



**Auditor of State
Betty Montgomery**

**CITY OF STOW
SUMMIT COUNTY**

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**Auditor of State
Betty Montgomery**

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

City of Stow
Summit County
3760 Darrow Road
Stow, Ohio 44224-4094

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Stow, Summit County, Ohio, (the City) as of and for the year ended December 31, 2003, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 20, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grants, 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 such an opinion. The results of our tests disclosed no instances of noncompliance we must report under *Government Auditing Standards*.

However, we noted a certain immaterial instance of noncompliance that we have reported to the City's management in a separate letter dated September 20, 2004.

Internal Control Over Financial Reporting

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

However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report that we have reported to the City's management in a separate letter dated September 20, 2004.

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

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

Betty Montgomery
Auditor of State

September 20, 2004



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAMS AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

City of Stow
Summit County
3760 Darrow Road
Stow, Ohio 44224-4094

To the Honorable Mayor and City Council:

Compliance

We have audited the compliance of the City of Stow, Summit County, Ohio, (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2003. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2003.

Internal Control Over Compliance

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

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

Schedule of Receipts and Expenditures of Federal Awards

We have audited the basic financial statements of the City of Stow as of and for the year ended December 31, 2003, and have issued our report thereon dated September 20, 2004 in which we noted the City adopted Governmental Accounting Board Statement No. 34 and reclassified its bond anticipation notes. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of receipts and expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

September 20, 2004

**CITY OF STOW
SUMMIT COUNTY**

**SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2003**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Expenditures
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>				
<i>Passed Through Ohio Department of Transportation</i>				
<u>Highway Planning and Construction</u>				
Graham Road Upgrade Project	24341	20.205	384,200	847,455
Route 91 Real Estate Acquisition Project	24343	20.205	<u>10,413</u>	<u>10,413</u>
Total Highway Planning and Construction			<u>394,613</u>	<u>857,868</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u>				
<i>Passed Through the Federal Emergency Management Agency</i>				
Assistance to Firefighters Grant	FG-02-02536	97.044	60,025	66,694
Public Assistance Grants	FEMA-1484-153-74944-00	97.036	<u>83,134</u>	<u>83,134</u>
Totals			<u>537,772</u>	<u>1,007,696</u>

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

**CITY OF STOW
SUMMIT COUNTY**

**NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Receipts and Expenditures of Federal Awards (Schedule) is a summary of the activity of the City's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B - U.S. DEPARTMENT OF HOMELAND SECURITY FEDERAL AWARDS

The Federal Homeland Security Act of 2002 established the Department of Homeland Security (the Department) to consolidate functions of other Federal agencies related to homeland security. Effective January 24, 2003, the Department began to administer certain Federal awards the City previously received from other Federal agencies. The accompanying Federal Awards Expenditure Schedule reports all such 2003 award amounts under the Department's Catalog of Federal Domestic Assistance (CFDA) numbers. The purposes and compliance requirement of these programs has not changed.

**CITY OF STOW
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 §.505
DECEMBER 31, 2003**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	20.205 – Highway Planning and Construction
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

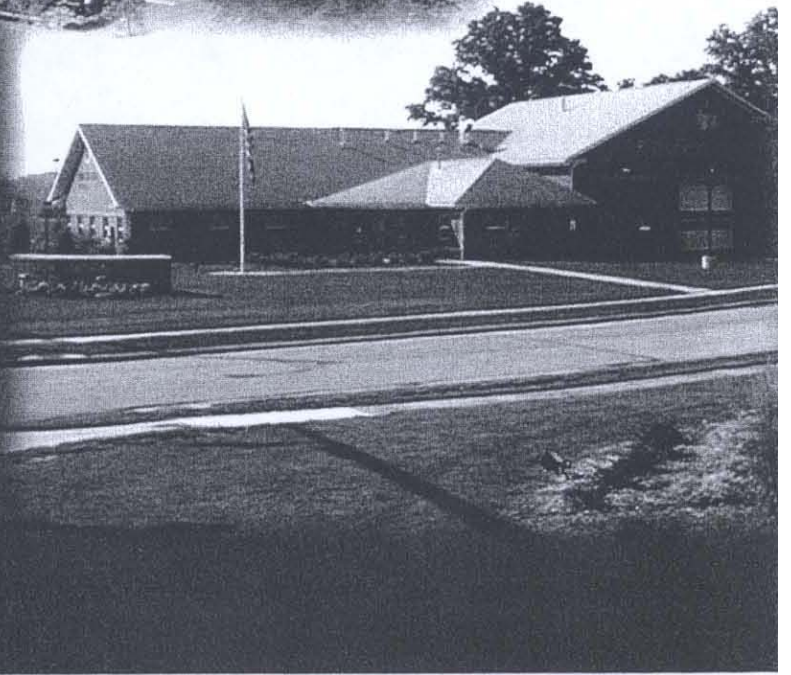
**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

City of Stow, Ohio



COMPREHENSIVE ANNUAL FINANCIAL REPORT
for the fiscal year ended December 31, 2003

Introductory Section

CITY OF STOW, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2003

PREPARED BY THE DEPARTMENT OF FINANCE

JOHN M. BARANEK, DIRECTOR OF FINANCE

CITY OF STOW, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2003

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CITY OF STOW, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2003

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CITY OF STOW, OHIO
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Stow City Hall

City of Stow

3760 Darrow Road • Stow, Ohio 44224 • Phone (330) 689-2833

John M. Baranek
Director of Finance

September 20, 2004

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 for the fiscal year ended December 31, 2003, is hereby respectfully submitted. 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 Comprehensive Annual Financial Report (CAFR) is presented in three sections: Introductory, Financial and Statistical. The Introductory Section includes the Table of Contents, this Transmittal Letter, a listing of the principal City officials, an Organizational Chart and a Certificate of Achievement for Excellence in Financial Reporting. The Financial Section contains the Independent Accountants' Report, Management's Discussion and Analysis, the Basic Financial Statements and Notes, required supplementary information, and the Combining Statements for nonmajor funds and other schedules. The Statistical Section includes financial and demographic information, generally presented on a multiple year basis.

This Transmittal Letter should be read in conjunction with Management's Discussion and Analysis, which provides a narrative overview and analysis of the Basic Financial Statements.

THE REPORTING ENTITY

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 eight 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.

Proud of our Progress

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. Three cemeteries and numerous community and neighborhood parks and other recreation facilities 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

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. The City of Stow became the third largest city in Summit County in 1990 and continues as such in 2003. The most recent Census Bureau estimate indicates that the City of Stow's population reached 34,290 in 2003, which is nearly a 7.0 percent increase from 2000. To accommodate the City's population growth, over 8,000 dwelling units have been constructed in the City of Stow since 1970. It is estimated that there is unused community capacity for an at least an additional 5,000 dwelling units to be constructed in the City of Stow in the future. Recent projections estimate the fully developed population of the City of Stow to be nearly 40,000-45,000 residents. This range could be reached sometime within the next 25 years.

The City of 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 the City of 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 the City of 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 2.1 million square feet. Retail vacancies were found to be in the 8-10 percent range for overall constructed space. The City of Stow vacancy rate is lower than the rate for the Greater Akron/Summit County area. It is anticipated that the City will take the necessary policy steps to ensure that the local retail sector continues to grow. Estimates place the potential demand for additional retail space in the City of 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 the City of Stow, recognizing the positive revenue implications resulting from this type of development. Approximately 170,000 square feet of office space has been constructed in the City of Stow since 1990. Through the use of development incentive programs, City officials are planning to encourage the construction of a minimum of 240,000 square feet of additional office space alone by 2010. 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 and Seasons Road/State Route 8 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 being planned in the vicinity of the Interchange, including three medium-sized hotels.

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. The City of Stow is fortunate to have a diversified tax base comprised of many small-to-medium sized industries. The City has seven 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.

MAJOR INITIATIVES

Current Year – In 2003, the City continued implementation of its voter-approved program to expand the City's Emergency Medical Services (EMS) and fire response capabilities. The City is in the process of completing the second of two new fire stations. The first new station was dedicated in 2003. The City recently acquired three new fire/rescue trucks and hired fifteen new firefighter/paramedics over a two-year period. The expansion program is being funded through an increase of 2.3 mills in the City's Charter property tax rate. 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 new fire stations, the last of which should be ready for occupancy in the second half of 2004. The City's centrally located Safety Building continues to serve the community as its main fire station.

Construction of the City's new Service Maintenance and Parks Maintenance and Urban Forestry Centers was completed in 2003. These facilities provide 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 replace the existing undersized and outdated buildings which were used by the City of 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.

In cooperation with the City of Hudson, the City of Stow completed the connection of Norton and Seasons Roads in northwest Stow in 2003. This project, which cost the two communities a combined \$2.6 million, provides a continuous major road in a section of Stow in which travel had been inhibited due to the absence of the connection.

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 \$3.5 million for road-related projects, including general road repaving. This was more than double the total allocated in the City's capital budget five years earlier. Included was funding for five major road-related projects, all which are designed to improve the community's transportation system and the future flow of traffic in Stow.

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 2003. 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 the City of 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 new 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 two very successful full operating years for the System in 2003. The City provides water to its citizens based on a 99-year memorandum of understanding between the City of Stow and the City of Akron whereby Akron supplies water directly to the City of Stow on a wholesale basis. The detailed terms of the City of Stow's water supply agreement with Akron are expected to be finalized in 2004.

A five-year comprehensive Operating Budget for the Stow Water System was developed in 2001 to guide the City in managing the operation and maintenance of the System after it was acquired from the County. The five-year Budget is updated each year with current budgetary 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.

In 2003, 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 police bike patrol; adopt-a-spot beautification; the neighborhood playground upgrades; residential storm sewer improvements; sidewalk 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 2003 and will continue to be used 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.

Future – Several major initiatives designed to enable the City to accommodate the continued growth and development of Stow and enhance the Stow community were underway in 2004.

The Route 8 Interchange project, located at State Route 8 and Seasons Road in both the City of Stow and the City of Hudson, continues in the preliminary planning stages. It will be a joint undertaking of the State of Ohio, the City of Stow and the City of Hudson. Along with the Seasons/Norton Roads connection project, it is necessary to expand the industrial and commercial growth areas of Stow. The total construction cost for the interchange is expected to be at least \$6,000,000. The City of Stow and the City of Hudson will be responsible for paying for a combined fifty percent of the cost, or a minimum of \$1,500,000 each. Preliminary planning estimates are that bidding for the construction could be underway in 2006 or 2007. Through the City's annual road paving program and such projects as the Norton/Seasons Roads connection, the Route 8 Interchange and various other planned road, intersection, traffic light and bridge improvements, the City of Stow will be upgrading the community transportation system significantly over the next decade.

In 2004, 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.

In addition to the Seasons/Norton Roads Connection and the Route 8 Interchange at Seasons Road, eleven 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. It is expected that up to ten of the eleven projects as well as the hike and bike trail will receive state and/or federal funding.

With the assistance of the City's consulting engineering firm, in early 2003 the City of Stow completed a long-term Water System Capital Improvements Plan. The Plan identified some \$11.5 million in necessary current improvements for the Water System to be undertaken over the next five-ten years or longer, and nearly \$5.2 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 will be useful in identifying and resolving System problems, undertaking hydraulic analysis when necessary and forecasting future water usage. It will enable the City to make Water System capital investment decisions that are designed to efficiently meet present and future water demands in the City of Stow.

In 2004, the City began to undertake the long-term improvements identified in its comprehensive Capital Plan for the Water System. The City has also enacted an ongoing monthly Water System capital improvements fee to generate the revenue necessary to undertake and complete the improvements identified in the long-term Plan on a programmed basis over the next ten-twenty years and also to implement an automatic, radio-based meter reading system for more efficient and timely reading of the meters of the City of Stow's water customers. In order to accomplish the improvements on an accelerated time schedule, the City will initially combine debt financing with cash allocations to maximize the amount of upfront funds available.

The establishment of a storm water utility to address flooding issues and problems throughout the Stow community was evaluated and completed by the City in 2004, including the enactment of an ongoing, monthly storm water improvement fee to pay all operating and capital costs associated with maintaining and upgrading the City's existing storm water management system.

A master plan for the maintenance, development and future management of the City's arboretum/sancturetum was initiated in 2002 and developed in general form in 2003. It is the intent of the City in 2004 to develop detailed plans and possible funding sources to enhance the arboretum/sancturetum in several phases. Eventually, it will be opened fully to the public. Preservation of this unique and extensive outdoor resource is a long-standing commitment of the City.

The City is in the process of adding one new neighborhood park and playground facility on the east side of Stow. The new park is scheduled for completion in the second half of 2004.

In August, 2004, the City of Stow refinanced the Safety Center General Obligation Bonds by issuing, with substantial interest savings, \$6,440,000 in new bonds to replace \$5,820,000 in existing bonds.

FINANCIAL INFORMATION

Internal Control Structure – The City is responsible for establishing and maintaining an internal control system designed to protect its assets from loss, theft or misuse. Furthermore, the accounting system must be adequate to ensure that the financial statements are prepared 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 internal control should not exceed the benefits likely to be derived, and that the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls – The objective of budgetary controls is to ensure compliance with the annual appropriated budget approved by City Council and legal restrictions imposed by state and federal statutes. The City Council must adopt an annual appropriations ordinance by April 1st of each year. Appropriations may not exceed amounts certified by the County Budget Commission, including any amendments thereto. The Finance Director may transfer funds between accounts within funds. Council authorization is required to make interfund transfers. Council authorizes appropriation amounts by fund and may amend appropriations from time-to-time during the fiscal year. As a management tool, budgetary control is maintained in all funds at the department and line item level by the encumbrance of estimated purchase amounts before the release of purchase orders to vendors. The City continually evaluates its accounting and reporting system and upgrades it when necessary in an effort to improve internal accounting controls and financial reporting.

Cash Management – The primary goal of the City's cash management program is to minimize the level of idle cash on hand to meet the daily cash requirements while simultaneously maximizing the funds available for investment. The City's investment objectives are to ensure the safety of the public funds while investing in accordance with all state and local laws and maintaining sufficient liquidity to meet all reasonably anticipated expenditures. The City's invested balance and deposits on hand at the end of the year 2003 totaled \$22,555,261.

Risk Management – The City of Stow maintains a broad-based insurance program to insure all areas of potential exposure and risk in the various elements of the City's operations. Insurance coverages are reviewed and updated annually. Base insurance coverages are supplemented by additional umbrella policy coverage where appropriate.

The City maintains a partially self-funded employee group health plan. The group health plan is protected against excessive and catastrophic claims and losses through the retention of both individual and aggregate stop-loss insurance coverage and plan limits. A sizeable balance is retained in the group health plan claims fund to ensure the program's long-term financial stability. As of the end of 2003, the actual cash balance in the fund was \$1,428,578. This amount is equivalent to 80-95 percent of the value of one year's average claims activity in the fund.


OTHER INFORMATION

Independent Audit – In accordance with Ohio law and with the issuance of the CAFR, annual independent audits must be performed on all financial operations of the City. The 2003 audit was completed by the State of Ohio Auditor's office. The Auditors' report on the Basic Financial Statements and combining and individual fund statements and schedules is included in the Financial Section of this report.

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 fiscal year ended December 31, 2000, for the fiscal year ended December 31, 2001 and for the fiscal year ended December 31, 2002. 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 2003 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 2003 award.

Acknowledgment – I would like to express my sincere appreciation and thanks to those individuals who assisted in the preparation of the 2003 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,

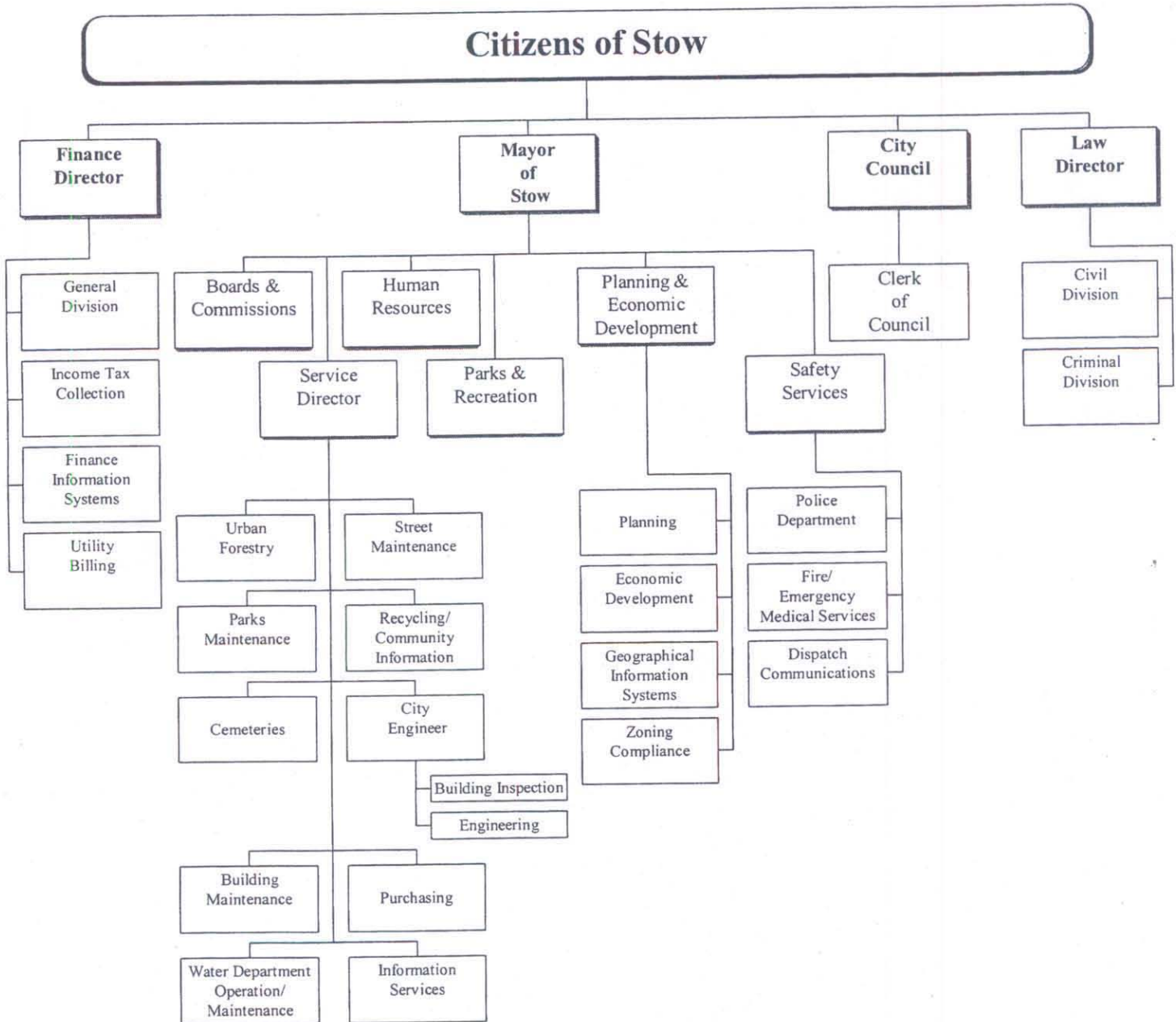


John M. Baranek
Director of Finance

City of Stow, Ohio

General Organization Chart

2003



Elected Officials

(As of December 31, 2003)

Mayor	Lee A. Schaffer
Finance Director	John Baranek
Law Director	Joe Haefner
President of Council	Janet D'Antonio (At-Large)
Vice President	John Wysmierski (Ward III)
President Pro-Tem	Chuck Meier (Ward IV)
Council Member	Ron Gauthier (Ward I)
Council Member	Pat Saltis (At-Large)
Council Member	Ron Alexander (At-Large)
Council Member	John Parker (Ward II)

Department Officials

(As of December 31, 2003)

Service Director	Dano Koehler
Planning & Development Director	Ken Trenner
City Engineer	J. William Drew
Fire Chief	Steve Groves
Police Chief	Louis A. Dirker, Jr.
Assistant Service Director	Dick D'Antonio
Assistant Finance Director	John Earle
Assistant City Engineer	Jim McCleary
Assistant City Engineer	Thom Sheridan
Manager of Information Services	Mark Hatfield
Tax Administrator	Dennis Bernaciak
Deputy City Engineer	Edward Carey
Deputy Planning Director	Rob Kurtz
Deputy Law Director	Brian Reali
Parks and Recreation Director	Nick Wren
Human Resource Director	Claudia Amrhein
Water Distribution Superintendent	Kathy Vaughn
Chief Building Inspector	Tony Catalona
Parks Manager	Paul Kelly
Assistant Law Director/Prosecutor	Tamara Stanford
Road Superintendent	Jim Megenhardt
Landscape Arborist	Jim Gray
M. I. S. Coordinator – Finance	Lisa Paxton
M. I. S. Coordinator – Network	Sean Schotts
Clerk of Council	Bonnie Emahiser
Youth Services Coordinator	Renee Armbruster
Community Information Coordinator	Linda Nahrstedt
Recreation Supervisor	Anne Baranek

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, 2002

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



President

Executive Director

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Financial Section



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

City of Stow
Summit County
3760 Darrow Road
Stow, Ohio 44224-4094

To the Honorable Mayor and City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Stow, Summit County, Ohio, (the City) as of and for the year ended December 31, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Stow, Summit County, Ohio, as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund and the EMS/Fire Tax Levy Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2003, the City implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. In addition, as described in Note 3, the City reclassified its bond anticipation notes from the EMS/Fire Tax Fund and General Capital Improvements fund liability to a long-term liability reported in the government-wide financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2004, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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



Betty Montgomery
Auditor of State

September 20, 2004

**CITY OF STOW, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2003
UNAUDITED**

Management's Discussion and Analysis (MD&A) provides the reader with a narrative overview and analysis of the City of Stow, Ohio's (the City) financial activities for the year ended December 31, 2003. The intent of this discussion and analysis is to review the City's financial performance for the year as a whole. The MD&A should be read in conjunction with the City's transmittal letter, the notes to the financial statements and the financial statements themselves to enhance the overall understanding of the City's financial performance by the reader.

FINANCIAL HIGHLIGHTS

The City's key financial highlights for 2003 are as follows:

- The assets of the City exceeded its liabilities at the close of the year ended December 31, 2003, by \$54.6 million (net assets). Unrestricted net assets in the amount of \$9.1 million are available to meet the City's ongoing obligations to citizens and creditors. The City's net assets related to governmental activities amounted to \$37.3 million, while net assets related to business-type activities amounted to \$17.3 million.
- Total net assets for the year increased by \$2.5 million or slightly less than 4.9 percent. Net assets for business-type activities increased 2.8 percent while those related to governmental activities increased 5.9 percent.
- The City's total revenues, including transfers, amounted to \$30.6 million in 2003, of which \$26.3 million related to governmental activities and \$4.3 million to business-type activities. Program specific revenues in the form of charges for services, grants and contributions accounted for \$7.4 million or 24.3 percent of total revenues.
- The City had \$28.0 million in expenses, including transfers, in 2003, \$24.3 million of which were for governmental activities and \$3.7 million for business-type activities.
- Among major funds, the General Fund had \$15.5 million in revenues and \$15.5 million in expenditures in 2003. The amount of \$596,000 was transferred to other funds.
- The General Fund's balance decreased to \$5.8 million, a decrease of \$595,000 from the beginning 2003 balance. The General Fund balance was 37.2 percent of total General Fund revenues, which is an increase over the percentage in 2002.
- During 2003, the City's total long-term obligations decreased from \$25.1 million to \$22.9 million. This decrease of \$2.2 million was due almost entirely to a reduction in City bond and note indebtedness.

