



Mary Taylor, CPA
Auditor of State

CITY OF STOW
SUMMIT COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	1
Schedule of Findings	3
Schedule of Prior Audit Findings	5

This page intentionally left blank.



Mary Taylor, CPA

Auditor of State

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

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

To the Honorable Mayor and City Council Members:

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, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 27, 2008, wherein we noted the City modified its method of calculating the termination rate for use in determining the sick leave liability. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

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

We consider the following deficiencies described in the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting 2007-001 and 2007-002.

101 Central Plaza South / 700 Chase Tower / Canton, OH 44702-1509
Telephone: (330) 438-0617 (800) 443-9272 Fax: (330) 471-0001
www.auditor.state.oh.us

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe none of the significant deficiencies described above are material weaknesses.

We also noted certain internal control matters that we reported to the City's management in a separate letter dated June 27, 2008.

Compliance and Other Matters

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

We did note certain noncompliance or other matters that we reported to the City's management in a separate letter dated June 27, 2008.

The City's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the City's responses and, accordingly, we express no opinion on them.

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



Mary Taylor, CPA
Auditor of State

June 27, 2008

**CITY OF STOW
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007**

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

FINDING NUMBER 2007-001

Significant Deficiency – Cash Reconciliation

In January 2008, the City contracted with an outside accounting firm to reconcile the City's accounting records for the period January 1, 2007 through December 31, 2007, in order to improve reconciliation procedures and enhance internal controls. While the accounting firm performed cash reconciliations for this period with no material unreconciled amounts, the following items were noted while testing the December 31, 2007 and reviewing the May 30, 2007 and October 31, 2007 cash reconciliations, as completed by the City prior to contracting with the outside accounting firm:

- Reconciliations were not performed on a timely basis.
- Reconciliations reported unaccounted differences ranging from \$112 in May 2007 to \$463 in December 2007.
- Reconciliations lacked evidence of higher level supervisory review and approval.

Additionally, while testing the December 31, 2007 reconciliation performed by the outside accounting firm, it was noted the reconciliation was not finalized until May 2008 and a reconciling item of approximately \$92,000 was misclassified.

In order to correct these issues, the City should:

- Complete reconciliations in a timely manner;
- Perform reconciliations accurately and completely; and
- Document supervisory review and approval via signatures and dates of those reviewing the reconciliation.

Even if the City utilizes an outside accounting firm, the City is responsible for ensuring timeliness of the reconciliations, and the City should review the reconciliations performed, and ensure resolution for any issues that arise from those reconciliations.

Official's Response: The City of Stow is currently working with the accounting firm of Julian & Grube on a comprehensive reconciliation method for cash to perform the reconciliation tasks in a timely manner. At the writing of this response, the City's Finance Department has scheduled a training session with the accounting firm to implement the cash reconciliation method that Julian & Grube's personnel used at the end of 2007 for the City's audit. The reconciliation results of this method were reviewed by the Auditors and the reconciliation were accepted for the 2007 audit. Currently the Finance Department personnel are working on the supporting schedules for the reconciliation and are waiting for the training to complete the process.

At the completion of the training, the Finance Director has set a completion schedule for the reconciliations to be submitted for monthly approval. The approval of the reconciliations will be done by the Finance Director, Assistant Finance Director, or the Deputy Finance Director in a timely manner as set out by the Auditor's recommendation. The approval will only be acknowledged by the signature of the above Finance Department personnel and dated.

FINDING NUMBER 2007-002

Significant Deficiency – Capital Assets

During Capital Assets testing the following deficiencies were noted:

- A land addition valued at \$1,002,505 was properly recorded on the City's Financial Statements; however, it was not listed in the capital asset management system.
- The City updated the Storm Sewer Inventory Sheets utilizing the engineer's cost estimates, estimated prices for materials used, and linear footage estimates; however, when the project was finished, no comparison was made to ensure the Storm Sewer Inventory reflected the actual costs.
- The City excluded \$128,700 in Construction in Progress related to the Water fund infrastructure assets donated by contractors to the City.
- Total project amounts recorded for 5 waterline additions did not agree to the related invoices received from the contractors with variances ranging from \$5 to \$13,312.
- The Capital Asset System did not include and/or accurately record depreciation expense and accumulated depreciation for several assets.
- Asset useful lives utilized for depreciation did not always agree to the City's Policy on file. In addition, for purposes of depreciation, new asset classes and useful lives were created and entered into the Capital Asset System to calculate depreciation. However, the Policy was not updated to reflect these classes.
- The City's depreciation "start" date practices were inconsistent between assets. The City's Policy does not specify if depreciation should begin the month assets are placed in service or the subsequent month, resulting in assets being depreciated differently based on the depreciation start date.
- The City's master capital asset listing contained numerous assets which were fully depreciated.

To help improve the accountability and reporting of the capital assets, the City should:

- Review Capital Asset System reports to help ensure all assets purchased during the year are included on the system.
- Track the actual cost of materials used in Waterline and Storm Sewer assets as they are purchased, as well as actual linear footage of materials installed. This will help ensure assets are valued correctly.
- Review the completed waterline listing to help ensure all assets are reported on the City's records.
- Document procedures used to value Waterline assets to help ensure the correct basis is being recorded.
- Review the Capital Asset System reports to help ensure the depreciation shown by the system is calculated properly and in accordance with the City's Capital Asset Policy. If necessary, communicate and follow-up with the City's software company to resolve the incorrect calculation relating to the depreciation.
- Adjust the system to properly reflect asset useful lives as indicated in the City's Capital Asset Policy. In addition, amend the Capital Asset Policy to specify new asset classes and related useful lives.
- Modify the Capital Asset Policy to include depreciation start dates which reflect the practices in place by the City to ensure there is consistency between assets and correct depreciation amounts are being recorded.
- Consider removing fully depreciated assets from the Capital Asset System assets that are no longer in use or consider increasing the useful lives of the assets to more accurately reflect the life of the asset.

Official's Response: The City of Stow Finance Department will be incorporating the Auditor's suggestions for 2008 in revising the current Capital Assets policy of the City. The revised areas in the City's policy will be duly noted for the 2008 audit. The City will have varying thresholds for assets that will be tracked internally, but not capitalized and for the capital assets that will be capitalized as they relate to the depreciable assets of the City and by GASB 34 for infrastructure assets.

**CITY OF STOW
SUMMIT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	Capital Assets – City’s policy does not outline a capitalization threshold or useful lives for infrastructure assets; depreciation calculated incorrectly; numerous assets were fully depreciated; significant construction in progress not included in capital asset listing.	No	Partially Corrected – See Finding Number 2007-002

CITY OF STOW, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2007

PREPARED BY:

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

*3760 DARROW ROAD
STOW, OHIO 44224*

INTRODUCTORY SECTION

CITY OF STOW, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2007

TABLE OF CONTENTS

I. INTRODUCTORY SECTION

Title Page	
Table of Contents	i-iv
Letter of Transmittal	v-x
General Organizational Chart	xi
Principal City Officials	xii
GFOA Certificate of Achievement for Excellence in Financial Reporting	xiii

II. FINANCIAL SECTION

INDEPENDENT ACCOUNTANTS' REPORT.....	1-2
MANAGEMENTS DISCUSSION AND ANALYSIS.....	3-11
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Assets	15
Statement of Activities	16-17
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	18
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	21
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
General Fund.....	22
EMS/Fire Levy Fund.....	23
Statement of Fund Net Assets - Proprietary Funds.....	24
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	25
Statement of Cash Flows - Proprietary Funds	26-27
Statement of Fiduciary Net Assets - Fiduciary Funds	28

BASIC FINANCIAL STATEMENTS (CONTINUED):

Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	29
Notes to the Basic Financial Statements.....	31-61

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES:

Combining Statements and Individual Fund Schedules - Governmental Funds:

Fund Descriptions - Governmental Funds	65-66
Balance Sheet - Nonmajor Governmental Funds.....	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	69
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	70-77
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	78-85

Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis):

Street Construction Fund.....	86
State Highway Improvement Fund.....	87
Police Pension and Disability Fund.....	88
Fire Pension and Disability Fund	89
Motor Vehicle License Tax Fund.....	90
ODNR Litter Prevention Grant Fund	91
EMS Transport Fees Fund.....	92
Police Enforcement and Education Fund	93
Special Assessment Improvements Fund	94
Tree Trust Fund.....	95
Communications Tower Fund	96
Cemetery Trust Fund.....	97
Park Improvements Fund	98
Federal Law Enforcement Forfeited Fees Fund	99
Commission of the Arts Fund	100
Safety Town Fund	101
D.A.R.E. Program Fund	102
Police MVA Fees Fund	103
Youth Division Donations Fund.....	104
Fire Department Emergency Equipment Fund	105
Parks Youth Fund.....	106
Police Department Emergency Equipment Fund.....	107
Youth Division Teen Center Fund	108
Parks Lodge Improvement Fund	109
Community Relations Fund.....	110
SS Ballfield Complex Fund.....	111
Park and Recreation Scholarship Fund.....	112
Police Explorer Fund.....	113
Community Development Fund	114
FEMA Fund	115
Business Assistance Fund	116
City Lodging Tax Fund	117
Residential Snow Removal	118
Enhanced 911 Wireless Fund.....	119
General Obligation Bond Retirement Fund.....	120
General Capital Improvements Fund.....	121

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES (CONTINUED):

Combining Statements and Individual Fund Schedules - Proprietary Funds:

Fund Descriptions - Proprietary Funds.....	122
Schedules of Revenues, Expenses and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
Water Fund.....	123
Storm Water Utility Fund.....	124
Golf Fund	125
Combining Statement of Net Assets - Nonmajor Internal Service Funds.....	126
Combining Statement of Revenues, Expenses and Changes in Net Assets - Nonmajor Internal Service Funds.....	127
Combining Statement of Cash Flows - Nonmajor Internal Service Funds	128
Schedules of Revenues, Expenses and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
Administrative Insurance Fund	129
Self-Insurance Fund	130
Fund Descriptions - Fiduciary Funds	131
Combining Statement of Net Assets - Private Purpose Trust Funds.....	132
Combining Statement of Revenues, Expenses and Changes in Fund Balances - Private Purpose Trust Funds	133
Schedules of Revenues, Expenses and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
Stutler Scholarship Fund	134
Wells Perkins Cemetery Fund	135
Stow Seniors Commission Fund.....	136
Statement of Changes in Assets and Liabilities - Agency Funds.....	137-139

III. STATISTICAL SECTION

Statistical Section - Table of Contents	141
Net Assets by Component - Last Five Years	144-145
Changes in Net Assets - Last Five Years	146-149
Fund Balances, Governmental Funds - Last Ten Years	150-151
Changes in Fund Balances, Governmental Funds - Last Ten Years	152-153
Assessed Value and Actual Value of Taxable Property - Last Ten Years	156-157
Direct and Overlapping Property Tax Rates - Last Years	158
Property Tax Levies and Collections - Last Ten Years.....	159
Principal Taxpayers Real Estate Tax - Current Year and Seven Years Ago	160

III. STATISTICAL SECTION - (CONTINUED)

Principal Taxpayers Tangible Personal Property Tax - Current Year and Seven Years Ago.....	161
Income Tax Revenue Base and Collections - Last Ten Years	162
Ratios of Outstanding Debt by Type - Last Ten Years	164-165
Ratios of General Bonded Debt Outstanding - Last Ten Years	166
Direct and Overlapping Governmental Activities Debt	167
Legal Debt Margin Information - Last Ten Years.....	168
Demographic and Economic Statistics - Last Ten Years	171
Principal Employers - Current Year and Five Years Ago	172
Full Time Equivalent City Government Employees by Function/Program - Last Ten Years	175
Operating Indicators by Function/Program - Last Ten Years	176-177
Capital Asset Indicators - Last Ten Years	178-179
Capital Asset Statistics by Function/Program - Last Five Years	180



John M. Baranek
Director of Finance

June 27, 2008

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

Ladies and Gentlemen:

The Comprehensive Annual Financial Report for the City of Stow (the "City") for the fiscal year ended December 31, 2007, is hereby respectfully submitted. It includes information pertaining to all of the City's funds and financial transactions and selected financial and other information for the most recently completed fiscal year (2007). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation rests with the City. To the best of our knowledge, the data in this report is accurate in all material respects and it presents fairly the financial position and results of operations of the City. All disclosures necessary to provide the reader with a better understanding of the City's financial activities have been included.

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

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

As a part of the City's independent audit, considerations are made to assess the internal control structure, in relation to the financial statements, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's independent audit for the year ended December 31, 2007, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

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

COMMUNITY PROFILE

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

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

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

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

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

ECONOMIC CONDITION AND FUTURE OUTLOOK

Local Economy

The City of Stow was originally founded as a township, eventually became a village and was incorporated as a city in 1960 with a population of 12,194. The 2000 population reached 32,139. Stow became the third largest city in Summit County in 1990 and continued as such in 2007. The most recent Census Bureau estimate indicates that Stow's population reached 34,335 in 2006, which is nearly a 7.0 percent increase from 2000. To accommodate the City's population growth, over 10,000 dwelling units have been constructed in Stow since 1970. It has been recently estimated that there is unused community capacity for at least an additional 3,600 dwelling units to be constructed in Stow in the future. Recent projections estimate the fully developed population of the City of Stow to be nearly 40,000-45,000 residents. This range could be reached sometime within the next 25 years.

