-	-
Intergovernmental payable	-	-	-	-
Deferred revenue	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities.	<u>-</u>	<u>223</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Reserved for encumbrances.	-	-	-	-
Reserved for materials and supplies inventory	-	-	-	-
Unreserved, undesignated (deficit), reported in:				
Special revenue funds	<u>1,539</u>	<u>1,733</u>	<u>66,409</u>	<u>8,940</u>
Total fund balances.	<u>1,539</u>	<u>1,733</u>	<u>66,409</u>	<u>8,940</u>
Total liabilities and fund balance.	<u>\$ 1,539</u>	<u>\$ 1,956</u>	<u>\$ 66,409</u>	<u>\$ 8,940</u>

<u>SS Ballfield Complex</u>	<u>Park and Recreation Scholarship</u>	<u>Police Explorer</u>	<u>City Lodging Tax</u>	<u>Residential Snow Removal</u>	<u>Enhanced 911 Wireless</u>
\$ 24,921	\$ 1,794	\$ 377	\$ 346,768	\$ 21,632	\$ 14,117
-	-	-	38,121	-	-
-	-	-	-	-	-
-	-	-	-	-	7,296
-	-	-	-	-	-
<u>\$ 24,921</u>	<u>\$ 1,794</u>	<u>\$ 377</u>	<u>\$ 384,889</u>	<u>\$ 21,632</u>	<u>\$ 21,413</u>
\$ -	\$ -	\$ -	\$ -	\$ 5,752	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	5,752	-
-	-	-	-	-	-
-	-	-	-	15,137	-
-	-	-	-	-	-
24,921	1,794	377	384,889	743	21,413
<u>24,921</u>	<u>1,794</u>	<u>377</u>	<u>384,889</u>	<u>15,880</u>	<u>21,413</u>
<u>\$ 24,921</u>	<u>\$ 1,794</u>	<u>\$ 377</u>	<u>\$ 384,889</u>	<u>\$ 21,632</u>	<u>\$ 21,413</u>

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CITY OF STOW, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2008*

	<u>Adopt a Tree/ Tree City</u>	<u>Police Officer Training</u>	<u>Court Special Projects</u>	<u>Probation</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 3,262	\$ 7,200	\$ 635,269	\$ -
Receivables:				
Property taxes.	-	-	-	-
Accounts	-	-	-	-
Intergovernmental.	-	-	47,028	10,451
Materials and supplies.	-	-	-	-
Total assets	<u>\$ 3,262</u>	<u>\$ 7,200</u>	<u>\$ 682,297</u>	<u>\$ 10,451</u>
 Liabilities:				
Accounts payable.	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-
Intergovernmental payable	-	-	-	-
Deferred revenue	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Fund Balances:				
Reserved for encumbrances.	-	-	-	-
Reserved for materials and supplies inventory	-	-	-	-
Unreserved, undesignated (deficit), reported in:				
Special revenue funds	<u>3,262</u>	<u>7,200</u>	<u>682,297</u>	<u>10,451</u>
Total fund balances.	<u>3,262</u>	<u>7,200</u>	<u>682,297</u>	<u>10,451</u>
Total liabilities and fund balance.	<u>\$ 3,262</u>	<u>\$ 7,200</u>	<u>\$ 682,297</u>	<u>\$ 10,451</u>

<u>Indigent Drivers</u>	<u>Court Technology</u>	<u>Court Clerk Technology</u>	<u>IDIA Monitoring</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,491,318
-	-	-	-	494,823
-	-	-	-	66,036
847	4,185	4,197	670	835,403
-	-	-	-	194,402
<u>\$ 847</u>	<u>\$ 4,185</u>	<u>\$ 4,197</u>	<u>\$ 670</u>	<u>\$ 4,081,982</u>
\$ -	\$ -	\$ -	\$ -	\$ 123,116
-	-	-	-	468
-	-	-	-	345,658
-	-	-	-	530,028
-	-	-	-	440,148
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,439,418</u>
-	-	-	-	81,446
-	-	-	-	194,402
847	4,185	4,197	670	2,366,716
<u>847</u>	<u>4,185</u>	<u>4,197</u>	<u>670</u>	<u>2,642,564</u>
<u>\$ 847</u>	<u>\$ 4,185</u>	<u>\$ 4,197</u>	<u>\$ 670</u>	<u>\$ 4,081,982</u>

CITY OF STOW, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008*

	Street Construction	State Highway Improvement	Police Pension and Disability	Fire Pension and Disability
Revenues:				
Property and other taxes	\$ -	\$ -	\$ 224,011	\$ 224,011
Income taxes	1,125,000	-	-	-
Special assessments	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	436	-	-	-
Intergovernmental	1,551,933	105,337	39,696	39,696
Investment income	11,112	816	-	-
Rent	-	-	-	-
Contributions and donations	-	-	-	-
Other	13,647	549	-	-
Total revenues	2,702,128	106,702	263,707	263,707
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property.	-	-	591,667	547,508
Public health	-	-	-	-
Leisure time activities	-	-	-	-
Community and economic development	-	-	-	-
Transportation	2,473,108	109,534	-	-
Capital outlay.	282,569	-	-	-
Debt service:				
Principal retirement.	-	-	-	-
Interest and fiscal charges.	-	-	-	-
Total expenditures	2,755,677	109,534	591,667	547,508
Excess (deficiency) of revenues over (under) expenditures	<u>(53,549)</u>	<u>(2,832)</u>	<u>(327,960)</u>	<u>(283,801)</u>
Other financing sources:				
Transfers in	-	-	316,428	286,517
Total other financing sources	-	-	316,428	286,517
Net change in fund balances.	(53,549)	(2,832)	(11,532)	2,716
Fund balances (deficits) at beginning of year	575,931	84,909	(151,285)	(146,638)
Fund balances (deficits) at end of year	\$ 522,382	\$ 82,077	\$ (162,817)	\$ (143,922)

Motor Vehicle License Tax	ODNR Litter Prevention Grant	EMS Transport Fees	Police Enforcement and Education	Special Assessment Improvements	Tree Trust
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	55,786	-
-	-	593,804	-	-	-
-	-	-	-	-	-
-	-	-	1,981	-	-
242,565	34,590	-	-	-	-
5,430	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	133,680
<u>247,995</u>	<u>34,590</u>	<u>593,804</u>	<u>1,981</u>	<u>55,786</u>	<u>133,680</u>
-	-	-	-	-	-
-	-	91,400	-	60,955	-
-	30,691	-	-	-	-
-	-	-	-	-	48,406
-	-	-	-	-	-
-	-	-	-	-	-
200,000	-	-	-	-	-
-	-	350,000	-	-	-
-	-	165,020	-	-	-
<u>200,000</u>	<u>30,691</u>	<u>606,420</u>	<u>-</u>	<u>60,955</u>	<u>48,406</u>
<u>47,995</u>	<u>3,899</u>	<u>(12,616)</u>	<u>1,981</u>	<u>(5,169)</u>	<u>85,274</u>
-	-	-	-	30,000	-
-	-	-	-	30,000	-
47,995	3,899	(12,616)	1,981	24,831	85,274
122,553	37,125	91,246	1,803	(23,677)	179,727
<u>\$ 170,548</u>	<u>\$ 41,024</u>	<u>\$ 78,630</u>	<u>\$ 3,784</u>	<u>\$ 1,154</u>	<u>\$ 265,001</u>

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CITY OF STOW, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2008*

	Communications Tower	Cemetery Trust	Park Improvements	Federal Law Enforcement Forfeited Fees
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-
Special assessments	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	5,931
Investment income	-	-	-	-
Rent	89,761	-	-	-
Contributions and donations	2,525	-	4,500	-
Other	2,022	12,756	-	-
Total revenues	94,308	12,756	4,500	5,931
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property.	-	-	-	18,341
Public health	-	10,611	-	-
Leisure time activities	-	-	2,517	-
Community and economic development	63,326	-	-	-
Transportation	-	-	-	-
Capital outlay.	46,432	-	611	8,640
Debt service:				
Principal retirement.	-	-	-	-
Interest and fiscal charges.	-	-	-	-
Total expenditures	109,758	10,611	3,128	26,981
Excess (deficiency) of revenues over (under) expenditures	(15,450)	2,145	1,372	(21,050)
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances.	(15,450)	2,145	1,372	(21,050)
Fund balances (deficits) at beginning of year	282,217	197,794	28,425	52,929
Fund balances (deficits) at end of year	\$ 266,767	\$ 199,939	\$ 29,797	\$ 31,879

<u>Commission of the Arts</u>	<u>Safety Town</u>	<u>D.A.R.E. Program</u>	<u>Youth Division Donations</u>	<u>Fire Department Emergency Equipment</u>	<u>Parks Youth</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
12,558	-	-	-	-	-
6,636	-	-	-	-	-
-	-	-	-	-	-
-	-	40,018	-	-	-
-	-	-	-	-	-
-	5,964	-	-	4,950	-
3,674	-	-	-	-	-
<u>22,868</u>	<u>5,964</u>	<u>40,018</u>	<u>-</u>	<u>4,950</u>	<u>-</u>
-	-	-	-	-	-
-	8,495	48,274	-	6,338	-
-	-	-	-	-	-
98,932	-	-	-	-	-
-	-	-	-	-	-
-	526	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>98,932</u>	<u>9,021</u>	<u>48,274</u>	<u>-</u>	<u>6,338</u>	<u>-</u>
<u>(76,064)</u>	<u>(3,057)</u>	<u>(8,256)</u>	<u>-</u>	<u>(1,388)</u>	<u>-</u>
<u>80,000</u>	<u>3,500</u>	<u>7,000</u>	<u>-</u>	<u>2,000</u>	<u>-</u>
<u>80,000</u>	<u>3,500</u>	<u>7,000</u>	<u>-</u>	<u>2,000</u>	<u>-</u>
3,936	443	(1,256)	-	612	-
2,261	459	488	6,059	1,453	862
<u>\$ 6,197</u>	<u>\$ 902</u>	<u>\$ (768)</u>	<u>\$ 6,059</u>	<u>\$ 2,065</u>	<u>\$ 862</u>

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CITY OF STOW, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2008*

	Police Department Emergency Equipment	Youth Division Teen Center	Parks Lodge Improvement	Community Relations
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-
Special assessments	-	-	-	-
Charges for services	-	11,452	14,390	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	-
Investment income	-	-	-	-
Rent	-	-	-	-
Contributions and donations	875	-	-	-
Other	-	-	-	-
Total revenues	875	11,452	14,390	-
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Public health	-	-	-	-
Leisure time activities	-	13,244	1,257	-
Community and economic development	-	-	-	575
Transportation	-	-	-	-
Capital outlay	-	1,913	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	15,157	1,257	575
Excess (deficiency) of revenues over (under) expenditures	875	(3,705)	13,133	(575)
Other financing sources:				
Transfers in	-	-	-	4,000
Total other financing sources	-	-	-	4,000
Net change in fund balances	875	(3,705)	13,133	3,425
Fund balances (deficits) at beginning of year	664	5,438	53,276	5,515
Fund balances (deficits) at end of year	\$ 1,539	\$ 1,733	\$ 66,409	\$ 8,940

<u>SS Ballfield Complex</u>	<u>Park and Recreation Scholarship</u>	<u>Police Explorer</u>	<u>Community Development</u>	<u>FEMA</u>	<u>Business Assistance</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	209	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	350
7,334	4	-	-	-	-
<u>7,334</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>209</u>	<u>350</u>
<u>7,334</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>209</u>	<u>350</u>
-	-	-	-	-	-
-	-	-	-	-	999
-	-	-	-	-	-
1,215	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,025	-	-	95,169	6,206	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,240</u>	<u>-</u>	<u>-</u>	<u>95,169</u>	<u>6,206</u>	<u>999</u>
<u>5,094</u>	<u>4</u>	<u>-</u>	<u>(95,169)</u>	<u>(5,997)</u>	<u>(649)</u>
-	-	-	-	-	-
-	-	-	-	-	-
5,094	4	-	(95,169)	(5,997)	(649)
<u>19,827</u>	<u>1,790</u>	<u>377</u>	<u>95,169</u>	<u>5,997</u>	<u>649</u>
<u>\$ 24,921</u>	<u>\$ 1,794</u>	<u>\$ 377</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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CITY OF STOW, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2008*

	City Lodging Tax	Residential Snow Removal	Enhanced 911 Wireless	Adopt a Tree/ Tree City
Revenues:				
Property and other taxes	\$ 152,387	\$ -	\$ -	\$ -
Income taxes	-	-	-	-
Special assessments	-	-	-	-
Charges for services	-	-	-	11,055
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	64,598	-
Investment income	-	-	-	-
Rent	-	-	-	-
Contributions and donations	-	-	-	-
Other	-	-	-	-
Total revenues	152,387	-	64,598	11,055
Expenditures:				
Current:				
General government	50,000	-	-	-
Security of persons and property.	-	45,405	48,781	-
Public health	-	-	-	-
Leisure time activities	-	-	-	7,793
Community and economic development	-	-	-	-
Transportation	-	-	-	-
Capital outlay	-	-	60,315	-
Debt service:				
Principal retirement.	-	-	-	-
Interest and fiscal charges.	-	-	-	-
Total expenditures	50,000	45,405	109,096	7,793
Excess (deficiency) of revenues over (under) expenditures	102,387	(45,405)	(44,498)	3,262
Other financing sources:				
Transfers in	-	35,000	-	-
Total other financing sources	-	35,000	-	-
Net change in fund balances.	102,387	(10,405)	(44,498)	3,262
Fund balances (deficits) at beginning of year	282,502	26,285	65,911	-
Fund balances (deficits) at end of year	\$ 384,889	\$ 15,880	\$ 21,413	\$ 3,262