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 financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The Statement of Net Assets and Statement of Activities provide information about the activities of the City as a whole and present a long-term view of the City's finances. 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.

It should be noted that all percentages and ratios used for comparisons and increases or decreases have been computed using the actual numbers contained in the financial statements and not the rounded numbers presented in the text of this report.

REPORTING THE CITY AS A WHOLE

Statement of Net Assets and the Statement of Activities

The analysis of the City as a whole begins on page 12. One of the most important questions asked about the City's finances is, "How did the City perform financially during 2003?" The Statement of Net Assets and the Statement of Activities report 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 takes 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 as to whether or not the City's overall 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 services, 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 12 and 13 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.

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.

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 non-major 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 14 through 19 of this report.

The City adopts an annual appropriation budget for its General Fund and other funds. Budgetary comparison statements 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 an Enterprise Fund to account for its water system 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 financial statements can be found on pages 20 through 22 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 in the government-wide financial statements because the resources of those funds are not available to support the City’s own programs. The accounting used for Fiduciary Funds is much like that used for proprietary funds. The basic Fiduciary Fund financial statements can be found on pages 23 and 24 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 25 through 56 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 57 through 145 of this report.

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 2003, the City’s total assets, as shown in Table 1, exceeded liabilities by \$54.6 million. Some \$37.3 million of the assets were in governmental activities while \$17.3 million were in business-type activities.

Table 1 – City of Stow, Ohio - Net Assets

	Governmental Activities 2003	Business-Type Activities 2003	Total 2003
Assets			
Current and Other Assets	\$26,675,307	\$5,305,089	\$31,980,396
Capital Assets, Net	40,235,820	17,960,990	58,196,810
Total Assets	<u>66,911,127</u>	<u>23,266,079</u>	<u>90,177,206</u>
Liabilities			
Current and Other Liabilities	8,931,877	3,831,757	12,763,634
Long-Term Liabilities, Due Within One Year	1,618,880	242,140	1,861,020
Long-Term Liabilities, Due in More Than One Year	19,067,523	1,927,084	20,994,607
Total Liabilities	<u>29,618,280</u>	<u>6,000,981</u>	<u>35,619,261</u>

	Governmental Activities 2003	Business- Type Activities 2003	Total 2003
Net Assets			
Invested in Capital			
Assets, Net of Debt	20,570,820	15,839,601	36,410,421
Restricted	9,036,658	0	9,036,658
Unrestricted	7,685,369	1,425,497	9,110,866
Total Net Assets	<u>\$37,292,847</u>	<u>\$17,265,098</u>	<u>\$54,557,945</u>

During 2003, the City's overall financial position improved by \$2.5 million as governmental activities net assets increased by \$2.1 million and those for business-type activities improved by \$467,000.

The majority of the City's Net Assets (66.7 percent) reflect its investment in capital assets (e.g., land, buildings, infrastructure and machinery and equipment), 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.

Table 2 below, indicates the changes in Net Assets for the year ended December 31, 2003. Since these are the first financial statements following the City's implementation of GASB Statement No. 34, comparative data is not available for revenues and expenses and for assets and liabilities for 2002 versus 2003. In future years, when prior year information is available, a comparative analysis of government-wide data will be presented for Table 2 as well as for Table 1 previously discussed.

Table 2 - City of Stow, Ohio - Changes in Net Assets

	Governmental Activities 2003	Business-Type Activities 2003	Total 2003
Revenues			
Program Revenues:			
Charges for Services	\$2,008,141	\$4,099,615	\$6,107,756
Operating Grants and Contributions	338,928	0	338,928
Capital Grants and Contributions	903,400	83,675	987,075
General Revenues:			
Taxes	17,965,079	0	17,965,079
Grants and Entitlements Not Restricted to Specific Programs	4,092,246	0	4,092,246
Investment Income	290,877	9,133	300,010
Miscellaneous	519,809	63,272	583,081
Premium on Debt Issued	78,919	11,398	90,317
Gain on Sale of Capital Assets	34,474	0	34,474
Total Revenues	<u>26,231,873</u>	<u>4,267,093</u>	<u>30,498,966</u>

	Governmental Activities 2003	Business- Type Activities 2003	Total 2003
Expenses			
Program Expenses:			
General Government	4,868,501	0	4,868,501
Security of Persons and Property	12,358,496	0	12,358,496
Public Health	472,916	0	472,916
Leisure Time Services	1,734,052	0	1,734,052
Community and Economic Development	1,242,741	0	1,242,741
Transportation	2,008,079	0	2,008,079
Interest and Fiscal Charges	889,842	0	889,842
Depreciation	672,634	0	672,634
Water	0	3,712,059	3,712,059
Total Expenses	24,247,261	3,712,059	27,959,320
Increase (Decrease) in Net Assets			
Before Transfers	1,984,612	555,034	2,539,646
Transfers	88,196	(88,196)	0
Increase (Decrease) in Net Assets			
After Transfers	2,072,808	466,838	2,539,646
Net Assets - Beginning	35,220,039	16,798,260	52,018,299
Net Assets - Ending	<u>\$37,292,847</u>	<u>\$17,265,098</u>	<u>\$54,557,945</u>

The information provided in Table 2 indicates that Security of Persons and Property accounted for \$12.4 million, or 51.0 percent of the \$24.2 million expended for governmental activities this past year. General Government accounted for \$4.9 million, or 20.1 percent in the governmental activities category.

Some \$18.0 million in tax revenues were generated for the City in 2003 to support governmental activities. This amount represented 68.3 percent of total revenues for governmental activities which reached \$26.3 million in 2003. Other major revenues received by the City included \$4.1 million in grants and entitlements.

Program revenues to support governmental activities amounted to \$3.3 million in 2003, which included \$2.0 million in charges for service.

BUSINESS-TYPE ACTIVITIES

Water System expenses were \$3.7 million for the year which were more than adequately offset by the \$4.1 million in Charges for Services generated by the Water System through the operation of the City's water distribution system in 2003.

The City experienced an increase in Net Assets of \$467,000 in the area of business-type activities in 2003. Water System revenues totaled \$4.3 million for the year.

FINANCIAL ANALYSIS OF THE GOVERNMENT'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 \$16.3 million, a decrease of \$9.2 million as compared with the prior year. Approximately 73.3 percent of this total year end amount, or \$12.0 million, represents unreserved fund balance, which is available for appropriation 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 (\$3.8 million); and 2) to repay advances (\$538,000).

The General Fund is the City's chief operating fund. The General Fund's year end balance decreased by \$595,000 during the current year to reach an ending total of \$5.8 million. The unreserved fund balance of the General Fund was \$5.1 million. 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 33.0 percent of total General Fund expenditures, while total fund balance represents 37.1 percent of such expenditures.

Transfers from the General Fund to other governmental funds, which occurred principally for funding of pensions, amounted to \$596,000.

The decrease in combined governmental fund balances during 2003 was the result of a significant level of scheduled expenditures of on-hand funds by the City for major building projects and capital equipment. Due to expenditures for construction of the City's new Service and Parks Maintenance Centers, the General Capital Improvements Fund balance declined by \$4.8 million, while as a result of construction costs for a new City Fire Station and the acquisition of four fire trucks and EMS vehicles, the EMS/Fire Tax Levy Fund balance was reduced by approximately \$4.0 million.

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 Fund at the end of the year amounted to \$1.4 million. Total assets were \$23.6 million at year end.

GENERAL FUND BUDGETARY 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.

Regarding revenues, the most significant difference between the General Fund original budget and the final budget was in Licenses and Permits, where contemplated fee increases in several areas were never enacted. The income tax revenue projection in the original and final budgets was significantly in excess of actual revenues due to the occurrence of a plant closing in Stow and a partial overestimate of expected revenues. For the reasons indicated, actual total revenues were 4.0 percent less than final budgeted revenues.

General Fund actual expenditures in 2003 were less than both original and final budgeted expenditures by approximately \$2.7 million. This variance was the result of conservative budgeting by the City 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 ASSET AND DEBT ADMINISTRATION

Capital Assets: The City's net investment in capital assets, for both its governmental and business-type activities amounted to \$58.2 million (net of accumulated depreciation) at year end 2003. The investment in capital assets, which includes land and land improvements, buildings and building improvements, vehicles, equipment, furniture and fixtures, infrastructure and construction in progress, increased by \$10.2 million or 21.2 percent during 2003. All of the increase occurred in the area of governmental activities as the value of business-type activities net capital assets declined slightly for the year.

Within governmental activities, major additions to capital assets in 2003 included \$6.4 million in construction in progress related to new fire stations and new service and parks maintenance centers for the City, and nearly \$2.4 million in new vehicles, of which approximately \$2.0 million was expended for vehicles related to Fire/EMS services and \$3.0 million in road infrastructure improvements.

Additional detailed information relating to the City's capital assets is contained in Note 11 of the Notes to the Basic Financial Statements.

Long-Term Debt: At the end of the current fiscal year, the City's total outstanding General Obligation Bonded Debt for governmental activities amounted to \$5.8 million. This debt was originally issued in the amount of \$7,000,000 in 1995 to pay for the construction of the Stow Safety Center. The City also had governmental activity general obligation notes at year end outstanding in the amount \$13.8 million. The total debt for governmental activities declined by \$1.9 million or 8.6 percent during the year.

Debt related to business-type activity for the City amounted to \$2.1 million at year end 2003, which consisted of \$2.0 million in general obligation notes and slightly more than \$121,000 in Ohio Water Development Authority (OWDA) Loans. Total business-type activity debt for the City declined by approximately \$320,000 or 13.1 percent of the total outstanding debt at the commencement of the year.

At December 31, 2003, the City's outstanding General Obligation Bonds were rated "A1" by Moody's Investors Service (subsequently upgraded to "Aa3" in 2004). State statute limits the total amount of debt a government entity may issue. The City's debt limitation at year end, per the limits prescribed by state statute, was substantially higher than the City's existing outstanding debt.

In addition to bonded, note and loan debt as itemized in Table 3, the City's other Long-Term Obligations include Compensated Absences and Intergovernmental Payables.

Additional information regarding the City's Long-Term Obligations can be found in Note 12 of this report. Note 15 provides information relating to Compensated Absences.

**Table 3 - City of Stow, Ohio - Long-Term Debt
(As of end of each year)**

	2002	2003	Change
Governmental Activities			
General Obligation Bonds	\$6,015,000	\$5,820,000	(\$195,000)
General Obligation Notes	15,505,000	13,845,000	(1,660,000)
Total	21,520,000	19,665,000	(1,855,000)
Business-Type Activities			
General Obligation Notes	2,300,000	2,000,000	(300,000)
OWDA Loans	141,294	121,389	(19,905)
Total	2,441,294	2,121,389	(319,905)
Total Long-Term Debt	\$23,961,294	\$21,786,389	(\$2,174,905)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City is a growing community with a stable and diversified economy. Since 2000, the City's population has grown by 6.7 percent. This growth has facilitated steady total tax revenue increases annually, including 2003. Trends in the local economy compare favorably with those of the state and nation. The City's unemployment in 2003 stood at 2.8 percent, which was a modest increase from the 2.7 percent rate in 2002. The county, state and national unemployment rates were 5.7, 6.1 and 6.0 percent respectively in 2003. Inflationary trends in the region compare favorably to national indices.

The City's budgets were forecast conservatively for 2003 and 2004 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.

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 information should be addressed to Mr. John Baranek, Director of Finance, Stow City Hall, 3760 Darrow Road, Stow, OH 44224.

City of Stow, Ohio
Summit County
Statement of Net Assets
December 31, 2003

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and Cash Equivalents			
Accounts Receivable			
Internal Balances			
Intergovernmental Receivable			
Taxes Receivable			
Loans Receivable			
Special Assessments Receivable			
Materials and Supplies Inventory			
Noncurrent Assets			
Non-depreciable Capital Assets			
Depreciable Capital Assets			
<i>Total Assets</i>	66,911,127	23,266,079	90,177,206
Liabilities			
Current Liabilities:			
Accounts Payable	898,124	3,735,771	4,633,895
Accrued Wages and Benefits	378,516	0	378,516
Intergovernmental Payable	815,886	55,686	871,572
Deferred Revenue	6,445,417	0	6,445,417
Accrued Interest Payable	150,683	40,300	190,983
Claims Payable	243,251	0	243,251
Noncurrent Liabilities:			
Due Within One Year	1,618,880	242,140	1,861,020
Due In More Than One Year	19,067,523	1,927,084	20,994,607
<i>Total Liabilities</i>	29,618,280	6,000,981	35,619,261
Net Assets			
Invested in Capital Assets, Net of Related Debt	20,570,820	15,839,601	36,410,421
Restricted for:			
EMS/Fire Protection	1,676,963	0	1,676,963
Street Repair and Maintenance	823,707	0	823,707
Capital Projects	6,535,988	0	6,535,988
Unrestricted	7,685,369	1,425,497	9,110,866
<i>Total Net Assets</i>	<u>\$37,292,847</u>	<u>\$17,265,098</u>	<u>\$54,557,945</u>

See accompanying notes to the basic financial statements.

City of Stow, Ohio
Summit County
Statement of Activities
For the Fiscal Year Ended December 31, 2003

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$4,868,501	\$367,955	\$51,518	\$0	(\$4,449,028)	\$0	(\$4,449,028)
Security of Persons and Property	12,358,496	1,308,313	115,821	0	(10,934,362)	0	(10,934,362)
Public Health	472,916	27,104	21,795	0	(424,017)	0	(424,017)
Leisure Time Services	1,734,052	145,037	16,584	0	(1,572,431)	0	(1,572,431)
Community and Economic Development	1,242,741	94,760	124,114	0	(1,023,867)	0	(1,023,867)
Transportation	2,008,079	64,972	9,096	903,400	(1,030,611)	0	(1,030,611)
Interest and Fiscal Charges	889,842	0	0	0	(889,842)	0	(889,842)
Depreciation - Unallocated	672,634	0	0	0	(672,634)	0	(672,634)
<i>Total Governmental Activities</i>	<u>24,247,261</u>	<u>2,008,141</u>	<u>338,928</u>	<u>903,400</u>	<u>(20,996,792)</u>	<u>0</u>	<u>(20,996,792)</u>
Business-Type Activities							
Water	3,712,059	4,099,615	0	83,675	0	471,231	471,231
<i>Total Business-Type Activities</i>	<u>3,712,059</u>	<u>4,099,615</u>	<u>0</u>	<u>83,675</u>	<u>0</u>	<u>471,231</u>	<u>471,231</u>
Totals	<u>\$27,959,320</u>	<u>\$6,107,756</u>	<u>\$338,928</u>	<u>\$987,075</u>	<u>(\$20,996,792)</u>	<u>\$471,231</u>	<u>(\$20,525,561)</u>
General Revenues							
Income Taxes					\$11,167,214	\$0	\$11,167,214
Property and Other Local Taxes					6,797,865	0	6,797,865
Grants and Entitlements not Restricted to Specific Programs					4,092,246	0	4,092,246
Investment Earnings					290,877	9,133	300,010
Miscellaneous					519,809	63,272	583,081
Premium on Debt Issued					78,919	11,398	90,317
Gain on Sale of Capital Assets					34,474	0	34,474
Transfers					88,196	(88,196)	0
<i>Total General Revenues and Transfers</i>					<u>23,069,600</u>	<u>(4,393)</u>	<u>23,065,207</u>
Change in Net Assets					2,072,808	466,838	2,539,646
<i>Net Assets Beginning of Year - Restated (See Note 3)</i>					<u>35,220,039</u>	<u>16,798,260</u>	<u>52,018,299</u>
<i>Net Assets End of Year</i>					<u>\$37,292,847</u>	<u>\$17,265,098</u>	<u>\$54,557,945</u>

See accompanying notes to the basic financial statements.

City of Stow, Ohio
Summit County
Balance Sheet
Governmental Funds
December 31, 2003

	General	EMS/Fire Tax Levy	General Capital Improvements	Non-Major Governmental Funds	Total Governmental Funds
Assets					
Current Assets:					
Equity in Pooled Cash and Cash Equivalents	\$5,108,596	\$1,779,822	\$5,549,903	\$2,797,320	\$15,235,641
Accounts Receivable	58,790	0	0	0	58,790
Intergovernmental Receivable	84,208	7,150	476,908	76,909	645,175
Taxes Receivable	5,834,307	1,652,946	622,463	431,202	8,540,918
Special Assessments Receivable	0	0	0	5,402	5,402
Materials and Supplies Inventory	99,227	0	0	296,031	395,258
Noncurrent Assets:					
Advances to Other Funds	350,000	0	187,894	0	537,894
<i>Total Assets</i>	<u>\$11,535,128</u>	<u>\$3,439,918</u>	<u>\$6,837,168</u>	<u>\$3,606,864</u>	<u>\$25,419,078</u>
Liabilities					
Current Liabilities:					
Accounts Payable	\$243,396	\$102,747	\$301,180	\$248,101	\$895,424
Accrued Wages and Benefits	376,450	0	0	2,066	378,516
Intergovernmental Payable	456,565	52,095	0	307,226	815,886
Deferred Revenue	4,701,214	1,630,150	0	472,001	6,803,365
Noncurrent Liabilities:					
Advances From Other Funds	0	0	0	187,894	187,894
<i>Total Liabilities</i>	<u>5,777,625</u>	<u>1,784,992</u>	<u>301,180</u>	<u>1,217,288</u>	<u>9,081,085</u>
Fund Balances					
Reserved for Encumbrances	290,154	1,444,696	1,511,397	568,854	3,815,101
Reserved for Advances	350,000	0	187,894	0	537,894
Unreserved, Undesignated, Reported in:					
General Fund	5,117,349	0	0	0	5,117,349
Special Revenue Funds	0	210,230	0	1,820,722	2,030,952
Capital Projects Funds	0	0	4,836,697	0	4,836,697
<i>Total Fund Balances</i>	<u>5,757,503</u>	<u>1,654,926</u>	<u>6,535,988</u>	<u>2,389,576</u>	<u>16,337,993</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$11,535,128</u>	<u>\$3,439,918</u>	<u>\$6,837,168</u>	<u>\$3,606,864</u>	<u>\$25,419,078</u>

See accompanying notes to the basic financial statements.

City of Stow, Ohio
Summit County
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2003

Total Governmental Funds Balances \$16,337,993

Amounts reported for governmental activities in the statement of net assets are different because

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds 40,235,820

Long-Term receivables that will not be repaid in the current period 6,131

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

Taxes	287,808
Grants	64,738
Special Assessments	5,402
	5,402

Total 357,948

An internal service fund is used by management to charge the costs of insurance to individual funds, the assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets 1,192,041

Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:

General Obligation Bonds	(5,820,000)
Construction Notes	(13,845,000)
Compensated Absences	(894,159)
Pension Obligation	(127,244)
Accrued Interest Payable	(150,683)
	(150,683)

Total (20,837,086)

Net Assets of Governmental Activities \$37,292,847

See accompanying notes to the basic financial statements.

City of Stow, Ohio
Summit County
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended December 31, 2003

	General	EMS/Fire Tax Levy	General Capital Improvements	Non-Major Governmental Funds	Total Governmental Funds
Revenues					
Property and Other Local Taxes	\$4,744,952	\$1,530,529	\$0	\$400,016	\$6,675,497
Income Taxes	6,279,647	0	3,348,622	1,538,945	11,167,214
Special Assessments	0	0	0	53,454	53,454
Charges for Services	332,519	0	0	644,788	977,307
Licenses and Permits	878,235	0	0	0	878,235
Fines and Forfeitures	90,899	0	0	5,140	96,039
Intergovernmental	2,754,267	183,968	993,791	1,342,310	5,274,336
Interest	207,141	26,095	45,204	6,939	285,379
Other	182,541	641	84,965	251,982	520,129
<i>Total Revenues</i>	<u>15,470,201</u>	<u>1,741,233</u>	<u>4,472,582</u>	<u>4,243,574</u>	<u>25,927,590</u>
Expenditures					
Current:					
General Government	4,297,419	0	0	40,000	4,337,419
Security of Persons and Property	7,388,514	1,539,391	0	1,180,015	10,107,920
Public Health	338,835	0	0	96,763	435,598
Leisure Time Services	1,426,232	0	0	220,091	1,646,323
Community and Economic Development	1,132,317	0	0	31,299	1,163,616
Transportation	737,808	0	0	1,805,106	2,542,914
Capital Outlay	178,466	3,483,357	8,411,503	494,613	12,567,939
Other	3,863	0	0	0	3,863
Debt Service:					
Principal Retirement	0	5,474,830	9,757,531	395,000	15,627,361
Interest and Fiscal Charges	0	111,864	224,980	398,452	735,296
<i>Total Expenditures</i>	<u>15,503,454</u>	<u>10,609,442</u>	<u>18,394,014</u>	<u>4,661,339</u>	<u>49,168,249</u>
<i>(Deficiency) of Revenues</i>					
<i>(Under) Expenditures</i>	<u>(33,253)</u>	<u>(8,868,209)</u>	<u>(13,921,432)</u>	<u>(417,765)</u>	<u>(23,240,659)</u>
Other Financing Sources (Uses)					
Transfers In	0	0	88,196	596,032	684,228
Notes Issued	0	4,902,790	9,021,129	0	13,923,919
Proceeds from Sale of Capital Assets	34,474	0	0	0	34,474
Transfers Out	(596,032)	0	0	0	(596,032)
<i>Total Other Financing Sources (Uses)</i>	<u>(561,558)</u>	<u>4,902,790</u>	<u>9,109,325</u>	<u>596,032</u>	<u>14,046,589</u>
<i>Net Change in Fund Balances</i>	<u>(594,811)</u>	<u>(3,965,419)</u>	<u>(4,812,107)</u>	<u>178,267</u>	<u>(9,194,070)</u>
<i>Fund Balance Beginning of Year - Restated</i>					
<i>(See Note 3)</i>	<u>6,352,314</u>	<u>5,620,345</u>	<u>11,348,095</u>	<u>2,211,309</u>	<u>25,532,063</u>
<i>Fund Balance End of Year</i>	<u>\$5,757,503</u>	<u>\$1,654,926</u>	<u>\$6,535,988</u>	<u>\$2,389,576</u>	<u>\$16,337,993</u>

See accompanying notes to the basic financial statements.