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

Substantial commercial, office and industrial growth has occurred in Stow in recent years. As part of the effort to update the City's Comprehensive Land Use Plan, City officials, with the assistance of a professional development consultant, prepared a market study to analyze existing and potential nonresidential development in the City and the future local market for office and retail expansion. It was determined that the City of Stow has a substantial supply of competitive retail space – approximately 2.1 million square feet. Retail vacancy rates have fluctuated from 8 to 15 percent over the past several years. A 2007-08 renovation of a large commercial center by a major retail developer will result in a retail vacancy rate of approximately 12 percent when the new space is available and occupied. With a few exceptions, the Stow vacancy rate for retail has typically been lower than the rate for the Akron Metropolitan 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 Stow to be as high as 380,000 square feet or more over the next ten years.

City officials have placed a particular emphasis on the development of the office and industrial market in Stow, recognizing the positive revenue implications resulting from this type of development. As of February 2008, there was approximately 679,000 square feet of office space in Stow. The office vacancy rate was 6.0 percent, well below the 15 percent vacancy rate for the Akron Metropolitan Area. In addition, there was over 3,500,000 square feet of industrial space in Stow, and the vacancy rate was 5.4 percent. This rate is also below the 13 percent vacancy rate for industrial properties in the Akron Metropolitan Area.

Through the use of development incentive programs and an aggressive construction schedule for public infrastructure, City officials are planning to encourage the construction of a minimum of 240,000 square feet of additional office, flex space and light industrial space alone by 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 Interchange area could eventually account for 100,000-150,000 square feet of the City's expected new office space by the end of this decade. Supporting commercial and service and related businesses are already constructed or being planned in the vicinity of the Interchange, including two medium-sized hotels which have opened. A sizeable health and wellness medical facility opened in June of 2007. A third hotel is scheduled to open in the Fall of 2008.

The City of Stow offers an excellent opportunity for business growth because of a broad network of state and interstate highways which provide the area with access to regional and national markets. Stow is fortunate to have a diversified tax base comprised of many small-to-medium sized industries. The City has at least ten private companies that employ between 100 and 300 workers. Additional industrial development is expected to be derived from the City's participation in the Foreign Trade Zone which is located in the northwest area of Stow and was created for the purpose of promoting local industrial development.

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

Major Initiatives and Long-Term Financial Planning

Current Year – The City's voter-approved program to expand the City's Emergency Medical Services (EMS) and fire response capabilities has proven to be very successful for the community. The expansion program was funded through an increase of 2.3 mills in the City's Charter property tax rate and included two new fire stations, and fifteen additional paramedics as well as new fire trucks and equipment. One of the new fire stations is an additional station to increase emergency coverage on the City's east side, while the other is a relocated replacement facility to improve response times on the City's west side. The fifteen additional paramedics have enabled the City's Fire Department to operate a full EMS transport system throughout the entire community and to fully staff the two new fire stations. The City's centrally located Safety Building continues to serve the community as its main fire station. Three new fire trucks were approved for purchase in 2006 and were delivered in 2007 to further upgrade and enhance the City's ability to provide high quality emergency fire service to its residents.

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

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

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 2007. Each improvement is being completed in cooperation with the property owners who will share the cost with the City. As part of the program, the property owners are also committing to building renovations. The program has helped improve the appearance of the City's older commercial areas. Two or three projects are planned to be completed each year.

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

In November, 2001, the City of Stow regained ownership of the Stow Water System from the Summit County government and immediately became fully responsible for its daily operation. The City completed six very successful full operating years for the System in 2007. The City provides water to its citizens based on a 99-year water service agreement between Stow and the City of Akron whereby Akron supplies water directly to Stow on a wholesale basis. The detailed terms of the Stow water supply agreement with Akron were finalized and a formal contract executed in December of 2006.

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

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

In 2007, the City continued with the long-term improvements program outlined in its comprehensive Capital Plan for the Water System, including numerous waterline replacement projects and rehabilitation of a secondary pump station. The City previously enacted an ongoing, monthly \$4.00 Water System capital improvements fee for all water customers to generate the revenue necessary to undertake and complete the improvements identified in the long-term Plan on a programmed basis over the next twenty years and also to implement an automatic, radio-based meter reading system for more efficient and timely reading of the meters of Stow's water customers. Installation of the automatic meter reading system is in the final stage of completion. It cost approximately \$2.3 million and, except for the correction of minor problems, is now fully operational.

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

The City established a Storm Water Management Utility in 2004 to address flooding issues and problems throughout the Stow community. This past year the City continued the phased engineering studies in every neighborhood within the City to identify storm water problems that need to be corrected as part of a long-term storm water management plan. An ongoing, monthly storm water improvement fee was enacted by City Council to pay all future operating and capital costs associated with maintaining and upgrading the City's existing storm water management system over the next ten-twenty years. The fee is graduated and is based on an engineering evaluation of the size of the impervious surfaces of individual residential and non-residential properties in Stow. Numerous storm water projects have been completed over the past three years with funding provided by the enactment of the new fee. Many more projects are being evaluated and prioritized for completion in 2008 and 2009.

In 2007, the City of Stow continued many of its ongoing programs which are designed to improve the community as a whole and its individual neighborhoods. The provision of such programs as the Stow Senior Center, adopt-a-spot beautification, the neighborhood playground upgrades, residential storm sewer improvements, sidewalk repair, housing repair, litter and recycling education and awareness, neighborhood beautification and tree planting programs were important accomplishments of the City again this past year.

A comprehensive ten-year Capital Improvements Financial Plan was prepared by the City in 2002 to guide City officials in undertaking and completing the City's major permanent improvement projects over the period, 2002-2011. The Plan was used in 2007 and will continue to be used as it is updated in future years to identify available capital improvement funding sources and all potential general capital projects which are necessary to improve the City's infrastructure, buildings, facilities and major equipment over the ten-year period. The Plan also serves as the City's guide for both short-term and long-term debt management.

In May of 2006, the City Council adopted a long-term master plan for the development of the City Center Site which encompasses the centrally located municipal government offices, a large playground and the surrounding acreage. The development of the site will include public gathering facilities for entertainment, an amphitheater, cultural and arts centers, walking trails and some mixed use buildings. The master plan for the maintenance, development and future management of the City's arboretum/sancturetum, which is located near Stow City Hall, continued to be updated in 2007. It is included as a major component of the City's overall City Center Site long-term plan. It is the intent of the City to further develop detailed plans and possible funding sources to enhance the arboretum/sancturetum in several phases. It was opened fully to the public in the summer of 2006. Preservation of this unique and extensive outdoor natural resource is a long-standing commitment of the City.

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

After assessing the feasibility of converting its Safety/Service communications system to 800 MHz capability, in 2006, the City executed a 10-year agreement to participate with other communities in the Summit County/Akron radio system. The County-wide system increases compatibility, interoperability and mutual communications capabilities with surrounding communities. The City continued its effort to implement the new radio system in 2007.

Future – Various major initiatives designed to improve and enhance the City of Stow and/or to enable the City to accommodate the continued growth and development of the Stow community are underway in 2008.

As of January 1, 2009, the City of Stow will become the new home of the Stow Municipal Court (formerly the Cuyahoga Falls Municipal Court). Construction of a new \$9.2 million courthouse commenced in 2007 in northwest Stow near a major interchange and will serve over 160,000 people in 16 local communities. The new court facility, which will be completed and ready for occupancy in late 2008, will become a recognized landmark and an important community asset in Stow.

The City has contracted with two other area communities to establish a regional dispatch communications center in the Stow Safety Building. The center will be operated by the Stow police department and will eliminate duplicative dispatching facilities and potentially reduce long-term capital and operating costs for each of the participating governments. The new center will be functional in the summer of 2008. Several additional cities are also considering contracting with Stow for the provision of dispatching services to their communities.

The Route 8 Interchange project, located at State Route 8 and Seasons Road in both Stow and Hudson, continues in the planning stages. Engineering and design and right-of-way acquisition are well underway. The project will be a joint undertaking of the State of Ohio, the City of Stow and the City of Hudson. Along with the recently-completed Seasons/Norton Roads connection project, the new interchange is necessary to facilitate expansion of the industrial and commercial growth areas of Stow. The total construction cost for the interchange is expected to be approximately \$10,000,000, with \$4.0 million paid by a federal grant. Stow and Hudson will be responsible for paying for a combined fifty percent of the remaining cost, or \$3.0 million each, although a significant portion of the local share could be offset by additional state and federal grants. Bidding for the project is expected to take place in October of 2008 with construction underway in early 2009.

The first expected major employer to locate in the new interchange area is a planned new 100-bed hospital facility. The hospital is expected to be open in 2010 and will generate related economic activity in the area. The cities of Stow, Hudson and Cuyahoga Falls have reached a tentative agreement to create a tax sharing district around the interchange in which taxes generated by new businesses will be shared by the three communities. The tax sharing area will help eliminate competition among the communities for the location of new businesses. If the tentative tax sharing agreement is finalized and adopted by the three communities, Cuyahoga Falls will also share equally in the local cost of the construction of the new interchange, which will reduce the local cost for Stow and Hudson.

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

In addition to the Seasons/Norton Roads Connection and the 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. Up to ten of the eleven projects as well as the hike & bike trail have or will receive state and/or federal funding.

In 2008, the City will also be continuing its ongoing traffic signal upgrade program at major intersections throughout the community. Local funds will be combined with grant funds and other sources to finance the installation of new signals at high traffic volume locations to improve traffic control and/or to meet safety concerns.

Construction of a new boulevard to provide public access through the large City Hall site is being completed. The new roadway will be compatible with the planned community facilities on the City Center campus, such as the amphitheater and other related improvements.

Construction of a new boulevard to provide public access through the large City Hall site is being completed. The new roadway will be compatible with the planned community facilities on the City Center campus, such as the amphitheater and other related improvements.

A unique, special needs playground is being planned as a supplemental facility for one of Stow's major parks in 2008. It is expected to cost up to \$200,000 and will be funded through a combination of private donations, a state grant and City funding. It is being designed for the inclusion and accessibility of all children regardless of disability.

The proceeds of the City's lodging tax, which is collected on all overnight hotel and motel room occupancies, have been dedicated exclusively to pay for infrastructure improvements in specified areas of the City to encourage economic development. In 2007, the usage of the tax was expanded to include support of the City's Community Improvement Corporation (C.I.C.), which has the ability to offer financial aid to new and/or expanding businesses in Stow. In 2008, the C.I.C. will be undertaking a full range of development activities in the City. The C.I.C. had no financial activity during 2007.

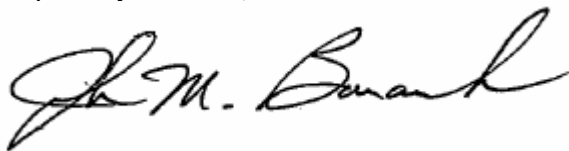
By mid-year 2008, the City will be replacing the existing Senior Center, a rental facility, with a renovated City-owned building. The new Senior Center, which is near the City Hall, is more centrally located than the former Center and will provide improved accessibility for seniors throughout Stow.

OTHER INFORMATION

Awards – The City prepared and submitted a Comprehensive Annual Financial Report (CAFR) for the first time for 2000 to the Government Finance Officers Association of the United States and Canada (GFOA). A Certificate of Achievement for Excellence in Financial Reporting was awarded to the City of Stow for its Comprehensive Annual Financial Report for the years ended December 31, 2000, 2001, 2002, 2003, 2004, 2005 and 2006. 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 2007 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 2007 award.

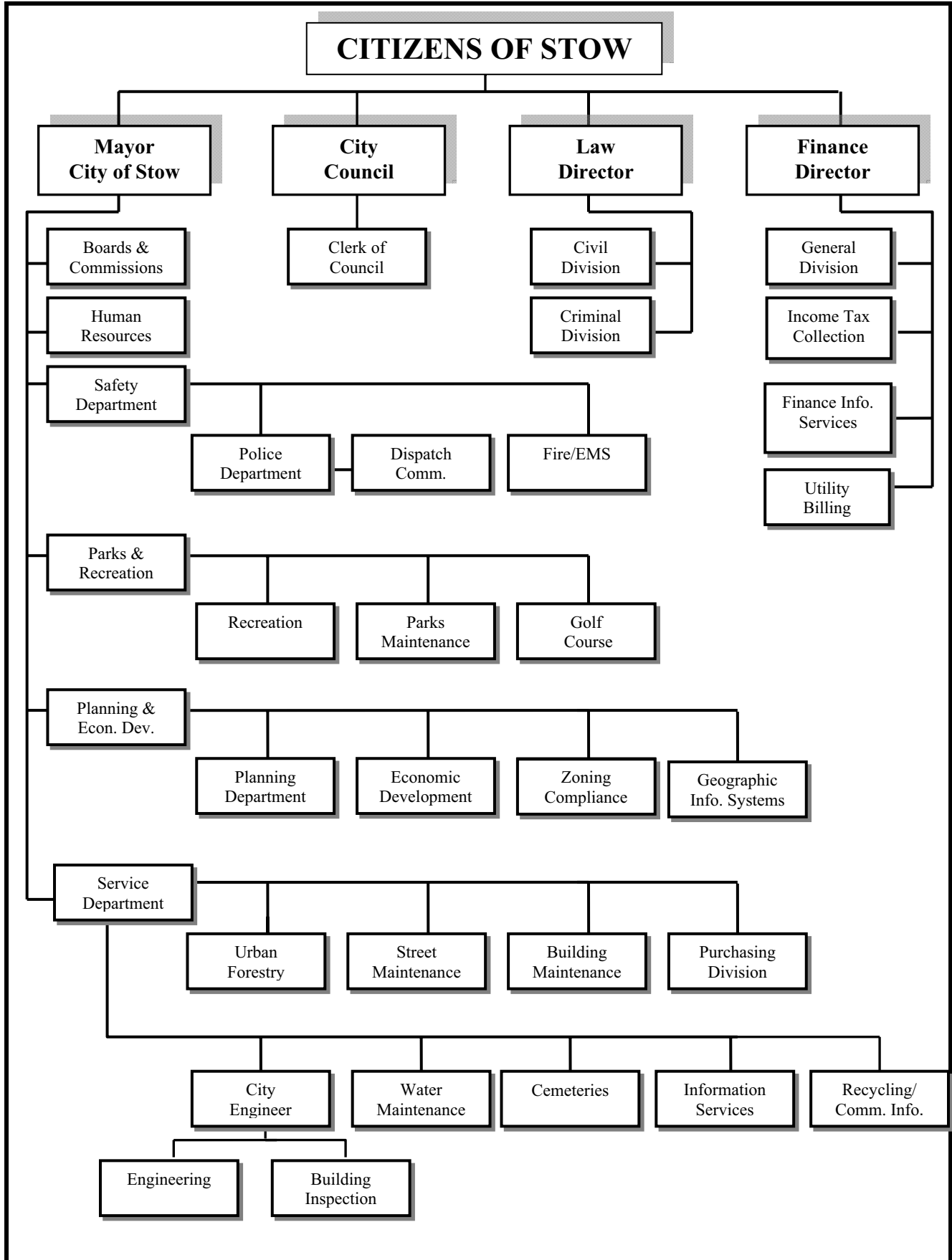
Acknowledgment – I would like to express my sincere appreciation and thanks to those individuals who assisted in the preparation of the 2007 Comprehensive Annual Financial Report. Successful preparation of a report of this scope required the dedicated services of the entire staff of the Finance Department. 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
 2007