Police Officer Training	Court Special Projects	Probation	Indigent Drivers	Court Technology	Court Clerk Technology
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	47,028	10,451	847	4,185	4,197
7,200	1,000,000	-	-	-	-
-	13,258	-	-	-	-
-	-	-	-	-	-
-	2,000	-	-	-	-
-	-	-	-	-	-
<u>7,200</u>	<u>1,062,286</u>	<u>10,451</u>	<u>847</u>	<u>4,185</u>	<u>4,197</u>
-	379,989	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	379,989	-	-	-	-
<u>7,200</u>	<u>682,297</u>	<u>10,451</u>	<u>847</u>	<u>4,185</u>	<u>4,197</u>
-	-	-	-	-	-
-	-	-	-	-	-
7,200	682,297	10,451	847	4,185	4,197
-	-	-	-	-	-
<u>\$ 7,200</u>	<u>\$ 682,297</u>	<u>\$ 10,451</u>	<u>\$ 847</u>	<u>\$ 4,185</u>	<u>\$ 4,197</u>

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CITY OF STOW, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008*

	IDIA Monitoring	Total Nonmajor Special Revenue Funds
Revenues:		
Property and other taxes	\$ -	\$ 600,409
Income taxes	-	1,125,000
Special assessments	-	55,786
Charges for services	-	643,259
Licenses and permits	-	6,636
Fines and forfeitures	670	69,795
Intergovernmental	-	3,131,773
Investment income	-	30,616
Rent	-	89,761
Contributions and donations	-	21,164
Other	-	173,666
	<hr/>	<hr/>
Total revenues	670	5,947,865
	<hr/>	<hr/>
Expenditures:		
Current:		
General government	-	429,989
Security of persons and property.	-	1,468,163
Public health	-	41,302
Leisure time activities	-	173,364
Community and economic development	-	63,901
Transportation	-	2,582,642
Capital outlay.	-	703,406
Debt service:		
Principal retirement.	-	350,000
Interest and fiscal charges.	-	165,020
	<hr/>	<hr/>
Total expenditures	-	5,977,787
	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	670	(29,922)
	<hr/>	<hr/>
Other financing sources:		
Transfers in	-	764,445
	<hr/>	<hr/>
Total other financing sources	-	764,445
	<hr/>	<hr/>
Net change in fund balances.	670	734,523
	<hr/>	<hr/>
Fund balances (deficits) at beginning of year	-	1,908,041
	<hr/>	<hr/>
Fund balances (deficits) at end of year	\$ 670	\$ 2,642,564
	<hr/>	<hr/>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET CONSTRUCTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Income taxes	\$ 1,092,830	\$ 1,092,830	\$ 1,125,000	\$ 32,170
Intergovernmental.	1,675,500	1,675,500	1,555,717	(119,783)
Investment income	31,500	31,500	11,112	(20,388)
Other	44,000	44,000	13,647	(30,353)
Total revenues.	<u>2,843,830</u>	<u>2,843,830</u>	<u>2,705,476</u>	<u>(138,354)</u>
Expenditures:				
Current:				
Transportation	2,659,633	2,886,822	2,702,558	184,264
Capital outlay	267,036	289,847	287,651	2,196
Total expenditures.	<u>2,926,669</u>	<u>3,176,669</u>	<u>2,990,209</u>	<u>186,460</u>
Net change in fund balance.	(82,839)	(332,839)	(284,733)	48,106
Fund balance at beginning of year	211,026	211,026	211,026	-
Prior year encumbrances appropriated . . .	173,669	173,669	173,669	-
Fund balance at end of year.	<u>\$ 301,856</u>	<u>\$ 51,856</u>	<u>\$ 99,962</u>	<u>\$ 48,106</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STATE HIGHWAY IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental.	\$ 142,172	\$ 142,172	\$ 105,645	\$ (36,527)
Investment income	650	650	816	166
Other	7,178	7,178	549	(6,629)
Total revenues.	<u>150,000</u>	<u>150,000</u>	<u>107,010</u>	<u>(42,990)</u>
Expenditures:				
Current:				
Transportation	<u>118,985</u>	<u>118,985</u>	<u>115,930</u>	<u>3,055</u>
Total expenditures.	<u>118,985</u>	<u>118,985</u>	<u>115,930</u>	<u>3,055</u>
Net change in fund balance	31,015	31,015	(8,920)	(39,935)
Fund balance at beginning of year.	63,906	63,906	63,906	-
Prior year encumbrances appropriated . . .	<u>10,963</u>	<u>10,963</u>	<u>10,963</u>	<u>-</u>
Fund balance at end of year	<u>\$ 105,884</u>	<u>\$ 105,884</u>	<u>\$ 65,949</u>	<u>\$ (39,935)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE PENSION AND DISABILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other local taxes.	\$ 238,562	\$ 238,562	\$ 224,011	\$ (14,551)
Intergovernmental.	23,786	23,786	39,695	15,909
Total revenues.	<u>262,348</u>	<u>262,348</u>	<u>263,706</u>	<u>1,358</u>
Expenditures:				
Current:				
Security of persons and property	<u>591,338</u>	<u>591,338</u>	<u>580,425</u>	<u>10,913</u>
Total expenditures.	<u>591,338</u>	<u>591,338</u>	<u>580,425</u>	<u>10,913</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(328,990)</u>	<u>(328,990)</u>	<u>(316,719)</u>	<u>12,271</u>
Other financing sources:				
Transfers in	<u>372,545</u>	<u>372,545</u>	<u>316,428</u>	<u>(56,117)</u>
Total other financing sources	<u>372,545</u>	<u>372,545</u>	<u>316,428</u>	<u>(56,117)</u>
Net change in fund balance	43,555	43,555	(291)	(43,846)
Fund balance at beginning of year	<u>291</u>	<u>291</u>	<u>291</u>	<u>-</u>
Fund balance at end of year	<u>\$ 43,846</u>	<u>\$ 43,846</u>	<u>\$ -</u>	<u>\$ (43,846)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE PENSION AND DISABILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other local taxes	\$ 229,748	\$ 229,748	\$ 224,011	\$ (5,737)
Intergovernmental	32,600	32,600	39,695	7,095
Total revenues	<u>262,348</u>	<u>262,348</u>	<u>263,706</u>	<u>1,358</u>
Expenditures:				
Current:				
Security of persons and property	<u>572,814</u>	<u>572,814</u>	<u>550,514</u>	<u>22,300</u>
Total expenditures	<u>572,814</u>	<u>572,814</u>	<u>550,514</u>	<u>22,300</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(310,466)</u>	<u>(310,466)</u>	<u>(286,808)</u>	<u>23,658</u>
Other financing sources:				
Transfers in.	<u>514,855</u>	<u>514,855</u>	<u>286,517</u>	<u>(228,338)</u>
Total other financing sources.	<u>514,855</u>	<u>514,855</u>	<u>286,517</u>	<u>(228,338)</u>
Net change in fund balance.	204,389	204,389	(291)	(204,680)
Fund balance at beginning of year	<u>291</u>	<u>291</u>	<u>291</u>	<u>-</u>
Fund balance at end of year	<u>\$ 204,680</u>	<u>\$ 204,680</u>	<u>\$ -</u>	<u>\$ (204,680)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MOTOR VEHICLE LICENSE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 299,775	\$ 299,775	\$ 240,323	\$ (59,452)
Investment income	1,000	1,000	5,553	4,553
Total revenues	<u>300,775</u>	<u>300,775</u>	<u>245,876</u>	<u>(54,899)</u>
Expenditures:				
Capital outlay	<u>284,000</u>	<u>404,000</u>	<u>200,000</u>	<u>204,000</u>
Total expenditures.	<u>284,000</u>	<u>404,000</u>	<u>200,000</u>	<u>204,000</u>
Net change in fund balance	16,775	(103,225)	45,876	149,101
Fund balance at beginning of year.	<u>105,652</u>	<u>105,652</u>	<u>105,652</u>	<u>-</u>
Fund balance at end of year	<u>\$ 122,427</u>	<u>\$ 2,427</u>	<u>\$ 151,528</u>	<u>\$ 149,101</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ODNR LITTER PREVENTION GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 37,080	\$ 37,080	\$ 34,590	\$ (2,490)
Total revenues.	<u>37,080</u>	<u>37,080</u>	<u>34,590</u>	<u>(2,490)</u>
Expenditures:				
Current:				
Public health	<u>46,067</u>	<u>46,067</u>	<u>29,803</u>	<u>16,264</u>
Total expenditures	<u>46,067</u>	<u>46,067</u>	<u>29,803</u>	<u>16,264</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,987)</u>	<u>(8,987)</u>	<u>4,787</u>	<u>13,774</u>
Other financing sources:				
Transfers in.	<u>16,000</u>	<u>16,000</u>	<u>-</u>	<u>(16,000)</u>
Total other financing sources.	<u>16,000</u>	<u>16,000</u>	<u>-</u>	<u>(16,000)</u>
Net change in fund balance	7,013	7,013	4,787	(2,226)
Fund balance at beginning of year.	<u>37,847</u>	<u>37,847</u>	<u>37,847</u>	<u>-</u>
Fund balance at end of year	<u>\$ 44,860</u>	<u>\$ 44,860</u>	<u>\$ 42,634</u>	<u>\$ (2,226)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMS TRANSPORT FEES FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 775,000	\$ 775,000	\$ 596,375	\$ (178,625)
Total revenues	<u>775,000</u>	<u>775,000</u>	<u>596,375</u>	<u>(178,625)</u>
Expenditures:				
Current:				
Security of persons and property.	87,603	114,980	95,886	19,094
Debt service:				
Principal retirement	266,667	350,000	350,000	-
Interest and fiscal charges	<u>125,730</u>	<u>165,020</u>	<u>165,020</u>	<u>-</u>
Total expenditures	<u>480,000</u>	<u>630,000</u>	<u>610,906</u>	<u>19,094</u>
Net change in fund balance	295,000	145,000	(14,531)	(159,531)
Fund balance at beginning of year	<u>22,639</u>	<u>22,639</u>	<u>22,639</u>	<u>-</u>
Fund balance at end of year	<u>\$ 317,639</u>	<u>\$ 167,639</u>	<u>\$ 8,108</u>	<u>\$ (159,531)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE ENFORCEMENT AND EDUCATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 21,200	\$ 21,200	\$ 2,006	\$ (19,194)
Total revenues	<u>21,200</u>	<u>21,200</u>	<u>2,006</u>	<u>(19,194)</u>
Expenditures:				
Current:				
Security of persons and property	2,724	2,724	246	2,478
Capital outlay	<u>23,120</u>	<u>23,120</u>	<u>19,620</u>	<u>3,500</u>
Total expenditures	<u>25,844</u>	<u>25,844</u>	<u>19,866</u>	<u>5,978</u>
Net change in fund balance.	(4,644)	(4,644)	(17,860)	(13,216)
Fund balance at beginning of year	1,715	1,715	1,715	-
Prior year encumbrances appropriated . . .	<u>19,844</u>	<u>19,844</u>	<u>19,844</u>	<u>-</u>
Fund balance at end of year	<u>\$ 16,915</u>	<u>\$ 16,915</u>	<u>\$ 3,699</u>	<u>\$ (13,216)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL ASSESSMENT IMPROVEMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special assessments.	\$ 231,750	\$ 231,750	\$ 55,786	\$ (175,964)
Total revenues	<u>231,750</u>	<u>231,750</u>	<u>55,786</u>	<u>(175,964)</u>
Expenditures:				
Current:				
Security of persons and property.	<u>98,926</u>	<u>98,926</u>	<u>63,127</u>	<u>35,799</u>
Total expenditures	<u>98,926</u>	<u>98,926</u>	<u>63,127</u>	<u>35,799</u>
Net change in fund balance.	132,824	132,824	(7,341)	(140,165)
Fund balance at beginning of year	5,977	5,977	5,977	-
Prior year encumbrances appropriated . .	<u>1,926</u>	<u>1,926</u>	<u>1,926</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 140,727</u>	<u>\$ 140,727</u>	<u>\$ 562</u>	<u>\$ (140,165)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TREE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 150,000	\$ 150,000	\$ 133,680	\$ (16,320)
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>133,680</u>	<u>(16,320)</u>
Expenditures:				
Current:				
Leisure time activities	<u>48,407</u>	<u>48,407</u>	<u>48,406</u>	<u>1</u>
Total expenditures.	<u>48,407</u>	<u>48,407</u>	<u>48,406</u>	<u>1</u>
Net change in fund balance.	101,593	101,593	85,274	(16,319)
Fund balance at beginning of year	<u>179,727</u>	<u>179,727</u>	<u>179,727</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 281,320</u>	<u>\$ 281,320</u>	<u>\$ 265,001</u>	<u>\$ (16,319)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNICATIONS TOWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ -	\$ -	\$ 2,022	\$ 2,022
Rental income	795,000	795,000	89,761	(705,239)
Contributions and donations	286,425	286,425	2,525	(283,900)
Total revenues	<u>1,081,425</u>	<u>1,081,425</u>	<u>94,308</u>	<u>(987,117)</u>
Expenditures:				
Current:				
Economic development	947,732	947,732	67,921	879,811
Capital outlay	165,846	165,846	46,432	119,414
Total expenditures	<u>1,113,578</u>	<u>1,113,578</u>	<u>114,353</u>	<u>999,225</u>
Net change in fund balance.	(32,153)	(32,153)	(20,045)	12,108
Fund balance at beginning of year	259,200	259,200	259,200	-
Prior year encumbrances appropriated . .	<u>26,328</u>	<u>26,328</u>	<u>26,328</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 253,375</u>	<u>\$ 253,375</u>	<u>\$ 265,483</u>	<u>\$ 12,108</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CEMETERY TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 17,000	\$ 17,000	\$ 12,756	\$ (4,244)
Total revenues.	<u>17,000</u>	<u>17,000</u>	<u>12,756</u>	<u>(4,244)</u>
Expenditures:				
Current:				
Public health	99,067	99,067	7,392	91,675
Capital outlay	<u>3,219</u>	<u>3,219</u>	<u>3,219</u>	<u>-</u>
Total expenditures.	<u>102,286</u>	<u>102,286</u>	<u>10,611</u>	<u>91,675</u>
Net change in fund balance.	(85,286)	(85,286)	2,145	87,431
Fund balance at beginning of year	196,249	196,249	196,249	-
Prior year encumbrances appropriated . . .	<u>1,545</u>	<u>1,545</u>	<u>1,545</u>	<u>-</u>
Fund balance at end of year	<u>\$ 112,508</u>	<u>\$ 112,508</u>	<u>\$ 199,939</u>	<u>\$ 87,431</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARK IMPROVEMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Contributions and donations.	\$ 10,000	\$ 10,000	\$ 4,500	\$ (5,500)
Total revenues.	<u>10,000</u>	<u>10,000</u>	<u>4,500</u>	<u>(5,500)</u>
Expenditures:				
Current:				
Leisure time activities.	7,677	7,677	2,517	5,160
Capital outlay	<u>647</u>	<u>647</u>	<u>611</u>	<u>36</u>
Total expenditures.	<u>8,324</u>	<u>8,324</u>	<u>3,128</u>	<u>5,196</u>
Net change in fund balance.	1,676	1,676	1,372	(304)
Fund balance at beginning of year	22,806	22,806	22,806	-
Prior year encumbrances appropriated . . .	<u>5,619</u>	<u>5,619</u>	<u>5,619</u>	<u>-</u>
Fund balance at end of year	<u>\$ 30,101</u>	<u>\$ 30,101</u>	<u>\$ 29,797</u>	<u>\$ (304)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEDERAL LAW ENFORCEMENT FORFEITED FEES FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ -	\$ -	\$ 5,931	\$ 5,931
Total revenues.	-	-	5,931	5,931
Expenditures:				
Current:				
Security of persons and property	15,435	15,435	15,432	3
Capital outlay	17,959	17,959	17,715	244
Total expenditures	33,394	33,394	33,147	247
Net change in fund balance.	(33,394)	(33,394)	(27,216)	6,178
Fund balance at beginning of year	52,688	52,688	52,688	-
Prior year encumbrances appropriated . . .	1,177	1,177	1,177	-
Fund balance at end of year	<u>\$ 20,471</u>	<u>\$ 20,471</u>	<u>\$ 26,649</u>	<u>\$ 6,178</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMISSION OF THE ARTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Charges for services	\$ 11,000	\$ 17,300	\$ 12,558	\$ (4,742)
Licenses and permits.	7,000	9,142	6,636	(2,506)
Other	12,000	5,061	3,674	(1,387)
Total revenues	<u>30,000</u>	<u>31,503</u>	<u>22,868</u>	<u>(8,635)</u>
Expenditures:				
Current:				
Leisure time activities	75,544	105,544	100,101	5,443
Total expenditures	<u>75,544</u>	<u>105,544</u>	<u>100,101</u>	<u>5,443</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(45,544)</u>	<u>(74,041)</u>	<u>(77,233)</u>	<u>(3,192)</u>
Other financing sources:				
Transfers in.	61,715	110,211	80,000	(30,211)
Total other financing sources	<u>61,715</u>	<u>110,211</u>	<u>80,000</u>	<u>(30,211)</u>
Net change in fund balance.	16,171	36,170	2,767	(33,403)
Fund balance at beginning of year	2,532	2,532	2,532	-
Prior year encumbrances appropriated	<u>44</u>	<u>44</u>	<u>44</u>	<u>-</u>
Fund balance at end of year	<u>\$ 18,747</u>	<u>\$ 38,746</u>	<u>\$ 5,343</u>	<u>\$ (33,403)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SAFETY TOWN FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Contributions and donations.	\$ 6,100	\$ 7,940	\$ 5,964	\$ (1,976)
Total revenues	<u>6,100</u>	<u>7,940</u>	<u>5,964</u>	<u>(1,976)</u>
Expenditures:				
Current:				
Security of persons and property	7,399	9,702	8,495	1,207
Capital outlay	<u>953</u>	<u>1,250</u>	<u>526</u>	<u>724</u>
Total expenditures	<u>8,352</u>	<u>10,952</u>	<u>9,021</u>	<u>1,931</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(2,252)</u>	<u>(3,012)</u>	<u>(3,057)</u>	<u>(45)</u>
Other financing sources:				
Transfers in.	<u>3,500</u>	<u>4,659</u>	<u>3,500</u>	<u>(1,159)</u>
Total other financing sources	<u>3,500</u>	<u>4,659</u>	<u>3,500</u>	<u>(1,159)</u>