City of Stow, Ohio
Summit County
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended December 31, 2003

Net Change in Fund Balances - Total Governmental Funds (S9,194,070)

Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 10,516,980

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes	122,368	
Special Assessments	3,106	
Intergovernmental Revenue	60,238	
Premium on Debt	78,919	
Note Proceeds	6,131	
	<u>270,762</u>	270,762

Long-term note proceeds provide current financial resources to governmental funds, but, issuing debt increases long-term liabilities in the statement of net assets. Repayment of long-term note principal is an expenditure in the governmental funds, but, the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayment exceeded proceeds. 1,703,442

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported (150,683)

Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable which represent contractually required pension contributions, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (1,021,403)

The internal service funds used by management to charge the costs of insurance to individual funds are not reported in the entity-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. (52,220)

Change in Net Assets of Governmental Activities \$2,072,808

See accompanying notes to the basic financial statements.

City of Stow, Ohio
Summit County
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Basis)
General Fund
For the Fiscal Year Ended December 31, 2003

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
Revenues				
Property and Other Local Taxes	\$4,459,362	\$4,702,868	\$4,677,348	(\$25,520)
Income Taxes	12,117,360	12,117,360	11,379,878	(737,482)
Charges for Services	728,602	413,000	334,014	(78,986)
Licenses and Permits	1,787,762	841,100	819,566	(21,534)
Fines and Forfeitures	193,287	90,000	88,609	(1,391)
Intergovernmental	2,205,995	2,743,001	2,735,733	(7,268)
Interest	469,462	204,666	215,216	10,550
Other	310,273	129,000	142,239	13,239
Total Revenues	22,272,103	21,240,995	20,392,603	(848,392)
Expenditures				
Current:				
General Government	5,362,619	5,362,619	4,484,410	878,209
Security of Persons and Property	9,061,116	9,061,116	7,505,303	1,555,813
Public Health	349,920	349,920	342,774	7,146
Leisure Time Services	1,624,391	1,624,391	1,504,730	119,661
Community and Economic Development	1,205,659	1,205,659	1,138,147	67,512
Transportation	806,411	806,411	730,284	76,127
Capital Outlay	202,694	202,694	199,595	3,099
Total Expenditures	18,612,810	18,612,810	15,905,243	2,707,567
Excess of Revenues Over Expenditures	3,659,293	2,628,185	4,487,360	1,859,175
Other Financing Sources (Uses)				
Transfers In	750	750	0	(750)
Proceeds from Sale of Capital Assets	75,200	40,000	34,474	(5,526)
Other Financing Sources	87,913	40,000	40,302	302
Transfers Out	(5,871,383)	(5,871,383)	(4,861,136)	1,010,247
Other Financing Uses	(14,152)	(14,152)	(9,071)	5,081
Total Other Financing Sources (Uses)	(5,721,672)	(5,804,785)	(4,795,431)	1,009,354
Net Change in Fund Balance	(2,062,379)	(3,176,600)	(308,071)	2,868,529
Fund Balance at Beginning of Fiscal Year	4,372,933	4,372,933	4,372,933	0
Prior Fiscal Year Encumbrances Appropriated	498,344	498,344	498,344	0
Fund Balance at End of Fiscal Year	\$2,808,898	\$1,694,677	\$4,563,206	\$2,868,529

See accompanying notes to the basic financial statements.

City of Stow, Ohio
Summit County
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Basis)
EMS/Fire Tax Levy
For the Fiscal Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$1,564,060	\$1,564,060	\$1,551,410	(\$12,650)
Intergovernmental	185,159	185,159	184,730	(429)
Interest	31,000	31,000	30,265	(735)
Total Revenues	<u>1,780,219</u>	<u>1,780,219</u>	<u>1,766,405</u>	<u>(13,814)</u>
Expenditures				
Current:				
Security of Persons and Property	1,881,447	1,881,447	1,749,891	131,556
Capital Outlay	6,280,460	6,280,460	4,791,581	1,488,879
Debt Service:				
Principal Retirement	5,474,830	5,474,830	5,474,830	0
Interest and Fiscal Charges	118,676	118,676	111,864	6,812
Total Expenditures	<u>13,755,413</u>	<u>13,755,413</u>	<u>12,128,166</u>	<u>1,627,247</u>
Excess of Revenues (Under) Expenditures	<u>(11,975,194)</u>	<u>(11,975,194)</u>	<u>(10,361,761)</u>	<u>1,613,433</u>
Other Financing Sources (Uses)				
Notes Issued	6,943,500	6,943,500	4,902,790	(2,040,710)
Other Financing Sources	0	0	641	641
Total Other Financing Sources (Uses)	<u>6,943,500</u>	<u>6,943,500</u>	<u>4,903,431</u>	<u>(2,040,069)</u>
Net Change in Fund Balance	(5,031,694)	(5,031,694)	(5,458,330)	(426,636)
Fund Balance at Beginning of Fiscal Year	2,434,259	2,434,259	2,434,259	0
Prior Fiscal Year Encumbrances Appropriated	3,255,413	3,255,413	3,255,413	0
Fund Balance at End of Fiscal Year	<u>\$657,978</u>	<u>\$657,978</u>	<u>\$231,342</u>	<u>(\$426,636)</u>

See accompanying notes to the basic financial statements.

City of Stow, Ohio
Summit County
Statement of Fund Net Assets
Proprietary Funds
December 31, 2003

	<u>Water</u>	<u>Governmental Activities - Internal Service Funds</u>
Assets		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$5,302,212	\$1,428,578
Accounts Receivable	306,706	6,374
Materials and Supplies Inventory	49,211	0
Total Current Assets	<u>5,658,129</u>	<u>1,434,952</u>
Noncurrent Assets:		
Non-Depreciable Capital Assets	262,011	0
Depreciable Capital Assets, Net	17,698,979	0
Total Noncurrent Assets	<u>17,960,990</u>	<u>0</u>
<i>Total Assets</i>	<u>23,619,119</u>	<u>1,434,952</u>
Liabilities		
Current Liabilities:		
Accounts Payable	3,735,771	2,700
Intergovernmental Payable	55,686	0
Accrued Interest Payable	40,300	0
Internal Payable	3,040	0
Claims Payable	0	243,251
Notes Payable	200,000	0
Compensated Absences Payable	20,630	0
OWDA Loans Payable	21,510	0
Total Current Liabilities	<u>4,076,937</u>	<u>245,951</u>
Noncurrent Liabilities:		
Advances from Other Funds	350,000	0
Notes Payable - Net of Current Portion	1,800,000	0
Compensated Absences Payable - Net of Current Portion	27,205	0
OWDA Loans Payable - Net of Current Portion	99,879	0
Total Noncurrent Liabilities	<u>2,277,084</u>	<u>0</u>
<i>Total Liabilities</i>	<u>6,354,021</u>	<u>245,951</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	15,839,601	0
Unrestricted	1,425,497	1,189,001
<i>Total Net Assets</i>	<u>\$17,265,098</u>	<u>\$1,189,001</u>

See accompanying notes to the basic financial statements.

City of Stow, Ohio
Summit County
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended December 31, 2003

	Water	Governmental Activities - Internal Service Funds
Operating Revenues		
Charges for Services	\$3,744,328	\$1,780,908
Tap-In Fees	355,287	0
Other	63,272	61,650
<i>Total Operating Revenues</i>	<u>4,162,887</u>	<u>1,842,558</u>
Operating Expenses		
Personal Services	770,972	0
Contractual Services	2,089,870	334,710
Materials and Supplies	98,935	0
Claims	0	1,568,306
Depreciation	490,151	0
Other	171,174	300
<i>Total Operating Expenses</i>	<u>3,621,102</u>	<u>1,903,316</u>
<i>Operating Income (Loss)</i>	<u>541,785</u>	<u>(60,758)</u>
Non-Operating Revenues (Expenses)		
Interest	9,133	5,498
Premium on Debt Issued	11,398	0
Interest and Fiscal Charges	(90,957)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(70,426)</u>	<u>5,498</u>
<i>Income (Loss) Before Contributions and Transfers</i>	471,359	(55,260)
Capital Contributions	83,675	0
Transfers Out	(88,196)	0
<i>Change in Net Assets</i>	466,838	(55,260)
<i>Net Assets at Beginning of Year</i>	<u>16,798,260</u>	<u>1,244,261</u>
<i>Net Assets at End of Year</i>	<u><u>\$17,265,098</u></u>	<u><u>\$1,189,001</u></u>

See accompanying notes to the basic financial statements.

City of Stow, Ohio
Summit County
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2003

	Enterprise Fund	Governmental Activity Internal Service Funds
	Water	
Cash Flows from Operating Activities		
Cash Received from Customers	\$3,770,678	\$1,799,154
Tap In Fees	355,287	0
Cash Payments for Goods and Services	(279,459)	(334,710)
Cash Payments to Employees for Services	(746,557)	0
Cash Payments for Claims	0	(1,516,560)
Other Operating Revenues	63,272	61,650
Other Operating Expenses	(171,174)	(300)
Net Cash Provided by Operating Activities	<u>2,992,047</u>	<u>9,234</u>
Cash Flows from Noncapital Financing Activities		
Transfers Out	(88,196)	0
Net Cash (Used in) Noncapital Financing Activities	<u>(88,196)</u>	<u>0</u>
Cash Flows from Capital and Related Financing Activities		
Proceeds from Sale of Notes	2,000,000	0
Acquisition of Capital Assets	(76,685)	0
Premium of Sale of Notes	11,398	0
Principal Payments	(2,403,196)	0
Interest Payments	(58,437)	0
Net Cash (Used in) Capital and Related Financing Activities	<u>(526,920)</u>	<u>0</u>
Cash Flows from Investing Activities		
Interest on Investments	9,133	5,498
Net Increase in Cash and Cash Equivalents	2,386,064	14,732
Cash and Cash Equivalents Beginning of Year	<u>2,916,148</u>	<u>1,413,846</u>
Cash and Cash Equivalents End of Year	<u>\$5,302,212</u>	<u>\$1,428,578</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	\$541,785	(\$60,758)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Depreciation	490,151	0
(Increase) Decrease in Operating Assets:		
Accounts Receivable	133	18,246
Intergovernmental Receivable	23,177	0
Materials and Supplies Inventory	47,066	0
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	1,861,372	0
Accrued Wages and Benefits	(14,582)	0
Compensated Absences Payable	13,245	0
Intergovernmental Payable	20,952	0
Claims Payable	0	51,746
Interfund Payable	3,040	0
Pension Payable	5,708	0
Total Adjustments	<u>2,450,262</u>	<u>69,992</u>
Net Cash Provided by Operating Activities	<u>\$2,992,047</u>	<u>\$9,234</u>

Noncash-developer contributed \$83,675 of water lines to the City.

See accompanying notes to the basic financial statements

City of Stow, Ohio
Summit County
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2003

	Private Purpose Trust	Agency
	<u> </u>	<u> </u>
Assets		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$2,102	\$586,728
Intergovernmental Receivable	0	100
	<u> </u>	<u> </u>
<i>Total Assets</i>	<u>2,102</u>	<u>586,828</u>
Liabilities		
Current Liabilities:		
Undistributed Monies	0	586,828
	<u> </u>	<u> </u>
<i>Total Liabilities</i>	<u>0</u>	<u>586,828</u>
Net Assets		
Unrestricted	<u>2,102</u>	<u>0</u>
<i>Total Net Assets</i>	<u><u>\$2,102</u></u>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements.

City of Stow, Ohio
Summit County
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Year Ended December 31, 2003

	Private Purpose Trust
Additions	
Contributions	\$0
Deductions	
Miscellaneous	590
Total Deductions	590
Change in Net Assets	(590)
Net Assets at Beginning of Year	2,692
Net Assets at End of Year	<u>\$2,102</u>

See accompanying notes to the basic financial statements.

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 1 – DESCRIPTION OF THE CITY AND REPORTING ENTITY

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.

For financial reporting purposes, the City's basic financial statements include all funds, agencies, boards, commissions and departments for which the City is financially accountable. Financial accountability, as defined by the Governmental Accounting Standards Board's (GASB) Statement No. 14, "The Financial Reporting Entity", exists if the City appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the City. The City may also be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the City. The City also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's basic financial statements to be misleading or incomplete. Based on these criteria, management has determined the City has no component units.

The City provides various services and consists of many different activities and smaller accounting entities which include police and fire-fighting 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, an outdoor swimming facility, three municipal cemeteries and a group of rental lodges available for public or private events.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (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 City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, in both the government-wide and proprietary fund financial statements provided they do not conflict with or contradict GASB pronouncements. The City has elected not to follow subsequent FASB guidance. The more significant of the City's accounting policies are described below.

A. *Basis Of Presentation*

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

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 activity of the internal service fund is 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 function is self-financing or draws from the general revenues of the City.

Fund Financial Statements

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

B. 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 and fund types are used by the City:

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 Fund – This fund is used to account for the City's Water fund. It is financed and operated in a manner similar to private sector business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Funds - 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
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

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 and scholarships. The 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's agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City does not have pension trust funds or investment trust funds.

C. *Measurement Focus*

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All 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 fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet.

The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds and trust 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.

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Agency funds do not report a measurement focus as they do not report operations.

D. 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 fiduciary 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.

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. Revenue from property taxes is recognized in the year for which the taxes are levied. 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), fines and forfeitures, interest, tuition, grants, fees and rentals.

Deferred Revenue

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

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property taxes for which there is an enforceable legal claim as of December 31, 2003, but which were levied to finance year 2004 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures

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

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

E. Budgetaries

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. The legal level of budgetary control is at the fund level. Any budgetary modifications at this level may only be made by resolution of the City Council.

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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 final amended official Certificate of Estimated Resources issued during 2003.

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 among departments within a fund must first be approved by City Council. Council may pass supplemental fund appropriations so long as the total appropriations by fund does 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 final appropriation amounts, including all amendments and modifications.

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.

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

F. *Cash, Cash Equivalents and Investments*

To improve cash management, cash received by the City is pooled. Monies for all funds, including the proprietary funds, are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

During 2003, investments were limited to STAR Ohio, overnight repurchase agreements and U.S. Government securities.

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

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during the year 2003. 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 share price which is the price the investment could be sold for on December 31, 2003.

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 the year 2003 amounted to \$207,141, which includes \$149,930 assigned from other City funds.

For purposes of the Statement of Cash Flows and for presentation on the Statement of Net Assets/Balance Sheet, investments with original maturities of three months or less at the time they are purchased by the City and investments of the cash management pool are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. *Interfund Balances*

On fund financial statements, long-term interfund loans are classified as “advances to/from other funds” on the balance sheet and are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources. 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.

H. *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 when used.

I. *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. 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, sidewalks, storm sewers, streets, irrigation systems and water and sewer lines. 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 enterprise capital assets is also capitalized.

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:

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Buildings and Improvements	4 to 50 years	4 to 50 years
Infrastructure	28 to 75 years	28 to 75 years
Equipment, Furniture and Fixtures	3 to 10 years	3 to 10 years
Vehicles	6 years	6 years

J. *Compensated Absences*

The City reports compensated absences in accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences”. Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributed 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 eligible employees with more than one year of service.

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 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.

K. *Accrued 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.

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, compensated absences, and contractually required pension contributions 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, capital leases and long-term loans are recognized as a liability on the fund financial statements when due.

L. Fund Balance Reserves

The City records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Fund balances are reserved for encumbrances and advances.

M. 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 first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. 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 charges for services for the water and self-insurance programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

O. 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.

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. 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 financial statements.

Q. 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 2003.

R. Estimates

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

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPAL AND RESTATEMENT OF PRIOR YEAR FUND EQUITY

For 2003, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 34, “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments”; GASB Statement No. 37, “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments: Omnibus”; GASB Statement No. 38, “Certain Financial Statement Note Disclosures”; and GASB Interpretation No. 6, “Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements”.

GASB Statement No. 34 creates new basic financial statements for reporting on the City’s financial activities. The basic financial statements include government-wide financial statements prepared on the accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPAL AND RESTATEMENT OF PRIOR YEAR FUND EQUITY (continued)

The government-wide financial statements split the City’s programs between governmental activities and business-type activities. The beginning net asset amount for governmental activities reflects the change in fund balance for governmental funds at December 31, 2002, caused by the conversion to the accrual basis of accounting.

GASB Statement No. 37 makes certain clarifications regarding escheat property and modifies several provisions of GASB Statement No. 34, including the Management’s Discussion and Analysis. GASB Statement No. 38 modifies, establishes and rescinds certain financial statement disclosure requirements.

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

In the prior year, the Bond Anticipation Notes had been classified as short-term. These notes are being reclassified as long-term per FASB Statement No. 6:

	General Fund	EMS/Fire Tax Levy	General Capital Improvements	Nonmajor Government Funds	Total Governmental Activities
Fund Balance at December 31, 2002	\$6,352,314	(\$54,485)	\$1,517,925	\$2,211,309	\$10,027,063
Adjustment for Debt	0	5,674,830	9,830,170	0	15,505,000
Adjusted Fund Balance	\$6,352,314	\$5,620,345	\$11,348,095	\$2,211,309	\$25,532,063
					Adjusted Fund Balance, December 31, 2002
					\$25,532,063
					GASB Statement No. 34 Adjustments:
					Long-Term (Deferred) Assets
					172,236
					Capital Assets
					29,718,840
					Internal Service Reclassified to Governmental
					1,244,261
					Long-Term Liabilities
					(21,447,361)
					Governmental Activities Net Assets, December 31, 2002
					\$35,220,039

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described above is based upon accounting for certain transactions on a basis of cash receipts, disbursements, appropriations, and encumbrances.

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (continued)

The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis) presented for the General Fund is presented on the budgetary basis to provide a relevant comparison of actual results with the budget and to demonstrate compliance with State statute. The major differences between the budget basis and the GAAP basis are:

1. Revenues 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. Outstanding year-end encumbrances are treated as expenditures/expenses (budget) rather than as a reservation of fund balance for governmental fund types (GAAP).
4. Advances-in and advances-out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund and EMS/Fire Tax Levy Fund:

	General Fund	EMS/Fire Tax Levy Fund
GAAP Basis	(\$594,811)	(\$3,965,419)
Net Adjustment for Revenue Accruals	4,962,704	25,813
Net Adjustment for Expenditure Accruals	(5,209,515)	(3,066,167)
Encumbrances	533,551	1,547,443
Budget Basis	(\$308,071)	(\$5,458,330)

**CITY OF STOW, OHIO
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FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 5 – ACCOUNTABILITY AND COMPLIANCE

Deficit Fund Balances

The following funds had a deficit in net assets at December 31, 2003:

Fund	Deficit
Non-Major Special Revenue Funds	
Police Pension and Disability	(\$99,868)
Fire Pension and Disability	(179,344)
Special Assessment Improvements	(30,224)
ODNR Recycling Grant	(3,530)

Those funds complied with Ohio State law, which does not permit cash basis deficits. The General Fund transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities. These deficits should be eliminated by future intergovernmental and/or special assessments revenues not recognized under GAAP at December 31.

NOTE 6 - DEPOSITS AND INVESTMENTS

Deposits and investments are restricted by provisions of the Ohio Revised Code. State statutes classify monies held by the City into three categories:

1. 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.
2. Inactive deposits are public deposits that Council has identified as not required for use within the current two 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.
3. Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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 treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public money deposited with the institution.

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

Interim monies are permitted to be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

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

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is not default of principal, interest or coupons; and
3. Obligations of the City.

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

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.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3 “Deposits With Financial Institutions, Investments (Including Repurchase Agreements) and Reverse Repurchase Agreements”.

Deposits - At year end, the carrying amount of the City’s deposits was \$451,441 and the bank balance was \$505,173. Of the bank balance:

1. \$100,261 was covered by federal depository insurance; and
2. \$404,912 was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

Investments - The City’s investments are required to be categorized to give an indication of the level of custodial credit risk assumed by the City at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City’s name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty’s trust department or agent in the City’s name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City’s name. STAR Ohio is unclassified since it is not evidenced by securities that exist in physical or book entry form.

At year end, the City’s investment balances were as follows:

	Category 3	Fair Value
Overnight Repurchase Agreements	\$650,000	\$650,000
U.S. Government Securities	2,487,315	2,487,315
Total	<u>\$3,137,315</u>	3,137,315
STAR Ohio		<u>18,966,505</u>
Total Investments		<u>\$22,103,820</u>

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

The classification of cash and cash equivalents and investments on the basic financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting". A reconciliation between the classifications of cash and cash equivalents and investments on the basic financial statements and the classifications of deposits and investments per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$22,555,261	\$0
Investments of Cash Management Pool:		
Overnight Repurchase Agreements	(650,000)	650,000
First Merit Securities	(2,487,315)	2,487,315
STAR Ohio	(18,966,505)	18,966,505
GASB Statement No. 3	<u>\$451,441</u>	<u>\$22,103,820</u>

NOTE 7 - RECEIVABLES

Receivables at December 31, 2003, consisted of taxes, accounts (billings for user charged services, rents and royalties), special assessments and intergovernmental receivables arising from grants, entitlements and shared revenues. Accounts, taxes, special assessments and intergovernmental receivables are deemed collectible in full. At December 31, 2003, the City had delinquent Special Assessments Receivable of \$2,701.

No allowance for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

NOTE 8 – PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2003 for real and public utility property taxes represents collections of the 2002 taxes. Property tax payments received during 2003 for tangible personal property (other than public utility property) is for 2003 taxes.

2003 real property taxes are levied after October 1, 2003, on the assessed value as of January 1, 2003, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2003 real property taxes are collected in and intended to finance 2004.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2003 public utility property taxes became a lien December 31, 2002, are levied after October 1, 2003, and are collected in 2004 with real property taxes.

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 8 – PROPERTY TAXES (continued)

2003 tangible personal property taxes are levied after October 1, 2002, on the value as of December 31, 2002. Collections are made in 2003. Tangible personal property assessments are 25 percent of true value.

The full tax rate for all City operations for the year ended December 31, 2003, was \$9.50 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2003 property tax receipts were based are as follows:

	<u>Total Assessed Value</u>	<u>%</u>
Real Property Valuation:		
Residential/Agriculture	\$542,362,010	71.77%
Commercial/Industrial/Mineral	150,921,160	19.97%
Public Utilities	17,150	0.00%
Tangible Personal Property Valuation:		
General	51,014,864	6.75%
Public Utilities	11,361,260	1.50%
Total Valuation	<u>\$755,676,444</u>	<u>100.00%</u>

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

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

NOTE 9 – INCOME TAX

The City levies and collects an income tax of two percent on all income earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100 percent for the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly.

Corporations and other individual taxpayers are also required to pay their estimated taxes at least quarterly and to file a final return annually.

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 9 – INCOME TAX (continued)

Income tax revenues are distributed among the General Fund (60 percent) and Capital Projects Funds (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 are distributed to the Capital Projects Funds. Accordingly, the Capital Projects portion of income tax revenues, approximated \$3,348,622, the Street Construction Fund portion was \$925,000, the Sidewalk Repair Program was \$18,000, the Paint and Housing Repair Fund portion was \$32,500 and the General Bond Retirement Fund was \$563,445 for 2003. Additionally, all income tax receivable amounts are reported within the General Fund. The portion of the receivable to be later distributed to the Capital Projects Funds approximates \$622,450.