CITY OF STOW, OHIO
PRINCIPAL CITY OFFICIALS
AS OF DECEMBER 31, 2007

Elected Officials

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

Department Officials

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

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, 2006

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



Charles S. Cox

President

Jeffrey R. Emer

Executive Director

THIS PAGE IS INTENTIONALLY LEFT BLANK

FINANCIAL SECTION



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Honorable Mayor and City Council Members:

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, 2007, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Stow, Summit County, Ohio, as of December 31, 2007, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and EMS/Fire Tax Levy Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Note 3, net assets at January 1, 2007 were restated due to the City modifying its method of calculating the termination rate for use in determining the sick leave liability.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2008, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

101 Central Plaza South / 700 Chase Tower / Canton, OH 44702-1509
Telephone: (330) 438-0617 (800) 443-9272 Fax: (330) 471-0001
www.auditor.state.oh.us

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

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

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

Mary Taylor, CPA
Auditor of State

June 27, 2008

CITY OF STOW, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007 UNAUDITED

The management's discussion and analysis for the City of Stow's (the "City") financial statements provides an overview of the City's financial activities for the year ended December 31, 2007. The intent of this discussion and analysis is to provide a narrative that describes the City's performance as a whole. To obtain a more detailed understanding, one should also review the transmittal letter, the notes to the basic financial statements and the basic financial statements.

Financial Highlights

The City's key financial highlights for 2007 are as follows:

- The assets of the City exceeded its liabilities at the close of the year ended December 31, 2007 by \$67,523,116 (net assets). Of this amount, \$7,217,515 is considered restricted for various purposes such as capital projects, debt service and other restrictions, and \$53,872,092 is invested in capital assets. These combined amounts are lower than the City's total net assets at year end, resulting in a balance of \$6,433,509 in unrestricted net assets.
- Total net assets increased \$2,002,766 or 3.06 percent as a result of this year's operations. Net assets for business-type activities increased \$1,342,991 or 5.83 percent, while the net assets related to governmental activities increased \$659,775, or 1.55 percent.
- The City's total revenues amounted to \$39,618,108 in 2007, of which \$31,768,230 related to governmental activities and \$7,849,878 to business-type activities. Program specific revenues in the form of charges for services, grants and contributions accounted for \$13,218,232 or 33.37 percent of total revenues.
- The City had \$37,615,342 in expenses in 2007, \$30,998,455 of which were for governmental activities and \$6,616,887 for business-type activities.
- Among the major funds, the general fund had \$19,056,681 in revenues and \$18,760,888 in expenditures in 2007. The amount of \$691,852 was transferred to other funds.
- The general fund's balance decreased to \$5,882,770, a decrease of \$396,059 from the beginning of 2007. The general fund balance was 30.87 percent of total general fund revenues, which is a slight decrease from the percentage in 2006.
- The City's total governmental activities long-term obligations increased from \$20,138,439 as restated at December 31, 2006 (see Note 3.A. to the basic financial statements for detail) to \$28,513,458 during 2007. This increase of \$8,375,019 was due to the issuance of new bonds and notes for capital improvements.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

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

CITY OF STOW, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007 UNAUDITED

Reporting the City as a Whole

Statement of Net Assets and Statement of Activities

The analysis of the City as a whole begins on page 6. One of the most important questions asked about the City's finances is, "How did the City perform financially during 2007?" The statement of net assets and the statement of activities provide information concerning the City as a whole and its financial activities that will assist the reader in answering this question. These statements include all assets and liabilities using the accrual method of accounting similar to the accounting used by most private-sector businesses. This method of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

Fund Financial Statements

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

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

Governmental Funds

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

CITY OF STOW, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007 UNAUDITED

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

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

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

Proprietary Funds

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

Fiduciary Funds

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

Notes to the Basic Financial Statements

The financial statement notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Notes to the basic financial statements can be found on pages 31 through 61 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 63 through 180 of this report.

CITY OF STOW, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED*

Government-Wide Financial Analysis

As noted earlier, the trend in net assets serves as an indicator of a government's changing financial position. At December 31, 2006, net assets of the governmental and business-type activities were restated (see Note 3.A to the basic financial statements for detail). At the close of 2007 the City's total assets, as shown in Table 1, exceeded liabilities by \$67,523,116. Some \$43,139,025 of the net assets were in governmental activities while \$24,384,091 were in business-type activities. The table below provides a summary of the City's net assets for 2007 compared to 2006:

Table 1 - Net Assets

	Governmental Activities <u>2007</u>	(Restated) Governmental Activities <u>2006</u>	Business-Type Activities <u>2007</u>	(Restated) Business-Type Activities <u>2006</u>	2007 Total	(Restated) 2006 Total
Assets						
Current and other assets	\$ 33,435,721	\$ 28,024,523	\$ 4,122,877	\$ 5,873,608	\$ 37,558,598	\$ 33,898,131
Capital assets, net	<u>48,600,703</u>	<u>44,796,109</u>	<u>29,402,012</u>	<u>27,368,034</u>	<u>78,002,715</u>	<u>72,164,143</u>
Total assets	<u>82,036,424</u>	<u>72,820,632</u>	<u>33,524,889</u>	<u>33,241,642</u>	<u>115,561,313</u>	<u>106,062,274</u>
Liabilities						
Current and other liabilities	10,383,941	10,202,943	516,427	732,651	10,900,368	10,935,594
Long term liabilities:						
Due within one year	2,092,052	1,796,545	912,719	1,007,923	3,004,771	2,804,468
Due in more than one year	<u>26,421,406</u>	<u>18,341,894</u>	<u>7,711,652</u>	<u>8,459,968</u>	<u>34,133,058</u>	<u>26,801,862</u>
Total liabilities	<u>38,897,399</u>	<u>30,341,382</u>	<u>9,140,798</u>	<u>10,200,542</u>	<u>48,038,197</u>	<u>40,541,924</u>
Net Assets						
Invested in capital assets, net of related debt	32,776,346	29,534,790	21,095,746	18,074,614	53,872,092	47,609,404
Restricted	7,217,515	8,857,474	-	-	7,217,515	8,857,474
Unrestricted	<u>3,145,164</u>	<u>4,086,986</u>	<u>3,288,345</u>	<u>4,966,486</u>	<u>6,433,509</u>	<u>9,053,472</u>
Total net assets	<u>\$ 43,139,025</u>	<u>\$ 42,479,250</u>	<u>\$ 24,384,091</u>	<u>\$ 23,041,100</u>	<u>\$ 67,523,116</u>	<u>\$ 65,520,350</u>

During 2007, the City's overall financial position improved by \$2,002,766 as governmental activities net assets increased by \$659,775 and those for business-type activities increased by \$1,342,991.

The majority of the City's net assets (79.78 percent) reflect its investment in capital assets (e.g. land, construction in progress, buildings and building improvements, vehicles, infrastructure and equipment, furniture and fixtures), less any related debt used to acquire those assets. These capital assets are utilized by the City to provide services to its citizens. They are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

CITY OF STOW, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED*

Statement of Activities

The table below shows the changes in net assets for years ended 2007 and 2006.

Table 2 - Change in Net Assets

	Governmental Activities <u>2007</u>	(Restated) Governmental Activities <u>2006</u>	Business-Type Activities <u>2007</u>	(Restated) Business-Type Activities <u>2006</u>	2007 Total	(Restated) 2006 Total
Revenues						
Program revenues:						
Charges for services	\$ 2,172,643	\$ 2,018,277	\$ 6,916,822	\$ 6,616,411	\$ 9,089,465	\$ 8,634,688
Operating grants and contributions	2,307,965	2,010,283	-	177,876	2,307,965	2,188,159
Capital grants and contributions	<u>1,406,531</u>	<u>550,997</u>	<u>414,871</u>	<u>-</u>	<u>1,821,402</u>	<u>550,997</u>
Total program revenues	<u>5,887,139</u>	<u>4,579,557</u>	<u>7,331,693</u>	<u>6,794,287</u>	<u>13,218,832</u>	<u>11,373,844</u>
General revenues:						
Taxes	20,282,821	19,450,556	197,571	-	20,480,392	19,450,556
Grants and entitlements	3,890,054	3,814,628	-	-	3,890,054	3,814,628
Investment income	1,293,813	894,418	-	-	1,293,813	894,418
Miscellaneous	<u>414,403</u>	<u>2,274,362</u>	<u>320,614</u>	<u>205,439</u>	<u>735,017</u>	<u>2,479,801</u>
Total general revenues	<u>25,881,091</u>	<u>26,433,964</u>	<u>518,185</u>	<u>205,439</u>	<u>26,399,276</u>	<u>26,639,403</u>
Total revenues	<u>31,768,230</u>	<u>31,013,521</u>	<u>7,849,878</u>	<u>6,999,726</u>	<u>39,618,108</u>	<u>38,013,247</u>
Expenses:						
General government	6,578,566	6,918,887	-	-	6,578,566	6,918,887
Security of persons and property	14,252,725	15,284,191	-	-	14,252,725	15,284,191
Public health	434,833	478,870	-	-	434,833	478,870
Leisure time activities	2,208,765	2,362,474	-	-	2,208,765	2,362,474
Community and economic development	1,527,660	1,723,424	-	-	1,527,660	1,723,424
Transportation	5,164,464	3,466,779	-	-	5,164,464	3,466,779
Interest and fiscal charges	831,442	594,333	-	-	831,442	594,333
Water	-	-	4,404,703	3,980,833	4,404,703	3,980,833
Golf	-	-	1,304,665	1,361,329	1,304,665	1,361,329
Storm water utility	<u>-</u>	<u>-</u>	<u>907,519</u>	<u>803,296</u>	<u>907,519</u>	<u>803,296</u>
Total expenses	<u>30,998,455</u>	<u>30,828,958</u>	<u>6,616,887</u>	<u>6,145,458</u>	<u>37,615,342</u>	<u>36,974,416</u>
Transfers	<u>(110,000)</u>	<u>-</u>	<u>110,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	659,775	184,563	1,342,991	854,268	2,002,766	1,038,831
Net assets at beginning of year	<u>42,479,250</u>	<u>42,294,687</u>	<u>23,041,100</u>	<u>22,186,832</u>	<u>65,520,350</u>	<u>64,481,519</u>
Net assets at end of year	<u>\$ 43,139,025</u>	<u>\$ 42,479,250</u>	<u>\$ 24,384,091</u>	<u>\$ 23,041,100</u>	<u>\$ 67,523,116</u>	<u>\$ 65,520,350</u>

CITY OF STOW, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED*

Governmental Activities

The information in Table 2 indicates that security of persons and property accounted for \$14,252,725, or 45.98 percent of the \$30,998,455 expensed for governmental activities this past year. General government accounted for \$6,578,566, or 21.22 percent in the governmental activities category.

Some \$20,282,821 in tax revenues was generated for the City in 2007 to support governmental activities. This amount represented 63.85 percent of total revenues for governmental activities which reached \$31,768,230 in 2007. Other major revenues received by the City included \$3,890,054 in unrestricted grants and entitlements.

Program revenues to support governmental activities amounted to \$5,887,139 in 2007, which included \$2,172,643 in charges for services.

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

	Total Cost of Services <u>2007</u>	Net Cost of Services <u>2007</u>	(Restated) Total Cost of Services <u>2006</u>	(Restated) Net Cost of Services <u>2006</u>
Program Expenses:				
General government	\$ 6,578,566	\$ 4,550,187	\$ 6,918,887	\$ 6,040,861
Security of persons and property	14,252,725	13,482,919	15,284,191	14,306,356
Public health	434,833	352,570	478,870	423,111
Leisure time activities	2,208,765	1,909,602	2,362,474	2,090,325
Community and economic development	1,527,660	1,064,915	1,723,424	1,470,706
Transportation	5,164,464	2,919,681	3,466,779	1,323,709
Interest and fiscal charges	<u>831,442</u>	<u>831,442</u>	<u>594,333</u>	<u>594,333</u>
Total Expenses	<u>\$ 30,998,455</u>	<u>\$ 25,111,316</u>	<u>\$ 30,828,958</u>	<u>\$ 26,249,401</u>

The dependence upon general revenues for governmental activities is apparent, with 81.01% of expenses supported through taxes and other general revenues in 2007 and 85.15% in 2006.