Net change in fund balance.	1,248	1,647	443	(1,204)
Fund balance at beginning of year	107	107	107	-
Prior year encumbrances appropriated . . .	<u>352</u>	<u>352</u>	<u>352</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,707</u>	<u>\$ 2,106</u>	<u>\$ 902</u>	<u>\$ (1,204)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
D.A.R.E PROGRAM FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 41,000	\$ 41,000	\$ 40,018	\$ (982)
Total revenues	<u>41,000</u>	<u>41,000</u>	<u>40,018</u>	<u>(982)</u>
Expenditures:				
Current:				
Security of persons and property	43,424	48,698	47,716	982
Total expenditures	<u>43,424</u>	<u>48,698</u>	<u>47,716</u>	<u>982</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(2,424)</u>	<u>(7,698)</u>	<u>(7,698)</u>	<u>-</u>
Other financing sources:				
Transfers in.	10,000	10,000	7,000	(3,000)
Total other financing sources.	<u>10,000</u>	<u>10,000</u>	<u>7,000</u>	<u>(3,000)</u>
Net change in fund balance.	7,576	2,302	(698)	(3,000)
Fund balance at beginning of year	<u>1,115</u>	<u>1,115</u>	<u>1,115</u>	<u>-</u>
Fund balance at end of year	<u>\$ 8,691</u>	<u>\$ 3,417</u>	<u>\$ 417</u>	<u>\$ (3,000)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
YOUTH DIVISION DONATIONS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fund balance at beginning of year	\$ 6,059	\$ 6,059	\$ 6,059	\$ -
Fund balance at end of year	<u>\$ 6,059</u>	<u>\$ 6,059</u>	<u>\$ 6,059</u>	<u>\$ -</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE DEPARTMENT EMERGENCY EQUIPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Contributions and donations.	\$ 6,500	\$ 6,500	\$ 4,950	\$ (1,550)
Total revenues	<u>6,500</u>	<u>6,500</u>	<u>4,950</u>	<u>(1,550)</u>
Expenditures:				
Current:				
Security of persons and property	<u>7,696</u>	<u>7,696</u>	<u>7,500</u>	<u>196</u>
Total expenditures	<u>7,696</u>	<u>7,696</u>	<u>7,500</u>	<u>196</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(1,196)</u>	<u>(1,196)</u>	<u>(2,550)</u>	<u>(1,354)</u>
Other financing sources:				
Transfers in.	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>2,000</u>
Total other financing sources.	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>2,000</u>
Net change in fund balance.	(1,196)	(1,196)	(550)	646
Fund balance at beginning of year	1,258	1,258	1,258	-
Prior year encumbrances appropriated . . .	<u>195</u>	<u>195</u>	<u>195</u>	<u>-</u>
Fund balance at end of year	<u>\$ 257</u>	<u>\$ 257</u>	<u>\$ 903</u>	<u>\$ 646</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARKS YOUTH FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Fund balance at beginning of year	\$ 862	\$ 862	\$ 862	\$ -
Fund balance at end of year	<u>\$ 862</u>	<u>\$ 862</u>	<u>\$ 862</u>	<u>\$ -</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE DEPARTMENT EMERGENCY EQUIPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Contributions and donations.	\$ -	\$ -	\$ 875	\$ 875
Total revenues.	-	-	875	875
Net change in fund balance.	-	-	875	875
Fund balance at beginning of year	<u>664</u>	<u>664</u>	<u>664</u>	<u>-</u>
Fund balance at end of year	<u>\$ 664</u>	<u>\$ 664</u>	<u>\$ 1,539</u>	<u>\$ 875</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
YOUTH DIVISION TEEN CENTER FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 16,500	\$ 16,500	\$ 11,452	\$ (5,048)
Other	100	100	-	(100)
Total revenues.	<u>16,600</u>	<u>16,600</u>	<u>11,452</u>	<u>(5,148)</u>
Expenditures:				
Current:				
Leisure time activities.	13,593	18,115	13,291	4,824
Capital outlay	1,435	1,913	1,913	-
Total expenditures.	<u>15,028</u>	<u>20,028</u>	<u>15,204</u>	<u>4,824</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>1,572</u>	<u>(3,428)</u>	<u>(3,752)</u>	<u>(324)</u>
Other financing sources:				
Transfers in.	39,050	39,050	-	(39,050)
Total other financing sources.	<u>39,050</u>	<u>39,050</u>	<u>-</u>	<u>(39,050)</u>
Net change in fund balance.	40,622	35,622	(3,752)	(39,374)
Fund balance at beginning of year	4,573	4,573	4,573	-
Prior year encumbrances appropriated . . .	<u>928</u>	<u>928</u>	<u>928</u>	<u>-</u>
Fund balance at end of year	<u>\$ 46,123</u>	<u>\$ 41,123</u>	<u>\$ 1,749</u>	<u>\$ (39,374)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARKS LODGE IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 17,000	\$ 17,000	\$ 14,390	\$ (2,610)
Total revenues	<u>17,000</u>	<u>17,000</u>	<u>14,390</u>	<u>(2,610)</u>
Expenditures:				
Current:				
Leisure time activities	1,799	1,799	1,257	542
Total expenditures	<u>1,799</u>	<u>1,799</u>	<u>1,257</u>	<u>542</u>
Net change in fund balance.	15,201	15,201	13,133	(2,068)
Fund balance at beginning of year	52,735	52,735	52,735	-
Prior year encumbrances appropriated . . .	<u>541</u>	<u>541</u>	<u>541</u>	<u>-</u>
Fund balance at end of year	<u>\$ 68,477</u>	<u>\$ 68,477</u>	<u>\$ 66,409</u>	<u>\$ (2,068)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY RELATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Community development	\$ 1,763	\$ 1,764	\$ 1,144	\$ 620
Total expenditures	<u>1,763</u>	<u>1,764</u>	<u>1,144</u>	<u>620</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(1,763)</u>	<u>(1,764)</u>	<u>(1,144)</u>	<u>620</u>
Other financing sources:				
Transfers in.	-	-	4,000	4,000
Total other financing sources.	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>4,000</u>
Net change in fund balance.	(1,763)	(1,764)	2,856	4,620
Fund balance at beginning of year	4,897	4,897	4,897	-
Prior year encumbrances appropriated . . .	<u>1,187</u>	<u>1,187</u>	<u>1,187</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 4,321</u>	<u>\$ 4,320</u>	<u>\$ 8,940</u>	<u>\$ 4,620</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SS BALLFIELD COMPLEX FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other.	\$ 10,000	\$ 10,000	\$ 7,334	\$ (2,666)
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>7,334</u>	<u>(2,666)</u>
Expenditures:				
Current:				
Leisure time activities.	3,941	3,941	1,215	2,726
Capital outlay	<u>1,025</u>	<u>1,025</u>	<u>1,025</u>	<u>-</u>
Total expenditures	<u>4,966</u>	<u>4,966</u>	<u>2,240</u>	<u>2,726</u>
Net change in fund balance.	5,034	5,034	5,094	60
Fund balance at beginning of year.	17,102	17,102	17,102	-
Prior year encumbrances appropriated . .	<u>2,725</u>	<u>2,725</u>	<u>2,725</u>	<u>-</u>
Fund balance at end of year	<u>\$ 24,861</u>	<u>\$ 24,861</u>	<u>\$ 24,921</u>	<u>\$ 60</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARK AND RECREATION SCHOLARSHIP FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ -	\$ -	\$ 4	\$ 4
Total revenues	-	-	4	4
Net change in fund balance.	-	-	4	4
Fund balance at beginning of year	<u>1,790</u>	<u>1,790</u>	<u>1,790</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1,790</u>	<u>\$ 1,790</u>	<u>\$ 1,794</u>	<u>\$ 4</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE EXPLORER FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fund balance at beginning of year	\$ 377	\$ 377	\$ 377	\$ -
Fund balance at end of year.	<u>\$ 377</u>	<u>\$ 377</u>	<u>\$ 377</u>	<u>\$ -</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY DEVELOPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 220,000	\$ 220,000	\$ 95,169	\$ (124,831)
Total revenues	<u>220,000</u>	<u>220,000</u>	<u>95,169</u>	<u>(124,831)</u>
Expenditures:				
Capital outlay	<u>195,000</u>	<u>195,000</u>	<u>95,169</u>	<u>99,831</u>
Total expenditures	<u>195,000</u>	<u>195,000</u>	<u>95,169</u>	<u>99,831</u>
Net change in fund balance.	25,000	25,000	-	(25,000)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ (25,000)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEMA FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 200,000	\$ 200,000	\$ 6,206	\$ (193,794)
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>6,206</u>	<u>(193,794)</u>
Expenditures:				
Capital outlay	15,000	15,000	6,206	8,794
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>6,206</u>	<u>8,794</u>
Net change in fund balance.	185,000	185,000	-	(185,000)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 185,000</u>	<u>\$ 185,000</u>	<u>\$ -</u>	<u>\$ (185,000)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BUSINESS ASSISTANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Contributions and donations.	\$ 1,000	\$ 1,000	\$ 350	\$ (650)
Total revenues.	<u>1,000</u>	<u>1,000</u>	<u>350</u>	<u>(650)</u>
Expenditures:				
Current:				
Security of persons and property	1,000	1,000	999	1
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>999</u>	<u>1</u>
Net change in fund balance.	-	-	(649)	(649)
Fund balance at beginning of year	<u>649</u>	<u>649</u>	<u>649</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 649</u>	<u>\$ 649</u>	<u>\$ -</u>	<u>\$ (649)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY LODGING TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other local taxes	\$ 132,615	\$ 132,615	\$ 148,081	\$ 15,466
Total revenues	<u>132,615</u>	<u>132,615</u>	<u>148,081</u>	<u>15,466</u>
Expenditures:				
Current:				
General government.	252,381	252,381	50,000	202,381
Capital outlay	<u>128,619</u>	<u>128,619</u>	-	<u>128,619</u>
Total expenditures	<u>381,000</u>	<u>381,000</u>	<u>50,000</u>	<u>331,000</u>
Net change in fund balance.	(248,385)	(248,385)	98,081	346,466
Fund balance at beginning of year	237,687	237,687	237,687	-
Prior year encumbrances appropriated . .	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 302</u>	<u>\$ 302</u>	<u>\$ 346,768</u>	<u>\$ 346,466</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RESIDENTIAL SNOW REMOVAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 25,000	\$ 25,000	\$ -	\$ (25,000)
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Expenditures:				
Current:				
Security of persons and property	68,619	83,619	68,299	15,320
Total expenditures	<u>68,619</u>	<u>83,619</u>	<u>68,299</u>	<u>15,320</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(43,619)</u>	<u>(58,619)</u>	<u>(68,299)</u>	<u>(9,680)</u>
Other financing sources:				
Transfers in	75,000	75,000	35,000	(40,000)
Total other financing sources	<u>75,000</u>	<u>75,000</u>	<u>35,000</u>	<u>(40,000)</u>
Net change in fund balance.	31,381	16,381	(33,299)	(49,680)
Fund balance at beginning of year	1,423	1,423	1,423	-
Prior year encumbrances appropriated . .	<u>32,619</u>	<u>32,619</u>	<u>32,619</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 65,423</u>	<u>\$ 50,423</u>	<u>\$ 743</u>	<u>\$ (49,680)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENHANCED 911 WIRELESS FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 110,000	\$ 110,000	\$ 66,291	\$ (43,709)
Total revenues	<u>110,000</u>	<u>110,000</u>	<u>66,291</u>	<u>(43,709)</u>
Expenditures:				
Current:				
Security of persons and property.	98,781	98,781	48,781	50,000
Capital outlay	<u>60,400</u>	<u>60,400</u>	<u>60,315</u>	<u>85</u>
Total expenditures	<u>159,181</u>	<u>159,181</u>	<u>109,096</u>	<u>50,085</u>
Net change in fund balance.	(49,181)	(49,181)	(42,805)	6,376
Fund balance at beginning of year	4,322	4,322	4,322	-
Prior year encumbrances appropriated . .	<u>52,600</u>	<u>52,600</u>	<u>52,600</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 7,741</u>	<u>\$ 7,741</u>	<u>\$ 14,117</u>	<u>\$ 6,376</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ADOPT A TREE/TREE CITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 8,000	\$ 8,000	\$ 11,055	\$ 3,055
Total revenues	<u>8,000</u>	<u>8,000</u>	<u>11,055</u>	<u>3,055</u>
Expenditures:				
Current:				
Leisure time activities	<u>7,793</u>	<u>7,793</u>	<u>7,793</u>	<u>-</u>
Total expenditures	<u>7,793</u>	<u>7,793</u>	<u>7,793</u>	<u>-</u>
Net change in fund balance.	207	207	3,262	3,055
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 207</u>	<u>\$ 207</u>	<u>\$ 3,262</u>	<u>\$ 3,055</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE OFFICER TRAINING FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 3,000	\$ 3,000	\$ 7,200	\$ 4,200
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>7,200</u>	<u>4,200</u>
Net change in fund balance.	3,000	3,000	7,200	4,200
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 7,200</u>	<u>\$ 4,200</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COURT SPECIAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,700,000	\$ 1,700,000	\$ 1,000,000	\$ (700,000)
Investment income	25,000	25,000	13,258	(11,742)
Contributions and donations	25,000	25,000	2,000	(23,000)
Total revenues	<u>1,750,000</u>	<u>1,750,000</u>	<u>1,015,258</u>	<u>(734,742)</u>
Expenditures:				
Current:				
General government	500,000	500,000	379,989	120,011
Capital outlay	<u>1,250,000</u>	<u>1,250,000</u>	<u>-</u>	<u>1,250,000</u>
Total expenditures	<u>1,750,000</u>	<u>1,750,000</u>	<u>379,989</u>	<u>1,370,011</u>
Net change in fund balance	-	-	635,269	635,269
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 635,269</u>	<u>\$ 635,269</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL OBLIGATION BOND RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Income taxes.	\$ 1,222,522	\$ 1,222,522	\$ 898,586	\$ (323,936)
Other	200,000	200,000	-	(200,000)
Total revenues.	<u>1,422,522</u>	<u>1,422,522</u>	<u>898,586</u>	<u>(523,936)</u>
Expenditures:				
Debt service:				
Principal retirement.	390,000	390,000	390,000	-
Interest and fiscal charges.	<u>832,527</u>	<u>932,527</u>	<u>508,586</u>	<u>423,941</u>
Total expenditures.	<u>1,222,527</u>	<u>1,322,527</u>	<u>898,586</u>	<u>423,941</u>
Net change in fund balance.	199,995	99,995	-	(99,995)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 199,995</u>	<u>\$ 99,995</u>	<u>\$ -</u>	<u>\$ (99,995)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL CAPITAL IMPROVEMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues:				
Income taxes	\$ 2,474,077	\$ 2,474,077	\$ 2,312,995	\$ (161,082)
Intergovernmental.	3,387,400	3,387,400	3,043,366	(344,034)
Special assessments	50,000	50,000	24,767	(25,233)
Other	1,872,669	1,872,669	782,267	(1,090,402)
Contributions and donations	180,000	180,000	177,499	(2,501)
Total revenues.	<u>7,964,146</u>	<u>7,964,146</u>	<u>6,340,894</u>	<u>(1,623,252)</u>
Expenditures:				
Capital outlay	18,096,561	19,776,138	18,336,609	1,439,529
Debt service:				
Principal retirement.	16,526,527	18,069,576	11,290,172	6,779,404
Interest and fiscal charges.	804,325	878,976	546,206	332,770
Bond and note issue costs	128,346	131,069	131,066	3
Total expenditures.	<u>35,555,759</u>	<u>38,855,759</u>	<u>30,304,053</u>	<u>8,551,706</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(27,591,613)</u>	<u>(30,891,613)</u>	<u>(23,963,159)</u>	<u>6,928,454</u>
Other financing sources:				
Sale of bonds	8,619,012	8,619,012	5,923,932	(2,695,080)
Sale of notes	12,658,046	12,658,046	8,700,000	(3,958,046)
Advances in.	1,000,000	1,000,000	-	(1,000,000)
Premium on bonds and notes.	258,796	258,796	177,873	(80,923)
Total other financing sources	<u>22,535,854</u>	<u>22,535,854</u>	<u>14,801,805</u>	<u>(7,734,049)</u>
Net change in fund balance.	(5,055,759)	(8,355,759)	(9,161,354)	(805,595)
Fund balance at beginning of year	4,240,324	4,240,324	4,240,324	-
Prior year encumbrances appropriated . . .	<u>7,500,672</u>	<u>7,500,672</u>	<u>7,500,672</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 6,685,237</u>	<u>\$ 3,385,237</u>	<u>\$ 2,579,642</u>	<u>\$ (805,595)</u>