NOTE 10 - 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 \$2,000,000 per occurrence and \$2,000,000 in aggregate with a \$10,000,000 umbrella over all coverages. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction of coverage from the prior year.

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.

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 10 - RISK MANAGEMENT (continued)

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 \$500.00 family and \$250.00 single deductible and a dental plan with a \$75.00 family and \$25.00 single deductible. A third party administrator, Klais & Company, Inc., reviews all medical and dental claims which are then paid by the City. The City has purchased stop-loss coverage of \$75,000 per employee and for claims in excess of \$1,971,900 in the aggregate from Fidelity Security Life Insurance Company. The City pays into the self-insurance internal service fund \$641.74 per month for each employee with family medical coverage and \$194.56 per month for each employee with individual medical coverage. Premiums for dental coverage are \$71.32 monthly for each employee with family coverage and \$33.80 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 \$243,251 reported in the self-insurance internal service fund at December 31, 2003 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 are as follows:

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2002	\$219,748	\$1,363,792	(\$1,392,035)	\$191,505
2003	\$191,505	\$1,568,305	(\$1,516,559)	\$243,251

NOTE 11 - CAPITAL ASSETS

The capital asset balances of the governmental activities have been restated due to the implementation of GASB Statement No. 34 resulting in capitalizing retroactive infrastructure and depreciating governmental activities.

	Balance 01/01/2003	Restatements 01/01/2003	Restated Beginning Balance 01/01/2003
Governmental Activities			
Capital Assets, Not Being Depreciated:			
Land and Improvements	\$9,936,635	\$0	\$9,936,635
Construction in Progress	<u>5,663,350</u>	<u>0</u>	<u>5,663,350</u>
Total Capital Assets, Not Being Depreciated	<u>15,599,985</u>	<u>0</u>	<u>15,599,985</u>

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 11 - CAPITAL ASSETS (continued)

	Balance 01/01/2003	Restatements 01/01/2003	Restated Beginning Balance 01/01/2003
Capital Assets, Being Depreciated:			
Buildings	9,126,426	0	9,126,426
Vehicles	4,726,883	0	4,726,883
Equipment, Furniture and Fixtures	3,176,712	0	3,176,712
Infrastructure	0	12,509,551	12,509,551
Total Capital Assets, Being Depreciated	<u>17,030,021</u>	<u>12,509,551</u>	<u>29,539,572</u>
Less Accumulated Depreciation:			
Buildings	0	(3,529,442)	(3,529,442)
Vehicles	0	(3,615,393)	(3,615,393)
Equipment, Furniture and Fixtures	0	(2,529,758)	(2,529,758)
Infrastructure	0	(5,746,124)	(5,746,124)
Total Accumulated Depreciation	<u>0</u>	<u>(15,420,717)</u>	<u>(15,420,717)</u>
Total Capital Assets, Being Depreciated, Net	<u>17,030,021</u>	<u>(2,911,166)</u>	<u>14,118,855</u>
Governmental Activities Capital Assets, Net	<u>\$32,630,006</u>	<u>(\$2,911,166)</u>	<u>\$29,718,840</u>

	Restated Beginning Balance 01/01/2003	Additions	Deletions	Balance 12/31/2003
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land and Improvements	\$9,936,635	\$810	\$0	\$9,937,445
Construction in Progress	5,663,350	6,438,750	0	12,102,100
Total Capital Assets, Not Being Depreciated	<u>15,599,985</u>	<u>6,439,560</u>	<u>0</u>	<u>22,039,545</u>
Capital Assets, Being Depreciated:				
Buildings	9,126,426	42,114	(187,232)	8,981,308
Vehicles	4,726,883	2,369,110	(534,278)	6,561,715
Equipment, Furniture and Fixtures	3,176,712	192,422	(92,375)	3,276,759
Infrastructure	12,509,551	3,058,086	0	15,567,637
Total Capital Assets, Being Depreciated	<u>29,539,572</u>	<u>5,661,732</u>	<u>(813,885)</u>	<u>34,387,419</u>

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 11 - CAPITAL ASSETS (continued)

	Restated Beginning Balance 01/01/2003	Additions	Deletions	Balance 12/31/2003
Less Accumulated Depreciation:				
Buildings	(3,529,442)	(290,037)	111,370	(3,708,109)
Vehicles	(3,615,393)	(335,996)	486,448	(3,464,941)
Equipment, Furniture and Fixtures	(2,529,758)	(197,776)	92,375	(2,635,159)
Infrastructure	(5,746,124)	(636,811)	0	(6,382,935)
Total Accumulated Depreciation	<u>(15,420,717)</u>	<u>(1,460,620)</u>	<u>690,193</u>	<u>(16,191,144)</u>
Total Capital Assets, Being Depreciated, Net	<u>14,118,855</u>	<u>4,201,112</u>	<u>(123,692)</u>	<u>18,196,275</u>
Governmental Activities Capital Assets, Net	<u>\$29,718,840</u>	<u>\$10,640,672</u>	<u>(\$123,692)</u>	<u>\$40,235,820</u>

	Balance 01/01/2003	Restatements 01/01/2003	Restated Beginning Balance 01/01/2003
Business-Type Activities			
Capital Assets, Not Being Depreciated:			
Land and Improvements	<u>\$262,011</u>	<u>\$0</u>	<u>\$262,011</u>
Total Capital Assets, Not Being Depreciated	<u>262,011</u>	<u>0</u>	<u>262,011</u>
Capital Assets, Being Depreciated:			
Buildings	3,136,398	0	3,136,398
Vehicles	194,359	0	194,359
Equipment, Furniture and Fixtures	197,018	0	197,018
Infrastructure	<u>11,282,367</u>	<u>5,058,389</u>	<u>16,340,756</u>
Total Capital Assets, Being Depreciated	<u>14,810,142</u>	<u>5,058,389</u>	<u>19,868,531</u>
Less Accumulated Depreciation:			
Buildings	(88,360)	0	(88,360)
Vehicles	(53,829)	0	(53,829)
Equipment, Furniture and Fixtures	(19,497)	0	(19,497)
Infrastructure	<u>(202,519)</u>	<u>(1,475,556)</u>	<u>(1,678,075)</u>
Total Accumulated Depreciation	<u>(364,205)</u>	<u>(1,475,556)</u>	<u>(1,839,761)</u>
Total Capital Assets, Being Depreciated, Net	<u>14,445,937</u>	<u>3,582,833</u>	<u>18,028,770</u>
Business-Type Activities Capital Assets, Net	<u>\$14,707,948</u>	<u>\$3,582,833</u>	<u>\$18,290,781</u>

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 11 - CAPITAL ASSETS (continued)

	Restated Beginning Balance 01/01/2003	Additions	Deletions	Balance 12/31/2003
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land and Improvements	\$262,011	\$0	\$0	\$262,011
Total Capital Assets, Not Being Depreciated	262,011	0	0	262,011
Capital Assets, Being Depreciated:				
Buildings	3,136,398	0	0	3,136,398
Vehicles	194,359	0	0	194,359
Equipment, Furniture and Fixtures	197,018	0	0	197,018
Infrastructure	16,340,756	160,360	0	16,501,116
Total Capital Assets, Being Depreciated	19,868,531	160,360	0	20,028,891
Less Accumulated Depreciation:				
Buildings	(88,360)	(82,325)	0	(170,685)
Vehicles	(53,829)	(12,109)	0	(65,938)
Equipment, Furniture and Fixtures	(19,497)	(68,098)	0	(87,595)
Infrastructure	(1,678,075)	(327,619)	0	(2,005,694)
Total Accumulated Depreciation	(1,839,761)	(490,151)	0	(2,329,912)
Total Capital Assets, Being Depreciated, Net	18,028,770	(329,791)	0	17,698,979
Business-Type Activities Capital Assets, Net	<u>\$18,290,781</u>	<u>(\$329,791)</u>	<u>\$0</u>	<u>\$17,960,990</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$5,143
Security of Persons and Property	129,249
Public Health and Welfare	5,309
Transportation	644,057
Community Environment	1,027
Leisure Time Activities	3,201
Unallocated	672,634
Total	<u>\$1,460,620</u>

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 12 – LONG-TERM OBLIGATIONS

Changes in the long-term obligations of the City during 2003 were as follows:

	Balance 01/01/2003	Additions	Deletions	Balance 12/31/2003	Amount Due In One Year
Business-Type Activity:					
OWDA Loan					
8.09%, Due 1/1/2009	\$129,468	\$0	(\$17,608)	\$111,860	\$2,478
OWDA Loan					
7.86%, Due 7/1/2007	11,826	0	(2,297)	9,529	19,032
Water System Anticipation Note					
2.25%, Due 5/14/2003	2,300,000	0	(2,300,000)	0	0
Water System Anticipation Note					
1.75%, Due 5/13/2004	0	2,000,000	0	2,000,000	200,000
	2,441,294	2,000,000	(2,319,905)	2,121,389	221,510
Compensated Absences	28,882	13,245	0	42,127	19,837
Intergovernmental Payable	34,734	0	(29,026)	5,708	793
Business-Type Activity - Long-Term Liabilities	<u>\$2,504,910</u>	<u>\$2,013,245</u>	<u>(\$2,348,931)</u>	<u>\$2,169,224</u>	<u>\$242,140</u>
Governmental Activity:					
Safety Center Construction General Obligation Bonds, 5.5%-7.75% Due Through 2020	\$6,015,000	\$0	(\$195,000)	\$5,820,000	\$215,000
2002 Construction Note 2.50%, Due 4/14/2003	5,674,830	0	(5,674,830)	0	0
2003 Construction Note 1.75%, Due 5/13/2004	0	4,875,000	0	4,875,000	400,000
2002 Construction Note 2.50%, Due 4/14/2003	9,830,170	0	(9,830,170)	0	0
2003 Construction Note 1.75%, Due 5/13/2004	0	8,970,000	0	8,970,000	600,000
	21,520,000	13,845,000	(15,700,000)	19,665,000	1,215,000
Compensated Absences	874,425	19,734	0	894,159	384,334
Intergovernmental Payable	156,413	0	(29,169)	127,244	19,546
Governmental Activity - Long-Term Liabilities	<u>\$22,550,838</u>	<u>\$13,864,734</u>	<u>(\$15,729,169)</u>	<u>\$20,686,403</u>	<u>\$1,618,880</u>
Total Long-Term Obligations	<u>\$25,055,748</u>	<u>\$15,877,979</u>	<u>(\$18,078,100)</u>	<u>\$22,855,627</u>	<u>\$1,861,020</u>

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 12 – LONG-TERM OBLIGATIONS (continued)

The general obligation bonds will be repaid from income tax monies allocated into the debt service fund from the capital projects funds. Compensated Absences and the Intergovernmental Payables that represent contractually required pension contributions will be paid from the funds, which the employees' salaries are paid. The OWDA Loan will be repaid with operating revenue from the water fund. The OWDA Loan was assumed by the City from Summit County.

The annual requirements to amortize all long-term debt outstanding as of December 31, 2003, including interest payments of \$3,735,361, are as follows:

Year Ending December 31,	Governmental Activities		Business-Type Activities	
	Safety Center Construction General Obligation Bonds		OWDA Loans	
	Principal	Interest	Principal	Interest
2004	\$215,000	\$353,332	\$21,510	\$9,798
2005	225,000	341,508	23,244	8,064
2006	235,000	328,908	25,119	6,190
2007	250,000	315,513	25,532	4,163
2008	260,000	301,012	12,990	1,054
2009 - 2013	1,540,000	1,251,905	12,994	1,047
2014 - 2018	2,075,000	717,077	0	0
2019 - 2020	1,020,000	95,790	0	0
Total	<u>\$5,820,000</u>	<u>\$3,705,045</u>	<u>\$121,389</u>	<u>\$30,316</u>

NOTE 13 - DEFINED BENEFIT PENSION PLANS

A. Public Employees Retirement System

All employees of the City, with the exclusion of City police officers and firefighters, participate in the Ohio Public Employees Retirement System (OPERS), which administers three separate pension plans as described below:

1. The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan.
2. The Member-Directed Plan (MD) – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon.

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

3. The Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.

Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. The OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to: Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614)222-6705 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2003, member and employer contribution rates were consistent across all three plans (TP, MD and CO). Separate divisions for law enforcement and public safety exist only within the Traditional Plan.

Plan members are required to contribute 8.50 percent of their annual covered salary to fund pension benefit obligations. The City is required to contribute 13.55 percent. Contributions are authorized by state statute. The contribution rates are determined actuarially. The City's contributions to the OPERS for the years ending December 31, 2003, 2002 and 2001 were \$897,638, \$953,070 and \$769,182, respectively, equal to the required contributions for each year. The full amount has been contributed for 2002 and 2001. 74.18 percent has been contributed for 2003.

B. Ohio Police and Fire Pension Fund

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

Plan members are required to contribute 10 percent of their annual covered salary, while employers are required to contribute 19.5 percent and 24.0 percent, respectively, for police officers and firefighters. The City's contributions to the OP&F Ohio for the years ending December 31, 2003, 2002 and 2001 were \$1,000,734, \$885,747 and \$703,259, respectively, equal to the required contributions for each year. The full amount has been contributed for 2002 and 2001. 71.32 percent has been contributed for 2003.

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

C. *Social Security System*

All volunteer firefighters and Council members, not otherwise covered by another retirement system, are covered by Social Security. The City's liability is 6.2 percent of wages paid.

NOTE 14 - POST-EMPLOYMENT BENEFITS

A. *Public Employees Retirement System*

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

OPERS provides retirement, disability, survivor and post-retirement health care benefits to qualifying members of both the Traditional and the Combined Plans; however, health care benefits are not statutorily guaranteed. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

OPERS provides post-retirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Post-Employment Benefits Other Than Pension Benefits by State and Local Governmental Employers". A portion of each employer's contribution to the OPERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 2003 employer contribution rate was 13.55 percent of covered payroll; 5.0 percent was the portion that was used to fund health care for the year 2003. The City's actual contributions for 2003 which were used to fund post-employment benefits were \$331,232.

The assumptions and calculations below were based on OPERS's latest actuarial review performed as of December 31, 2002, include a rate of return on investments of 8.0 percent, an annual increase in active employee total payroll of 4.0 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll over and above the 4.0 percent base increase of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.0 percent annually.

An entry-age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability.

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 14 - POST-EMPLOYMENT BENEFITS (continued)

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

OPEB's are advance-funded on an actuarially determined basis.

At year end 2003, the number of active contributing participants was 364,881. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2002, (the latest information available) were \$10.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$18.7 billion and \$8.7 billion, respectively.

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

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

In response to the adverse investment returns experienced by OPERS from 2000 through 2002 and the continued staggering rate of health care inflation, the OPERS Board, during 2003, considered extending "Choices" type cost cutting measures to all active members and benefit recipients. As of this date, the Board has not determined the exact changes that will be made to the health care plan. However, changes to the plan are expected to be approved by the summer of 2004.

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 14 - POST-EMPLOYMENT BENEFITS (continued)

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides post-retirement health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care cost paid from the funds of the OP&F Ohio shall be included in the employer's contribution rate. The total police officer employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll. The City's actual contributions for 2003 which were used to fund post-employment benefits were \$355,166.

The Ohio Revised Code provides the statutory authority allowing the OP&F Ohio's Board of Trustees to provide health care coverage to all eligible individuals.

Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 7.5 percent and 7.75 percent of covered payroll in 2002 and 2003, respectively. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions. The number of participants eligible statewide to receive health care benefits as of December 31, 2002, the date of the last actuarial valuation available, are 13,527 for police officers and 10,396 for firefighters. The OP&F Ohio's total health care expense for the year ending December 31, 2002, the date of the last actuarial valuation available, was \$141,028,066, which was net of member contributions of \$12,623,875.

NOTE 15 - COMPENSATED ABSENCES

Full-time City employees earn and accumulate paid vacation leave for each paid 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 the length of service, employees 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 or estate.

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 15 - COMPENSATED ABSENCES (continued)

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 to a maximum of 1,000 hours and 50 percent of unused sick leave up to a maximum 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 the cash payment of 50 percent of unused sick leave up to a maximum of an additional 1,000 hours.

Full-time police officers 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, 2003, the liability for compensated absences was \$936,286 for the entire City.

NOTE 16 - CONTINGENCIES

A. Litigation

Several claims or lawsuits are pending against the City. It is management's opinion that the ultimate liability will be covered by insurance, and/or will not have a material effect on the basic financial statements.

B. Grants

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, City management believes such disallowances, if any, will be immaterial.

NOTE 17 – INTERFUND TRANSACTIONS

Advances to/from for the year ended December 31, 2003 consisted of the following:

Receivable Fund	Payable Fund	Amount
General Capital Improvements	Non-Major Governmental Funds	\$187,894
General	Water	350,000
		<u>\$537,894</u>

**CITY OF STOW, OHIO
SUMMIT COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 17 – INTERFUND TRANSACTIONS (continued)

Interfund balances at December 31, 2003 resulted from the time lag between the dates that interfund goods or services are provided or reimbursable expenditures occur, transactions are recorded in the accounting and payments between funds are made.

Interfund transfers for the year ending December 31, 2003 consisted of the following:

	General Capital Improvements	Nonmajor Governmental	Total
Transfers Out:			
General Fund	\$	\$9,032	\$9,032
Water Fund	88,196	0	88,196
	<u>\$8,196</u>	<u>\$9,032</u>	<u>\$8,228</u>

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 and 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.

NOTE 18 – CONTRACTUAL COMMITMENTS

During 2003, the City entered into various contracts for building construction and renovations totaling \$72,425. The amount paid on the contracts was \$3,034 leaving an outstanding contractual commitment of \$41,361.

NOTE 19 – SUBSEQUENT EVENTS

The following debts were refinanced in 2004

- \$820,000 Safety Center Construction General Obligation bonds by issuing \$0,000 in new bonds on August 12, 2004
- \$,000,000 Water System Anticipation Note by issuing a note for \$,800,000 on May 12, 2004
- \$,970,000 2003 Construction Note by issuing a note for \$,370,000 on May 12, 2004
- \$75,000 2003 Construction and Equipment Note by issuing a note for \$5,000 on May 12, 2004

NOTE 20 – ACCOUNTS PAYABLE

The Water Fund accounts payable at December 31, 2003 is \$,735,771. Of this amount, \$,65,732 represents an estimated liability for bulk water provided by the City of Akron to the City of Stow that had not been invoiced as of December 31, 2003. The City of Stow paid \$,43,085 in February, 2004 against this liability.

GENERAL FUND

The General Fund accounts for financial resources and expenses associated with general government operations of the City that are not required to be accounted for in another fund.

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.

NONMAJOR GOVERNMENTAL FUNDS

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

Street Construction – Accounts for the portion of State gasoline tax and motor vehicle registration fees designated for maintenance and repair of streets within the City.

State Highway Improvement – Accounts for the portion of the State gasoline tax and motor vehicle registration fees designated for maintenance and repair of State highways within the City.

Police Pension and Disability – Accounts for property taxes levied for the payment of current employer contributions for police disability and pension benefits.

Fire Pension and Disability – Accounts for property taxes levied for the payment of current employer contributions for fire disability and pension benefits.

Motor Vehicle License Tax – Accounts for the additional motor vehicle registration fees designated for maintenance and repair of streets within the City.

ODNR Litter Prevention Grant – Accounts for grants received from the Ohio Department of Natural Resources and Summit County for the City's litter prevention program.

EMS Transport Fees – Accounts for EMS transport fees collected and to disburse collections in accordance with City policy.

Police Enforcement and Education – 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.

Special Assessment Improvements – 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 – Accounts for donations or restitutions for damages for planting and relocation of trees and other greenery within the City.

NONMAJOR GOVERNMENTAL FUNDS

(CONTINUED)

Communications Tower Fund – Accounts for monies received from carriers using the GTE MobilNet Communication Tower. Monies are used for park improvements.

Cemetery Trust – Accounts for sale of graves, opening and closing of same, sale of monuments, tombs or vaults, burying ashes and disinterment.

Park Improvements – Accounts for contributions from residents, civic groups, industries or other gratuitous donors for improvements of City parks.