Business-Type Activities

Water system expenses were \$4,404,703 for the year, which were offset by the \$5,167,026 in charges for services generated by the water system through the operation of the City's water distribution system in 2007.

Golf expenses were \$1,304,665 for the year, which were offset by the \$961,526 in charges for services generated by the Fox Den Golf Course through user fees. In 2007, The City paid off \$5,500,000 in notes issued during 2006 through a \$5,500,000 bond issue. The debt was issued to finance the purchase of the Fox Den Golf Course.

Storm water utility expenses were \$907,519 for the year, which were offset by the \$788,270 in charges for services generated by the storm water system in 2007.

The City experienced an increase in net assets of \$1,342,991 in the area of business-type activities in 2007. Water system revenues totaled \$5,704,102 for the year as compared to \$5,129,516 in 2006. This increase was due to more capital grants and contributions obtained for City water system improvements and increased service charges.

CITY OF STOW, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007 UNAUDITED

Financial Analysis of the City's Funds

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

Governmental Funds

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

As of the end of the current year, the City's governmental funds reported combined ending balances of \$19,575,849, an increase of \$5,083,535 as compared with the prior year. Approximately 58.66 percent of this total year end amount or \$11,482,277, represents unreserved fund balance, which is available at the City's discretion within certain legal constraints and purpose restrictions. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) to liquidate contracts and purchase orders of the prior period (\$7,626,788); 2) to repay loans (\$280,000); and 3) for materials and supplies (\$186,784).

The general fund is the City's chief operating fund. The general fund's year end balance decreased by \$396,059 during the current year to reach an ending total of \$5,882,770. The unreserved fund balance of the general fund was \$5,234,108. As a measure of the general fund's liquidity, it is useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The unreserved fund balance represents 27.90 percent of total general fund expenditures, while total fund balance represents 31.36 percent of such expenditures.

The City's two other major governmental funds are the EMS/fire levy fund and the general capital improvements fund. The fund balance of the EMS/fire levy fund decreased \$50,105 during 2007, an improvement over a \$76,411 decrease in fund balance during 2006. The fund balance of the general capital improvements fund increased \$6,054,380 as a result of the issuance of a \$5,000,000 construction note to finance the construction of the Municipal Courthouse. Construction on the Municipal Courthouse began in late 2007.

Transfers from the general fund to other governmental funds, which occurred principally for funding of pensions, amounted to \$691,852.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail. Unrestricted net assets for the City's water, golf and storm water utility funds at the end of the year amounted to \$3,330,395. Total assets were \$33,816,939 at year-end. The water fund net assets increased 7.56% during 2007 due to increased services charges and controlled expenses.

Budgeting Highlights

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

CITY OF STOW, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED*

Regarding revenues, there were no significant differences between the general fund original budget and the final budget. The income tax revenue projection in the original and final budgets was significantly in excess of actual revenues due to the effects of a poor economy and a partial overestimate of expected revenues. For the reasons indicated, actual total revenues and other financing sources were \$1,028,952 less than final budgeted revenues.

There were no significant differences between the general fund original and final budget estimates for expenditures and other financing uses. Actual amounts for 2007 were less than final budgeted amounts by \$2,333,731. This variance was the result of the conservative budgeting by the City, a large contingency allocation that was not expended, and the decision not to expand the City's safety forces as had been originally contemplated, particularly in the police area, due to insufficient revenue enhancement to pay for such employee expansion.

Capital Assets and Debt Administration

Capital Assets

The City's net investment in capital assets, for both its governmental and business-type activities amounted to \$78,002,715 (net of accumulated depreciation) at year end 2007. The investment in capital assets, which include land, buildings and building improvements, vehicles, equipment, furniture and fixtures, infrastructure and construction in progress, increased by \$5,838,572 during 2007.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Land and improvements	\$ 11,315,360	\$ 10,127,855	\$ 5,377,376	\$ 5,377,376	\$ 16,692,736	\$ 15,505,231
Construction in progress	3,108,666	1,071,785	1,606,646	1,142,994	4,715,312	2,214,779
Buildings and improvements	16,517,663	17,088,395	2,900,111	2,974,588	19,417,774	20,062,983
Vehicles	3,912,139	2,931,700	301,608	284,577	4,213,747	3,216,277
Equipment, furniture and fixtures	1,003,053	1,280,437	100,726	51,384	1,103,779	1,331,821
Infrastructure	<u>12,743,822</u>	<u>12,295,937</u>	<u>19,115,545</u>	<u>17,537,115</u>	<u>31,859,367</u>	<u>29,833,052</u>
Totals	<u>\$48,600,703</u>	<u>\$44,796,109</u>	<u>\$29,402,012</u>	<u>\$27,368,034</u>	<u>\$78,002,715</u>	<u>\$72,164,143</u>

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

Debt

At the end of the current fiscal year, the City's total outstanding general obligation bonded debt for governmental activities amounted to \$9,170,000 (before unamortized charges and unamortized premium). Part of this debt was originally issued in the amount of \$6.44 million in 2004 to pay for the refinancing of the Stow Safety Center debt issued in 1995. The remainder was issued during 2007 in the amount of \$4,200,000 to finance the construction of the Municipal Courthouse. The City also had governmental activity general obligation notes outstanding at year-end in the amount of \$14,565,172. As can be seen from Table 4, the total debt for governmental activities increased \$8,048,562 or 52.32 percent during the year. This significant increase is due to the issuance of general obligation notes and bonds totaling \$9,200,000 to finance the construction of the Municipal Courthouse.

CITY OF STOW, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007 UNAUDITED

Debt related to business-type activity for the City amounted to \$8,399,539 at year-end, which consisted of \$5,585,207 in general obligation bonds, \$2,579,828 in general obligation notes, \$208,520 in Ohio Public Works Commission (OPWC) loans and \$25,984 in Ohio Water Development Authority (OWDA) loans. Total business-type activity debt for the City decreased \$893,881 or 9.62 percent of the total business-type activity outstanding debt at the commencement of the year.

At December 31, 2007, the City's outstanding general obligation bonds were rated "Aa3" by Moody's Investors Service. State statute limits the total amount of debt a governmental entity may issue. The City's debt limitation at year-end, per the limits described by state statute, was substantially higher than the City's existing outstanding debt.

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

Additional information regarding the City's long-term obligations can be found in Note 10 of this report. Note 14 also provides information relating to compensated absences.

Table 4 - Long-Term Debt

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
General obligation bonds	\$ 8,866,189	\$ 4,959,599	\$ 5,585,207	\$ -	\$ 14,451,396	\$ 4,959,599
General obligation notes	14,565,172	10,423,200	2,579,828	9,021,800	17,145,000	19,445,000
OWDA loans	-	-	25,984	51,516	25,984	51,516
OPWC loans	-	-	208,520	220,104	208,520	220,104
Total long-term obligations	\$ 23,431,361	\$ 15,382,799	\$ 8,399,539	\$ 9,293,420	\$ 31,830,900	\$ 24,676,219

Economic Factors and Next Year's Budget

The City is a growing community with a stable and diversified economy. Since 2000, the City's population has grown by 7.0 percent. This growth has facilitated steady total tax revenue increases annually, including 2007. Trends in the local economy compare favorably with those of the state and nation. The City's unemployment rate in 2007 stood at 4.5 percent. The county, state and national unemployment rates were 5.4, 5.6, and 4.6 percent, respectively in 2007.

The City's budgets were forecast conservatively for 2007 and 2008 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 financial information should be addressed to Mr. John Baranek, Director of Finance, Stow City Hall, 3760 Darrow Road, Stow, Ohio 44224.

THIS PAGE IS INTENTIONALLY LEFT BLANK

BASIC
FINANCIAL STATEMENTS

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF STOW, OHIO

*STATEMENT OF NET ASSETS
DECEMBER 31, 2007*

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents.	\$ 20,287,026	\$ 3,777,904	\$ 24,064,930
Receivables:			
Property taxes	7,608,851	-	7,608,851
Income taxes	1,930,944	-	1,930,944
Accounts	243,200	475,887	719,087
Intergovernmental	2,573,948	-	2,573,948
Accrued interest	60,194	-	60,194
Special assessments	72,604	-	72,604
Internal balances	292,050	(292,050)	-
Materials and supplies inventory.	186,784	75,929	262,713
Deferred charges	180,120	85,207	265,327
Capital assets:			
Nondepreciable capital assets	14,424,026	6,984,022	21,408,048
Depreciable capital assets, net.	34,176,677	22,417,990	56,594,667
Total capital assets.	<u>48,600,703</u>	<u>29,402,012</u>	<u>78,002,715</u>
Total assets.	<u>82,036,424</u>	<u>33,524,889</u>	<u>115,561,313</u>
Liabilities:			
Accounts payable.	971,473	188,923	1,160,396
Accrued wages and benefits	123,992	12,196	136,188
Intergovernmental payable	1,126,832	97,052	1,223,884
Unearned revenue.	7,131,344	-	7,131,344
Accrued interest payable.	506,964	218,256	725,220
Claims payable.	523,336	-	523,336
Long-term liabilities:			
Due within one year	2,092,052	912,719	3,004,771
Due in more than one year	26,421,406	7,711,652	34,133,058
Total liabilities	<u>38,897,399</u>	<u>9,140,798</u>	<u>48,038,197</u>
Net assets:			
Invested in capital assets, net of related debt	32,776,346	21,095,746	53,872,092
Restricted for:			
EMS/fire protection	92,699	-	92,699
Police	56,720	-	56,720
Street repair and maintenance.	1,220,649	-	1,220,649
Public health	9,395	-	9,395
Leisure time activities.	493,198	-	493,198
Community and economic development.	382,901	-	382,901
Capital outlay	4,529,421	-	4,529,421
Other purposes	432,532	-	432,532
Unrestricted	<u>3,145,164</u>	<u>3,288,345</u>	<u>6,433,509</u>
Total net assets	<u>\$ 43,139,025</u>	<u>\$ 24,384,091</u>	<u>\$ 67,523,116</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007*

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government.	\$ 6,578,566	\$ 857,393	\$ 170,986	\$ 1,000,000
Security of persons and property	14,252,725	708,292	61,514	-
Public health.	434,833	47,869	34,394	-
Leisure time activities.	2,208,765	295,613	3,550	-
Community and economic development	1,527,660	243,228	219,517	-
Transportation.	5,164,464	20,248	1,818,004	406,531
Interest and fiscal charges.	831,442	-	-	-
Total governmental activities	30,998,455	2,172,643	2,307,965	1,406,531
Business-type Activities:				
Water	4,404,703	5,167,026	-	390,000
Golf	1,304,665	961,526	-	-
Storm Water Utility.	907,519	788,270	-	24,871
Total business-type activities	6,616,887	6,916,822	-	414,871
Total primary government.	\$ 37,615,342	\$ 9,089,465	\$ 2,307,965	\$ 1,821,402

General Revenues:

Property taxes levied for:	
General purposes	
Special revenue	
Municipal income taxes	
Grants and entitlements not restricted to specific programs	
Investment earnings	
Other.	
Total general revenues.	
Transfers.	
Change in net assets	
Net assets at beginning of year (restated).	
Net assets at end of year	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (4,550,187)	\$ -	\$ (4,550,187)
(13,482,919)	-	(13,482,919)
(352,570)	-	(352,570)
(1,909,602)	-	(1,909,602)
(1,064,915)	-	(1,064,915)
(2,919,681)	-	(2,919,681)
(831,442)	-	(831,442)
<u>(25,111,316)</u>	<u>-</u>	<u>(25,111,316)</u>
-	1,152,323	1,152,323
-	(343,139)	(343,139)
-	(94,378)	(94,378)
<u>-</u>	<u>714,806</u>	<u>714,806</u>
<u>(25,111,316)</u>	<u>714,806</u>	<u>(24,396,510)</u>
5,215,178	-	5,215,178
2,424,767	-	2,424,767
12,642,876	197,571	12,840,447
3,890,054	-	3,890,054
1,293,813	-	1,293,813
414,403	320,614	735,017
<u>25,881,091</u>	<u>518,185</u>	<u>26,399,276</u>
<u>(110,000)</u>	<u>110,000</u>	<u>-</u>
659,775	1,342,991	2,002,766
<u>42,479,250</u>	<u>23,041,100</u>	<u>65,520,350</u>
<u>\$ 43,139,025</u>	<u>\$ 24,384,091</u>	<u>\$ 67,523,116</u>