CITY OF STOW, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - PROPRIETARY FUNDS*

ENTERPRISE FUNDS

To account for the financing of costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis that are financed or recovered primarily through user charges.

Major Enterprise Funds

Water Fund

This fund accounts for revenues generated from the charges for the treatment and provision of water to the residents and commercial users of the City.

Storm Water Utility Fund

This fund accounts for the provision of storm drainage runoff service to the residents and commercial users located within the City.

Golf Fund

This fund accounts for revenues generated and expenses for the Fox Den Golf Course.

INTERNAL SERVICE FUNDS

To account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

Nonmajor Internal Service Funds

Administrative Insurance Fund

This fund accounts for the receipt and disbursement of funds to administrate the City's self-funded insurance plan for health, hospitalization and dental coverage and payment of premiums of life, accidental death and dismemberment insurance.

Self-Insurance Fund

This fund accounts for the operation of the City's self-insurance program for employee health benefits.

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 7,062,520	\$ 7,062,520	\$ 4,887,596	\$ (2,174,924)
Tap-in fees	115,000	115,000	70,330	(44,670)
Other.	301,100	301,100	121,499	(179,601)
Total revenues	<u>7,478,620</u>	<u>7,478,620</u>	<u>5,079,425</u>	<u>(2,399,195)</u>
Operating expenses:				
Personal services.	1,034,029	1,127,819	1,105,578	22,241
Materials and supplies	316,446	345,149	176,579	168,570
Contractual services	2,515,013	2,744,075	2,552,252	191,823
Capital outlay	2,391,561	2,608,486	1,530,232	1,078,254
Total expenses	<u>6,257,049</u>	<u>6,825,529</u>	<u>5,364,641</u>	<u>1,460,888</u>
Operating income (loss)	<u>1,221,571</u>	<u>653,091</u>	<u>(285,216)</u>	<u>(938,307)</u>
Nonoperating revenues (expenses):				
Intergovernmental	350,000	350,000	342,964	(7,036)
Advances out	(45,842)	(50,000)	(50,000)	-
Bonds issued.	546,068	546,068	546,068	-
Notes issued	1,200,000	1,200,000	1,200,000	-
Premium on bonds and notes issued.	349,940	349,940	18,832	(331,108)
Debt service:				
Principal retirement	(2,399,730)	(2,617,396)	(2,617,396)	-
Interest and fiscal charges.	(106,899)	(116,595)	(105,008)	11,587
Bond issuance costs.	(10,363)	(10,363)	(10,363)	-
Total nonoperating revenues (expenses).	<u>(116,826)</u>	<u>(348,346)</u>	<u>(674,903)</u>	<u>(326,557)</u>
Net change in fund equity	1,104,745	304,745	(960,119)	(1,264,864)
Fund equity at beginning of year.	2,911,109	2,911,109	2,911,109	-
Prior year encumbrances appropriated	<u>543,453</u>	<u>543,453</u>	<u>543,453</u>	<u>-</u>
Fund equity at end of year	<u>\$ 4,559,307</u>	<u>\$ 3,759,307</u>	<u>\$ 2,494,443</u>	<u>\$ (1,264,864)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STORM WATER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 1,750,000	\$ 1,750,000	\$ 794,588	\$ (955,412)
Other.	-	-	4,942	4,942
Total revenues	<u>1,750,000</u>	<u>1,750,000</u>	<u>799,530</u>	<u>(950,470)</u>
Operating expenses:				
Personal services.	327,197	334,107	334,104	3
Materials and supplies	192,053	196,109	190,919	5,190
Contractual services	299,891	306,224	290,993	15,231
Capital outlay	601,452	614,153	80,255	533,898
Total expenses	<u>1,420,593</u>	<u>1,450,593</u>	<u>896,271</u>	<u>554,322</u>
Operating income (loss)	<u>329,407</u>	<u>299,407</u>	<u>(96,741)</u>	<u>(396,148)</u>
Nonoperating revenues:				
Intergovernmental	55,500	55,500	13,060	(42,440)
Notes issued	600,000	600,000	-	(600,000)
Total nonoperating revenues	<u>655,500</u>	<u>655,500</u>	<u>13,060</u>	<u>(642,440)</u>
Net change in fund equity	984,907	954,907	(83,681)	(1,038,588)
Fund equity at beginning of year.	38,225	38,225	38,225	-
Prior year encumbrances appropriated	<u>120,593</u>	<u>120,593</u>	<u>120,593</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,143,725</u>	<u>\$ 1,113,725</u>	<u>\$ 75,137</u>	<u>\$ (1,038,588)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GOLF FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 903,500	\$ 903,500	\$ 888,708	\$ (14,792)
Other.	283,000	283,000	177,168	(105,832)
Total revenues	<u>1,186,500</u>	<u>1,186,500</u>	<u>1,065,876</u>	<u>(120,624)</u>
Operating expenses:				
Personal services.	508,808	515,542	510,753	4,789
Materials and supplies	342,623	347,157	336,269	10,888
Contractual services	110,160	111,618	91,400	20,218
Capital outlay	162,013	164,157	160,897	3,260
Total expenses	<u>1,123,604</u>	<u>1,138,474</u>	<u>1,099,319</u>	<u>39,155</u>
Operating income (loss)	<u>62,896</u>	<u>48,026</u>	<u>(33,443)</u>	<u>(81,469)</u>
Nonoperating revenues (expenses):				
Income taxes.	641,500	641,500	300,000	(341,500)
Debt service:				
Principal retirement	(9,869)	(10,000)	(10,000)	-
Interest and fiscal charges.	<u>(377,728)</u>	<u>(382,727)</u>	<u>(366,807)</u>	<u>15,920</u>
Total nonoperating revenues (expenses) . . .	<u>253,903</u>	<u>248,773</u>	<u>(76,807)</u>	<u>(325,580)</u>
Net change in fund equity	316,799	296,799	(110,250)	(407,049)
Fund equity at beginning of year.	124,823	124,823	124,823	-
Prior year encumbrances appropriated . . .	<u>39,701</u>	<u>39,701</u>	<u>39,701</u>	<u>-</u>
Fund equity at end of year	<u>\$ 481,323</u>	<u>\$ 461,323</u>	<u>\$ 54,274</u>	<u>\$ (407,049)</u>

CITY OF STOW, OHIO

*COMBINING STATEMENT OF NET ASSETS
NONMAJOR INTERNAL SERVICE FUNDS
DECEMBER 31, 2008*

	<u>Administrative Insurance</u>	<u>Self-Insurance</u>	<u>Total Nonmajor Internal Service Funds</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents . . .	\$ 1,938	\$ 1,391,309	\$ 1,393,247
Receivables (net of allowance for uncollectibles):			
Accounts	<u>-</u>	<u>361</u>	<u>361</u>
Total assets	<u>1,938</u>	<u>1,391,670</u>	<u>1,393,608</u>
Liabilities:			
Current liabilities:			
Claims payable.	<u>-</u>	<u>505,000</u>	<u>505,000</u>
Total liabilities	<u>-</u>	<u>505,000</u>	<u>505,000</u>
Net assets:			
Unrestricted	<u>1,938</u>	<u>886,670</u>	<u>888,608</u>
Total net assets	<u>\$ 1,938</u>	<u>\$ 886,670</u>	<u>\$ 888,608</u>