Other Special Revenue Funds

Commission of the Arts	Community Relations
Safety Town Fund	SS Ballfield Complex
DARE Program	Park and Recreation Scholarship Fund
ODNR Recycling Grant	Police Explorer Fund
Youth Division Donations	Building Education/Seminar Fund
Fire Department Emergency Equipment	Community Development
Parks Youth Fund	FEMA Fund
Police Department Emergency Equipment	Disaster Relief
Sidewalk Repair Program	Paint and Housing Repair
Youth Division Teen Center	Skatepark Fund
Parks Lodge Improvement	

Debt Service

General Bond Retirement – This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

City of Stow, Ohio
Summit County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2003

	<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	\$515,434	\$42,327	\$0	\$0
Intergovernmental Receivable	13,265	1,076	933	933
Taxes Receivable	0	0	215,601	215,601
Special Assessments Receivable	0	0	0	0
Materials and Supplies Inventory	290,564	0	0	0
Total Assets	<u><u>\$819,263</u></u>	<u><u>\$43,403</u></u>	<u><u>\$216,534</u></u>	<u><u>\$216,534</u></u>
LIABILITIES				
Accounts Payable	\$129,936	\$28,119	\$0	\$0
Accrued Wages and Benefits	0	0	0	0
Intergovernmental Payable	16,146	257	103,774	183,250
Deferred Revenue	0	0	212,628	212,628
Advances from Other Funds	0	0	0	0
Total Liabilities	<u>146,082</u>	<u>28,376</u>	<u>316,402</u>	<u>395,878</u>
FUND BALANCES				
Reserved for:				
Encumbrances	110,633	1,225	0	0
Unreserved	562,548	13,802	(99,868)	(179,344)
Total Fund Balances/(Deficits)	<u>673,181</u>	<u>15,027</u>	<u>(99,868)</u>	<u>(179,344)</u>
Total Liabilities and Fund Balances	<u><u>\$819,263</u></u>	<u><u>\$43,403</u></u>	<u><u>\$216,534</u></u>	<u><u>\$216,534</u></u>

Nonmajor Special Revenue

Motor Vehicle License Tax	ODNR Litter Prevention Grant	EMS Transport Fees	Police Enforcement and Education	Special Assessment Improvement	Tree Trust
\$179,603	\$12,162	\$766,465	\$4,780	\$838	\$235,491
5,545	0	0	445	0	0
0	0	0	0	0	0
0	0	0	0	5,402	0
0	5,467	0	0	0	0
<u>\$185,148</u>	<u>\$17,629</u>	<u>\$766,465</u>	<u>\$5,225</u>	<u>\$6,240</u>	<u>\$235,491</u>
\$49,649	\$741	\$11,164	\$0	\$1,062	\$16,063
0	1,817	0	0	0	0
0	3,443	0	0	0	0
0	0	0	0	5,402	0
0	6,364	0	0	30,000	0
<u>49,649</u>	<u>12,365</u>	<u>11,164</u>	<u>0</u>	<u>36,464</u>	<u>16,063</u>
25,351	779	410,567	0	0	0
110,148	4,485	344,734	5,225	(30,224)	219,428
<u>135,499</u>	<u>5,264</u>	<u>755,301</u>	<u>5,225</u>	<u>(30,224)</u>	<u>219,428</u>
<u>\$185,148</u>	<u>\$17,629</u>	<u>\$766,465</u>	<u>\$5,225</u>	<u>\$6,240</u>	<u>\$235,491</u>

(continued)

City of Stow, Ohio
Summit County
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
December 31, 2003

	Communications Tower Fund	Cemetery Trust	Park Improvements	Commission of the Arts
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$357,572	\$197,113	\$193,403	\$2,333
Intergovernmental Receivable	0	0	0	0
Taxes Receivable	0	0	0	0
Special Assessments Receivable	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Total Assets	<u>\$357,572</u>	<u>\$197,113</u>	<u>\$193,403</u>	<u>\$2,333</u>
LIABILITIES				
Accounts Payable	\$0	\$0	\$6,266	\$1,390
Accrued Wages and Benefits	0	0	0	0
Intergovernmental Payable	0	0	0	57
Deferred Revenue	0	0	0	0
Advances from Other Funds	0	0	148,000	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>154,266</u>	<u>1,447</u>
FUND BALANCES				
Reserved for:				
Encumbrances	15,118	0	2,262	0
Unreserved	342,454	197,113	36,875	886
Total Fund Balances/(Deficits)	<u>357,572</u>	<u>197,113</u>	<u>39,137</u>	<u>886</u>
Total Liabilities and Fund Balances	<u>\$357,572</u>	<u>\$197,113</u>	<u>\$193,403</u>	<u>\$2,333</u>

Nonmajor Special Revenue

Safety Town Fund	DARE	ODNR Recycling Grant	Youth Division Donations	Fire Department Emergency Equipment	Parks Youth Fund
\$2,632	\$16,085	\$0	\$5,604	\$22,227	\$862
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$2,632</u>	<u>\$16,085</u>	<u>\$0</u>	<u>\$5,604</u>	<u>\$22,227</u>	<u>\$862</u>
\$0	\$0	\$0	\$0	\$268	\$0
0	0	0	0	0	0
0	265	0	0	0	0
0	13,631	0	0	0	0
0	0	3,530	0	0	0
<u>0</u>	<u>13,896</u>	<u>3,530</u>	<u>0</u>	<u>268</u>	<u>0</u>
761	0	0	0	0	0
1,871	2,189	(3,530)	5,604	21,959	862
<u>2,632</u>	<u>2,189</u>	<u>(3,530)</u>	<u>5,604</u>	<u>21,959</u>	<u>862</u>
<u>\$2,632</u>	<u>\$16,085</u>	<u>\$0</u>	<u>\$5,604</u>	<u>\$22,227</u>	<u>\$862</u>

(continued)

City of Stow, Ohio
Summit County
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
December 31, 2003

	Police Department			
	Emergency Equipment	Sidewalk Repair Program	Youth Division Teen Center	Parks Lodge Improvement
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$2,367	\$55,494	\$3,382	\$43,247
Intergovernmental Receivable	0	0	0	0
Taxes Receivable	0	0	0	0
Special Assessments Receivable	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Total Assets	\$2,367	\$55,494	\$3,382	\$43,247
LIABILITIES				
Accounts Payable	\$0	\$3,004	\$439	\$0
Accrued Wages and Benefits	0	0	249	0
Intergovernmental Payable	0	0	34	0
Deferred Revenue	0	0	0	0
Advances from Other Funds	0	0	0	0
Total Liabilities	0	3,004	722	0
FUND BALANCES				
Reserved for:				
Encumbrances	0	0	480	1,678
Unreserved	2,367	52,490	2,180	41,569
Total Fund Balances/(Deficits)	2,367	52,490	2,660	43,247
Total Liabilities and Fund Balances	\$2,367	\$55,494	\$3,382	\$43,247

Nonmajor Special Revenue					
Community Relations	SS Ballfield Complex	Park and Recreation Scholarship Fund	Police Explorer Fund	Building Education/ Seminar Fund	Community Development
\$614	\$29,310	\$1,530	\$377	\$1,642	\$0
0	0	0	0	0	27,000
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$614</u>	<u>\$29,310</u>	<u>\$1,530</u>	<u>\$377</u>	<u>\$1,642</u>	<u>\$27,000</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
614	29,310	1,530	377	1,642	27,000
614	29,310	1,530	377	1,642	27,000
<u>\$614</u>	<u>\$29,310</u>	<u>\$1,530</u>	<u>\$377</u>	<u>\$1,642</u>	<u>\$27,000</u>

(continued)

City of Stow, Ohio
Summit County
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
December 31, 2003

	Nonmajor Special Revenue			
	FEMA Fund	Disaster Relief	Paint and Housing Repair	Skatepark Fund
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$83,134	\$413	\$20,879	\$0
Intergovernmental Receivable	27,712	0	0	0
Taxes Receivable	0	0	0	0
Special Assessments Receivable	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Total Assets	\$110,846	\$413	\$20,879	\$0
LIABILITIES				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	0	0	0	0
Intergovernmental Payable	0	0	0	0
Deferred Revenue	27,712	0	0	0
Advances from Other Funds	0	0	0	0
Total Liabilities	27,712	0	0	0
FUND BALANCES				
Reserved for:				
Encumbrances	0	0	0	0
Unreserved	83,134	413	20,879	0
Total Fund Balances/(Deficits)	83,134	413	20,879	0
Total Liabilities and Fund Balances	\$110,846	\$413	\$20,879	\$0

	Debt Service		
Total Special Revenue	General Bond Retirement		Total Nonmajor Governmental Funds
\$2,797,320	\$0		\$2,797,320
76,909	0		76,909
431,202	0		431,202
5,402	0		5,402
296,031	0		296,031
<u>\$3,606,864</u>	<u>\$0</u>		<u>\$3,606,864</u>
\$248,101	\$0		\$248,101
2,066	0		2,066
307,226	0		307,226
472,001	0		472,001
187,894	0		187,894
<u>1,217,288</u>	<u>0</u>		<u>1,217,288</u>
568,854	0		568,854
<u>1,820,722</u>	<u>0</u>		<u>1,820,722</u>
<u>2,389,576</u>	<u>0</u>		<u>2,389,576</u>
<u>\$3,606,864</u>	<u>\$0</u>		<u>\$3,606,864</u>

City of Stow, Ohio
Summit County
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2003

	<u>Street Construction</u>	<u>State Highway Improvement</u>	<u>Police Pension and Disability</u>	<u>Fire Pension and Disability</u>
REVENUES				
Property and Other Local Taxes	\$0	\$0	\$200,008	\$200,008
Income Tax	925,000	0	0	0
Special Assessments	0	0	0	0
Charges for Services	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	997,662	70,509	23,996	23,996
Interest	4,321	392	0	0
Other	30,421	878	0	0
Total Revenues	<u>1,957,404</u>	<u>71,779</u>	<u>224,004</u>	<u>224,004</u>
EXPENDITURES				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	432,406	573,968
Public Health	0	0	0	0
Leisure Time Services	0	0	0	0
Community and Economic Development	0	0	0	0
Transportation	1,725,854	79,252	0	0
Capital Outlay	148,670	0	0	0
Debt Service:				
Principal Retirements	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	<u>1,874,524</u>	<u>79,252</u>	<u>432,406</u>	<u>573,968</u>
Excess of Revenues Over(Under) Expenditures	<u>82,880</u>	<u>(7,473)</u>	<u>(208,402)</u>	<u>(349,964)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	0	0	187,076	309,201
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>187,076</u>	<u>309,201</u>
Net Change in Fund Balance	82,880	(7,473)	(21,326)	(40,763)
Fund Balance (Deficit) at Beginning of Year	<u>590,301</u>	<u>22,500</u>	<u>(78,542)</u>	<u>(138,581)</u>
Fund Balance (Deficit) at End of Year	<u><u>\$673,181</u></u>	<u><u>\$15,027</u></u>	<u><u>(\$99,868)</u></u>	<u><u>(\$179,344)</u></u>

Nonmajor Special Revenue Funds

<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 Improvement</u>	<u>Tree Trust</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	53,454	0
0	0	618,200	0	0	0
0	0	0	5,140	0	0
78,863	22,500	0	445	0	0
2,226	0	0	0	0	0
0	0	0	475	0	71,533
<u>81,089</u>	<u>22,500</u>	<u>618,200</u>	<u>6,060</u>	<u>53,454</u>	<u>71,533</u>
40,000	0	0	0	0	0
0	0	79,356	5,585	54,251	0
0	93,759	0	0	0	0
0	0	0	0	0	105,521
0	0	0	0	0	0
0	0	0	0	0	0
69,649	0	153,517	6,000	0	0
0	0	200,000	0	0	0
0	0	30,007	0	0	0
<u>109,649</u>	<u>93,759</u>	<u>462,880</u>	<u>11,585</u>	<u>54,251</u>	<u>105,521</u>
<u>(28,560)</u>	<u>(71,259)</u>	<u>155,320</u>	<u>(5,525)</u>	<u>(797)</u>	<u>(33,988)</u>
<u>0</u>	<u>70,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>70,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>(28,560)</u>	<u>(1,259)</u>	<u>155,320</u>	<u>(5,525)</u>	<u>(797)</u>	<u>(33,988)</u>
<u>164,059</u>	<u>6,523</u>	<u>599,981</u>	<u>10,750</u>	<u>(29,427)</u>	<u>253,416</u>
<u>\$135,499</u>	<u>\$5,264</u>	<u>\$755,301</u>	<u>\$5,225</u>	<u>(\$30,224)</u>	<u>\$219,428</u>

(continued)

City of Stow
Summit County
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended December 31, 2003

	Communications Tower Fund	Cemetery Trust	Park Improvements	Commission of the Arts
REVENUES				
Property and Other Local Taxes	\$0	\$0	\$0	\$0
Income Tax	0	0	0	0
Special Assessments	0	0	0	0
Charges for Services	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	0	0	0	0
Interest	0	0	0	0
Other	78,144	23,082	12,000	0
Total Revenues	78,144	23,082	12,000	0
EXPENDITURES				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Public Health	0	0	0	0
Leisure Time Services	0	0	74,330	18,161
Community and Economic Development	30,789	0	0	0
Transportation	0	0	0	0
Capital Outlay	12,537	6,003	47,010	0
Debt Service:				
Principal Retirements	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	43,326	6,003	121,340	18,161
Excess of Revenues Over(Under) Expenditures	34,818	17,079	(109,340)	(18,161)
OTHER FINANCING SOURCES (USES)				
Transfers In	0	0	555	18,500
Total Other Financing Sources (Uses)	0	0	555	18,500
Net Change in Fund Balance	34,818	17,079	(108,785)	339
Fund Balance (Deficit) at Beginning of Year	322,754	180,034	147,922	547
Fund Balance (Deficit) at End of Year	\$357,572	\$197,113	\$39,137	\$886

Nonmajor Special Revenue Funds

Safety Town Fund	DARE	ODNR Recycling Grant	Youth Division Donations	Fire Department Emergency Equipment	Parks Youth Fund
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	14,205	0	0	0	0
0	0	0	0	0	0
4,525	16	0	500	7,399	0
4,525	14,221	0	500	7,399	0
0	0	0	0	0	0
6,424	19,620	0	0	8,263	0
0	0	0	0	0	0
0	0	0	729	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
6,424	19,620	0	729	8,263	0
(1,899)	(5,399)	0	(229)	(864)	0
0	7,000	0	0	0	0
0	7,000	0	0	0	0
(1,899)	1,601	0	(229)	(864)	0
4,531	588	(3,530)	5,833	22,823	862
\$2,632	\$2,189	(\$3,530)	\$5,604	\$21,959	\$862

(continued)

City of Stow
Summit County
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended December 31, 2003

	Police Department Emergency Equipment	Sidewalk Repair Program	Youth Division Teen Center	Parks Lodge Improvement
REVENUES				
Property and Other Local Taxes	\$0	\$0	\$0	\$0
Income Tax	0	18,000	0	0
Special Assessments	0	0	0	0
Charges for Services	0	0	14,003	12,585
Fines and Forfeitures	0	0	0	0
Intergovernmental	0	0	0	0
Interest	0	0	0	0
Other	372	10,272	207	0
Total Revenues	372	28,272	14,210	12,585
EXPENDITURES				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Public Health	0	3,004	0	0
Leisure Time Services	0	0	17,075	2,593
Community and Economic Development	0	0	0	0
Transportation	0	0	0	0
Capital Outlay	4,861	25,278	0	5,929
Debt Service:				
Principal Retirements	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	4,861	28,282	17,075	8,522
Excess of Revenues Over(Under) Expenditures	(4,489)	(10)	(2,865)	4,063
OTHER FINANCING SOURCES (USES)				
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	(4,489)	(10)	(2,865)	4,063
Fund Balance (Deficit) at Beginning of Year	6,856	52,500	5,525	39,184
Fund Balance (Deficit) at End of Year	\$2,367	\$52,490	\$2,660	\$43,247

Nonmajor Special Revenue Funds

<u>Community Relations</u>	<u>SS Ballfield Complex</u>	<u>Park and Recreation Scholarship Fund</u>	<u>Police Explorer Fund</u>	<u>Building Education/ Seminar Fund</u>	<u>Community Development</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	27,000
0	0	0	0	0	0
0	11,638	200	0	0	0
<u>0</u>	<u>11,638</u>	<u>200</u>	<u>0</u>	<u>0</u>	<u>27,000</u>
0	0	0	0	0	0
0	0	0	142	0	0
0	0	0	0	0	0
0	1,682	0	0	0	0
510	0	0	0	0	0
0	0	0	0	0	0
0	631	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>510</u>	<u>2,313</u>	<u>0</u>	<u>142</u>	<u>0</u>	<u>0</u>
<u>(510)</u>	<u>9,325</u>	<u>200</u>	<u>(142)</u>	<u>0</u>	<u>27,000</u>
<u>700</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>700</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
190	9,325	200	(142)	0	27,000
424	19,985	1,330	519	1,642	0
<u>\$614</u>	<u>\$29,310</u>	<u>\$1,530</u>	<u>\$377</u>	<u>\$1,642</u>	<u>\$27,000</u>

(continued)

City of Stow
Summit County
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended December 31, 2003

	Nonmajor Special Revenue Funds			
	FEMA Fund	Disaster Relief	Paint and Housing Repair	Skatepark Fund
REVENUES				
Property and Other Local Taxes	\$0	\$0	\$0	\$0
Income Tax	0	0	32,500	0
Special Assessments	0	0	0	0
Charges for Services	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	83,134	0	0	0
Interest	0	0	0	0
Other	0	0	320	0
Total Revenues	83,134	0	32,820	0
EXPENDITURES				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Public Health	0	0	0	0
Leisure Time Services	0	0	0	0
Community and Economic Development	0	0	0	0
Transportation	0	0	0	0
Capital Outlay	0	2,587	11,941	0
Debt Service:				
Principal Retirements	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	0	2,587	11,941	0
Excess of Revenues Over(Under) Expenditures	83,134	(2,587)	20,879	0
OTHER FINANCING SOURCES (USES)				
Transfers In	0	3,000	0	0
Total Other Financing Sources (Uses)	0	3,000	0	0
Net Change in Fund Balance	83,134	413	20,879	0
Fund Balance (Deficit) at Beginning of Year	0	0	0	0
Fund Balance (Deficit) at End of Year	\$83,134	\$413	\$20,879	\$0