CITY OF STOW, OHIO

*BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2007*

	<u>General</u>	<u>EMS/Fire Tax Levy</u>	<u>General Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in pooled cash and cash equivalents	\$ 5,085,755	\$ 133,440	\$ 11,740,996	\$ 1,841,428	\$ 18,801,619
Receivables:					
Property taxes	5,262,657	1,833,957	-	512,237	7,608,851
Income taxes	1,177,978	-	752,966	-	1,930,944
Accounts	73,976	-	100,000	68,607	242,583
Intergovernmental	1,645,413	104,769	-	823,766	2,573,948
Accrued interest	60,194	-	-	-	60,194
Special assessments	-	-	72,604	-	72,604
Loans to other funds	250,000	-	30,000	-	280,000
Materials and supplies	57,609	-	-	129,175	186,784
	<u>\$ 13,613,582</u>	<u>\$ 2,072,166</u>	<u>\$ 12,696,566</u>	<u>\$ 3,375,213</u>	<u>\$ 31,757,527</u>
Total assets					
Liabilities:					
Accounts payable	\$ 150,341	\$ 9,340	\$ 657,534	\$ 154,258	\$ 971,473
Accrued wages and benefits	110,177	13,182	-	633	123,992
Intergovernmental payable	650,065	137,704	-	339,063	1,126,832
Deferred revenue	1,865,821	211,461	227,937	492,818	2,798,037
Unearned revenue	4,954,408	1,726,536	-	450,400	7,131,344
Loans from other funds	-	-	-	30,000	30,000
	<u>7,730,812</u>	<u>2,098,223</u>	<u>885,471</u>	<u>1,467,172</u>	<u>12,181,678</u>
Total liabilities					
Fund Balances:					
Reserved for encumbrances	341,053	10,572	7,086,245	188,918	7,626,788
Reserved for materials and supplies	57,609	-	-	129,175	186,784
Reserved for loans	250,000	-	30,000	-	280,000
Unreserved, undesignated, reported in:					
General fund	5,234,108	-	-	-	5,234,108
Special revenue funds	-	(36,629)	-	1,589,948	1,553,319
Capital projects funds	-	-	4,694,850	-	4,694,850
	<u>5,882,770</u>	<u>(26,057)</u>	<u>11,811,095</u>	<u>1,908,041</u>	<u>19,575,849</u>
Total fund balances (deficit)					
Total liabilities and fund balances	<u>\$ 13,613,582</u>	<u>\$ 2,072,166</u>	<u>\$ 12,696,566</u>	<u>\$ 3,375,213</u>	<u>\$ 31,757,527</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2007*

Total governmental fund balances		\$ 19,575,849
<i>Amounts reported for governmental activities on the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		48,600,703
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Delinquent property taxes	\$ 443,692	
Municipal income taxes	388,332	
Intergovernmental	1,868,772	
Special assessments	72,604	
Interest	24,637	
Total	2,798,037	2,798,037
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The long-term liabilities are as follows:		
Compensated absences	(5,082,097)	
General obligation bonds payable	(9,170,000)	
Construction notes payable	(14,565,172)	
Total	(28,817,269)	(28,817,269)
In the statement of activities interest is accrued on outstanding bonds and notes payable, whereas in governmental funds, interest expenditures are reported when due.		(506,964)
Bond issuance costs reported as an expenditure in the funds are allocated as an expense over the life of the debt on a full accrual basis.		180,120
Unamortized premiums on bond issuance are not recognized in the funds.		(58,640)
Unamortized deferred charges on refundings are not recognized in the funds.		362,451
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		962,688
An internal balance is recorded in governmental activities to reflect underpayments to the internal service fund by the business-type activities.		42,050
Net assets of governmental activities		\$ 43,139,025

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>General</u>	<u>EMS/Fire Tax Levy</u>	<u>General Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property and other taxes	\$ 5,068,843	\$ 1,762,435	\$ -	\$ 598,031	\$ 7,429,309
Income taxes	8,091,798	-	2,884,723	1,619,057	12,595,578
Special assessments	-	-	20,248	52,441	72,689
Charges for services	318,869	-	-	595,039	913,908
Licenses and permits	674,105	-	-	-	674,105
Fines and forfeitures	154,267	-	-	4,796	159,063
Intergovernmental	3,122,293	236,146	1,217,681	2,334,164	6,910,284
Investment income	1,285,915	-	-	23,163	1,309,078
Rent	198,025	-	-	82,249	280,274
Contributions and donations	16,375	-	-	37,339	53,714
Other	126,191	15,187	348,709	96,982	587,069
Total revenues	<u>19,056,681</u>	<u>2,013,768</u>	<u>4,471,361</u>	<u>5,443,261</u>	<u>30,985,071</u>
Expenditures:					
Current:					
General government	5,670,208	-	-	12,272	5,682,480
Security of persons and property	8,767,159	2,070,791	-	1,373,410	12,211,360
Public health	384,148	-	-	18,737	402,885
Leisure time activities	1,816,525	-	-	151,101	1,967,626
Community and economic development	1,291,855	-	-	65,844	1,357,699
Transportation	530,993	-	-	2,948,533	3,479,526
Capital outlay	300,000	3,529	6,939,939	796,929	8,040,397
Debt service:					
Principal retirement	-	3,275,000	6,748,200	785,000	10,808,200
Interest and fiscal charges	-	-	303,518	349,479	652,997
Bond issuance costs	-	-	60,040	-	60,040
Total expenditures	<u>18,760,888</u>	<u>5,349,320</u>	<u>14,051,697</u>	<u>6,501,305</u>	<u>44,663,210</u>
Excess (deficiency) of revenues over (under) expenditures	<u>295,793</u>	<u>(3,335,552)</u>	<u>(9,580,336)</u>	<u>(1,058,044)</u>	<u>(13,678,139)</u>
Other financing sources (uses):					
Bonds issued	-	-	4,200,000	-	4,200,000
Notes issued	-	3,275,000	11,290,172	-	14,565,172
Premium on bonds and notes	-	10,447	96,055	-	106,502
Transfers in	-	-	158,489	691,852	850,341
Transfers out	<u>(691,852)</u>	<u>-</u>	<u>(110,000)</u>	<u>(158,489)</u>	<u>(960,341)</u>
Total other financing sources (uses)	<u>(691,852)</u>	<u>3,285,447</u>	<u>15,634,716</u>	<u>533,363</u>	<u>18,761,674</u>
Net change in fund balances	(396,059)	(50,105)	6,054,380	(524,681)	5,083,535
Fund balances at beginning of year	<u>6,278,829</u>	<u>24,048</u>	<u>5,756,715</u>	<u>2,432,722</u>	<u>14,492,314</u>
Fund balances at end of year	<u>\$ 5,882,770</u>	<u>\$ (26,057)</u>	<u>11,811,095</u>	<u>\$ 1,908,041</u>	<u>\$ 19,575,849</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007*

Net change in fund balances - total governmental funds		\$ 5,083,535
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital asset additions	\$ 6,927,367	
Current year depreciation	<u>(2,566,524)</u>	
Total		4,360,843
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(556,249)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property taxes	210,636	
Intergovernmental	467,886	
Municipal income taxes	47,298	
Special assessments	72,604	
Interest	<u>(15,265)</u>	
Total		783,159
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement net assets.		
		10,808,200
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.		
Accrued interest	(191,957)	
Unamortized charges	(32,950)	
Bond premium	(58,640)	
Bond issuance costs	<u>58,640</u>	
Total		(224,907)
The issuance of bonds and notes is recorded as revenue in the funds, however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net assets.		
		(18,765,172)
Some expenses, such as compensated absences, reported in the statement of activities do not require the use of financial resources and therefore are not reported as expenditures in governmental funds.		
		(326,457)
Internal service funds used by management to charge the cost of insurance, to individual funds is not reported in the expenditures and related internal service fund revenues are eliminated. The net revenue of the internal service funds are allocated among the governmental activities		
		<u>(503,177)</u>
Change in net assets of governmental activities		\$ 659,775

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other taxes	\$ 5,041,710	\$ 5,069,508	\$ 5,068,843	\$ (665)
Income taxes	9,241,701	9,292,656	8,040,259	(1,252,397)
Charges for services	298,355	300,000	343,165	43,165
Licenses and permits.	707,101	691,000	670,762	(20,238)
Fines and forfeitures.	119,342	120,000	147,071	27,071
Intergovernmental	3,772,249	3,813,047	3,208,060	(604,987)
Investment income	571,847	575,000	1,368,726	793,726
Rental income	-	-	198,025	198,025
Contributions and donations.	-	-	16,375	16,375
Other	405,266	407,500	128,473	(279,027)
Total revenues.	<u>20,157,571</u>	<u>20,268,711</u>	<u>19,189,759</u>	<u>(1,078,952)</u>
Expenditures:				
Current:				
General government	6,461,206	6,563,755	5,874,257	689,498
Security of persons and property.	9,777,876	9,933,064	8,889,235	1,043,829
Public health	431,062	437,904	391,886	46,018
Leisure time activities.	2,057,918	2,090,580	1,870,889	219,691
Community and economic environment	1,453,716	1,476,788	1,321,598	155,190
Transportation	590,480	599,851	536,815	63,036
Capital outlay	329,990	335,228	300,000	35,228
Total expenditures.	<u>21,102,248</u>	<u>21,437,170</u>	<u>19,184,680</u>	<u>2,252,490</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(944,677)</u>	<u>(1,168,459)</u>	<u>5,079</u>	<u>1,173,538</u>
Other financing sources (uses):				
Transfers out	(761,015)	(773,093)	(691,852)	81,241
Advance in	-	-	50,000	50,000
Total other financing sources (uses).	<u>(761,015)</u>	<u>(773,093)</u>	<u>(641,852)</u>	<u>131,241</u>
Net change in fund balance	(1,705,692)	(1,941,552)	(636,773)	1,304,779
Fund balance at beginning of year	4,358,207	4,358,207	4,358,207	-
Prior year encumbrances appropriated.	798,915	798,915	798,915	-
Fund balance at end of year	<u>\$ 3,451,430</u>	<u>\$ 3,215,570</u>	<u>\$ 4,520,349</u>	<u>\$ 1,304,779</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMS/FIRE LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other local taxes	\$ 1,742,577	\$ 1,750,889	\$ 1,762,435	\$ 11,546
Intergovernmental.	1,731,446	1,739,705	235,417	(1,504,288)
Other	<u>1,038,052</u>	<u>1,043,003</u>	<u>15,187</u>	<u>(1,027,816)</u>
Total revenues	<u>4,512,075</u>	<u>4,533,597</u>	<u>2,013,039</u>	<u>(2,520,558)</u>
Expenditures:				
Current:				
Security of persons and property.	2,318,739	2,447,341	2,060,621	386,720
Capital outlay.	6,671	7,041	5,880	1,161
Debt service:				
Principal retirement	<u>3,173,855</u>	<u>3,349,883</u>	<u>3,275,000</u>	<u>74,883</u>
Total expenditures	<u>5,499,265</u>	<u>5,804,265</u>	<u>5,341,501</u>	<u>462,764</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(987,190)</u>	<u>(1,270,668)</u>	<u>(3,328,462)</u>	<u>(2,057,794)</u>
Other financing sources:				
Notes issued	3,607,792	3,625,000	3,275,000	(350,000)
Premium on notes	-	-	10,447	10,447
Total other financing sources	<u>3,607,792</u>	<u>3,625,000</u>	<u>3,285,447</u>	<u>(339,553)</u>
Net change in fund balance	2,620,602	2,354,332	(43,015)	(2,397,347)
Fund balance at beginning of year	126,578	126,578	126,578	-
Prior year encumbrances appropriated.	<u>29,965</u>	<u>29,965</u>	<u>29,965</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,777,145</u>	<u>\$ 2,510,875</u>	<u>\$ 113,528</u>	<u>\$ (2,397,347)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

STATEMENT OF FUND NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2007

	Business-type Activities -Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Golf	Storm Water Utility	Total	
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents . . .	\$ 3,454,562	\$ 164,524	\$ 158,818	\$ 3,777,904	\$ 1,485,407
Receivables:					
Accounts	390,269	2,791	82,827	475,887	617
Materials and supplies inventory	75,929	-	-	75,929	-
Total current assets	<u>3,920,760</u>	<u>167,315</u>	<u>241,645</u>	<u>4,329,720</u>	<u>1,486,024</u>
Noncurrent assets:					
Deferred charges	-	85,207	-	85,207	-
Capital assets:					
Nondepreciable capital assets	1,868,657	5,115,365	-	6,984,022	-
Depreciable capital assets, net.	16,825,608	176,857	5,415,525	22,417,990	-
Total noncurrent assets	<u>18,694,265</u>	<u>5,377,429</u>	<u>5,415,525</u>	<u>29,487,219</u>	<u>-</u>
Total assets	<u>22,615,025</u>	<u>5,544,744</u>	<u>5,657,170</u>	<u>33,816,939</u>	<u>1,486,024</u>
Liabilities:					
Current liabilities:					
Accounts payable	136,781	18,848	33,294	188,923	-
Accrued wages and benefits.	8,911	583	2,702	12,196	-
Intergovernmental	56,826	27,092	13,134	97,052	-
Accrued interest payable.	66,995	151,261	-	218,256	-
Claims payable.	-	-	-	-	523,336
Notes payable	833,760	-	-	833,760	-
Current portion of general obligation bonds payable	-	10,000	-	10,000	-
Current portion of OWDA loans.	25,984	-	-	25,984	-
Current portion of OPWC loan	11,584	-	-	11,584	-
Current portion of compensated absences . . .	25,502	-	5,889	31,391	-
Total current liabilities	<u>1,166,343</u>	<u>207,784</u>	<u>55,019</u>	<u>1,429,146</u>	<u>523,336</u>
Long-term liabilities:					
Notes payable	1,746,068	-	-	1,746,068	-
General obligation bonds payable	-	5,575,207	-	5,575,207	-
OPWC loan	196,936	-	-	196,936	-
Loans from other funds	250,000	-	-	250,000	-
Compensated absences	160,167	-	33,274	193,441	-
Total long-term liabilities	<u>2,353,171</u>	<u>5,575,207</u>	<u>33,274</u>	<u>7,961,652</u>	<u>-</u>
Total liabilities	<u>3,519,514</u>	<u>5,782,991</u>	<u>88,293</u>	<u>9,390,798</u>	<u>523,336</u>
Net assets:					
Invested in capital assets, net of related debt.	15,879,933	(199,712)	5,415,525	21,095,746	-
Unrestricted.	3,215,578	(38,535)	153,352	3,330,395	962,688
Total net assets	<u>\$ 19,095,511</u>	<u>\$ (238,247)</u>	<u>\$ 5,568,877</u>	<u>24,426,141</u>	<u>\$ 962,688</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				(42,050)	
Net assets of business-type activities				<u>\$ 24,384,091</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007*