CITY OF STOW, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
NONMAJOR INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008*

	Administrative Insurance	Self-Insurance	Total Nonmajor Internal Service Funds
Operating revenues:			
Charges for services	\$ 220,448	\$ 2,318,639	\$ 2,539,087
Total operating revenues	<u>220,448</u>	<u>2,318,639</u>	<u>2,539,087</u>
Operating expenses:			
Contract services	249,851	-	249,851
Claims	<u>-</u>	<u>2,363,316</u>	<u>2,363,316</u>
Total operating expenses.	<u>249,851</u>	<u>2,363,316</u>	<u>2,613,167</u>
Operating loss/changes in net assets	(29,403)	(44,677)	(74,080)
Net assets at beginning of year.	<u>31,341</u>	<u>931,347</u>	<u>962,688</u>
Net assets at end of year	<u>\$ 1,938</u>	<u>\$ 886,670</u>	<u>\$ 888,608</u>

CITY OF STOW, OHIO

*COMBINING STATEMENT OF CASH FLOWS
NONMAJOR INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Administrative Insurance</u>	<u>Self-Insurance</u>	<u>Total Nonmajor Internal Service Funds</u>
Cash flows from operating activities:			
Cash received from customers	\$ 220,448	\$ 2,318,895	\$ 2,539,343
Cash payments for contract services	(249,851)	-	(249,851)
Cash payments for claims.	-	(2,381,652)	(2,381,652)
	<hr/>	<hr/>	<hr/>
Net cash used in operating activities	(29,403)	(62,757)	(92,160)
	<hr/>	<hr/>	<hr/>
Net decrease in cash and cash equivalents.	(29,403)	(62,757)	(92,160)
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at beginning of year	31,341	1,454,066	1,485,407
Cash and cash equivalents at end of year . . .	<u>\$ 1,938</u>	<u>\$ 1,391,309</u>	<u>\$ 1,393,247</u>
	<hr/>	<hr/>	<hr/>
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss.	\$ (29,403)	\$ (44,677)	\$ (74,080)
Changes in assets and liabilities:			
Decrease in accounts receivable	-	256	256
Decrease in claims payable	-	(18,336)	(18,336)
	<hr/>	<hr/>	<hr/>
Net cash used in operating activities.	<u>\$ (29,403)</u>	<u>\$ (62,757)</u>	<u>\$ (92,160)</u>
	<hr/>	<hr/>	<hr/>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ADMINISTRATIVE INSURANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 525,000	\$ 525,000	\$ 220,448	\$ (304,552)
Total revenues	<u>525,000</u>	<u>525,000</u>	<u>220,448</u>	<u>(304,552)</u>
Operating expenses:				
Contractual services	295,336	295,336	249,851	45,485
Total expenses	<u>295,336</u>	<u>295,336</u>	<u>249,851</u>	<u>45,485</u>
Operating income (loss)/net change in fund equity	229,664	229,664	(29,403)	(259,067)
Fund equity at beginning of year	25,341	25,341	25,341	-
Prior year encumbrances appropriated . . .	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Fund equity at end of year	<u>\$ 261,005</u>	<u>\$ 261,005</u>	<u>\$ 1,938</u>	<u>\$ (259,067)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SELF-INSURANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 2,500,000	\$ 2,500,000	\$ 2,318,895	\$ (181,105)
Total revenues	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,318,895</u>	<u>(181,105)</u>
Operating expenses:				
Claims	<u>3,612,405</u>	<u>3,612,405</u>	<u>2,381,652</u>	<u>1,230,753</u>
Total expenses	<u>3,612,405</u>	<u>3,612,405</u>	<u>2,381,652</u>	<u>1,230,753</u>
Operating income (loss)/net change in fund equity	(1,112,405)	(1,112,405)	(62,757)	1,049,648
Fund equity at beginning of year.	<u>1,454,066</u>	<u>1,454,066</u>	<u>1,454,066</u>	<u>-</u>
Fund equity at end of year	<u>\$ 341,661</u>	<u>\$ 341,661</u>	<u>\$ 1,391,309</u>	<u>\$ 1,049,648</u>

CITY OF STOW, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - FIDUCIARY FUNDS*

Fiduciary funds are used to account for assets held by the City in a trustee capacity, or as an agency for individuals, private organizations, other governments and/or funds. The following are the City's fiduciary fund types:

Private Purpose Trust Funds

Private purpose trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The following are the City's Private Purpose Trust Funds.

Stutler Scholarship Fund

To account for donations in memory of Police Officer Stutler to provide scholarships.

Wells Perkins Cemetery Fund

To account for funds bequeathed to the City for Cemetery upkeep.

Stow Seniors Commision Fund

To account for donations to the City for the Senior Center Commission.

Agency Fund

Agency funds maintain assets held by the City as an agent for individuals, private organizations, other governmental units and/or funds. These funds are purely custodial (assets equal liabilities) and therefore do not involve the measurement of results. The following are the City's agency funds.

Road Construction Bonds

To account for deposits from contractors, held by the City to ensure compliance with the contract.

Allotment Deposits

To account for deposits from subdivision developers for engineering oversight.

Miscellaneous Service Deposits

To account for various service department non-recurring deposits.

Bond Forfeitures

To account for forfeitures of bonds by developers and/or contractors.

Park and Recreation Deposits

To account for the receipt and subsequent refund of Parks and Recreation deposit monies for rentals to cover extraordinary events or damages.

Other Agency Funds

Well Performance Bond
Police Forfeited Cash
Police Drug Forfeiture Cash

Ohio BBS 3% Surcharge
Unclaimed Money Fund

CITY OF STOW, OHIO

*COMBINING STATEMENT OF NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
DECEMBER 31, 2008*

	<u>Stutler Scholarship Fund</u>	<u>Wells Perkins Cemetery</u>	<u>Stow Seniors Commission</u>	<u>Total Private Purpose Trust</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 450	\$ 500	\$ 616	\$ 1,566
Total assets	<u>450</u>	<u>500</u>	<u>616</u>	<u>1,566</u>
Net assets:				
Held in trust.	<u>450</u>	<u>500</u>	<u>616</u>	<u>1,566</u>
Total net assets.	<u><u>\$ 450</u></u>	<u><u>\$ 500</u></u>	<u><u>\$ 616</u></u>	<u><u>\$ 1,566</u></u>

CITY OF STOW, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCES
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008*

	Stutler Scholarship Fund	Wells Perkins Cemetery	Stow Seniors Commission	Totals
Deductions:				
Miscellaneous.	\$ -	\$ -	\$ 234	\$ 234
Total reductions.	-	-	234	234
Changes in net assets	-	-	(234)	(234)
Net assets at beginning of year.	450	500	850	1,800
Net assets at end of year	\$ 450	\$ 500	\$ 616	\$ 1,566

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STUTLER SCHOLARSHIP FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Fund equity at beginning of year	\$ 450	\$ 450	\$ 450	\$ -
Fund equity at end of year.	<u>\$ 450</u>	<u>\$ 450</u>	<u>\$ 450</u>	<u>\$ -</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WELLS PERKINS CEMETERY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fund equity at beginning of year	\$ 500	\$ 500	\$ 500	\$ -
Fund equity at end of year.	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ -</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STOW SENIORS COMMISSION FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Reductions:				
Capital outlay	\$ 444	\$ 444	\$ 444	\$ -
Total operating expenses	<u>444</u>	<u>444</u>	<u>444</u>	<u>-</u>
Change in net assets	(444)	(444)	(444)	-
Fund equity at beginning of year	<u>\$ 850</u>	<u>\$ 850</u>	<u>\$ 850</u>	<u>\$ -</u>
Fund equity (deficit) at end of year.	<u>\$ 406</u>	<u>\$ 406</u>	<u>\$ 406</u>	<u>\$ -</u>

CITY OF STOW, OHIO

*STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008*

	Beginning Balance 12/31/2007	Additions	Reductions	Ending Balance 12/31/2008
Road Construction Bonds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 342,125	\$ 13,730	\$ 26,626	\$ 329,229
Total assets.	<u>\$ 342,125</u>	<u>\$ 13,730</u>	<u>\$ 26,626</u>	<u>\$ 329,229</u>
Liabilities:				
Undistributed monies	\$ 342,125	\$ 13,730	\$ 26,626	\$ 329,229
Total liabilities	<u>\$ 342,125</u>	<u>\$ 13,730</u>	<u>\$ 26,626</u>	<u>\$ 329,229</u>
 Allotment Deposits				
Assets:				
Equity in pooled cash and cash equivalents	\$ 127,921	\$ 7,746	\$ 4,455	\$ 131,212
Total assets.	<u>\$ 127,921</u>	<u>\$ 7,746</u>	<u>\$ 4,455</u>	<u>\$ 131,212</u>
Liabilities:				
Undistributed monies	\$ 127,921	\$ 7,746	\$ 4,455	\$ 131,212
Total liabilities	<u>\$ 127,921</u>	<u>\$ 7,746</u>	<u>\$ 4,455</u>	<u>\$ 131,212</u>
 Miscellaneous Service Deposits				
Assets:				
Equity in pooled cash and cash equivalents	\$ 9,298	\$ 9,000	\$ 2,000	\$ 16,298
Total assets.	<u>\$ 9,298</u>	<u>\$ 9,000</u>	<u>\$ 2,000</u>	<u>\$ 16,298</u>
Liabilities:				
Undistributed monies	\$ 9,298	\$ 9,000	\$ 2,000	\$ 16,298
Total liabilities	<u>\$ 9,298</u>	<u>\$ 9,000</u>	<u>\$ 2,000</u>	<u>\$ 16,298</u>
 Bond Forfeitures				
Assets:				
Equity in pooled cash and cash equivalents	\$ 20,557	\$ -	\$ -	\$ 20,557
Total assets.	<u>\$ 20,557</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,557</u>
Liabilities:				
Deposits held and due to others	\$ 20,557	\$ -	\$ -	\$ 20,557
Total liabilities	<u>\$ 20,557</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,557</u>

- - Continued

CITY OF STOW, OHIO

*STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2008*

	Beginning Balance 12/31/2007	Additions	Reductions	Ending Balance 12/31/2008
Park and Recreation Deposits				
Assets:				
Equity in pooled cash and cash equivalents	\$ 16,853	\$ 272,399	\$ 284,955	\$ 4,297
Total assets.	<u>\$ 16,853</u>	<u>\$ 272,399</u>	<u>\$ 284,955</u>	<u>\$ 4,297</u>
Liabilities:				
Undistributed monies	\$ 16,853	\$ 272,399	\$ 284,955	\$ 4,297
Total liabilities	<u>\$ 16,853</u>	<u>\$ 272,399</u>	<u>\$ 284,955</u>	<u>\$ 4,297</u>
Well Performance Bond				
Assets:				
Equity in pooled cash and cash equivalents	\$ 40,000	\$ -	\$ -	\$ 40,000
Total assets.	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,000</u>
Liabilities:				
Undistributed monies	\$ 40,000	\$ -	\$ -	\$ 40,000
Total liabilities	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,000</u>
Police Forfeited Cash				
Assets:				
Equity in pooled cash and cash equivalents	\$ 929	\$ -	\$ -	\$ 929
Total assets.	<u>\$ 929</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 929</u>
Liabilities:				
Undistributed monies	\$ 929	\$ -	\$ -	\$ 929
Total liabilities	<u>\$ 929</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 929</u>

- - Continued

CITY OF STOW, OHIO

*STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2008*

	Beginning Balance 12/31/2007	Additions	Reductions	Ending Balance 12/31/2008
Police Drug Forfeiture Cash				
Assets:				
Equity in pooled cash and cash equivalents	\$ 16,767	\$ 5,346	\$ 5,780	\$ 16,333
Receivables:				
Intergovernmental	-	150	-	150
Total assets.	<u>\$ 16,767</u>	<u>\$ 5,496</u>	<u>\$ 5,780</u>	<u>\$ 16,483</u>
Liabilities:				
Intergovernmental payable.	\$ -	\$ 150	\$ -	\$ 150
Undistributed monies	16,767	5,346	5,780	16,333
Total liabilities	<u>\$ 16,767</u>	<u>\$ 5,496</u>	<u>\$ 5,780</u>	<u>\$ 16,483</u>
Ohio BBS 3% Surcharge				
Assets:				
Equity in pooled cash and cash equivalents	\$ 498	\$ 4,002	\$ 4,444	\$ 56
Total assets.	<u>\$ 498</u>	<u>\$ 4,002</u>	<u>\$ 4,444</u>	<u>\$ 56</u>
Liabilities:				
Undistributed monies	\$ 498	\$ 4,002	\$ 4,444	\$ 56
Total liabilities	<u>\$ 498</u>	<u>\$ 4,002</u>	<u>\$ 4,444</u>	<u>\$ 56</u>
Unclaimed Money Fund				
Assets:				
Equity in pooled cash and cash equivalents	\$ 19,073	\$ 9,638	\$ 200	\$ 28,511
Total assets.	<u>\$ 19,073</u>	<u>\$ 9,638</u>	<u>\$ 200</u>	<u>\$ 28,511</u>
Liabilities:				
Undistributed monies	\$ 19,073	\$ 9,638	\$ 200	\$ 28,511
Total liabilities	<u>\$ 19,073</u>	<u>\$ 9,638</u>	<u>\$ 200</u>	<u>\$ 28,511</u>
Total Agency				
Assets:				
Equity in pooled cash and cash equivalents	\$ 594,021	\$ 321,861	\$ 328,460	\$ 587,422
Receivables:				
Intergovernmental	-	150	-	150
Total assets.	<u>\$ 594,021</u>	<u>\$ 322,011</u>	<u>\$ 328,460</u>	<u>\$ 587,572</u>
Liabilities:				
Intergovernmental payable.	\$ -	\$ 150	\$ -	\$ 150
Deposits held and due to others	-	20,557	-	20,557
Undistributed monies	594,021	301,304	328,460	566,865
Total liabilities	<u>\$ 594,021</u>	<u>\$ 322,011</u>	<u>\$ 328,460</u>	<u>\$ 587,572</u>

STATISTICAL SECTION

CITY OF STOW, OHIO
STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	147
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the income tax and property tax.	159
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	167
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	173
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the city provides and the activities it performs.	177

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

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FINANCIAL TRENDS

CITY OF STOW, OHIO

NET ASSETS BY COMPONENT
LAST SIX YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2008	2007	2006	2005
Governmental activities				
Invested in capital assets, net of related debt	\$ 34,733,562	\$ 32,776,346	\$ 29,534,790	\$ 27,553,492
Restricted	11,437,818	7,217,515	8,857,474	7,001,862
Unrestricted	2,893,903	3,145,164	4,086,986	7,739,333
Total governmental activities net assets	<u>\$ 49,065,283</u>	<u>\$ 43,139,025</u>	<u>\$ 42,479,250</u>	<u>\$ 42,294,687</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 23,018,961	\$ 21,095,746	\$ 18,074,614	\$ 18,532,258
Unrestricted	2,800,179	3,288,345	4,966,486	3,654,574
Total business-type activities net assets	<u>\$ 25,819,140</u>	<u>\$ 24,384,091</u>	<u>\$ 23,041,100</u>	<u>\$ 22,186,832</u>
Primary government				
Invested in capital assets, net of related debt	\$ 57,752,523	\$ 53,872,092	\$ 47,609,404	\$ 46,085,750
Restricted	11,437,818	7,217,515	8,857,474	7,001,862
Unrestricted	5,694,082	6,433,509	9,053,472	11,393,907
Total primary government net assets	<u>\$ 74,884,423</u>	<u>\$ 67,523,116</u>	<u>\$ 65,520,350</u>	<u>\$ 64,481,519</u>

Note: 2003 was the first year the City implemented GASB Statement No. 34, so comparative information before that year is not available.