<u>Total Special Revenue</u>	<u>Debt Service</u>	
	<u>General Bond Retirement</u>	<u>Total Nonmajor Governmental Funds</u>
\$400,016	\$0	\$400,016
975,500	563,445	1,538,945
53,454	0	53,454
644,788	0	644,788
5,140	0	5,140
1,342,310	0	1,342,310
6,939	0	6,939
251,982	0	251,982
<u>3,680,129</u>	<u>563,445</u>	<u>4,243,574</u>
40,000	0	40,000
1,180,015	0	1,180,015
96,763	0	96,763
220,091	0	220,091
31,299	0	31,299
1,805,106	0	1,805,106
494,613	0	494,613
200,000	195,000	395,000
30,007	368,445	398,452
<u>4,097,894</u>	<u>563,445</u>	<u>4,661,339</u>
<u>(417,765)</u>	<u>0</u>	<u>(417,765)</u>
<u>596,032</u>	<u>0</u>	<u>596,032</u>
<u>596,032</u>	<u>0</u>	<u>596,032</u>
178,267	0	178,267
<u>2,211,309</u>	<u>0</u>	<u>2,211,309</u>
<u>\$2,389,576</u>	<u>\$0</u>	<u>\$2,389,576</u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Street Construction
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$1,410,652	\$990,000	\$996,918	\$6,918
Interest	6,114	5,000	4,321	(679)
Other	5,952	2,200	4,206	2,006
Total Revenues	<u>1,422,718</u>	<u>997,200</u>	<u>1,005,445</u>	<u>8,245</u>
EXPENDITURES				
Current:				
Transportation	1,970,955	2,199,081	2,019,767	179,314
Capital Outlay	73,374	195,248	149,998	45,250
Total Expenditures	<u>2,044,329</u>	<u>2,394,329</u>	<u>2,169,765</u>	<u>224,564</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(621,611)</u>	<u>(1,397,129)</u>	<u>(1,164,320)</u>	<u>232,809</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,308,887	1,346,500	925,000	(421,500)
Other Financing Sources	37,095	25,000	26,215	1,215
Transfers Out	(125,000)	(125,000)	0	125,000
Total Other Financing Sources (Uses)	<u>1,220,982</u>	<u>1,246,500</u>	<u>951,215</u>	<u>(295,285)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	599,371	(150,629)	(213,105)	(62,476)
Fund Balance at Beginning of Year	245,638	245,638	245,638	0
Prior Year Encumbrances Appropriated	<u>242,330</u>	<u>242,330</u>	<u>242,330</u>	<u>0</u>
Fund Balance at End of Year	<u>\$1,087,339</u>	<u>\$337,339</u>	<u>\$274,863</u>	<u>(\$62,476)</u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
State Highway Improvement
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$151,530	\$112,262	\$70,448	(\$41,814)
Interest	843	1,000	392	(608)
Total Revenues	<u>152,373</u>	<u>113,262</u>	<u>70,840</u>	<u>(42,422)</u>
EXPENDITURES				
Current:				
Transportation	<u>94,993</u>	<u>94,993</u>	<u>84,065</u>	<u>10,928</u>
Total Expenditures	<u>94,993</u>	<u>94,993</u>	<u>84,065</u>	<u>10,928</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>57,380</u>	<u>18,269</u>	<u>(13,225)</u>	<u>(31,494)</u>
OTHER FINANCING SOURCES				
Other Financing Sources	<u>1,889</u>	<u>1,000</u>	<u>878</u>	<u>(122)</u>
Total Other Financing Sources	<u>1,889</u>	<u>1,000</u>	<u>878</u>	<u>(122)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	59,269	19,269	(12,347)	(31,616)
Fund Balance at Beginning of Year	20,085	20,085	20,085	0
Prior Year Encumbrances Appropriated	<u>5,243</u>	<u>5,243</u>	<u>5,243</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$84,597</u></u>	<u><u>\$44,597</u></u>	<u><u>\$12,981</u></u>	<u><u>(\$31,616)</u></u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Police Pension and Disability
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Property and Other Local Taxes	\$204,380	\$204,380	\$202,732	(\$1,648)
Intergovernmental	24,151	24,151	24,095	(56)
Total Revenues	<u>228,531</u>	<u>228,531</u>	<u>226,827</u>	<u>(1,704)</u>
EXPENDITURES				
Current:				
Security of Persons and Property	<u>450,500</u>	<u>450,500</u>	<u>413,903</u>	<u>36,597</u>
Total Expenditures	<u>450,500</u>	<u>450,500</u>	<u>413,903</u>	<u>36,597</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(221,969)</u>	<u>(221,969)</u>	<u>(187,076)</u>	<u>34,893</u>
OTHER FINANCING SOURCES				
Transfers In	<u>283,819</u>	<u>283,819</u>	<u>187,076</u>	<u>(96,743)</u>
Total Other Financing Sources	<u>283,819</u>	<u>283,819</u>	<u>187,076</u>	<u>(96,743)</u>
Excess of Revenues and Other Financing Sources Over Expenditures	61,850	61,850	0	(61,850)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$61,850</u>	<u>\$61,850</u>	<u>0</u>	<u>(\$61,850)</u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Fire Pension and Disability
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Property and Other Local Taxes	\$204,380	\$204,380	\$202,732	(\$1,648)
Intergovernmental	24,151	24,151	24,095	(56)
Total Revenues	<u>228,531</u>	<u>228,531</u>	<u>226,827</u>	<u>(1,704)</u>
EXPENDITURES				
Current:				
Security of Persons and Property	<u>550,500</u>	<u>550,500</u>	<u>536,028</u>	<u>14,472</u>
Total Expenditures	<u>550,500</u>	<u>550,500</u>	<u>536,028</u>	<u>14,472</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(321,969)</u>	<u>(321,969)</u>	<u>(309,201)</u>	<u>12,768</u>
OTHER FINANCING SOURCES				
Transfers In	<u>469,510</u>	<u>469,510</u>	<u>309,201</u>	<u>(160,309)</u>
Total Other Financing Sources	<u>469,510</u>	<u>469,510</u>	<u>309,201</u>	<u>(160,309)</u>
Excess of Revenues and Other Financing Sources Over Expenditures	147,541	147,541	0	(147,541)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$147,541</u>	<u>\$147,541</u>	<u>0</u>	<u>(\$147,541)</u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Motor Vehicle License Tax
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$151,000	\$151,000	\$78,644	(\$72,356)
Interest	3,000	3,000	2,226	(774)
Total Revenues	<u>154,000</u>	<u>154,000</u>	<u>80,870</u>	<u>(73,130)</u>
EXPENDITURES				
Current:				
General Government	75,000	75,000	40,000	35,000
Capital Outlay	145,000	145,000	95,000	50,000
Total Expenditures	<u>220,000</u>	<u>220,000</u>	<u>135,000</u>	<u>85,000</u>
(Deficiency) of Revenues (Under) Expenditures	(66,000)	(66,000)	(54,130)	11,870
Fund Balance at Beginning of Year	138,733	138,733	138,733	0
Prior Year Encumbrances Appropriated	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$92,733</u></u>	<u><u>\$92,733</u></u>	<u><u>\$104,603</u></u>	<u><u>\$11,870</u></u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
ODNR Litter Prevention Grant
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$60,604	\$22,500	\$22,500	\$0
Total Revenues	<u>60,604</u>	<u>22,500</u>	<u>22,500</u>	<u>0</u>
EXPENDITURES				
Current:				
Public Health	141,474	141,474	94,784	46,690
Total Expenditures	<u>141,474</u>	<u>141,474</u>	<u>94,784</u>	<u>46,690</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(80,870)</u>	<u>(118,974)</u>	<u>(72,284)</u>	<u>46,690</u>
OTHER FINANCING SOURCES				
Transfers In	188,546	166,650	70,000	(96,650)
Total Other Financing Sources	<u>188,546</u>	<u>166,650</u>	<u>70,000</u>	<u>(96,650)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	107,676	47,676	(2,284)	(49,960)
Fund Balance at Beginning of Year	11,452	11,452	11,452	0
Prior Year Encumbrances Appropriated	<u>1,474</u>	<u>1,474</u>	<u>1,474</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$120,602</u></u>	<u><u>\$60,602</u></u>	<u><u>\$10,642</u></u>	<u><u>(\$49,960)</u></u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
EMS Transport Fees
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$750,000	\$750,000	\$618,931	(\$131,069)
Total Revenues	<u>750,000</u>	<u>750,000</u>	<u>618,931</u>	<u>(131,069)</u>
EXPENDITURES				
Current:				
Security of Persons and Property	116,521	116,521	82,241	34,280
Capital Outlay	646,026	646,026	566,524	79,502
Debt Service:				
Principal Retirements	200,000	200,000	200,000	0
Interest and Fiscal Charges	30,007	30,007	30,007	0
Total Expenditures	<u>992,554</u>	<u>992,554</u>	<u>878,772</u>	<u>113,782</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(242,554)</u>	<u>(242,554)</u>	<u>(259,841)</u>	<u>(17,287)</u>
OTHER FINANCING (USES)				
Other Financing Uses	<u>(5,000)</u>	<u>(5,000)</u>	<u>0</u>	<u>5,000</u>
Total Other Financing (Uses)	<u>(5,000)</u>	<u>(5,000)</u>	<u>0</u>	<u>5,000</u>
(Deficiency) of Revenues (Under) Expenditures and Other Financing (Uses)	<u>(247,554)</u>	<u>(247,554)</u>	<u>(259,841)</u>	<u>(12,287)</u>
Fund Balance at Beginning of Year	532,024	532,024	532,024	0
Prior Year Encumbrances Appropriated	<u>72,553</u>	<u>72,553</u>	<u>72,553</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$357,023</u></u>	<u><u>\$357,023</u></u>	<u><u>\$344,736</u></u>	<u><u>(\$12,287)</u></u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Police Enforcement and Education
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Fines and Forfeitures	\$32,628	\$10,530	\$5,340	(\$5,190)
Total Revenues	<u>32,628</u>	<u>10,530</u>	<u>5,340</u>	<u>(5,190)</u>
EXPENDITURES				
Current:				
Security of Persons and Property	6,400	9,000	5,585	3,415
Capital Outlay	<u>3,604</u>	<u>6,004</u>	<u>6,000</u>	<u>4</u>
Total Expenditures	<u>10,004</u>	<u>15,004</u>	<u>11,585</u>	<u>3,419</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>22,624</u>	<u>(4,474)</u>	<u>(6,245)</u>	<u>(1,771)</u>
OTHER FINANCING SOURCES				
Other Financing Sources	<u>2,902</u>	<u>0</u>	<u>475</u>	<u>475</u>
Total Other Financing Sources	<u>2,902</u>	<u>0</u>	<u>475</u>	<u>475</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	25,526	(4,474)	(5,770)	(1,296)
Fund Balance at Beginning of Year	10,889	10,889	10,889	0
Prior Year Encumbrances Appropriated	<u>4</u>	<u>4</u>	<u>4</u>	<u>0</u>
Fund Balance at End of Year	<u>\$36,419</u>	<u>\$6,419</u>	<u>\$5,123</u>	<u>(\$1,296)</u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Special Assessment Improvements
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Special Assessments	<u>\$107,800</u>	<u>\$107,800</u>	<u>\$53,454</u>	<u>(\$54,346)</u>
Total Revenues	<u>107,800</u>	<u>107,800</u>	<u>53,454</u>	<u>(54,346)</u>
EXPENDITURES				
Current:				
Security of Persons and Property	<u>47,867</u>	<u>47,867</u>	<u>44,570</u>	<u>3,297</u>
Total Expenditures	<u>47,867</u>	<u>47,867</u>	<u>44,570</u>	<u>3,297</u>
Excess of Revenues Over Expenditures	<u>59,933</u>	<u>59,933</u>	<u>8,884</u>	<u>(51,049)</u>
OTHER FINANCING (USES)				
Other Financing Uses	<u>(9,339)</u>	<u>(9,339)</u>	<u>(9,338)</u>	<u>1</u>
Total Other Financing (Uses)	<u>(9,339)</u>	<u>(9,339)</u>	<u>(9,338)</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing (Uses)	<u>50,594</u>	<u>50,594</u>	<u>(454)</u>	<u>(51,048)</u>
Fund Balance at Beginning of Year	<u>456</u>	<u>456</u>	<u>456</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>206</u>	<u>206</u>	<u>206</u>	<u>0</u>
Fund Balance at End of Year	<u>\$51,256</u>	<u>\$51,256</u>	<u>\$208</u>	<u>(\$51,048)</u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Tree Trust
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Other	\$280,000	\$0	\$71,533	\$71,533
Total Revenues	<u>280,000</u>	<u>0</u>	<u>71,533</u>	<u>71,533</u>
EXPENDITURES				
Current:				
Leisure Time Services	409,391	33,261	32,119	1,142
Total Expenditures	<u>409,391</u>	<u>33,261</u>	<u>32,119</u>	<u>1,142</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(129,391)</u>	<u>(33,261)</u>	<u>39,414</u>	<u>72,675</u>
OTHER FINANCING (USES)				
Other Financing Uses	(122,718)	(122,718)	(73,858)	48,860
Total Other Financing (Uses)	<u>(122,718)</u>	<u>(122,718)</u>	<u>(73,858)</u>	<u>48,860</u>
(Deficiency) of Revenues (Under) Expenditures and Other Financing (Uses)	(252,109)	(155,979)	(34,444)	121,535
Fund Balance at Beginning of Year	<u>253,416</u>	<u>253,416</u>	<u>253,416</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>\$1,307</u></u>	<u><u>\$97,437</u></u>	<u><u>\$218,972</u></u>	<u><u>\$121,535</u></u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Communications Tower Fund
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Other	\$50,000	\$150,000	\$78,144	(\$71,856)
Total Revenues	<u>50,000</u>	<u>150,000</u>	<u>78,144</u>	<u>(71,856)</u>
EXPENDITURES				
Current:				
Community and Economic Development	309,682	309,682	33,392	276,290
Capital Outlay	<u>30,000</u>	<u>30,000</u>	<u>25,052</u>	<u>4,948</u>
Total Expenditures	<u>339,682</u>	<u>339,682</u>	<u>58,444</u>	<u>281,238</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(289,682)	(189,682)	19,700	209,382
Fund Balance at Beginning of Year	320,087	320,087	320,087	0
Prior Year Encumbrances Appropriated	<u>2,667</u>	<u>2,667</u>	<u>2,667</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$33,072</u></u>	<u><u>\$133,072</u></u>	<u><u>\$342,454</u></u>	<u><u>\$209,382</u></u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Cemetery Trust
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Other	<u>\$20,000</u>	<u>\$150,000</u>	<u>\$23,082</u>	<u>(\$126,918)</u>
Total Revenues	<u>20,000</u>	<u>150,000</u>	<u>23,082</u>	<u>(126,918)</u>
EXPENDITURES				
Capital Outlay	<u>13,193</u>	<u>13,193</u>	<u>6,911</u>	<u>6,282</u>
Total Expenditures	<u>13,193</u>	<u>13,193</u>	<u>6,911</u>	<u>6,282</u>
Excess of Revenues Over Expenditures	<u>6,807</u>	<u>136,807</u>	<u>16,171</u>	<u>(120,636)</u>
OTHER FINANCING (USES)				
Other Financing Uses	<u>(1,000)</u>	<u>(1,000)</u>	<u>(705)</u>	<u>295</u>
Total Other Financing (Uses)	<u>(1,000)</u>	<u>(1,000)</u>	<u>(705)</u>	<u>295</u>
Excess of Revenues Over Expenditures and Other Financing (Uses)	<u>5,807</u>	<u>135,807</u>	<u>15,466</u>	<u>(120,341)</u>
Fund Balance at Beginning of Year	<u>175,454</u>	<u>175,454</u>	<u>175,454</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>6,193</u>	<u>6,193</u>	<u>6,193</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$187,454</u></u>	<u><u>\$317,454</u></u>	<u><u>\$197,113</u></u>	<u><u>(\$120,341)</u></u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Park Improvements
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Other	\$26,000	\$76,000	\$12,000	(\$64,000)
Total Revenues	26,000	76,000	12,000	(64,000)
EXPENDITURES				
Current:				
Leisure Time Services	99,118	99,118	76,237	22,881
Capital Outlay	47,400	47,400	47,365	35
Total Expenditures	146,518	146,518	123,602	22,916
(Deficiency) of Revenues (Under) Expenditures	(120,518)	(70,518)	(111,602)	(41,084)
OTHER FINANCING SOURCES				
Transfers In	79,000	79,000	555	(78,445)
Advances In	402,089	402,089	148,000	(254,089)
Total Other Financing Sources	481,089	481,089	148,555	(332,534)
Excess of Revenues and Other Financing Sources Over Expenditures	360,571	410,571	36,953	(373,618)
Fund Balance at Beginning of Year	142,304	142,304	142,304	0
Prior Year Encumbrances Appropriated	5,617	5,617	5,617	0
Fund Balance at End of Year	<u>\$508,492</u>	<u>\$558,492</u>	<u>\$184,874</u>	<u>(\$373,618)</u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Commission of the Arts
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$0	\$5,000	\$0	(\$5,000)
Other	<u>0</u>	<u>12,823</u>	<u>0</u>	<u>(12,823)</u>
Total Revenues	<u>0</u>	<u>17,823</u>	<u>0</u>	<u>(17,823)</u>
EXPENDITURES				
Current:				
Leisure Time Services	<u>25,406</u>	<u>25,406</u>	<u>18,281</u>	<u>7,125</u>
Total Expenditures	<u>25,406</u>	<u>25,406</u>	<u>18,281</u>	<u>7,125</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(25,406)</u>	<u>(7,583)</u>	<u>(18,281)</u>	<u>(10,698)</u>
OTHER FINANCING SOURCES				
Transfers In	<u>35,823</u>	<u>18,000</u>	<u>18,500</u>	<u>500</u>
Total Other Financing Sources	<u>35,823</u>	<u>18,000</u>	<u>18,500</u>	<u>500</u>
Excess of Revenues and Other Financing Sources Over Expenditures	10,417	10,417	219	(10,198)
Fund Balance at Beginning of Year	317	317	317	0
Prior Year Encumbrances Appropriated	<u>406</u>	<u>406</u>	<u>406</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$11,140</u></u>	<u><u>\$11,140</u></u>	<u><u>\$942</u></u>	<u><u>(\$10,198)</u></u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Safety Town Fund
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Other	\$8,276	\$4,776	\$4,525	(\$251)
Total Revenues	<u>8,276</u>	<u>4,776</u>	<u>4,525</u>	<u>(251)</u>
EXPENDITURES				
Current:				
Security of Persons and Property	6,875	6,875	5,263	1,612
Total Expenditures	<u>6,875</u>	<u>6,875</u>	<u>5,263</u>	<u>1,612</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,401</u>	<u>(2,099)</u>	<u>(738)</u>	<u>1,361</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	0	3,500	0	(3,500)
Other Financing Uses	(1,923)	(1,923)	(1,922)	1
Total Other Financing Sources (Uses)	<u>(1,923)</u>	<u>1,577</u>	<u>(1,922)</u>	<u>(3,499)</u>
(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures and Other Financing (Uses)	(522)	(522)	(2,660)	(2,138)
Fund Balance at Beginning of Year	3,733	3,733	3,733	0
Prior Year Encumbrances Appropriated	<u>798</u>	<u>798</u>	<u>798</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$4,009</u></u>	<u><u>\$4,009</u></u>	<u><u>\$1,871</u></u>	<u><u>(\$2,138)</u></u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
DARE Program
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$49,500	\$49,500	\$27,836	(\$21,664)
Other	6,000	6,000	16	(5,984)
Total Revenues	<u>55,500</u>	<u>55,500</u>	<u>27,852</u>	<u>(27,648)</u>
EXPENDITURES				
Current:				
Security of Persons and Property	36,560	36,560	22,756	13,804
Capital Outlay	5,000	5,000	0	5,000
Total Expenditures	<u>41,560</u>	<u>41,560</u>	<u>22,756</u>	<u>18,804</u>
Excess of Revenues Over Expenditures	<u>13,940</u>	<u>13,940</u>	<u>5,096</u>	<u>(8,844)</u>
OTHER FINANCING SOURCES				
Transfers In	20,000	20,000	7,000	(13,000)
Total Other Financing Sources	<u>20,000</u>	<u>20,000</u>	<u>7,000</u>	<u>(13,000)</u>
Excess of Revenues and Other Financing Sources Over Expenditures	33,940	33,940	12,096	(21,844)
Fund Balance at Beginning of Year	870	870	870	0
Prior Year Encumbrances Appropriated	<u>2,560</u>	<u>2,560</u>	<u>2,560</u>	<u>0</u>
Fund Balance at End of Year	<u>\$37,370</u>	<u>\$37,370</u>	<u>\$15,526</u>	<u>(\$21,844)</u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
ODNR Recycling Grant
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Youth Division Donations
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Other	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$500</u>	<u>(\$39,500)</u>
Total Revenues	<u>40,000</u>	<u>40,000</u>	<u>500</u>	<u>(39,500)</u>
EXPENDITURES				
Current:				
Leisure Time Services	<u>1,100</u>	<u>1,100</u>	<u>750</u>	<u>350</u>
Total Expenditures	<u>1,100</u>	<u>1,100</u>	<u>750</u>	<u>350</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>38,900</u>	<u>38,900</u>	<u>(250)</u>	<u>(39,150)</u>
Fund Balance at Beginning of Year	<u>5,854</u>	<u>5,854</u>	<u>5,854</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$44,754</u></u>	<u><u>\$44,754</u></u>	<u><u>\$5,604</u></u>	<u><u>(\$39,150)</u></u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Fire Department Emergency Equipment
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Other	\$51,000	\$51,000	\$7,349	(\$43,651)
Total Revenues	<u>51,000</u>	<u>51,000</u>	<u>7,349</u>	<u>(43,651)</u>
EXPENDITURES				
Current:				
Security of Persons and Property	3,500	3,500	2,619	881
Capital Outlay	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Total Expenditures	<u>4,500</u>	<u>4,500</u>	<u>2,619</u>	<u>1,881</u>
Excess of Revenues Over Expenditures	<u>46,500</u>	<u>46,500</u>	<u>4,730</u>	<u>(41,770)</u>
OTHER FINANCING SOURCES (USES)				
Other Financing Sources	0	0	50	50
Other Financing Uses	<u>(6,400)</u>	<u>(6,400)</u>	<u>(5,376)</u>	<u>1,024</u>
Total Other Financing Sources (Uses)	<u>(6,400)</u>	<u>(6,400)</u>	<u>(5,326)</u>	<u>1,074</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	40,100	40,100	(596)	(40,696)
Fund Balance at Beginning of Year	<u>22,823</u>	<u>22,823</u>	<u>22,823</u>	<u>0</u>
Fund Balance at End of Year	<u>\$62,923</u>	<u>\$62,923</u>	<u>\$22,227</u>	<u>(\$40,696)</u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Parks Youth Fund
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>862</u>	<u>862</u>	<u>862</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$862</u></u>	<u><u>\$862</u></u>	<u><u>\$862</u></u>	<u><u>\$0</u></u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Police Department Emergency Equipment
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Other	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$372</u>	<u>(\$9,628)</u>
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>372</u>	<u>(9,628)</u>
EXPENDITURES				
Capital Outlay	<u>5,000</u>	<u>5,000</u>	<u>4,861</u>	<u>139</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>4,861</u>	<u>139</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,000	5,000	(4,489)	(9,489)
Fund Balance at Beginning of Year	<u>6,855</u>	<u>6,855</u>	<u>6,855</u>	<u>0</u>
Fund Balance at End of Year	<u>\$11,855</u>	<u>\$11,855</u>	<u>\$2,366</u>	<u>(\$9,489)</u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Sidewalk Repair Program
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Other	\$20,000	\$0	\$0	\$0
Total Revenues	<u>20,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES				
Capital Outlay	721,750	34,878	32,682	2,196
Total Expenditures	<u>721,750</u>	<u>34,878</u>	<u>32,682</u>	<u>2,196</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(701,750)</u>	<u>(34,878)</u>	<u>(32,682)</u>	<u>2,196</u>
OTHER FINANCING SOURCES				
Transfers In	580,000	580,000	18,000	(562,000)
Other Financing Sources	75,000	75,000	10,272	(64,728)
Total Other Financing Sources	<u>655,000</u>	<u>655,000</u>	<u>28,272</u>	<u>(626,728)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(46,750)	620,122	(4,410)	(624,532)
Fund Balance at Beginning of Year	<u>52,500</u>	<u>52,500</u>	<u>52,500</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$5,750</u></u>	<u><u>\$672,622</u></u>	<u><u>\$48,090</u></u>	<u><u>(\$624,532)</u></u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Youth Division Teen Center
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Charges for Services	\$27,000	\$27,000	\$14,003	(\$12,997)
Other	17,569	17,569	207	(17,362)
Total Revenues	<u>44,569</u>	<u>44,569</u>	<u>14,210</u>	<u>(30,359)</u>
EXPENDITURES				
Current:				
Leisure Time Services	34,915	14,915	12,932	1,983
Capital Outlay	1,000	1,000	0	1,000
Total Expenditures	<u>35,915</u>	<u>15,915</u>	<u>12,932</u>	<u>2,983</u>
Excess of Revenues Over Expenditures	<u>8,654</u>	<u>28,654</u>	<u>1,278</u>	<u>(27,376)</u>
OTHER FINANCING (USES)				
Other Financing Uses	(5,022)	(5,022)	(5,022)	0
Total Other Financing (Uses)	<u>(5,022)</u>	<u>(5,022)</u>	<u>(5,022)</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing (Uses)	3,632	23,632	(3,744)	(27,376)
Fund Balance at Beginning of Year	5,269	5,269	5,269	0
Prior Year Encumbrances Appropriated	937	937	937	0
Fund Balance at End of Year	<u>\$9,838</u>	<u>\$29,838</u>	<u>\$2,462</u>	<u>(\$27,376)</u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Parks Lodge Improvement
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Charges for Services	\$30,000	\$30,000	\$12,585	(\$17,415)
Other	280,000	300,000	0	(300,000)
Total Revenues	<u>310,000</u>	<u>330,000</u>	<u>12,585</u>	<u>(317,415)</u>
EXPENDITURES				
Current:				
Leisure Time Services	295,757	5,757	3,681	2,076
Capital Outlay	11,126	6,126	5,929	197
Total Expenditures	<u>306,883</u>	<u>11,883</u>	<u>9,610</u>	<u>2,273</u>
Excess of Revenues Over Expenditures	<u>3,117</u>	<u>318,117</u>	<u>2,975</u>	<u>(315,142)</u>
OTHER FINANCING (USES)				
Other Financing Uses	(1,500)	(1,500)	(1,100)	400
Total Other Financing (Uses)	<u>(1,500)</u>	<u>(1,500)</u>	<u>(1,100)</u>	<u>400</u>
Excess of Revenues Over Expenditures and Other Financing (Uses)	1,617	316,617	1,875	(314,742)
Fund Balance at Beginning of Year	37,811	37,811	37,811	0
Prior Year Encumbrances Appropriated	1,883	1,883	1,883	0
Fund Balance at End of Year	<u>\$41,311</u>	<u>\$356,311</u>	<u>\$41,569</u>	<u>(\$314,742)</u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Community Relations
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
EXPENDITURES				
Current:				
Community and Economic Development	<u>2,007</u>	<u>2,007</u>	<u>1,421</u>	<u>586</u>
Total Expenditures	<u>2,007</u>	<u>2,007</u>	<u>1,421</u>	<u>586</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(2,007)</u>	<u>(2,007)</u>	<u>(1,421)</u>	<u>586</u>
OTHER FINANCING SOURCES				
Transfers In	<u>10,000</u>	<u>10,000</u>	<u>700</u>	<u>(9,300)</u>
Total Other Financing Sources	<u>10,000</u>	<u>10,000</u>	<u>700</u>	<u>(9,300)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	7,993	7,993	(721)	(8,714)
Fund Balance at Beginning of Year	428	428	428	0
Prior Year Encumbrances Appropriated	<u>507</u>	<u>507</u>	<u>507</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$8,928</u></u>	<u><u>\$8,928</u></u>	<u><u>\$214</u></u>	<u><u>(\$8,714)</u></u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
SS Ballfield Complex
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Other	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$11,638</u>	<u>(\$13,362)</u>
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>11,638</u>	<u>(13,362)</u>
EXPENDITURES				
Current:				
Leisure Time Services	4,255	4,255	1,942	2,313
Capital Outlay	<u>5,000</u>	<u>5,000</u>	<u>631</u>	<u>4,369</u>
Total Expenditures	<u>9,255</u>	<u>9,255</u>	<u>2,573</u>	<u>6,682</u>
Excess of Revenues Over Expenditures	15,745	15,745	9,065	(6,680)
Fund Balance at Beginning of Year	19,490	19,490	19,490	0
Prior Year Encumbrances Appropriated	<u>755</u>	<u>755</u>	<u>755</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$35,990</u></u>	<u><u>\$35,990</u></u>	<u><u>\$29,310</u></u>	<u><u>(\$6,680)</u></u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Park and Recreation Scholarship Fund
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Other	\$1,000	\$1,000	\$200	(\$800)
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>200</u>	<u>(800)</u>
EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenditures	<u>1,000</u>	<u>1,000</u>	<u>200</u>	<u>(800)</u>
OTHER FINANCING (USES)				
Other Financing Uses	<u>(1,000)</u>	<u>(1,000)</u>	<u>0</u>	<u>1,000</u>
Total Other Financing (Uses)	<u>(1,000)</u>	<u>(1,000)</u>	<u>0</u>	<u>1,000</u>
Excess of Revenues Over Expenditures and Other Financing (Uses)	0	0	200	200
Fund Balance at Beginning of Year	<u>1,330</u>	<u>1,330</u>	<u>1,330</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,330</u></u>	<u><u>\$1,330</u></u>	<u><u>\$1,530</u></u>	<u><u>\$200</u></u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Police Explorer Fund
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
EXPENDITURES				
Current:				
Security of Persons and Property	<u>1,116</u>	<u>1,116</u>	<u>196</u>	<u>920</u>
Total Expenditures	<u>1,116</u>	<u>1,116</u>	<u>196</u>	<u>920</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(1,116)</u>	<u>(1,116)</u>	<u>(196)</u>	<u>920</u>
OTHER FINANCING SOURCES				
Transfers In	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>(1,000)</u>
Total Other Financing Sources	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>(1,000)</u>
(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures	<u>(116)</u>	<u>(116)</u>	<u>(196)</u>	<u>(80)</u>
Fund Balance at Beginning of Year	<u>457</u>	<u>457</u>	<u>457</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>116</u>	<u>116</u>	<u>116</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$457</u></u>	<u><u>\$457</u></u>	<u><u>\$377</u></u>	<u><u>(\$80)</u></u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Building Education/Seminar Fund
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
REVENUES				
EXPENDITURES				
Capital Outlay	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(5,000)</u>	<u>(5,000)</u>	<u>0</u>	<u>5,000</u>
OTHER FINANCING SOURCES				
Transfers In	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>(5,000)</u>
Total Other Financing Sources	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>(5,000)</u>
Excess of Revenues and Other Financing Sources Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at Beginning of Year	<u>1,642</u>	<u>1,642</u>	<u>1,642</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,642</u></u>	<u><u>\$1,642</u></u>	<u><u>\$1,642</u></u>	<u><u>0</u></u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Community Development
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$100,000	\$100,000	\$0	(\$100,000)
Total Revenues	100,000	100,000	0	(100,000)
EXPENDITURES	0	0	0	0
Excess of Revenues Over Expenditures	100,000	100,000	0	(100,000)
OTHER FINANCING (USES)				
Transfers Out	(47,000)	(47,000)	0	47,000
Total Other Financing (Uses)	(47,000)	(47,000)	0	47,000
Excess of Revenues Over Expenditures and Other Financing (Uses)	53,000	53,000	0	(53,000)
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$53,000</u>	<u>\$53,000</u>	<u>0</u>	<u>(\$53,000)</u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
FEMA Fund
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$85,000	\$85,000	\$83,134	(\$1,866)
Total Revenues	<u>85,000</u>	<u>85,000</u>	<u>83,134</u>	<u>(1,866)</u>
EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenditures	85,000	85,000	83,134	(1,866)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$85,000</u></u>	<u><u>\$85,000</u></u>	<u><u>\$83,134</u></u>	<u><u>(\$1,866)</u></u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Disaster Relief
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	75,000	75,000	3,000	(72,000)
Other Financing Uses	<u>(2,600)</u>	<u>(2,600)</u>	<u>(2,587)</u>	<u>13</u>
Total Other Financing Sources (Uses)	<u>72,400</u>	<u>72,400</u>	<u>413</u>	<u>(71,987)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	72,400	72,400	413	(71,987)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$72,400</u></u>	<u><u>\$72,400</u></u>	<u><u>\$413</u></u>	<u><u>(\$71,987)</u></u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Paint and Housing Repair
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
EXPENDITURES				
Capital Outlay	<u>1,500</u>	<u>1,500</u>	<u>1,202</u>	<u>298</u>
Total Expenditures	<u>1,500</u>	<u>1,500</u>	<u>1,202</u>	<u>298</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(1,500)</u>	<u>(1,500)</u>	<u>(1,202)</u>	<u>298</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	100,000	100,000	32,500	(67,500)
Other Financing Sources	1,000	1,000	320	(680)
Other Financing Uses	<u>(15,000)</u>	<u>(15,000)</u>	<u>(10,739)</u>	<u>4,261</u>
Total Other Financing Sources (Uses)	<u>86,000</u>	<u>86,000</u>	<u>22,081</u>	<u>(63,919)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	84,500	84,500	20,879	(63,621)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$84,500</u></u>	<u><u>\$84,500</u></u>	<u><u>\$20,879</u></u>	<u><u>(\$63,621)</u></u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Skatepark Fund
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
REVENUES				
EXPENDITURES				
Capital Outlay	<u>6,000</u>	<u>6,000</u>	<u>0</u>	<u>6,000</u>
Total Expenditures	<u>6,000</u>	<u>6,000</u>	<u>0</u>	<u>6,000</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(6,000)</u>	<u>(6,000)</u>	<u>0</u>	<u>6,000</u>
OTHER FINANCING SOURCES				
Transfers In	<u>6,000</u>	<u>6,000</u>	<u>0</u>	<u>(6,000)</u>
Total Other Financing Sources	<u>6,000</u>	<u>6,000</u>	<u>0</u>	<u>(6,000)</u>
Excess of Revenues and Other Financing Sources Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>0</u></u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Debt Service
For the Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES	\$0	\$0	\$0	\$0
EXPENDITURES				
Debt Service:				
Principal Retirements	195,000	195,000	195,000	0
Interest and Fiscal Charges	368,445	368,445	368,445	0
Total Expenditures	563,445	563,445	563,445	0
(Deficiency) of Revenues (Under) Expenditures	(563,445)	(563,445)	(563,445)	0
OTHER FINANCING SOURCES				
Transfers In	563,445	563,445	563,445	0
Total Other Financing Sources	563,445	563,445	563,445	0
Excess of Revenues and Other Financing Sources Over Expenditures	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0	\$0