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Golf	Storm Water Utility	Total	
Operating revenues:					
Charges for services	\$ 4,984,055	\$ 961,526	\$ 788,270	\$ 6,733,851	\$ 2,194,798
Tap-in fees	182,971	-	-	182,971	-
Other	147,076	173,054	484	320,614	55
Total operating revenues	5,314,102	1,134,580	788,754	7,237,436	2,194,853
Operating expenses:					
Personal services	1,113,461	488,108	272,416	1,873,985	-
Contract services	2,616,701	212,953	330,755	3,160,409	214,887
Materials and supplies	85,947	358,199	37,377	481,523	-
Claims	-	-	-	-	2,536,917
Depreciation	424,254	4,966	237,872	667,092	-
Other	-	-	18,300	18,300	-
Total operating expenses	4,240,363	1,064,226	896,720	6,201,309	2,751,804
Operating income (loss)	1,073,739	70,354	(107,966)	1,036,127	(556,951)
Nonoperating revenues (expenses):					
Income taxes	-	197,571	-	197,571	-
Intergovernmental	390,000	-	24,871	414,871	-
Interest expense and fiscal charges	(119,126)	(240,161)	-	(359,287)	-
Loss on disposal of capital assets	(2,516)	-	-	(2,516)	-
Total nonoperating revenues (expenses)	268,358	(42,590)	24,871	250,639	-
Income (loss) before transfers	1,342,097	27,764	(83,095)	1,286,766	(556,951)
Transfers in	-	-	110,000	110,000	-
Changes in net assets	1,342,097	27,764	26,905	1,396,766	(556,951)
Net assets (deficit) at beginning of year (restated)	17,753,414	(266,011)	5,541,972		1,519,639
Net assets (deficit) at end of year	\$ 19,095,511	\$ (238,247)	\$ 5,568,877		\$ 962,688
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				(53,775)	
Changes in net assets of business-type activities				\$ 1,342,991	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007*

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Golf	Storm Water Utility	Total	
Cash flows from operating activities:					
Cash received from customers	\$ 4,946,900	\$ 961,524	\$ 787,390	\$ 6,695,814	\$ 2,269,194
Cash received from tap-in fees	182,971	-	-	182,971	-
Cash received from other operations.	147,076	170,265	484	317,825	55
Cash payments for personal services	(1,069,504)	(480,979)	(249,069)	(1,799,552)	-
Cash payments for contract services	(2,773,807)	(215,520)	(330,641)	(3,319,968)	(219,887)
Cash payments for materials and supplies	(75,039)	(352,148)	(39,521)	(466,708)	-
Cash payments for claims	-	-	-	-	(2,208,967)
Cash payments for other expenses	-	-	(18,300)	(18,300)	-
Net cash provided by (used in) operating activities.	<u>1,358,597</u>	<u>83,142</u>	<u>150,343</u>	<u>1,592,082</u>	<u>(159,605)</u>
Cash flows from noncapital financing activities:					
Income taxes	-	197,571	-	197,571	-
Transfers in from other funds	-	-	110,000	110,000	-
Cash payments to other funds	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>	<u>-</u>
Net cash provided by (used in) noncapital financing activities	<u>(50,000)</u>	<u>197,571</u>	<u>110,000</u>	<u>257,571</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets.	(2,309,536)	(48,610)	(395,403)	(2,753,549)	-
Principal retirement	(3,558,916)	(5,500,000)	-	(9,058,916)	-
Intergovernmental.	390,000	-	24,871	414,871	-
Bond issuance.	-	5,500,000	-	5,500,000	-
Note issuance	2,579,828	-	-	2,579,828	-
Premium on bonds and notes	8,230	87,487	-	95,717	-
Bond issue costs.	-	(87,487)	-	(87,487)	-
Interest and fiscal charges.	<u>(162,370)</u>	<u>(247,571)</u>	<u>-</u>	<u>(409,941)</u>	<u>-</u>
Net cash used in capital and related financing activities	<u>(3,052,764)</u>	<u>(296,181)</u>	<u>(370,532)</u>	<u>(3,719,477)</u>	<u>-</u>
Net decrease in cash and cash equivalents.	(1,744,167)	(15,468)	(110,189)	(1,869,824)	(159,605)
Cash and cash equivalents at beginning of year	<u>5,198,729</u>	<u>179,992</u>	<u>269,007</u>	<u>5,647,728</u>	<u>1,645,012</u>
Cash and cash equivalents at end of year . . .	<u>\$ 3,454,562</u>	<u>\$ 164,524</u>	<u>\$ 158,818</u>	<u>\$ 3,777,904</u>	<u>\$ 1,485,407</u>

-- continued

CITY OF STOW, OHIO

*STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2007*

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Golf	Storm Water Utility	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 1,073,739	\$ 70,354	\$ (107,966)	\$ 1,036,127	\$ (556,951)
Adjustments:					
Depreciation.	424,254	4,966	237,872	667,092	-
Changes in assets and liabilities:					
Decrease in materials and supplies inventory	3,166	-	-	3,166	-
(Increase) decrease in accounts receivable	(37,155)	(2,791)	(880)	(40,826)	74,396
Increase (decrease) in accounts payable.	101,017	5,593	7,834	114,444	(5,000)
Increase in accrued wages and benefits	1,569	97	823	2,489	-
Increase (decrease) in due to other governments	(246,975)	4,923	1,282	(240,770)	-
Increase in compensated absences payable	38,982	-	11,378	50,360	-
Increase in claims payable	-	-	-	-	327,950
Net cash provided by (used in) operating activities.	<u>\$ 1,358,597</u>	<u>\$ 83,142</u>	<u>\$ 150,343</u>	<u>\$ 1,592,082</u>	<u>\$ (159,605)</u>

During 2007, the Water, Golf, and Storm Water Utility funds purchased \$14,967, \$279, and \$420 of capital assets on account. During 2006, the Water, Golf and Storm Water Utility funds purchased \$41,214, \$24,169, and \$246 of capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2007*

	<u>Private Purpose Trust</u>	<u>Agency</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 1,800	\$ 594,021
Total assets	<u>1,800</u>	<u>\$ 594,021</u>
Liabilities:		
Undistributed monies	<u>-</u>	<u>\$ 594,021</u>
Total liabilities	<u>-</u>	<u>\$ 594,021</u>
Net assets:		
Held in trust	<u>1,800</u>	
Total net assets	<u>\$ 1,800</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Private Purpose Trust</u>
Additions:	
Contributions	\$ 550
Total additions	<u>550</u>
Changes in net assets	550
Net assets at beginning of year	<u>\$ 1,250</u>
Net assets at end of year	<u><u>\$ 1,800</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 1 - DESCRIPTION OF THE CITY

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards, agencies and commissions that are not legally separate from the City.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; (3) the City is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to, the organization; (4) or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes. The City has no component units.

B. Basis of Presentation - Fund Accounting

The City's BFS consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

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 activities of the internal service funds are eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

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

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

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

C. Fund Accounting

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

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

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

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

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

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

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

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

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

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

Water Fund - This fund accounts for revenues generated from the charges for the treatment and provisions of water to the residents and commercial users of the City.

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

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

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

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

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

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

D. Measurement Focus

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

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

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

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

E. Basis of Accounting

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

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.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned (see Note 8). Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax, local government funds and permissive tax), interest, grants, fees and rentals.

Unearned Revenue and Deferred Revenue - Unearned revenue and deferred revenue arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2007, but which were levied to finance year 2008 operations, and other revenues received in advance of the fiscal year for which they were intended to finance, have been recorded as unearned revenue. Income taxes and special assessments not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at December 31, 2007, are recorded as deferred revenue.

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

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

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

F. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Tax Budget (or the Alternative Tax Budget as permitted by law), the Certificate of Estimated Resources, and the Annual Appropriation Ordinance, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Annual Appropriation Ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control has been established by Council at the personal services and other object level within each department of each fund. For both the personal services and object levels the Finance Director has been authorized to allocate appropriations within any object level which he maintains on his books, other than personal services.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

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 original and final amended official Certificate of Estimated Resources issued during 2007.

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

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

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

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

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

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

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

G. Cash, Cash Equivalents and Investments

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

During fiscal year 2007, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), repurchase agreements, and federal agency securities.

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

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on December 31, 2007.

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 2007 amounted to \$1,285,915 of which \$992,027 was assigned from other City funds.

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

H. Interfund Balances

On fund financial statements, long-term interfund loans are classified as "loans to/from other funds." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

I. Inventory

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

J. Capital Assets

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

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

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

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

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

K. Compensated Absences

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

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

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources based upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated unpaid leave are paid.

L. Accrued Liabilities and Long-Term Obligations

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

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

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 and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term notes are recognized as a liability on the governmental fund financial statements when due.

M. Fund Balance Reserves

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

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

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

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

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

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

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

P. Operating Revenues and Expenses

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

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

Q. Contributions of Capital

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

R. Interfund Activity

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

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2007.

T. Estimates

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Restatement of Net Assets

For fiscal year 2007, the City has modified its method of calculating the termination rate for use in determining the sick leave liability. The change in calculation of the termination rate had the following effect on the City's net assets at January 1, 2007:

	Governmental Activities	Business-type Activities
Net assets at December 31, 2006	\$ 45,956,077	\$ 23,150,091
Adjustment for termination rate	(3,476,827)	(108,991)
Net assets at January 1, 2007, restated	42,479,250	23,041,100

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE (Continued)

	Enterprise Funds	
	Water	Storm Water Utility
Net assets at December 31, 2006	\$ 17,845,678	\$ 5,558,700
Adjustment for termination rate	(92,264)	(16,728)
Net assets at January 1, 2007, restated	\$ 17,753,414	\$ 5,541,972

B. Deficit Fund Balances

Fund balances/net assets, at December 31, 2007 included the following individual fund deficits:

	Deficit
<u>Major Governmental Fund</u>	
EMS/fire tax levy	\$ 26,057
<u>Nonmajor Governmental Funds</u>	
Police pension and disability	151,285
Fire pension and disability	146,638
Special assessment improvements	23,677
<u>Major Enterprise Fund</u>	
Golf	238,247

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

C. Change in Accounting Principles

For 2007, the City has implemented GASB Statement No. 48 "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues". GASB Statement No. 48 established criteria to ascertain whether certain transactions should be regarded as sales or as collateralized borrowings, as well as disclosure requirements for future revenues that are pledged and sold. The implementation of GASB Statement No. 48 did not have an effect on the financial statements of the City.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. High grade commercial paper for a period not to exceed 180 days in an amount not to exceed twenty-five percent of the City's interim monies available for investment; and
8. Bankers acceptances for a period not to exceed 180 days and in an amount not to exceed twenty-five percent of the City's interim monies available for investment.

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

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

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

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 4 - 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.

A. Deposits with Financial Institutions

At December 31, 2007, the carrying amount of all City deposits was \$(87,395) exclusive of the \$2,320,000 repurchase agreement included in investments below. A liability was not recorded for the negative carrying amount of deposits because there was no actual overdraft, due to the “zero-balance” nature of the City’s bank accounts. The negative carrying amount of deposits is due to the sweeping of monies into overnight repurchase agreements which are reported as “investments”. As of December 31, 2007, the City’s bank balance was \$282,802, of which \$182,802 was exposed to custodial risk as discussed below, while \$100,000 was covered by the Federal Deposit Insurance Corporation.

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

B. Investments

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

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>			
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>
FHLB	\$ 2,495,840	\$ 2,495,840	\$ -	\$ -	\$ -
FFCB	1,503,280	-	1,000,310	-	502,970
FHLMC	994,375	-	495,625	498,750	-
FNMA	1,000,470	-	500,470	500,000	-
STAR Ohio	16,434,181	16,434,181	-	-	-
Repurchase Agreement	<u>2,320,000</u>	<u>2,320,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 24,748,146</u>	<u>\$ 21,250,021</u>	<u>\$ 1,996,405</u>	<u>\$ 998,750</u>	<u>\$ 502,970</u>

The weighted average maturity of the City’s investments is 0.18.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

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

The following table includes the percentage of each investment type held by the City at December 31, 2007:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FHLB	\$ 2,495,840	10.08
FFCB	1,503,280	6.07
FHLMC	994,375	4.02
FNMA	1,000,470	4.04
STAR Ohio	16,434,181	66.41
Repurchase Agreement	<u>2,320,000</u>	<u>9.38</u>
	<u>\$ 24,748,146</u>	<u>100.00</u>

C. Reconciliation of Cash and Investment to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of December 31, 2007:

<u>Cash and Investments per footnote</u>	
Carrying amount of deposits	\$ (87,395)
Investments	<u>24,748,146</u>
Total	<u>\$ 24,660,751</u>

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

<u>Equity in Pooled Cash per Statement of Net Assets</u>	
Governmental activities	\$ 20,287,026
Business type activities	3,777,904
Private purpose trust funds	1,800
Agency funds	<u>594,021</u>
Total	<u>\$ 24,660,751</u>

NOTE 5 - INTERFUND TRANSACTIONS

Interfund loan receivables/payables balances at December 31, 2007, consist of the following individual fund receivables and payables:

<u>Payable Fund</u>	<u>Receivable Funds</u>	
	<u>General</u>	<u>General Capital Improvements</u>
Nonmajor governmental	\$ -	\$ 30,000
Water	250,000	-

The \$250,000 loan from the general fund to the water fund will be repaid in accordance with the approved repayment schedule of \$50,000 per year through 2012. No repayment schedule has been implemented for the \$30,000 loan from the general capital improvements fund to the special assessment improvement fund (a nonmajor fund); however the City’s management has asserted the loan will be repaid or converted to a transfer in the next fiscal year. Interfund loan balances between governmental funds are eliminated for reporting on the government-wide statement of net assets. Interfund loan balances between governmental activities and business-type activities are reported as a component of the “internal balances” reported on the statement of net assets.