<u>2004</u>	<u>2003</u>
\$ 25,216,608	\$ 20,570,820
7,635,153	9,036,658
<u>7,163,602</u>	<u>7,685,369</u>
<u>\$ 40,015,363</u>	<u>\$ 37,292,847</u>
\$ 17,251,673	\$ 15,839,601
2,548,005	1,425,497
<u>\$ 19,799,678</u>	<u>\$ 17,265,098</u>
\$ 42,468,281	\$ 36,410,421
7,635,153	9,036,658
9,711,607	9,110,866
<u>\$ 59,815,041</u>	<u>\$ 54,557,945</u>

CITY OF STOW, OHIO

CHANGES IN NET ASSETS
LAST SIX YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2008	2007	2006	2005
Expenses				
Governmental activities:				
General government	\$ 6,147,957	\$ 6,578,566	\$ 6,918,887	\$ 6,090,778
Security of persons and property	13,327,278	14,252,725	15,284,191	12,048,393
Public health	425,367	434,833	478,870	440,074
Leisure time activities	2,044,492	2,208,765	2,362,474	1,951,619
Community and economic development	1,420,185	1,527,660	1,723,424	1,545,734
Transportation	3,574,568	5,164,464	3,466,779	3,779,144
Interest and fiscal charges	859,793	831,442	594,333	694,127
Depreciation - (Unallocated)	-	-	-	-
Total governmental activities expenses	<u>27,799,640</u>	<u>30,998,455</u>	<u>30,828,958</u>	<u>26,549,869</u>
Business-type activities:				
Water	4,073,731	4,404,703	3,980,833	3,614,891
Golf	1,328,960	1,304,665	1,361,329	-
Storm Water Utility	1,037,405	907,519	803,296	642,835
Total business-type activities expenses	<u>6,440,096</u>	<u>6,616,887</u>	<u>6,145,458</u>	<u>4,257,726</u>
Total primary government expenses	<u>\$ 34,239,736</u>	<u>\$ 37,615,342</u>	<u>\$ 36,974,416</u>	<u>\$ 30,807,595</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 1,175,185	\$ 857,393	\$ 878,026	\$ 809,517
Security of persons and property	602,385	708,292	564,625	611,180
Public health	42,465	47,869	50,759	56,361
Leisure time activities	363,040	295,613	272,149	351,952
Community and economic development	235,657	243,228	252,718	250,583
Transportation	43,775	20,248	-	-
Operating grants and contributions				
General government	1,002,209	170,986	-	-
Security of persons and property	412,760	61,514	413,210	522,180
Public health	34,590	34,394	5,000	-
Leisure time activities	149,192	3,550	-	-
Community and economic development	4,547	219,517	-	-
Transportation	1,949,031	1,818,004	1,592,073	1,404,271
Capital grants and contributions				
General Government	831,888	1,000,000	-	-
Security of persons and property	-	-	-	-
Leisure time activities	365,276	-	-	-
Transportation	2,150,731	406,531	550,997	1,444,831
Total governmental program revenues	<u>9,362,731</u>	<u>5,887,139</u>	<u>4,579,557</u>	<u>5,450,875</u>
Business-type activities:				
Charges for services:				
Water	4,937,932	5,167,026	4,905,336	4,929,505
Golf Course	888,706	961,526	936,183	-
Storm Water Utility	785,235	788,270	774,892	725,359
Operating grants and contributions	-	-	177,876	106,378
Capital grants and contributions	734,860	414,871	-	856,697
Total business-type activities program revenues	<u>7,346,733</u>	<u>7,331,693</u>	<u>6,794,287</u>	<u>6,617,939</u>
Total primary government program revenue	<u>\$ 16,709,464</u>	<u>\$ 13,218,832</u>	<u>\$ 11,373,844</u>	<u>\$ 12,068,814</u>
Net (Expense)/Revenue				
Governmental activities	\$ (18,436,909)	\$ (25,111,316)	\$ (26,249,401)	\$ (21,098,994)
Business-type activities	906,637	714,806	648,829	2,360,213
Total primary government net expense	<u>\$ (17,530,272)</u>	<u>\$ (24,396,510)</u>	<u>\$ (25,600,572)</u>	<u>\$ (18,738,781)</u>

<u>2004</u>	<u>2003</u>
\$ 5,432,973	\$ 4,868,501
11,853,463	12,358,496
492,311	472,916
2,078,775	1,734,052
1,529,252	1,242,741
3,815,181	2,008,079
350,575	889,842
7,428	672,634
25,559,958	24,247,261
3,647,156	3,712,059
-	-
-	-
3,647,156	3,712,059
\$ 29,207,114	\$ 27,959,320
\$ 393,667	\$ 367,955
1,258,830	1,308,313
29,730	27,104
152,107	145,037
237,401	94,760
61,887	64,972
18,831	51,518
109,192	115,821
10,922	21,795
6,229	16,584
23,026	124,114
2,960	9,096
-	-
64,810	-
-	-
431,525	903,400
2,801,117	3,250,469
4,441,491	4,099,615
-	-
-	-
-	-
958,467	83,675
5,399,958	4,183,290
\$ 8,201,075	\$ 7,433,759
\$ (22,758,841)	\$ (20,996,792)
1,752,802	471,231
\$ (21,006,039)	\$ (20,525,561)

-- Continued

CITY OF STOW, OHIO

CHANGES IN NET ASSETS (CONTINUED)
LAST SIX YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2008	2007	2006	2005
General Revenues				
Governmental activities:				
Taxes				
Property taxes	\$ 7,052,140	\$ 7,639,945	\$ 7,871,452	\$ 7,459,294
Income taxes	12,504,118	12,642,876	11,579,104	11,209,387
Grants and entitlements not restricted to specific programs	3,942,230	3,890,054	3,814,628	3,354,221
Investment earnings	470,727	1,293,813	894,418	471,060
Other	321,544	414,403	2,274,362	884,356
Premium on debt issued	-	-	-	-
Gain on sale of capital assets	-	-	-	-
Transfers	72,408	(110,000)	-	-
Total governmental activities	<u>24,363,167</u>	<u>25,771,091</u>	<u>26,433,964</u>	<u>23,378,318</u>
Business-type activities:				
Municipal income taxes	300,000	197,571	-	-
Investment earnings	-	-	-	-
Other	300,820	320,614	205,439	26,941
Premium on debt issued	-	-	-	-
Transfers	(72,408)	110,000	-	-
Total business-type activities	<u>528,412</u>	<u>628,185</u>	<u>205,439</u>	<u>26,941</u>
Total primary government	<u>\$ 24,891,579</u>	<u>\$ 26,399,276</u>	<u>\$ 26,639,403</u>	<u>\$ 23,405,259</u>
Change in Net Assets				
Governmental activities	\$ 5,926,258	\$ 659,775	\$ 184,563	\$ 2,279,324
Business-type activities	1,435,049	1,342,991	854,268	2,387,154
Total primary government	<u>\$ 7,361,307</u>	<u>\$ 2,002,766</u>	<u>\$ 1,038,831</u>	<u>\$ 4,666,478</u>

Note: 2003 was the first year the City implemented GASB Statement No. 34, so comparative information before that year is not available.

<u>2004</u>	<u>2003</u>
\$ 6,844,640	\$ 6,797,865
11,422,047	11,167,214
4,655,070	4,092,246
219,668	290,877
416,504	519,809
146,083	78,919
-	34,474
753,480	88,196
<u>24,457,492</u>	<u>23,069,600</u>
-	-
4,963	9,133
100,622	63,272
20,470	11,398
(753,480)	(88,196)
<u>(627,425)</u>	<u>(4,393)</u>
<u>\$ 23,830,067</u>	<u>\$ 23,065,207</u>
\$ 1,698,651	\$ 2,072,808
<u>1,125,377</u>	<u>466,838</u>
<u>\$ 2,824,028</u>	<u>\$ 2,539,646</u>

CITY OF STOW, OHIO

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Fund				
Reserved	\$ 493,673	\$ 648,662	\$ 1,003,425	\$ 734,620
Unreserved	5,140,973	5,234,108	5,275,404	4,795,925
Total general fund	<u>\$ 5,634,646</u>	<u>\$ 5,882,770</u>	<u>\$ 6,278,829</u>	<u>\$ 5,530,545</u>
All Other Governmental Funds				
Reserved	\$ 1,979,695	\$ 7,444,910	\$ 2,239,930	\$ 1,300,045
Unreserved, reported in:				
Special revenue funds	2,221,047	1,553,319	1,779,727	1,554,666
Capital projects funds	6,255,297	4,694,850	4,193,828	3,896,066
Total all other governmental funds	<u>\$ 10,456,039</u>	<u>\$ 13,693,079</u>	<u>\$ 8,213,485</u>	<u>\$ 6,750,777</u>

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 570,919	\$ 640,154	\$ 1,803,014	\$ 2,078,401	\$ 1,987,548	\$ 1,677,907
5,226,327	5,117,349	4,549,300	3,764,897	1,773,991	1,539,578
<u>\$ 5,797,246</u>	<u>\$ 5,757,503</u>	<u>\$ 6,352,314</u>	<u>\$ 5,843,298</u>	<u>\$ 3,761,539</u>	<u>\$ 3,217,485</u>
\$ 1,138,739	\$ 3,712,841	\$ 9,310,570	\$ 2,324,308	\$ 882,489	\$ 976,750
2,129,062	2,030,952	(1,480,404)	1,807,376	2,614,549	2,135,060
3,730,693	4,836,697	(4,155,417)	4,351,113	5,288,575	4,182,092
<u>\$ 6,998,494</u>	<u>\$ 10,580,490</u>	<u>\$ 3,674,749</u>	<u>\$ 8,482,797</u>	<u>\$ 8,785,613</u>	<u>\$ 7,293,902</u>

CITY OF STOW, OHIO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenues				
Property and other taxes	\$ 7,233,714	\$ 7,429,309	\$ 7,416,170	\$ 6,830,535
Income taxes	12,785,284	12,595,578	12,013,125	11,832,911
Special assessments	80,553	72,689	51,417	61,809
Charges for services	998,218	913,908	829,301	965,041
Licenses and permits	646,657	674,105	812,172	760,506
Fines and forfeitures	467,519	159,063	143,822	115,118
Intergovernmental	9,298,787	6,910,284	6,480,588	6,447,556
Investment income	465,201	1,309,078	873,755	451,530
Rent	295,768	280,274	264,570	189,731
Contributions and donations	206,791	53,714	12,593	1,338
Other	1,169,349	587,069	2,178,764	883,018
Total revenues	<u>33,647,841</u>	<u>30,985,071</u>	<u>31,076,277</u>	<u>28,539,093</u>
Expenditures				
Current:				
General government	6,178,362	5,682,480	5,126,246	4,980,022
Security of persons and property	12,821,027	12,211,360	11,668,726	10,720,669
Public health	461,549	402,885	400,521	384,994
Leisure time activities	1,963,730	1,967,626	1,843,051	1,756,686
Community and economic development	1,443,280	1,357,699	1,368,784	1,329,499
Transportation	3,068,690	3,479,526	2,500,585	2,922,095
Capital outlay	13,514,969	8,040,397	4,220,049	4,976,831
Other	-	-	-	-
Debt service:				
Principal retirement	14,955,172	10,808,200	11,656,000	12,511,858
Interest and fiscal charges	1,234,812	652,997	586,369	499,341
Bond issuance costs	176,146	60,040	-	-
Total expenditures	<u>55,817,737</u>	<u>44,663,210</u>	<u>39,370,331</u>	<u>40,081,995</u>
Excess of revenues over (under) expenditures	(22,169,896)	(13,678,139)	(8,294,054)	(11,542,902)
Other Financing Sources (Uses)				
Notes issued	9,475,000	14,565,172	10,423,200	11,281,000
Premium on notes	228,069	106,502	81,846	74,300
Refunding bonds issued	8,073,932	4,200,000	-	-
Accrued interest received on debt issuance	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Capital lease transaction	907,731	-	-	-
Loss on sale of common stock	-	-	-	-
Transfers in	734,445	850,341	569,879	571,188
Transfers out	(734,445)	(960,341)	(569,879)	(571,188)
Total other financing sources	<u>18,684,732</u>	<u>18,761,674</u>	<u>10,505,046</u>	<u>11,355,300</u>
Net change in fund balances	<u>\$ (3,485,164)</u>	<u>\$ 5,083,535</u>	<u>\$ 2,210,992</u>	<u>\$ (187,602)</u>
Capital expenditures	15,435,962	6,927,367	2,722,203	3,199,104
Debt service as a percentage of noncapital expenditures	40.53%	30.53%	33.41%	35.28%