CAPITAL PROJECTS FUNDS

The Capital Projects Funds account for the receipts and disbursements of monies used for the acquisition, construction or major renovation of capital facilities. Descriptions of the City's Capital Projects Funds are as follows:

General Capital Improvements – Accounts for resources allocated for specific major capital improvements and the related expenditures.

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Basis)
General Capital Improvements
For the Fiscal Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues				
Intergovernmental	\$1,300,000	\$1,300,000	\$516,883	(\$783,117)
Interest	125,000	125,000	52,426	(72,574)
Other	100,000	100,000	66,552	(33,448)
Total Revenues	1,525,000	1,525,000	635,861	(889,139)
Expenditures				
Capital Outlay	12,864,683	14,311,902	10,566,885	3,745,017
Debt Service:				
Principal Retirements	9,400,110	9,757,531	9,757,531	0
Interest and Fiscal Charges	232,421	232,421	224,980	7,441
Total Expenditures	22,497,214	24,301,854	20,549,396	3,752,458
(Deficiency) of Revenues Over (Under) Expenditures	(20,972,214)	(22,776,854)	(19,913,535)	2,863,319
Other Financing Sources (Uses)				
Transfers In	8,930,156	7,930,156	4,353,300	(3,576,856)
Notes Issued	12,000,000	12,000,000	9,021,129	(2,978,871)
Advances In	1,190,819	1,190,819	0	(1,190,819)
Other Financing Sources	457,420	457,420	18,413	(439,007)
Transfers Out	(4,071,798)	(4,074,798)	(1,538,945)	2,535,853
Advances Out	0	(148,000)	(148,000)	0
Other Financing Uses	(4,761)	(4,761)	(4,760)	1
Total Other Financing Sources (Uses)	18,501,836	17,350,836	11,701,137	(5,649,699)
(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures and Other Financing (Uses)	(2,470,378)	(5,426,018)	(8,212,398)	(2,786,380)
Fund Balance at Beginning of Year	6,189,125	6,189,125	6,189,125	0
Prior Fiscal Year Encumbrances Appropriated	5,758,808	5,758,808	5,758,808	0
Fund Balance at End of Year	\$9,477,555	\$6,521,915	\$3,735,535	(\$2,786,380)

PROPRIETARY FUNDS

The Proprietary Funds are used to account for the City's ongoing activities which are similar to those found in the private sector. The measurement focus is upon determination of net income, financial position and cash flows.

ENTERPRISE FUND

The Water Fund is used to account for the provision of water treatment and distribution to residential and commercial users within the City.

INTERNAL SERVICE FUNDS

The Internal Service Funds are used 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. Descriptions of the City's Internal Service Funds are as follows:

Administrative Insurance – 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 for life, accidental death and dismemberment insurance.

Self-Insurance – Accounts for the operation of the City's self-insurance program for employee health benefits.

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenses and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Water Fund
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
OPERATING REVENUES				
Charges for Services	\$4,395,164	\$4,395,164	\$3,770,678	(\$624,486)
Tap-In Fees	625,000	625,000	355,287	(269,713)
Other	28,000	28,000	15,693	(12,307)
Total Operating Revenues	<u>5,048,164</u>	<u>5,048,164</u>	<u>4,141,658</u>	<u>(906,506)</u>
OPERATING EXPENSES				
Personal Services	1,350,465	1,350,465	746,557	603,908
Contractual Services	4,127,139	4,127,139	3,965,336	161,803
Materials and Supplies	33,836	33,836	24,509	9,327
Capital Outlay	1,140,372	1,140,372	113,923	1,026,449
Other	370,777	370,777	253,280	117,497
Total Operating Expenses	<u>7,022,589</u>	<u>7,022,589</u>	<u>5,103,605</u>	<u>1,918,984</u>
(Deficiency) of Revenues (Under) Expenses	<u>(1,974,425)</u>	<u>(1,974,425)</u>	<u>(961,947)</u>	<u>1,012,478</u>
OTHER FINANCING SOURCES (USES)				
Interest	10,000	10,000	9,133	(867)
Notes Issued	3,383,173	3,383,173	2,011,398	(1,371,775)
Other Non-Operating Revenues	50,000	50,000	47,579	(2,421)
Transfers In	113,050	113,050	0	(113,050)
Interest and Fiscal Charges	(58,437)	(58,437)	(58,437)	0
Principal Retirement	(2,403,948)	(2,403,948)	(2,403,196)	752
Transfers Out	(217,136)	(261,196)	(88,196)	173,000
Total Other Financing Sources (Uses)	<u>876,702</u>	<u>832,642</u>	<u>(481,719)</u>	<u>(1,314,361)</u>
(Deficiency) of Revenues and Other Financing Sources (Under) Expenses and Other Financing (Uses)	<u>(1,097,723)</u>	<u>(1,141,783)</u>	<u>(1,443,666)</u>	<u>(301,883)</u>
Fund Balance at Beginning of Year	929,823	929,823	929,823	0
Prior Year Encumbrances Appropriated	<u>1,986,323</u>	<u>1,986,323</u>	<u>1,986,323</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,818,423</u></u>	<u><u>\$1,774,363</u></u>	<u><u>\$1,472,480</u></u>	<u><u>(\$301,883)</u></u>

City of Stow, Ohio
Summit County
Combining Statement of Fund Net Assets
Internal Service Funds
December 31, 2003

	Administrative Insurance	Self-Insurance	Total
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$4,093	\$1,424,485	\$1,428,578
Accounts Receivable	0	6,374	6,374
Total Assets	<u>4,093</u>	<u>1,430,859</u>	<u>1,434,952</u>
LIABILITIES			
Accounts Payable	2,700	0	2,700
Claims Payable	0	243,251	243,251
Total Liabilities	<u>2,700</u>	<u>243,251</u>	<u>245,951</u>
NET ASSETS			
Unrestricted	<u>1,393</u>	<u>1,187,608</u>	<u>1,189,001</u>
Total Net Assets	<u><u>\$1,393</u></u>	<u><u>\$1,187,608</u></u>	<u><u>\$1,189,001</u></u>

City of Stow, Ohio
Summit County
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2003

	Administrative Insurance	Self-Insurance	Total
OPERATING REVENUES			
Charges for Services	\$331,108	\$1,449,800	\$1,780,908
Other	2,700	58,950	61,650
Total Operating Revenues	<u>333,808</u>	<u>1,508,750</u>	<u>1,842,558</u>
OPERATING EXPENSES			
Contractual Services	334,710	0	334,710
Claims	0	1,568,306	1,568,306
Other	0	300	300
Total Operating Expenses	<u>334,710</u>	<u>1,568,606</u>	<u>1,903,316</u>
Operating (Loss)	<u>(902)</u>	<u>(59,856)</u>	<u>(60,758)</u>
NON-OPERATING REVENUES			
Interest	<u>0</u>	<u>5,498</u>	<u>5,498</u>
Total Non-Operating Revenues	<u>0</u>	<u>5,498</u>	<u>5,498</u>
Change in Net Assets	(902)	(54,358)	(55,260)
Net Assets at Beginning of Year	<u>2,295</u>	<u>1,241,966</u>	<u>1,244,261</u>
Net Assets at End of Year	<u><u>\$1,393</u></u>	<u><u>\$1,187,608</u></u>	<u><u>\$1,189,001</u></u>

City of Stow, Ohio
Summit County
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended December 31, 2003

	Administrative Insurance	Self-Insurance	Total
Cash Flows from Operating Activities			
Cash Received from Customers	\$331,108	\$1,468,046	\$1,799,154
Cash Payments for Goods and Services	(334,710)	0	(334,710)
Cash Payments for Claims	0	(1,516,560)	(1,516,560)
Other Operating Revenues	2,700	58,950	61,650
Other Operating Expenses	0	(300)	(300)
Net Cash Provided by (Used in) Operating Activities	<u>(902)</u>	<u>10,136</u>	<u>9,234</u>
Cash Flows from Investing Activities			
Interest on Investments	<u>0</u>	<u>5,498</u>	<u>5,498</u>
Net Increase in Cash and Cash Equivalents	(902)	15,634	14,732
Cash and Cash Equivalents Beginning of Year	<u>4,995</u>	<u>1,408,851</u>	<u>1,413,846</u>
Cash and Cash Equivalents End of Year	<u><u>\$4,093</u></u>	<u><u>\$1,424,485</u></u>	<u><u>\$1,428,578</u></u>
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating (Loss)	(\$902)	(\$59,856)	(\$60,758)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by (Used in) Operating Activities Decrease in Operating Assets:			
Accounts Receivable	0	18,246	18,246
Increase in Operating Liabilities:			
Claims Payable	<u>0</u>	<u>51,746</u>	<u>51,746</u>
Total Adjustments	<u>0</u>	<u>69,992</u>	<u>69,992</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>(\$902)</u></u>	<u><u>\$10,136</u></u>	<u><u>\$9,234</u></u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenses and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Administrative Insurance Trust
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
OPERATING REVENUES				
Charges for Services	\$331,108	\$331,108	\$331,108	\$0
Other	194,165	194,165	2,700	(191,465)
Total Operating Revenues	<u>525,273</u>	<u>525,273</u>	<u>333,808</u>	<u>(191,465)</u>
OPERATING EXPENSES				
Contractual Services	502,700	502,700	337,410	165,290
Total Operating Expenses	<u>502,700</u>	<u>502,700</u>	<u>337,410</u>	<u>165,290</u>
Excess (Deficiency) of Revenues Over (Under) Expenses	22,573	22,573	(3,602)	(26,175)
Net Assets at Beginning of Year	2,295	2,295	2,295	0
Prior Year Encumbrances Appropriated	2,700	2,700	2,700	0
Net Assets at End of Year	<u>\$27,568</u>	<u>\$27,568</u>	<u>\$1,393</u>	<u>(\$26,175)</u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenses and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Employee Hospital Claims
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
OPERATING REVENUES				
Charges for Services	\$2,339,611	\$2,339,611	\$1,468,046	(\$871,565)
Other	<u>1,095,354</u>	<u>1,095,354</u>	<u>58,950</u>	<u>(1,036,404)</u>
Total Operating Revenues	<u>3,434,965</u>	<u>3,434,965</u>	<u>1,526,996</u>	<u>(1,907,969)</u>
OPERATING EXPENSES				
Claims	1,999,600	1,999,600	1,516,560	483,040
Other	<u>400</u>	<u>400</u>	<u>300</u>	<u>100</u>
Total Operating Expenses	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,516,860</u>	<u>483,140</u>
Excess of Revenues Over Expenses	<u>1,434,965</u>	<u>1,434,965</u>	<u>10,136</u>	<u>(1,424,829)</u>
OTHER SOURCES				
Interest	<u>62,000</u>	<u>62,000</u>	<u>5,681</u>	<u>(56,319)</u>
Total Other Sources	<u>62,000</u>	<u>62,000</u>	<u>5,681</u>	<u>(56,319)</u>
Excess of Revenues and Other Sources Over Expenses	<u>1,496,965</u>	<u>1,496,965</u>	<u>15,817</u>	<u>(1,481,148)</u>
Net Assets at Beginning of Year	<u>1,408,300</u>	<u>1,408,300</u>	<u>1,408,300</u>	<u>0</u>
Net Assets at Beginning of Year	<u><u>\$2,905,265</u></u>	<u><u>\$2,905,265</u></u>	<u><u>\$1,424,117</u></u>	<u><u>(\$1,481,148)</u></u>

FIDUCIARY FUNDS

The Fiduciary Funds are used to account for assets held by the City in a trustee capacity and/or as an agent for individuals, private organizations, other governmental units and/or other funds. These include private purpose trust funds and agency funds:

Private Purpose Trust Funds: These funds are used to report all trust arrangements (other than pension and investment trust funds) under which principal and income benefit individuals, private organizations or other governments. The following are the City's private purpose trust funds:

Stutler Scholarship Fund – Accounts for donations in memory of Police Officer Stutler to provide scholarships.

Wells Perkins Cemetery – Accounts for funds bequeathed to the City for Cemetery upkeep.

Tonachio Education Memorial Fund – Accounts for donations in memory of Kathy Tonachio to provide scholarships.

Agency Funds: The following funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operation. The following are the City's material agency funds:

Road Construction Bonds – Accounts for deposits from contractors, held by the City to insure compliance with the contract.

Allotment Deposits – Accounts for deposits from subdivision developers for engineering oversight.

Miscellaneous Service Deposits – Accounts for various service department non-recurring deposits.

Bond Forfeitures – Accounts for forfeitures of bonds by developers and/or contractors.

Park and Recreation Deposits – Accounts for the receipt and subsequent refund of Parks and Recreation deposit monies for rentals to cover extraordinary events or damages.

Other Agency Funds

Deferred Compensation Rotary
Well Performance Bond
Police Forfeited Cash

Ohio BBS 3% Surcharge
Unclaimed Money Fund
Police Drug Forfeiture Cash

City of Stow, Ohio
Summit County
Combining Statement of Fiduciary Net Assets
All Fiduciary Funds
For the Year Ended December 31, 2003

	Stutler Scholarship Fund	Wells Perkins Cemetery	Tonachio Education Memorial Fund	Total
Assets				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$450	\$500	\$1,152	\$2,102
<i>Total Assets</i>	450	500	1,152	2,102
Liabilities	0	0	0	0
Net Assets				
Unrestricted	450	500	1,152	2,102
<i>Total Net Assets</i>	<u>\$450</u>	<u>\$500</u>	<u>\$1,152</u>	<u>\$2,102</u>

City of Stow, Ohio
Summit County
Combining Statement of Changes in Fiduciary Net Assets
All Fiduciary Funds
For the Year Ended December 31, 2003

	Stutler Scholarship Fund	Wells Perkins Cemetery	Tonachio Education Memorial Fund	Total
ADDITIONS	\$0	\$0	\$0	\$0
DEDUCTIONS				
Miscellaneous	0	0	(590)	(590)
Total Deductions	0	0	(590)	(590)
(Deficiency) of Additions (Under) Deductions	0	0	(590)	(590)
Net Assets at Beginning of Year	450	500	1,742	2,692
Net Assets at End of Year	<u>\$450</u>	<u>\$500</u>	<u>\$1,152</u>	<u>\$2,102</u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenses and Changes
In Net Assets - Budget and Actual (Non-GAAP Basis)
Stutler Scholarship Fund
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
EXPENSES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Assets at Beginning of Year	<u>450</u>	<u>450</u>	<u>450</u>	<u>0</u>
Net Assets at End of Year	<u><u>\$450</u></u>	<u><u>\$450</u></u>	<u><u>\$450</u></u>	<u><u>\$0</u></u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenses and Changes
In Net Assets - Budget and Actual (Non-GAAP Basis)
Wells Perkins Cemetery
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
EXPENSES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Assets at Beginning of Year	<u>500</u>	<u>500</u>	<u>500</u>	<u>0</u>
Net Assets at End of Year	<u><u>\$500</u></u>	<u><u>\$500</u></u>	<u><u>\$500</u></u>	<u><u>\$0</u></u>

City of Stow, Ohio
Summit County
Schedule of Revenues, Expenses and Changes
In Net Assets - Budget and Actual (Non-GAAP Basis)
Tonachio Education Memorial Fund
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
EXPENSES				
Miscellaneous	<u>(1,000)</u>	<u>(1,000)</u>	<u>(590)</u>	<u>410</u>
Total Expenses	<u>(1,000)</u>	<u>(1,000)</u>	<u>(590)</u>	<u>410</u>
(Deficiency) of Revenues (Under) Expenses	<u>(1,000)</u>	<u>(1,000)</u>	<u>(590)</u>	<u>410</u>
Net Assets at Beginning of Year	<u>1,742</u>	<u>1,742</u>	<u>1,742</u>	<u>0</u>
Net Assets at End of Year	<u><u>\$742</u></u>	<u><u>\$742</u></u>	<u><u>\$1,152</u></u>	<u><u>\$410</u></u>

City of Stow, Ohio
Combining Statement of Changes in
Assets and Liabilities - All Agency Funds
For the Year Ended December 31, 2003

Road Construction Bonds

	Balance 12/31/2002	Additions	Reductions	Balance 12/31/2003
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$275,445	\$78,250	\$23,500	\$330,195
Total Assets	<u>\$275,445</u>	<u>\$78,250</u>	<u>\$23,500</u>	<u>\$330,195</u>
<u>Liabilities</u>				
Undistributed Monies	\$275,445	\$78,250	\$23,500	\$330,195
Total Liabilities	<u>\$275,445</u>	<u>\$78,250</u>	<u>\$23,500</u>	<u>\$330,195</u>

Allotment Deposits

	Balance 12/31/2002	Additions	Reductions	Balance 12/31/2003
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$132,398	\$4,400	\$0	\$136,798
Total Assets	<u>\$132,398</u>	<u>\$4,400</u>	<u>\$0</u>	<u>\$136,798</u>
<u>Liabilities</u>				
Undistributed Monies	\$132,398	\$4,400	\$0	\$136,798
Total Liabilities	<u>\$132,398</u>	<u>\$4,400</u>	<u>\$0</u>	<u>\$136,798</u>

Miscellaneous Service Deposits

	Balance 12/31/2002	Additions	Reductions	Balance 12/31/2003
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$9,298	\$0	\$0	\$9,298
Total Assets	<u>\$9,298</u>	<u>\$0</u>	<u>\$0</u>	<u>\$9,298</u>
<u>Liabilities</u>				
Undistributed Monies	\$9,298	\$0	\$0	\$9,298
Total Liabilities	<u>\$9,298</u>	<u>\$0</u>	<u>\$0</u>	<u>\$9,298</u>

Bond Forfeitures

	Balance 12/31/2002	Additions	Reductions	Balance 12/31/2003
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$20,557	\$0	\$0	\$20,557
Total Assets	<u>\$20,557</u>	<u>\$0</u>	<u>\$0</u>	<u>\$20,557</u>
<u>Liabilities</u>				
Undistributed Monies	\$20,557	\$0	\$0	\$20,557
Total Liabilities	<u>\$20,557</u>	<u>\$0</u>	<u>\$0</u>	<u>\$20,557</u>

(continued)

City of Stow, Ohio
Combining Statement of Changes in
Assets and Liabilities - All Agency Funds (Continued)
For the Year Ended December 31, 2003