Interfund transfers for the year ended December 31, 2007, consisted of the following:

<u>Transfer To</u>	<u>Transfers From</u>		
	<u>General</u>	<u>Nonmajor Governmental</u>	<u>General Capital Improvements</u>
General capital improvements	\$ -	\$ 158,489	\$ -
Nonmajor governmental	691,852	-	-
Storm water utility	-	-	110,000

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed. Non-routine transfers include the general capital improvements fund transferring \$110,000 to the storm water utility enterprise fund for operations and the FEMA nonmajor governmental fund transferring \$158,489 to the general capital improvements fund for the purchase of land that was razed after a flood in the area that FEMA subsidized.

CITY OF STOW, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE 6 - RECEIVABLES

Receivables at December 31, 2007, consisted primarily of taxes, accounts (billings for user charged services, rents and royalties), special assessments, accrued interest, loans receivable and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables are deemed collectible in full.

NOTE 7 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the Fiscal Officer at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2002. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2007 public utility property taxes became a lien December 31, 2006, are levied after October 1, 2007, and are collected in 2008 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

Tangible personal property tax revenues received in 2007 (other than public utility property) represent the collection of 2007 taxes. Tangible personal property taxes received in 2007 were levied after October 1, 2006, on the true value as of December 31, 2006. Tangible personal property tax is being phased out - the assessment percentage for property, including inventory, is 12.5% for 2007. This percentage will be reduced to 6.25% for 2008 and zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City due to the phasing out of the tax. In calendar years 2007-2010, the City will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The Fiscal Officer collects property taxes on behalf of all taxing cities in the County, including the City of Stow. The Fiscal Officer periodically remits to the City its portion of the taxes collected. The full tax rate for all City operations for the year ended December 31, 2007 was \$9.50 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2007 property tax receipts were based are as follows:

Real property tax	\$ 807,864,530
Public utility tangible personal property	11,680,280
Tangible personal property	<u>24,319,941</u>
Total assessed valuation	<u>\$ 843,864,751</u>

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 7 - PROPERTY TAXES - (Continued)

Property taxes receivables represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2007. Although total property tax collections for the next year are measurable, they are generally not collected during the available period. The exception to this is any advances received by the City in the first sixty days of the year are credited as property tax revenues with the remainder being credited to deferred revenue.

NOTE 8 - INCOME TAX

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

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

Accordingly, the capital projects portion of income tax revenues approximated \$2,884,723, the street construction fund portion was \$1,050,000, the general bond retirement fund was \$569,057, and the golf fund was \$197,571 for 2007. Initially, 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 \$752,966.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 9 - CAPITAL ASSETS

A. Capital asset activity for the year ended December 31, 2007, was as follows:

<u>Governmental Activities:</u>	<u>Balance</u> <u>12/31/06</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/07</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 10,127,855	\$ 1,187,505	\$ -	\$ 11,315,360
Construction in progress	<u>1,071,785</u>	<u>2,500,086</u>	<u>(463,205)</u>	<u>3,108,666</u>
Total capital assets, not being depreciated	<u>11,199,640</u>	<u>3,687,591</u>	<u>(463,205)</u>	<u>14,424,026</u>
<i>Capital assets, being depreciated:</i>				
Buildings and building improvements	22,752,531	70,979	-	22,823,510
Vehicles	7,004,310	1,832,216	(439,232)	8,397,294
Equipment, furniture and fixtures	4,423,550	76,088	(126,273)	4,373,365
Infrastructure	<u>19,410,427</u>	<u>1,723,698</u>	<u>(702,124)</u>	<u>20,432,001</u>
Total capital assets, being depreciated	<u>53,590,818</u>	<u>3,702,981</u>	<u>(1,267,629)</u>	<u>56,026,170</u>
<i>Less: accumulated depreciation:</i>				
Buildings and building improvements	(5,664,136)	(641,711)	-	(6,305,847)
Vehicles	(4,072,610)	(763,151)	350,606	(4,485,155)
Equipment, furniture and fixtures	(3,143,113)	(328,168)	100,969	(3,370,312)
Infrastructure	<u>(7,114,490)</u>	<u>(833,494)</u>	<u>259,805</u>	<u>(7,688,179)</u>
Total accumulated depreciation	<u>(19,994,349)</u>	<u>(2,566,524)</u>	<u>711,380</u>	<u>(21,849,493)</u>
Total capital assets, being depreciated, net	<u>33,596,469</u>	<u>1,136,457</u>	<u>(556,249)</u>	<u>34,176,677</u>
Governmental activities capital assets, net	<u>\$ 44,796,109</u>	<u>\$ 4,824,048</u>	<u>\$ (1,019,454)</u>	<u>\$ 48,600,703</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 353,130
Security of persons and property	969,771
Public health	6,243
Leisure time activities	156,587
Community and economic development	54,638
Transportation	<u>1,026,155</u>
Total depreciation expense	<u>\$ 2,566,524</u>

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 9 - CAPITAL ASSETS - (Continued)

B. Capital asset activity for the year ended December 31, 2007 was as follows:

<u>Business-type Activities:</u>	<u>Balance</u> <u>12/31/06</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/07</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 5,377,376	\$ -	\$ -	\$ 5,377,376
Construction in progress	<u>1,142,994</u>	<u>2,557,604</u>	<u>(2,093,952)</u>	<u>1,606,646</u>
Total capital assets, not being depreciated	<u>6,520,370</u>	<u>2,557,604</u>	<u>(2,093,952)</u>	<u>6,984,022</u>
<i>Capital assets, being depreciated:</i>				
Buildings and building improvements	3,408,591	7,250	-	3,415,841
Vehicles	443,999	40,929	(45,473)	439,455
Equipment, furniture and fixtures	276,501	70,378	-	346,879
Infrastructure	<u>21,510,966</u>	<u>2,121,377</u>	<u>-</u>	<u>23,632,343</u>
Total capital assets, being depreciated	<u>25,640,057</u>	<u>2,239,934</u>	<u>(45,473)</u>	<u>27,834,518</u>
<i>Less: accumulated depreciation:</i>				
Buildings and building improvements	(434,003)	(81,727)	-	(515,730)
Vehicles	(159,422)	(21,382)	42,957	(137,847)
Equipment, furniture and fixtures	(225,117)	(21,036)	-	(246,153)
Infrastructure	<u>(3,973,851)</u>	<u>(542,947)</u>	<u>-</u>	<u>(4,516,798)</u>
Total accumulated depreciation	<u>(4,792,393)</u>	<u>(667,092)</u>	<u>42,957</u>	<u>(5,416,528)</u>
Total capital assets, being depreciated, net	<u>20,847,664</u>	<u>1,572,842</u>	<u>(2,516)</u>	<u>22,417,990</u>
Business-type activities capital assets, net	<u>\$ 27,368,034</u>	<u>\$ 4,130,446</u>	<u>\$ (2,096,468)</u>	<u>\$ 29,402,012</u>

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

Water	\$ 424,254
Golf	4,966
Storm water utility	<u>237,872</u>
Total depreciation expense	<u>\$ 667,092</u>

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 10 - LONG-TERM OBLIGATIONS

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

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
Business-Type Activities			
OWDA Water Construction Loan	8.09%	\$ 120,663	1/1/2009
OWDA Water Maintenance Loan	7.86%	10,127	7/1/2007
OPWC Lillian Road Waterline Improvement	0.00%	231,688	7/1/2025
Golf Course General Obligation			
Bonds	4.25%-5.25%	5,500,000	12/1/2032
2006 Water System Anticipation	4.50%	900,000	5/10/2007
2006 Service and Parks Maintenance			
Center Construction Note	4.50%	621,800	5/10/2007
2006 Water Meter Reading System Notes	4.50%	2,000,000	5/10/2007
2006 Golf Course Notes	4.50%	5,500,000	5/10/2007
2007 Water System Anticipation	4.00%	400,000	5/9/2008
2007 Service and Parks Maintenance			
Center Construction Note	4.00%	579,828	5/9/2008
2007 Water Meter Reading System Notes	4.00%	1,600,000	5/9/2008
Governmental Activities			
Safety Center Construction General			
Obligation Bond	2.00%-4.05%	6,440,000	12/1/2018
Courthouse General Obligation Bonds	4.25%-5.25%	4,200,000	12/1/2035
2006 Fire Station Construction/			
Equipment Note	4.50%	3,675,000	5/10/2007
2006 Service and Parks Maintenance			
Center Construction Note	4.50%	6,748,200	5/10/2007
2007 Fire Station Construction/			
Equipment Note	4.00%	3,275,000	5/9/2008
2007 Municipal Court			
Center Construction Note	4.00%	5,000,000	5/9/2008
2007 Service and Parks Maintenance			
Center Construction Note	4.00%	6,290,172	5/9/2008

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The compensated absences balances of the governmental activities and business-type activities long-term obligations have been restated at the beginning of the year due to an adjustment for the termination rate used in the calculation of the sick leave liability. Long-term obligations of governmental activities and business-type activities increased from \$16,661,612 to \$20,138,439 and from \$9,358,900 to \$9,467,891, respectively.

Governmental Activities	<u>Restated Balance 12/31/2006</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at 12/31/2007</u>	<u>Amounts Due in One Year</u>
<u>General Obligation Bonds:</u>					
Safety Center Construction					
General Obligation Bonds	\$ 5,355,000	\$ -	\$ (385,000)	\$ 4,970,000	\$ 385,000
Less: Deferred Unamortized Charges	(395,401)	-	32,950	(362,451)	-
Municipal Court General					
Obligation Bonds	-	4,200,000	-	4,200,000	5,000
Add: Unamortized Premium	-	60,040	(1,400)	58,640	-
Total General Obligation Bonds	<u>4,959,599</u>	<u>4,260,040</u>	<u>(353,450)</u>	<u>8,866,189</u>	<u>390,000</u>
<u>Long-Term Notes:</u>					
2006 Construction Note	3,675,000	-	(3,675,000)	-	-
2006 Construction Note	6,748,200	-	(6,748,200)	-	-
2007 Construction Note	-	3,275,000	-	3,275,000	350,000
2007 Construction Note	-	5,000,000	-	5,000,000	-
2007 Construction Note	-	6,290,172	-	6,290,172	366,240
Total Long-Term Notes	<u>10,423,200</u>	<u>14,565,172</u>	<u>(10,423,200)</u>	<u>14,565,172</u>	<u>716,240</u>
<u>Other Debt:</u>					
Compensated Absences	4,755,640	1,345,882	(1,019,425)	5,082,097	985,812
Total Other Debt	<u>4,755,640</u>	<u>1,345,882</u>	<u>(1,019,425)</u>	<u>5,082,097</u>	<u>985,812</u>
Total Governmental Activities	<u>\$ 20,138,439</u>	<u>\$ 20,171,094</u>	<u>\$ (11,796,075)</u>	<u>\$ 28,513,458</u>	<u>\$ 2,092,052</u>

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Business-Type Activities	Restated Balance <u>12/31/2006</u>	<u>Increase</u>	<u>Decrease</u>	Balance at <u>12/31/2007</u>	Amounts Due in <u>One Year</u>
<u>OWDA Loans:</u>					
OWDA Water Construction	\$ 50,019	\$ -	\$ (24,035)	\$ 25,984	\$ 25,984
OWDA Water Maintenance	<u>1,497</u>	<u>-</u>	<u>(1,497)</u>	<u>-</u>	<u>-</u>
Total OWDA Loans	<u>51,516</u>	<u>-</u>	<u>(25,532)</u>	<u>25,984</u>	<u>25,984</u>
<u>OPWC Loan:</u>					
OPWC Lillian Road Water Line Improvement	<u>220,104</u>	<u>-</u>	<u>(11,584)</u>	<u>208,520</u>	<u>11,584</u>
Total OPWC Loans	<u>220,104</u>	<u>-</u>	<u>(11,584)</u>	<u>208,520</u>	<u>11,584</u>
<u>General Obligation Bonds:</u>					
Golf Course General Obligation Bonds	-	5,500,000	-	5,500,000	10,000
Add: Unamortized Premium	<u>-</u>	<u>87,487</u>	<u>(2,280)</u>	<u>85,207</u>	<u>-</u>
Total General Obligation Bonds	<u>-</u>	<u>5,587,487</u>	<u>(2,280)</u>	<u>5,585,207</u>	<u>10,000</u>
<u>Long-Term Notes:</u>					
2006 Water System Anticipation	900,000	-	(900,000)	-	-
2006 Construction Note	621,800	-	(621,800)	-	-
2006 Water Meter Note	2,000,000	-	(2,000,000)	-	-
2006 Golf Course Note	5,500,000	-	(5,500,000)	-	-
2007 Water System Anticipation	-	400,000	-	400,000	400,000
2007 Construction Note	-	579,828	-	579,828	33,760
2007 Water Meter Note	<u>-</u>	<u>1,600,000</u>	<u>-</u>	<u>1,600,000</u>	<u>400,000</u>
Total Long-Term Notes	<u>9,021,800</u>	<u>2,579,828</u>	<u>(9,021,800)</u>	<u>2,579,828</u>	<u>833,760</u>
<u>Other Debt:</u>					
Compensated Absences	<u>174,471</u>	<u>77,702</u>	<u>(27,341)</u>	<u>224,832</u>	<u>31,391</u>
Total Other Debt	<u>174,471</u>	<u>77,702</u>	<u>(27,341)</u>	<u>224,832</u>	<u>31,391</u>
Total Business-Type Activities	<u>\$ 9,467,891</u>	<u>\$ 8,245,017</u>	<u>\$ (9,088,537)</u>	<u>\$ 8,624,371</u>	<u>\$ 912,719</u>

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

General Obligation Bonds, Loans and Notes

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. During 2004, general obligation bonds totaling \$6,440,000 were issued to refund general obligation bonds of \$5,820,000. During 2007 the City issued \$4,200,000 in general obligation bonds to finance the construction of the Municipal Courthouse. General obligation bonds are direct obligations and pledge the full faith and credit of the government. The general obligation bonds will be repaid from income tax monies allocated into the debt service fund from the capital projects funds.