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$	6,847,919	\$ 6,675,497	\$ 6,133,362	\$ 5,984,321	\$ 4,360,593	\$ 4,421,931
	11,422,047	11,167,214	11,281,810	11,221,994	10,939,038	10,256,841
	57,600	53,454	52,917	55,319	56,032	56,788
	1,062,425	977,307	1,043,272	837,868	424,981	298,254
	823,125	878,235	615,963	599,729	603,019	803,038
	152,428	96,039	77,000	86,298	63,370	63,391
	5,212,987	5,274,336	4,425,388	6,602,441	4,702,144	4,046,790
	215,183	285,379	457,090	574,944	817,719	536,138
	95,644	-	-	-	-	-
	5,697	-	-	-	-	-
	422,376	520,129	718,788	493,111	347,600	156,232
	<u>26,317,431</u>	<u>25,927,590</u>	<u>24,805,590</u>	<u>26,456,025</u>	<u>22,314,496</u>	<u>20,639,403</u>
	4,662,459	4,337,419	4,038,069	3,787,262	3,455,250	3,120,550
	10,613,717	10,107,920	8,874,918	8,732,322	7,833,280	7,241,474
	405,931	435,598	469,082	462,594	468,329	442,050
	1,712,128	1,646,323	1,486,482	1,492,171	1,501,736	1,388,987
	1,293,809	1,163,616	1,132,509	1,096,685	1,119,854	909,323
	2,856,791	2,542,914	2,352,871	2,217,758	2,384,678	2,063,396
	7,333,364	12,567,939	10,434,356	5,548,763	3,649,212	2,057,286
	-	3,863	6,389	23,224	50,973	-
	14,134,662	15,627,361	180,000	315,000	225,000	215,000
	475,179	735,296	382,395	402,683	414,308	428,908
	141,726	-	-	-	-	-
	<u>43,629,766</u>	<u>49,168,249</u>	<u>29,357,071</u>	<u>24,078,462</u>	<u>21,102,620</u>	<u>17,866,974</u>
	(17,312,335)	(23,240,659)	(4,551,481)	2,377,563	1,211,876	2,772,429
	12,141,858	13,923,919	59,694	-	-	-
	95,745	-	-	-	-	-
	6,440,000	-	-	-	-	-
	16,203	-	-	-	-	-
	(6,281,301)	-	-	-	-	-
	-	34,474	-	61,222	-	15,609
	-	-	-	-	-	-
	-	-	(6,122)	-	-	-
	1,413,421	684,228	6,894,637	11,149,059	14,110,788	15,371,086
	(659,941)	(596,032)	(6,894,637)	(11,652,208)	(14,110,788)	(15,419,552)
	<u>13,165,985</u>	<u>14,046,589</u>	<u>53,572</u>	<u>(441,927)</u>	<u>-</u>	<u>(32,857)</u>
\$	<u>(4,146,350)</u>	<u>(9,194,070)</u>	<u>(4,497,909)</u>	<u>1,935,636</u>	<u>1,211,876</u>	<u>2,739,572</u>
	5,823,962	12,101,292	10,434,356	5,548,763	3,649,212	2,057,286
	39.02%	44.14%	2.97%	3.87%	3.66%	4.07%

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REVENUE CAPACITY

CITY OF STOW, OHIO

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(RATE PER \$1,000 OF ASSESSED VALUE)

Collection Year	Real Property (1)		Public Utility Property (2)		Tangible Personal Property (3)	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2008	\$ 818,636,300	\$ 2,338,960,857	\$ 6,903,620	\$ 27,614,480	\$ 13,619,113	\$ 217,905,808
2007	807,864,530	2,308,184,371	11,680,280	46,721,120	24,319,941	194,559,528
2006	785,872,830	2,245,350,943	10,062,490	40,249,960	35,360,828	188,591,083
2005	726,040,350	2,074,401,000	11,035,980	44,143,920	35,360,828	141,443,312
2004	705,710,080	2,016,314,514	10,855,300	43,421,200	47,772,680	160,005,088
2003	693,300,320	1,980,858,057	11,361,260	45,445,040	51,014,864	171,524,939
2002	611,933,190	1,748,380,543	10,647,060	42,588,240	54,307,489	186,740,648
2001	588,277,820	1,680,793,771	13,019,160	52,076,640	53,892,421	178,287,544
2000	567,191,520	1,620,547,200	14,630,840	58,523,360	53,811,583	171,353,812
1999	526,516,730	1,504,333,514	14,428,370	57,713,480	52,133,728	165,249,802

Source: Summit County Fiscal Office

- (1) Real property is assessed at 35% of actual value. Real property taxes collected in a calendar year are levied as of January 1 of that year based on assessed values as of January 1 of the preceding year.
- (2) Public utility is assessed at 25% of actual value. Public utility real and tangible property taxes collected in a calendar year are levied in the preceding calendar year based on assessed values determined as of December 31 of the second preceding year.
- (3) For 2005 and prior, tangible personal is assessed at 25% of true value for capital assets and 23% percent of true value for inventory. For 2006, tangible personal personal property tax is assessed at 18.75% of property value, including inventory. For 2007, tangible personal personal property tax is assessed at 12.50% of property value, including inventory. For 2008, tangible personal personal property tax is assessed at 6.25% of property value, including inventory.

Total			
Assessed Value	Estimated Actual Value	Total Direct Rate	Ratio
\$ 839,159,033	\$ 2,584,481,145	9.50	32.47%
843,864,751	2,549,465,019	9.50	33.10%
831,296,148	2,474,191,986	9.50	33.60%
772,437,158	2,259,988,232	9.50	34.18%
764,338,060	2,219,740,802	9.50	34.43%
755,676,444	2,197,828,036	9.50	34.38%
676,887,739	1,977,709,431	9.50	34.23%
655,189,401	1,911,157,955	9.50	34.28%
635,633,943	1,850,424,372	7.20	34.35%
593,078,828	1,727,296,796	7.20	34.34%

CITY OF STOW, OHIO

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$1,000 OF ASSESSED VALUE)
LAST TEN YEARS

Collection Year	City Direct Rates					Overlapping Rates		
	General Operating	Police Pension	Fire Pension	EMS	Total Direct	Stow City School District	Summit County	Stow-Munroe Falls Public Library
2008	6.60	0.30	0.30	2.30	9.50	45.93	14.26	1.00
2007	6.60	0.30	0.30	2.30	9.50	45.62	14.57	1.00
2006	6.60	0.30	0.30	2.30	9.50	46.73	13.07	1.00
2005	6.60	0.30	0.30	2.30	9.50	47.88	13.07	-
2004	6.60	0.30	0.30	2.30	9.50	47.93	13.07	-
2003	6.60	0.30	0.30	2.30	9.50	48.32	13.07	-
2002	6.60	0.30	0.30	2.30	9.50	45.74	13.07	-
2001	6.60	0.30	0.30	2.30	9.50	46.44	13.07	-
2000	6.60	0.30	0.30	-	7.20	46.44	13.07	-
1999	6.60	0.30	0.30	-	7.20	47.64	12.27	-

Source: Summit County Fiscal Officer

CITY OF STOW, OHIO

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

<u>Collection Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections to Current Tax Levy</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Current Tax Levy</u>
2008	\$ 7,846,181	\$ 7,632,381	97.28%	\$ 280,164	\$ 7,912,545	100.85%
2007	7,785,698	7,567,654	97.20%	276,214	7,843,868	100.75%
2006	7,636,480	7,449,227	97.55%	178,019	7,627,246	99.88%
2005	7,002,463	6,829,291	97.53%	170,235	6,999,526	99.96%
2004	6,817,956	6,644,645	97.46%	165,073	6,809,718	99.88%
2003	6,694,114	6,499,566	97.09%	160,251	6,659,817	99.49%
2002	6,102,629	5,791,916	94.91%	144,724	5,936,640	97.28%
2001	5,898,640	5,580,204	94.60%	127,890	5,708,094	96.77%
2000	4,278,289	4,062,677	94.96%	77,990	4,140,667	96.78%
1999	3,985,361	3,801,725	95.39%	84,055	3,885,780	97.50%

Source: Summit County Fiscal Officer

(1) The City does not identify delinquent tax collections by tax year.

CITY OF STOW, OHIO

PRINCIPAL TAXPAYERS
REAL ESTATE TAX
CURRENT YEAR AND EIGHT YEARS AGO

December 31, 2008			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Heron Springs Associates, LLC	\$ 8,382,140	1	1.02%
DDR Ohio Opportunity II, LLC	6,670,820	2	0.81%
Wyndham Ridge, LTD	5,054,620	3	0.62%
Marcliff Hidden Lake Apartments Limited	4,653,450	4	0.57%
Stow-Glen Properties	4,606,350	5	0.56%
SFC Enterprises LTD	4,549,930	6	0.56%
Morgan Adhesive Co.	4,314,820	7	0.53%
Steels Corners Apartment Co.	3,731,030	8	0.46%
Wyndham Ridge, LTD	2,788,870	9	0.34%
WalMart Real Estate Business Trust	2,547,290	10	0.31%
Total	<u>\$ 47,299,320</u>		<u>5.78%</u>
Total Assessed Value of Real Property	<u>\$ 818,636,300</u>		

December 31, 2000			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Ohio Edison	\$ 6,712,030	1	1.18%
Developers Diversified	6,439,350	2	1.14%
Ohio Bell Telephone	4,410,140	3	0.78%
Graham Square Enterprises	4,342,730	4	0.77%
Morgan Adhesives	3,855,540	5	0.68%
Marcliff Hidden Lake Apartments Limited	3,475,530	6	0.61%
Stow Falls Retail Limited Partnership	2,332,820	7	0.41%
Stowsan LP	2,312,780	8	0.41%
Stow Hudson Investment	2,169,350	9	0.38%
East Ohio Gas	2,152,010	10	0.38%
Total	<u>\$ 38,202,280</u>		<u>6.74%</u>
Total Assessed Value of Real Property	<u>\$ 567,191,520</u>		

Source: Summit County Fiscal Office

Note: Information prior to December 31, 2000 is not available.

CITY OF STOW, OHIO

PRINCIPAL TAXPAYERS
TANGIBLE PERSONAL PROPERTY TAX
CURRENT YEAR AND EIGHT YEARS AGO

December 31, 2008			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Morgan Adhesives	\$ 1,231,640	1	9.04%
New Cingular Wireless PCS LLC	1,084,510	2	7.96%
Ohio Bell Telephone	754,820	3	5.54%
Audio-Technican U.S. Inc.	714,300	4	5.24%
GoJo Industries Inc.	589,730	5	4.33%
Tamarkin Co.	499,940	6	3.67%
Time Warner Entertainment Co.	433,320	7	3.18%
Lowes Home Centers, Inc.	426,470	8	3.13%
Akrochem Corp.	359,440	9	2.64%
Marhofer Chevrolet, Inc.	345,940	10	2.54%
Total	\$ 6,440,110		47.27%
Total Assessed Value of Tangible Personal Property	\$ 13,619,113		

December 31, 2000			
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Morgan Adhesives	\$ 9,448,740	1	17.56%
Akrochem Corp.	2,126,060	2	3.95%
Audio-Technican U.S. Inc.	1,958,780	3	3.64%
Marhofer Chevrolet, Inc.	1,282,370	4	2.38%
Goodyear Tire	1,220,870	5	2.27%
Wrayco Industries, Inc.	1,218,170	6	2.26%
Tamarkin Company	1,193,970	7	2.22%
Esterle Mold & Machine	1,031,420	8	1.92%
Norton Chemical Process	1,022,450	9	1.90%
Time Warner Entertainment Company	902,990	10	1.68%
Total	\$ 21,405,820		39.78%
Total Assessed Value of Tangible Personal Property	\$ 53,811,583		

Source: Summit County Fiscal Office

Note: Information prior to December 31, 2000 is not available.

CITY OF STOW, OHIO

**INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS**

Year	Tax Rate	Total Tax Collected (1)	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes from Individuals	Percentage of Taxes from Individuals
2008	2.00%	\$ 12,936,136	\$ 8,733,340	67.51%	\$ 1,672,184 (2)	12.93%	\$ 2,530,611	19.56%
2007	2.00%	12,739,604	8,630,468	67.75%	1,572,191 (2)	12.34%	2,536,945	19.91%
2006	2.00%	11,886,629	8,102,987	68.17%	1,395,119 (2)	11.74%	2,388,523	20.09%
2005	2.00%	12,054,635	7,833,216	64.98%	1,487,884 (2)	12.34%	2,733,535	22.68%
2004	2.00%	11,463,637	7,745,451	67.57%	997,939 (2)	8.71%	2,720,247	23.73%
2003	2.00%	11,378,531	7,596,252	66.76%	1,132,905 (2)	9.96%	2,649,374	23.28%
2002	2.00%	11,340,627	7,605,139	67.06%	928,622 (2)	8.19%	2,806,866	24.75%
2001	2.00%	11,050,292	7,506,138	67.93%	841,297	7.61%	2,702,857	24.46%
2000	2.00%	10,986,687	7,436,931	67.69%	875,142	7.97%	2,674,614	24.34%
1999	2.00%	10,654,608	7,066,934	66.33%	972,824	9.13%	2,614,850	24.54%

Source: City of Stow, Income Tax Department

(1) These amounts are the actual cash basis income tax collections by the City.

(2) Payments made by electric and telephone companies as mandated by ORC 5745 are included in these amounts.