Park and Recreations Deposits

	Balance 12/31/2002	Additions	Reductions	Balance 12/31/2003
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$49,564	\$224,617	\$235,347	\$38,834
Total Assets	<u>\$49,564</u>	<u>\$224,617</u>	<u>\$235,347</u>	<u>\$38,834</u>
<u>Liabilities</u>				
Undistributed Monies	\$49,564	\$224,617	\$235,347	\$38,834
Total Liabilities	<u>\$49,564</u>	<u>\$224,617</u>	<u>\$235,347</u>	<u>\$38,834</u>

Deferred Compensation Rotary

	Balance 12/31/2002	Additions	Reductions	Balance 12/31/2003
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$0	\$11,896	\$11,896	\$0
Total Assets	<u>\$0</u>	<u>\$11,896</u>	<u>\$11,896</u>	<u>\$0</u>
<u>Liabilities</u>				
Undistributed Monies	\$0	\$11,896	\$11,896	\$0
Total Liabilities	<u>\$0</u>	<u>\$11,896</u>	<u>\$11,896</u>	<u>\$0</u>

Well Performance Bond

	Balance 12/31/2002	Additions	Reductions	Balance 12/31/2003
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$40,000	\$0	\$0	\$40,000
Total Assets	<u>\$40,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$40,000</u>
<u>Liabilities</u>				
Undistributed Monies	\$40,000	\$0	\$0	\$40,000
Total Liabilities	<u>\$40,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$40,000</u>

Police Forfeited Cash

	Balance 12/31/2002	Additions	Reductions	Balance 12/31/2003
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$1,829	\$0	\$900	\$929
Total Assets	<u>\$1,829</u>	<u>\$0</u>	<u>\$900</u>	<u>\$929</u>
<u>Liabilities</u>				
Undistributed Monies	\$1,829	\$0	\$900	\$929
Total Liabilities	<u>\$1,829</u>	<u>\$0</u>	<u>\$900</u>	<u>\$929</u>

(continued)

City of Stow, Ohio
Combining Statement of Changes in
Assets and Liabilities - All Agency Funds (Continued)
For the Year Ended December 31, 2003

Police Drug Forfeiture Cash

	Balance 12/31/2002	Additions	Reductions	Balance 12/31/2003
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$10,694	\$12,829	\$22,007	\$1,516
Intergovernmental Receivables	105	100	105	100
Total Assets	<u>\$10,799</u>	<u>\$12,929</u>	<u>\$22,112</u>	<u>\$1,616</u>
<u>Liabilities</u>				
Undistributed Monies	\$10,799	\$12,929	\$22,112	\$1,616
Total Liabilities	<u>\$10,799</u>	<u>\$12,929</u>	<u>\$22,112</u>	<u>\$1,616</u>

Ohio BBS 3% Surcharge

	Balance 12/31/2002	Additions	Reductions	Balance 12/31/2003
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$365	\$2,445	\$2,646	\$164
Total Assets	<u>\$365</u>	<u>\$2,445</u>	<u>\$2,646</u>	<u>\$164</u>
<u>Liabilities</u>				
Undistributed Monies	\$365	\$2,445	\$2,646	\$164
Total Liabilities	<u>\$365</u>	<u>\$2,445</u>	<u>\$2,646</u>	<u>\$164</u>

Unclaimed Money Fund

	Balance 12/31/2002	Additions	Reductions	Balance 12/31/2003
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$9,418	\$11,937	\$12,918	\$8,437
Total Assets	<u>\$9,418</u>	<u>\$11,937</u>	<u>\$12,918</u>	<u>\$8,437</u>
<u>Liabilities</u>				
Undistributed Monies	\$9,418	\$11,937	\$12,918	\$8,437
Total Liabilities	<u>\$9,418</u>	<u>\$11,937</u>	<u>\$12,918</u>	<u>\$8,437</u>

Total - All Agency Funds

	Balance 12/31/2002	Additions	Reductions	Balance 12/31/2003
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$549,568	\$346,374	\$309,214	\$586,728
Intergovernmental Receivables	105	100	105	100
Total Assets	<u>\$549,673</u>	<u>\$346,474</u>	<u>\$309,319</u>	<u>\$586,828</u>
<u>Liabilities</u>				
Undistributed Monies	\$549,673	\$346,474	\$309,319	\$586,828
Total Liabilities	<u>\$549,673</u>	<u>\$346,474</u>	<u>\$309,319</u>	<u>\$586,828</u>

Statistical Section

**City of Stow, Ohio
Governmental Fund Type
Expenditures by Function
Last Ten Calendar Years**

	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Current:										
General Government	\$4,337,419	\$4,038,069	\$3,787,262	\$3,455,250	\$3,120,550	\$3,354,777	\$3,236,358	\$2,965,849	\$3,156,949	\$3,219,201
Security of Persons and Property	10,107,920	8,874,918	8,732,322	7,833,280	7,241,474	6,710,720	6,324,247	5,991,745	6,163,266	5,142,970
Public Health	435,598	469,082	462,594	468,329	442,050	433,642	260,916	264,690	257,931	215,814
Transportation	2,542,914	2,352,871	2,217,758	2,384,678	2,063,396	1,790,751	1,819,073	1,807,235	1,817,841	1,832,131
Community Environment	1,163,616	1,132,509	1,096,685	1,119,854	909,323	417,785	755,069	756,368	344,972	261,914
Leisure Time Activities	1,646,323	1,486,482	1,492,171	1,501,736	1,388,987	1,329,193	1,233,273	1,204,439	1,143,763	1,071,392
Other	3,863	6,389	23,224	50,973	0	0	0	0	0	0
Capital Outlay	12,567,939	10,434,356	5,548,763	3,649,212	2,057,286	2,434,015	1,438,240	1,608,572	2,278,219	7,125,769
Debt Service:										
Principal Retirement	15,627,361	180,000	315,000	225,000	215,000	200,000	190,000	195,000	85,000	17,080,000
Interest and Fiscal Charges	735,296	382,395	402,683	414,308	428,908	499,316	532,392	578,347	664,191	340,276
Total	\$49,168,249	\$29,357,071	\$24,078,462	\$21,102,620	\$17,866,974	\$17,170,199	\$15,789,568	\$15,372,245	\$15,912,132	\$36,289,467

Source:
City of Stow financial statements.

**City of Stow, Ohio
Governmental Fund Type
Revenues by Source
Last Ten Calendar Years**

	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Municipal Income Tax	\$11,167,214	\$11,281,810	\$11,221,994	\$10,939,038	\$10,256,841	\$10,148,391	\$9,541,488	\$8,636,091	\$8,467,874	\$8,013,916
Property and Other Taxes	6,675,497	6,133,362	5,984,321	4,360,593	4,421,931	4,599,832	4,470,272	3,398,150	2,877,819	3,434,535
Charges for Services	977,307	1,043,272	837,868	424,981	298,254	274,948	262,153	254,203	248,145	272,791
Fines, Licenses and Permits	974,274	692,963	686,027	666,389	866,429	609,740	596,807	567,425	463,050	510,166
Intergovernmental	5,274,336	4,425,388	6,602,441	4,702,144	4,046,790	3,591,199	2,907,420	3,083,574	3,419,354	2,344,786
Special Assessments	53,454	52,917	55,319	56,032	56,788	54,819	54,615	54,482	53,136	44,610
Investment Income	285,379	457,090	574,944	817,719	536,138	430,127	300,429	233,741	236,254	301,113
Other	520,129	718,788	493,111	347,600	156,232	225,403	125,951	130,108	245,608	372,298
Total	\$25,927,590	\$24,805,590	\$26,456,025	\$22,314,496	\$20,639,403	\$19,934,459	\$18,259,135	\$16,357,774	\$16,011,240	\$15,294,215

Source:
City of Stow financial statements.

**City of Stow, Ohio
Property Tax Levies and Collections
Real and Public Utility Taxes
Last Ten Calendar Years**

Year	Current		Percent of		Total Collection	Total Collection		Outstanding		Ratio of	
	Levy	Collection	Current Levy	Collected		As a Percent of	Delinquent	Delinquent	Taxes to	Taxes	Total Levy
2003	\$6,694,114	\$6,499,566	97.09%		\$6,659,817	\$160,251	99.49%	\$34,297	0.51%		
2002	6,102,629	5,791,916	94.91%		5,936,640	144,724	97.28%	165,989	2.72%		
2001	5,898,640	5,580,204	94.60%		5,708,094	127,890	96.77%	190,546	3.23%		
2000	4,278,289	4,062,677	94.96%		4,140,667	77,990	96.78%	137,622	3.22%		
1999	3,985,361	3,801,725	95.39%		3,885,780	84,055	97.50%	99,581	2.50%		
1998	3,908,376	3,714,778	95.05%		3,799,599	84,821	97.22%	108,777	2.78%		
1997	3,837,411	3,620,923	94.36%		3,727,034	106,111	97.12%	110,377	2.88%		
1996	3,119,525	2,925,162	93.77%		2,999,388	74,226	96.15%	120,137	3.85%		
1995	3,052,409	2,835,750	92.90%		2,934,481	98,731	96.14%	117,928	3.86%		
1994	2,970,405	2,682,250	90.30%		2,804,853	122,603	94.43%	165,552	5.57%		

Source: Summit County Fiscal Officer

City of Stow, Ohio
Assessed and Estimated Actual Value of Taxable Property
Last Ten Calendar Years

Collection Year	Real Property	Public Utility Property	Tangible Personal	Total Assessed Value	Estimated Actual Value	Ratio
2003	\$693,300,320	\$11,361,260	\$51,014,864	\$755,676,444	\$2,210,998,536	34.18%
2002	611,933,190	10,647,060	54,307,489	676,887,739	1,977,709,431	34.23%
2001	588,277,820	13,019,160	53,892,421	655,189,401	1,910,834,603	34.29%
2000	567,191,520	14,630,840	53,811,583	635,633,943	1,850,424,372	34.35%
1999	526,516,730	14,428,370	52,133,728	593,078,828	1,727,296,796	34.34%
1998	512,961,810	14,557,040	50,150,238	577,669,088	1,680,763,163	34.37%
1997	496,489,730	14,797,730	43,318,973	554,606,433	1,606,615,708	34.52%
1996	402,622,020	15,296,120	40,995,870	458,914,010	1,329,628,229	34.51%
1995	387,604,050	16,572,590	36,747,218	440,923,858	1,271,001,605	34.69%
1994	371,337,170	16,052,900	37,087,466	424,477,536	1,225,366,107	34.64%

Source: Summit County Fiscal Officer

City of Stow, Ohio
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 Assessed Valuation)
Last Ten Calendar Years

<u>Year</u>	<u>General Operating</u>	<u>Police Pension</u>	<u>Fire Pension</u>	<u>EMS</u>	<u>Total City Levy</u>	<u>Stow City School District</u>	<u>Summit County</u>	<u>Total</u>
2003	\$6.60	\$0.30	\$0.30	\$2.30	\$9.50	\$48.32	\$13.07	\$70.89
2002	6.60	0.30	0.30	2.30	9.50	45.74	13.07	68.31
2001	6.60	0.30	0.30	2.30	9.50	46.44	13.07	69.01
2000	6.60	0.30	0.30	2.30	9.50	46.44	13.07	69.01
1999	6.60	0.30	0.30	0.00	7.20	47.64	12.27	67.11
1998	6.60	0.30	0.30	0.00	7.20	47.74	11.65	66.59
1997	6.60	0.30	0.30	0.00	7.20	49.34	11.39	67.93
1996	6.60	0.30	0.30	0.00	7.20	52.41	13.99	73.60
1995	6.60	0.30	0.30	0.00	7.20	52.34	14.16	73.70
1994	6.60	0.30	0.30	0.00	7.20	44.14	12.31	63.65

Source: Summit County Fiscal Officer

City of Stow, Ohio
Special Assessment Billings and Collections
Last Ten Calendar Years

<u>Collection Year</u>	<u>Current Levy</u>	<u>Current Collection</u>	<u>Total Collection As a Percentage of Current Levy</u>	<u>Total Delinquent Tax</u>
2003	\$88,887	\$86,186	96.96%	\$2,701
2002	51,326	49,629	96.69%	1,697
2001	57,834	55,319	95.65%	2,515
2000	58,392	56,032	95.96%	2,360
1999	57,512	55,815	97.05%	1,697
1998	57,447	54,819	95.43%	2,628
1997	56,909	54,615	95.97%	2,294
1996	56,568	54,482	96.31%	2,086
1995	54,454	53,136	97.58%	1,318
1994	49,151	47,187	96.00%	1,964

Source: Summit County Fiscal Officer

City of Stow, Ohio
Computation of Legal Debt Margin
December 31, 2003

Assessed Valuation (2003)	<u>\$755,676,444</u>
Overall Debt Limitation 10-1/2% of Assessed Value (1)	<u>\$79,346,027</u>
Outstanding Debt:	
General Obligation Bonded Debt	<u>5,820,000</u>
Total Outstanding Debt Subject to Overall Debt Limitation	<u>5,820,000</u>
<i>Overall Debt Margin</i>	<u><u>\$73,526,027</u></u>
Unvoted Debt Limitations 5-1/2% of Assessed Value (1)	\$41,562,204
Amount of Debt Applicable	<u>5,820,000</u>
<i>Unvoted Debt Margin</i>	<u><u>\$35,742,204</u></u>

Source: Summit County Fiscal Officer and City Financial Records.

(1) Ohio Bond Law sets a limit of 10-1/2% of assessed value for voted debt and 5-1/2% for unvoted debt.

**City of Stow, Ohio
Ratio of Net General Obligation Bonded Debt to
Assessed Value and Net General Obligation Bonded Debt Per Capita
Last Ten Calendar Years**

Year	Gross Bonded Debt		Debt Service Funds Available		Net Bonded Debt		Assessed Valuation	Population	Ratio of Net Debt to Assessed Value		Net Bonded Debt Per Capita
2003	\$5,820,000	\$5,820,000	\$0	\$0	\$5,820,000	\$5,820,000	\$755,676,444	34,290	0.77%		\$169.73
2002	6,015,000	6,015,000	0	0	6,015,000	6,015,000	676,887,739	32,811	0.89%		183.32
2001	6,195,000	6,195,000	0	0	6,195,000	6,195,000	655,108,563	32,486	0.95%		190.70
2000	6,360,000	6,360,000	0	0	6,360,000	6,360,000	635,633,943	32,139	1.00%		197.89
1999	6,510,000	6,510,000	0	0	6,510,000	6,510,000	593,078,828	32,162	1.10%		202.41
1998	6,650,000	6,650,000	0	0	6,650,000	6,650,000	577,669,088	31,762	1.15%		209.37
1997	6,775,000	6,775,000	1,502	1,502	6,773,498	6,773,498	554,606,433	30,833	1.22%		219.68
1996	6,890,000	6,890,000	1,502	1,502	6,888,498	6,888,498	458,914,010	30,766	1.50%		223.90
1995	7,000,000	7,000,000	1,847	1,847	6,998,153	6,998,153	440,923,858	30,427	1.59%		230.00
1994	20,000	20,000	3,624	3,624	16,376	16,376	424,477,536	30,094	0.00%		0.54

Source: Summit County Fiscal Officer

City of Stow, Ohio
Ratio of Annual Debt Principal Expenditures for
General Obligation Bonded Debt to Total Governmental Fund Type Expenditures
Last Ten Calendar Years

Year	Principal	Total Governmental Fund Type Expenditures	Ratio of Debt Service to Governmental Expenditures (Percentages)
2003	\$195,000	\$49,168,249	0.40%
2002	180,000	29,357,071	0.61%
2001	165,000	24,078,462	0.69%
2000	150,000	21,102,620	0.71%
1999	140,000	17,866,974	0.78%
1998	125,000	17,170,199	0.73%
1997	115,000	15,789,568	0.73%
1996	120,000	15,372,245	0.78%
1995	10,000	15,912,132	0.06%
1994	10,000	36,289,467	0.03%

Source:
City of Stow financial statements.

**City of Stow, Ohio
 Computation of Direct and Overlapping General Obligation Bonded Debt
 December 31, 2003**

Jurisdiction	Unvoted Debt	Valuation of Entity	Stow City Overlapping Valuation	Stow City Overlapping Percentage	Unvoted Debt Applicable to Stow City
City of Stow	\$19,665,000	\$755,676,444	\$755,676,444	100.00%	\$19,665,000
<u>Overlapping Debt</u>					
Stow-Munroe Falls City School District	5,419,000	873,847,770	755,676,444	86.48%	4,686,351
Metro Transit	1,250,000	11,922,128,807	755,676,444	6.34%	79,250
Summit County	<u>78,200,000</u>	<u>11,922,128,807</u>	<u>755,676,444</u>	<u>6.34%</u>	<u>4,957,880</u>
Total Overlapping Debt	<u>84,869,000</u>				<u>9,723,481</u>
Total	<u><u>\$104,534,000</u></u>				<u><u>\$29,388,481</u></u>

Source: Summit County Fiscal Officer

**City of Stow, Ohio
Demographic Statistics
Last Ten Calendar Years**

Year	Population (1)	(000)		Unemployment Rate (2)			Average Residential Sales Price		
		Employed in County (2)	Employed in PMSA (2)	County	PMSA	State	United States	City (4)	County (4)
2003	34,290	290.7	377	5.7%	5.7%	6.1%	6.0%	\$154,662	\$142,868
2002	33,808	275.1	350	6.1%	5.2%	6.1%	5.8%	150,135	133,790
2001	33,577	270.7	352	4.3%	4.6%	4.3%	4.8%	147,450	133,766
2000	32,139	282.1	335	4.0%	4.0%	4.1%	4.0%	148,688	142,789
1999	32,162	281.4	331	4.2%	4.2%	4.3%	4.2%	133,887	117,327
1998	31,762	277.7	325	4.0%	4.0%	4.3%	4.5%	136,121	110,296
1997	30,833	281.3	322	4.4%	4.3%	4.6%	4.9%	123,146	100,809
1996	30,766	278.8	319	4.6%	4.6%	4.9%	5.4%	120,948	102,677
1995	30,427	275.4	313	4.5%	4.5%	4.8%	5.6%	108,277	91,377
1994	30,094	272.6	304	5.1%	5.1%	5.5%	6.1%	101,097	89,183

PMSA = Primary Metropolitan Statistical Area

Source:

- (1) U.S. Census Estimates, City of Stow
- (2) Ohio Bureau of Employment Services, U.S. Department of Labor and Bureau of Labor Statistics
- (3) Stow-Munroe Falls City School District
- (4) Summit County Fiscal Officer

City of Stow, Ohio
Property Value and Construction Activity
Last Ten Calendar Years

Year	Total Assessed Valuation (1)	Value of Building Permits Issued (2)		
		Agriculture Residential	Commercial Industrial	Total
2003	\$755,676,444	\$32,400,571	\$10,693,491	\$43,094,062
2002	676,887,739	34,165,164	18,435,178	52,600,342
2001	655,108,563	20,662,121	17,860,352	38,522,473
2000	635,633,943	49,987,381	21,773,449	71,760,830
1999	593,078,828	41,900,006	21,738,541	63,638,547
1998	577,669,088	35,599,140	24,811,952	60,411,092
1997	554,606,433	18,099,274	13,813,689	31,912,963
1996	458,914,010	24,652,986	20,745,384	45,398,370
1995	440,923,858	21,632,460	10,625,572	32,258,032
1994	424,477,536	24,076,590	12,109,179	36,185,769

Source:

- (1) Summit County Fiscal Officer
- (2) City of Stow Building Department

**City of Stow, Ohio
Principal Taxpayers
Real Estate Tax
December 31, 2003**

Name of Taxpayer	Assessed Value	Percent of Total Assessed Value of Real Property	Percent of Total Assessed Value
DDR Ohio Opportunity II, LLC	\$7,785,070	1.12%	1.03%
Heron Springs Associates, LLC	7,529,010	1.09%	1.00%
Wyndham Ridge, Ltd.	5,110,690	0.74%	0.68%
Stow-Glen Properties	4,388,820	0.63%	0.58%
Morgan Adhesives Company	4,109,510	0.59%	0.54%
Steels Corners Apartment Company Ltd.	4,077,970	0.59%	0.54%
Stow Associates	3,944,090	0.57%	0.52%
Aetna Life Insurance Company	3,863,750	0.56%	0.51%
Risman, William B. Trustee	2,960,220	0.43%	0.39%
Stow Falls Retail Limited Partnership	<u>2,538,440</u>	<u>0.37%</u>	<u>0.34%</u>
<i>Total</i>	<u>\$46,307,570</u>	<u>6.69%</u>	<u>6.13%</u>
 <i>Total Assessed Value of Real Property</i>	 <u>\$693,300,320</u>		
<i>Total Assessed Value</i>	<u>\$755,676,444</u>		

Source: Summit County Fiscal Officer

**City of Stow, Ohio
Principal Taxpayers
Tangible Personal Property Tax
December 31, 2003**

Name of Taxpayer	Assessed Value	Percent of Total Assessed Value of Personal Property	Percent of Total Assessed Value
Morgan Adhesives	\$6,560,970	12.86%	0.87%
Audio-Technica US Inc.	2,734,000	5.36%	0.36%
Lowes Home Centers, Inc.	1,683,470	3.30%	0.22%
GOJO Industries, Inc.	1,552,020	3.04%	0.21%
Safway Steel Products, Inc.	1,516,970	2.97%	0.20%
Marhofer Chevrolet, Inc.	1,444,110	2.83%	0.19%
Wrayco Industries, Inc.	1,388,849	2.72%	0.18%
Wal Mart Stores East, Inc.	1,295,920	2.54%	0.17%
Bolognue Management Company, Inc.	1,096,970	2.15%	0.15%
Tamarkin Company	1,004,720	1.97%	0.13%
<i>Total</i>	\$20,277,999	39.74%	2.68%
<i>Total Assessed Value of Tangible Personal Property</i>	\$51,014,864		
<i>Total Real Assessed Value</i>	\$755,676,444		

Source: Summit County Fiscal Officer

City of Stow, Ohio
Miscellaneous Statistics
December 31, 2003

Date of Incorporation as a Village	January, 1957
Date of Incorporation as a City	January, 1960
City Charter adopted	November, 1958
Form of Government	Mayor/Council
Area (Square Miles)	17.00
Miles of Streets:	
City lane miles	283 miles
State highway miles	47 miles
Number of intersections with street lights	46
Fire Protection:	
Number of Stations	3
Number of Sworn Firefighters	54
Police Protection:	
Number of Stations	1
Number of Sworn Police Officers	34
Building:	
2003 Permits issued	902
2003 Valuation of construction	\$43,094,062
Parks and Recreation:	
Number of community parks	4
Number of neighborhood parks	6
Number of acres in parks system	407.75
Number of lodges	4
Number of tennis courts	4
Number of volleyball courts	3
Number of camp sites	27
Number of soccer/baseball fields	7
Number of basketball courts	5

Source: City of Stow Records



**Auditor of State
Betty Montgomery**

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**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
NOVEMBER 18, 2004**