DEBT CAPACITY

CITY OF STOW, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

Fiscal Year	Governmental Activities				Business-Type Activities		
	General Obligation Bonds	Long-Term Notes	Capital Lease	Land Purchase Agreement	OWDA Loans	OPWC Loans	General Obligation Bonds
2008	\$ 16,853,932	\$ 9,475,000	\$ 907,731	\$ -	\$ -	\$ 196,936	\$ 6,036,068
2007	9,170,000	14,565,172	-	-	25,984	208,520	5,500,000
2006	5,355,000	10,423,200	-	-	51,516	220,104	-
2005	5,730,000	11,281,000	-	-	76,635	231,688	-
2004	6,100,000	12,141,858	-	-	99,879	195,353	-
2003	5,820,000	13,845,000	-	-	121,389	-	-
2002	6,015,000	15,505,000	-	-	141,294	-	-
2001	6,195,000	-	-	-	168,274	-	-
2000	6,360,000	-	-	75,000	-	-	-
1999	6,510,000	-	-	150,000	-	-	-

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

(1) Population and personal income data is presented on page 175.

Business-Type Activities

Long-Term Notes	Capital Lease	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
\$ 1,200,000	\$ 291,483	\$ 34,961,150	2.66%	\$ 1,027
2,579,828	-	32,049,504	2.53%	876
9,021,800	-	25,071,620	2.12%	729
2,064,000	-	19,383,323	1.74%	597
2,503,142	-	21,040,232	1.98%	678
2,000,000	-	21,786,389	2.12%	726
2,300,000	-	23,961,294	2.41%	813
2,300,000	-	8,663,274	0.87%	293
-	-	6,435,000	0.72%	230
-	-	6,660,000	0.76%	246

CITY OF STOW, OHIO

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS

Fiscal Year	General Bonded Debt Outstanding		Percentage of Estimated Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Total		
2008	\$ 22,890,000	\$ 22,890,000	0.89%	\$ 672
2007	14,670,000	14,670,000	0.58%	425
2006	5,355,000	5,355,000	0.22%	156
2005	5,730,000	5,730,000	0.25%	167
2004	6,100,000	6,100,000	0.27%	178
2003	5,820,000	5,820,000	0.26%	170
2002	6,015,000	6,015,000	0.30%	178
2001	6,195,000	6,195,000	0.32%	185
2000	6,360,000	6,360,000	0.34%	198
1999	6,510,000	6,510,000	0.38%	202

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

CITY OF STOW, OHIO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2008

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
City of Stow	\$ 22,890,000	100.00%	\$ 22,890,000
Overlapping Debt:			
Summit County	38,420,000	6.61%	2,539,562
Stow-Munroe Falls City School District	4,005,000	87.22%	3,493,161
Akron Metro Regional Transit Authority	570,000	6.60%	<u>37,620</u>
Subtotal, overlapping debt			<u>6,070,343</u>
City direct debt			<u>22,890,000</u>
Total direct and overlapping debt			<u><u>\$ 28,960,343</u></u>

Source: Ohio Municipal Advisory Council

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

CITY OF STOW, OHIO

LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2008 (a)	\$ 86,681,692	\$ 22,890,000	\$ 63,791,692	26.41%
2007 (a)	85,546,487	14,670,000	70,876,487	17.15%
2006	87,286,096	5,355,000	81,931,096	6.13%
2005	81,105,902	5,730,000	75,375,902	7.06%
2004	80,255,496	6,100,000	74,155,496	7.60%
2003	79,346,027	5,820,000	73,526,027	7.33%
2002	71,073,213	6,015,000	65,058,213	8.46%
2001	68,794,887	6,195,000	62,599,887	9.01%
2000	66,741,564	6,360,000	60,381,564	9.53%
1999	62,273,277	6,510,000	55,763,277	10.45%

Source: City of Stow, Financial Records

(a) Beginning in 2007, the debt limit excludes the assessed valuation of tangible personal property tax, as well as railroad and telephone public utility personal property in accordance with Ohio House Bill 530.

DEMOGRAPHIC AND ECONOMIC INFORMATION

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CITY OF STOW, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	School Enrollment	Unemployment Rate (3)
2008	34,051 (est.)	\$1,314,967,472 (est.)	\$38,060 (est.)	5,688	5.3%
2007	34,550 (est.)	1,264,391,800 (est.)	36,596 (est.)	5,927	4.5%
2006	34,335	1,180,952,325	34,395	6,000	4.3%
2005	34,397	1,116,595,414	32,462	6,080	5.8%
2004	34,343	1,065,216,831	31,017	6,076	6.1%
2003	34,206	1,026,145,794	29,999	6,001	5.7%
2002	33,771	994,758,576	29,456	5,836	6.1%
2001	33,565	993,188,350	29,590	6,018	4.3%
2000	32,139	899,988,417	28,003	5,964	4.0%
1999	32,162	871,622,362	27,101	6,001	4.2%

Sources:

(1) U.S. Census Estimates

(2) Ohio Workforce Informer, Akron Metropolitan Statistical Area Data

(3) Ohio Bureau of Employment Services, U.S. Department of Labor and Bureau of Labor Statistics

CITY OF STOW, OHIO

PRINCIPAL EMPLOYERS
CURRENT YEAR AND SIX YEARS AGO

<u>2008</u>		
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>
MACTac - Morgan Adhesives	300	1
City of Stow	237	2
National Machine Co.	228	3
Matco Tools Corporation	215	4
Wrayco Industries, Inc.	145	5
Centimark Corporation	130	6
Akron General Health & Wellness Center	110	7
Audio Technica U.S. Inc.	104	8
Saint-Gobain Norpro Corporation	78	9
Spectrum Surgical	<u>75</u>	10
Total	<u><u>1,622</u></u>	

<u>2002</u>		
	<u>Employees</u>	<u>Rank</u>
MacTac - Morgan Adhesives	400	1
Goodyear Stow Mold Plant	230	2
Oak Technical Inc.	223	3
City of Stow	207	4
Matco Tools Corp.	170	5
Eagle Plastics Division - Plastics Components, In	150	6
National Machine Company	140	7
Saint Gobain Norpro Corporation	130	8
Wrayco Industries, Inc.	115	9
Audio Technica U.S. Inc.	<u>114</u>	10
Total	<u><u>1,879</u></u>	

Source: City of Stow, Department of Planning & Development

Note: Information prior to 2002 is not available.

OPERATING INFORMATION

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CITY OF STOW, OHIO

FULL TIME EQUIVALENT CITY GOVERNMENT
EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS

Full-time Equivalent Employees as of December 31

Function/Program	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General government										
Management service	31	30	33	33	31	29	29	29	27	N/A
Finance	13	13	13	13	13	13	13	11	12	N/A
Planning	6	6	6	7	7	7	6	5	5	N/A
Building	6	6	6	7	7	7	7	7	6	N/A
Other - Public Utilities	14	14	10	10	9	8	8	7	-	N/A
Security of persons and property										
Officers	44	43	38	38	34	34	33	35	35	N/A
Civilians	83	75	74	74	73	73	73	72	58	N/A
Public health and welfare	1	1	1	1	1	1	1	1	1	N/A
Transportation	22	21	23	22	22	21	20	21	21	N/A
Community environment	3	3	3	3	3	3	3	3	3	N/A
Leisure time activity	14	14	18	14	13	13	14	13	14	N/A
Total	237	226	225	222	213	209	207	204	182	-

Note: The City began preparing a CAFR in 2000, information prior to that is unavailable.

CITY OF STOW, OHIO

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2008	2007	2006	2005
General Government				
Council				
Number of Ordinances & resolutions	268	250	205	226
Court				
Number of court cases	4,135	4,423	4,717	4,073
Number of tickets	7,026	7,855	7,678	7,171
Number of court appearances	1,073	1,040	1,050	1,000
Finance				
Checks issued	6,262	6,215	6,311	6,407
Purchase orders issued	3,310	3,274	3,270	2,839
Number of W-2 forms issued	459	460	443	426
City W-2 Wages	\$ 15,606,792	\$ 15,048,694	\$ 14,093,448	\$ 13,262,323
Security of persons and property				
Police				
Physical arrests	1,826	1,222	1,399	1,294
Parking violations	457	444	150	139
Traffic citations	7,026	6,511	7,528	7,032
Traffic accidents	621	655	841	970
Marked patrol units	20	21	19	N/A
Unmarked patrol units	9	7	5	5
Calls for service answered	12,226	12,456	21,411	21,267
Fire				
Fire engines	4	4	4	4
Calls answered	3,433	3,387	3,354	3,531
Number of inspections by Fire Prevention Bureau	1,439	1,689	1,219	938
Transportation				
Number of bridges	13	13	13	13
Number of street lights	1,246	1,246	1,239	1,210
Number of signalized intersections	47	47	47	47
Community Environment				
Building				
Building permits issued	596	672	672	730
Inspections performed	1,288	1,006	1,415	1,908
Estimated value of construction	\$ 30,356,224	\$ 59,582,633	\$ 41,431,980	\$ 28,390,400
Number of plans examined	61	78	63	69
Public Health and Welfare				
Cemetery (plots sold)	40	60	56	68
Water				
Miles of water mains	152	152	151	151
Number of water tanks	1	1	1	1
Maximum holding capacity of water tank in gallons	2,500,000	2,500,000	2,500,000	2,500,000
Number of service connections	12,000	12,000	11,900	11,800
Number of fire hydrants	2,225	2,225	2,100	2,100
Daily average consumption in gallons	2,840,000	3,200,000	3,000,000	3,000,000

2004	2003	2002	2001	2000	1999
292	195	247	245	352	245
5,014	4,271	4,041	3,854	2,837	3,177
8,546	7,450	6,898	6,817	3,847	5,297
1,200	1,025	950	950	600	800
6,424	6,749	6,496	6,460	6,354	6,551
3,118	3,376	3,580	N/A	N/A	N/A
415	413	408	418	388	385
\$ 13,144,667	\$ 12,098,984	\$ 11,130,679	\$ 10,440,764	\$ 9,526,095	\$ 9,047,888
1,317	1,354	1,543	1,535	1,229	1,417
303	247	389	924	268	158
8,243	7,203	6,509	5,893	3,579	5,139
1,015	1,031	1,109	1,191	1,198	1,147
N/A	N/A	N/A	N/A	N/A	N/A
5	5	5	5	5	5
22,183	21,102	22,439	21,381	18,218	18,629
4	4	3	3	3	3
3,305	3,350	3,404	3,424	3,414	3,200
846	762	724	859	898	775
13	13	13	13	13	13
1,112	1,074	1,074	N/A	N/A	N/A
46	46	46	44	43	N/A
877	902	821	1,007	1,049	N/A
2,366	2,231	2,058	2,628	1,297	N/A
\$ 55,325,891	\$ 43,094,062	\$ 52,600,342	\$ 38,522,473	\$ 71,760,830	N/A
65	61	57	65	81	N/A
52	62	103	148	N/A	N/A
151	151	151	151	N/A	N/A
1	1	1	1	N/A	N/A
2,500,000	2,500,000	2,500,000	2,500,000	N/A	N/A
11,600	11,500	10,900	10,500	N/A	N/A
2,100	2,100	2,100	2,100	N/A	N/A
2,950,000	2,900,000	2,800,000	2,700,000	N/A	N/A

CITY OF STOW, OHIO

CAPITAL ASSET INDICATORS
LAST TEN YEARS

Function/Program	2008	2007	2006	2005
Public Safety				
Police:				
Stations	1.00	1.00	1.00	1.00
Fire:				
Stations	3.00	3.00	3.00	3.00
Leisure Time Activities				
City Parks	4.00	4.00	4.00	4.00
Neighborhood Parks	6.00	6.00	6.00	6.00
Park Acreage	407.75	407.75	407.75	407.75
Lodges	3.00	3.00	4.00	4.00
Ballfields	15.00	15.00	7.00	13.00
Tennis Courts	4.00	4.00	4.00	4.00
Volleyball Courts	-	-	3.00	1.00
Camp Sites	27.00	27.00	27.00	27.00
Transportation				
City Lanes (Paved Miles)	293.00	293.00	293.00	293.00
State Highways (Paved Miles)	48.00	48.00	48.00	48.00

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
1.00	1.00	1.00	1.00	1.00	1.00
3.00	3.00	2.00	2.00	2.00	2.00
4.00	4.00	4.00	4.00	4.00	N/A
6.00	6.00	6.00	6.00	6.00	N/A
407.75	407.75	407.75	407.75	407.75	N/A
4.00	4.00	4.00	4.00	4.00	N/A
7.00	7.00	10.00	10.00	10.00	N/A
4.00	4.00	4.00	4.00	4.00	N/A
3.00	3.00	4.00	4.00	4.00	N/A
27.00	27.00	27.00	27.00	27.00	N/A
283.00	283.00	343.00	340.00	340.00	N/A
47.00	47.00	44.00	44.00	44.00	N/A

CITY OF STOW, OHIO

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM - GOVERNMENTAL ACTIVITIES
LAST SIX YEARS**

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Land	\$ 11,327,515	\$ 11,315,360	\$ 10,127,855
Construction in progress	15,820,309	3,108,666	1,071,785
Buildings and building improvements	15,875,007	16,517,663	17,088,395
Vehicles	3,897,629	3,912,139	2,931,700
Equipment, furniture and fixtures	1,495,720	1,003,053	1,280,437
Infrastructure	<u>13,123,310</u>	<u>12,743,822</u>	<u>12,295,937</u>
Total Capital Assets, Net	<u>\$ 61,539,490</u>	<u>\$ 48,600,703</u>	<u>\$ 44,796,109</u>

<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 10,157,855	\$ 10,076,005	\$ 9,937,445
2,755,424	3,526,044	12,102,100
17,793,185	16,446,238	5,273,199
2,931,661	3,372,545	3,096,774
1,183,759	1,025,582	641,600
9,742,608	9,652,052	9,184,702
<u>\$ 44,564,492</u>	<u>\$ 44,098,466</u>	<u>\$ 40,235,820</u>

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Mary Taylor, CPA
Auditor of State

CITY OF STOW
SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 23, 2009