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

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

During 2007 the City retired \$5,500,000 in notes that were issued to finance the acquisition of the Fox Den golf course. These notes were retired with proceeds of general obligation bonds in the amount of \$5,500,000 which were issued on May 9, 2007.

Approximately 8.44 percent of the total original issue amount of \$6,870,000 of the 2007 Service and Parks Maintenance Center Construction Note is being used to finance the Water Department Maintenance and Operational areas of the New Service Building. Therefore \$579,828 (approximately 8.44 percent) of the above mentioned note will be allocated to the water Fund. The remaining \$6,290,172 will be paid from the capital improvement fund. The \$3,275,000 note in governmental activities is being used to finance fire station improvements and the purchase of fire/rescue vehicles and is accounted for in the EMS/fire levy fund. The City issued \$5,000,000 in Municipal Courthouse Construction notes during 2007. The \$400,000 note in the water fund is being used to finance water system improvements. The \$1,600,000 note in the water fund is being used to finance the installation of the automated water meter reading system.

As of December 31, 2007, the City's overall legal debt margin (the ability to issue additional amounts of general obligation debt) was \$76,376,487 and the unvoted legal debt margin was \$44,810,065.

The annual requirements to amortize all long-term debt outstanding as of December 31, 2007 are as follows:

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Year Ended December 31,	Governmental Activities			Business-Type Activities		
	General Obligation Bonds Payable		Total	General Obligation Bonds Payable		Total
	Principal	Interest		Principal	Interest	
2008	\$ 390,000	\$ 455,719	\$ 845,719	\$ 10,000	\$ 366,806	\$ 376,806
2009	480,000	345,090	825,090	145,000	234,440	379,440
2010	495,000	329,370	824,370	145,000	226,828	371,828
2011	510,000	311,279	821,279	150,000	219,215	369,215
2012	530,000	292,805	822,805	160,000	211,340	371,340
2013 - 2017	2,965,000	1,136,448	4,101,448	885,000	928,054	1,813,054
2018 - 2022	1,215,000	640,191	1,855,191	1,080,000	731,460	1,811,460
2023 - 2027	835,000	473,091	1,308,091	1,315,000	501,647	1,816,647
2028 - 2032	1,025,000	287,426	1,312,426	1,610,000	209,869	1,819,869
2033 - 2035	725,000	62,688	787,688	-	-	-
Total	<u>\$ 9,170,000</u>	<u>\$ 4,334,107</u>	<u>\$ 13,504,107</u>	<u>\$ 5,500,000</u>	<u>\$ 3,629,659</u>	<u>\$ 9,129,659</u>

Year Ended December 31,	Business-Type Activities			Business-Type Activities		
	OWDA Loan Payable		Total	OPWC Loan Payable		Total
	Principal	Interest		Principal	Interest	
2008	\$ 25,984	\$ 1,815	\$ 27,799	\$ 11,584	\$ -	\$ 11,584
2009	-	-	-	11,584	-	11,584
2010	-	-	-	11,584	-	11,584
2011	-	-	-	11,584	-	11,584
2012	-	-	-	11,584	-	11,584
2013 - 2017	-	-	-	57,920	-	57,920
2018 - 2022	-	-	-	57,925	-	57,925
2023 - 2025	-	-	-	34,755	-	34,755
Total	<u>\$ 25,984</u>	<u>\$ 1,815</u>	<u>\$ 27,799</u>	<u>\$ 208,520</u>	<u>\$ -</u>	<u>\$ 208,520</u>

NOTE 11 - RISK MANAGEMENT

A. Liability Insurance

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

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 11 - RISK MANAGEMENT - (Continued)

B. Fidelity Bond

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

C. Workers' Compensation

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

D. Employee Health Insurance

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

The claims liability of \$523,336 reported in the self-insurance internal service fund at December 31, 2007 is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Services", which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The claims liability is based on an estimate supplied by the City's third party administrator.

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

	Balance at Beginning <u>of Year</u>	Current <u>Claims</u>	Claims <u>Payment</u>	Balance at <u>End of Year</u>
2007	\$ 195,386	\$ 2,536,917	\$ (2,208,967)	\$ 523,336
2006	318,095	1,957,406	(2,080,115)	195,386

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 12 - DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System

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

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

For the year ended December 31, 2007, the members of all three plans, except those in law enforcement under the Traditional Pension Plan, were required to contribute 9.5% of their annual covered salaries. Members participating in the Traditional Pension Plan that were in law enforcement contributed 10.1% of their annual covered salary. The City's contribution rate for pension benefits for 2007 was 8.85% for the period January 1, 2007 through June 30, 2007 and 7.85% for the period July 1, 2007 through December 31, 2007, except for those plan members in law enforcement and public safety. For those classifications, the City's pension contributions were 12.17% of covered payroll for the period January 1, 2007 through June 30, 2007 and 11.17% of covered payroll for the period July 1, 2007 through December 31, 2007. The Ohio Revised Code provides statutory authority for member and employer contributions. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2007, 2006, and 2005 were \$697,990, \$739,293, and \$988,832, respectively; 74.12% has been contributed for 2007 and 100% has been contributed for 2006 and 2005.

B. Ohio Police and Fire Pension Fund

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

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.5% and 24.0% for police officers and firefighters, respectively. The portion of the City's contributions to fund pension obligations was 12.75% for police officers and 17.25% for firefighters. The City's required contributions for pension obligations to OP&F for police officers and firefighters were \$362,858 and \$598,949 for the year ended December 31, 2007, \$317,591 and \$557,820 for the year ended December 31, 2006, and \$283,225 and \$537,866 for the year ended December 31, 2005. The full amount has been contributed for 2006 and 2005. 72.66% for police officers and 72.65% for firefighters has been contributed for 2007 with the remainder being reported as a liability.

NOTE 13 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides post-employment health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the Traditional Pension or Combined Plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the Member-Directed Plan do not qualify for post-employment health care coverage. The health care coverage provided by OPERS is considered an Other Post-employment Benefit as described in GASB Statement No. 12, "Disclosure of Information on Post-employment Benefits other than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to the Traditional Pension or Combined Plans is set aside for the funding of post-employment health care based on authority granted by State statute. The 2007 local government employer contribution rate was 13.85% of covered payroll (17.17% for public safety and law enforcement); 5.00% of covered payroll was the portion that was used to fund health care for the period January 1, 2007 through June 30, 2007 and 6.00% of covered payroll was the portion that was used to fund health care for the period July 1, 2007 through December 31, 2007.

Benefits are advance-funded using the entry age actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.50%, an annual increase in active employee total payroll of 4.00% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50% and 6.30% based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate (4.00%) plus and an additional factor ranging from .50% to 5.00% for the next eight years. In subsequent years, (nine and beyond) health care costs were assumed to increase at 4.00%.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

The number of active contributing participants in the Traditional Pension and Combined Plans was 374,979 as of December 31, 2007. The City's actual employer contributions for 2007 which were used to fund post-employment benefits were \$463,759. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2006 (the latest information available) were \$12.0 billion. At December 31, 2006 (the latest information available), the actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 13 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides post-employment health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. 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 OP&F is considered an Other Post-employment Benefit as described in GASB Statement No. 12, "Disclosure of Information on Post-employment Benefits other than Pension Benefits by State and Local Government Employers". The Ohio Revised Code provides the authority allowing the OP&F's Board of Trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5% of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll, of which 6.75% of covered payroll was applied to the post-employment health care program during 2007. 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 City's actual contributions for 2007 that were used to fund post-employment benefits were \$191,971 for police officers and \$234,082 for firefighters. The OP&F's total health care expense for the year ended December 31, 2006 (the latest information available) was \$120.374 million, which was net of member contributions of \$58.533 million. The number of OP&F participants eligible to receive health care benefits as of December 31, 2006 (the latest information available), was 14,120 for police officers and 10,563 for firefighters.

NOTE 14 - COMPENSATED ABSENCES

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

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 14 - 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 up to 1,000 hours and 50 percent of unused sick leave up to a maximum hours of an additional 1,000 hours at the current base rate, but only to the extent such benefits have been earned as employees of the City. In the case of retirement or death of an employee hired on or after July 1, 1996, the employee or his/her estate is paid 100 percent of the unused amount accumulated to a maximum of 1,000 hours and is not eligible to receive cash payment of 50 percent of unused sick leave up to a maximum of an additional 1,000 hours. The entitlement award for firefighters is prorated according to their respective work year.

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

As of December 31, 2007, the liability for compensated absences was \$5,306,929 for the entire City.

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues and other sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

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

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

Net Change in Fund Balance

	<u>General</u>	<u>EMS/Fire Tax Levy</u>
Budget basis	\$ (636,773)	\$ (43,015)
Net adjustment for revenue accruals	(133,078)	729
Net adjustment for expenditure accruals	(78,763)	(27,731)
Net adjustment for other sources/uses	(50,000)	-
Adjustment for encumbrances	<u>502,555</u>	<u>19,912</u>
GAAP basis	<u>\$ (396,059)</u>	<u>\$ (50,105)</u>

NOTE 16 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the reporting units included herein or on the overall financial position of the City at December 31, 2007.

B. Litigation

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

NOTE 17 - SIGNIFICANT SUBSEQUENT EVENTS

The following notes were due and refinanced in 2008:

- The \$400,000 2007 Water System Anticipation Note was retired in full on May 8, 2008.
- The \$6,870,000 2007 Construction Note was retired and \$6,470,000 in bonds was issued on May 8, 2008.
- The \$3,275,000 2007 Construction and Equipment Notes were retired and \$775,000 in notes and \$2,150,000 in bonds were issued on May 8, 2008.
- The \$5,000,000 2007 Municipal Courthouse Construction Notes were retired and \$5,000,000 was refinanced on May 8, 2008.
- The \$1,600,000 2007 Water Meter Notes were retired and \$1,200,000 was refinanced on May 8, 2008.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 17 - SIGNIFICANT SUBSEQUENT EVENTS - (Continued)

The City also issued the following notes in 2008:

- \$2,750,000 in notes on May 8, 2008 to finance the Rt. 8 Interchange construction project.
- \$950,000 in notes on May 8, 2008 to finance the Steels Corners upgrade construction project.

THIS PAGE IS INTENTIONALLY LEFT BLANK

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF STOW, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

GENERAL FUND

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

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

SPECIAL REVENUE FUNDS

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

Nonmajor Special Revenue Funds

Street Construction Fund

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

State Highway Improvement Fund

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

Police Pension and Disability Fund

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

Fire Pension and Disability Fund

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

Motor Vehicle License Tax Fund

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

ODNR Litter Prevention Grant Fund

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

EMS Transport Fees Fund

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

Police Enforcement and Education Fund

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

CITY OF STOW, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

Nonmajor Special Revenue Funds (Continued)

Special Assessment Improvements Fund

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

Tree Trust Fund

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

Communications Tower Fund

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

Cemetery Trust Fund

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

Park Improvements Fund

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

Other Nonmajor Special Revenue Funds

Federal Law Enforcement Forfeited Fees	Community Relations
Commission of the Arts	SS Ballfield Complex
Safety Town	Park and Recreation Scholarship
D.A.R.E. Program	Police Explorer
Police MVA Fees	Community Development
Youth Division Donations	FEMA
Fire Department Emergency Equipment	Business Assistance
Parks Youth	City Lodging Tax
Police Department Emergency Repair	Residential Snow Removal
Youth Division Teen Center	Enhanced 911 Wireless
Parks Lodge Improvement	Building Education/Seminar

NONMAJOR DEBT SERVICE FUND

General Obligation Bond Retirement Fund

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

MAJOR CAPITAL PROJECTS FUND

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

General Capital Improvements Fund

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

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF STOW, OHIO

*BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2007*

	Nonmajor Special Revenue Funds
	<hr/>
Assets:	
Equity in pooled cash and cash equivalents	\$ 1,841,428
Receivables:	
Property taxes.	512,237
Accounts	68,607
Intergovernmental.	823,766
Materials and supplies inventory	<hr/> 129,175
Total assets	<hr/> <hr/> \$ 3,375,213
Liabilities:	
Accounts payable	\$ 154,258
Accrued wages and benefits	633
Intergovernmental payable.	339,063
Deferred revenue	492,818
Unearned revenue	450,400
Loans from other funds	<hr/> 30,000
Total liabilities	<hr/> 1,467,172
Fund Balances:	
Reserved for encumbrances.	188,918
Reserved for materials and supplies inventory . .	129,175
Unreserved, undesignated, reported in:	
Special revenue funds	<hr/> 1,589,948
Total fund balances	<hr/> 1,908,041
Total liabilities and fund balance	<hr/> <hr/> \$ 3,375,213

CITY OF STOW, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Revenues:			
Property and other taxes	\$ 598,031	\$ -	\$ 598,031
Income taxes	1,050,000	569,057	1,619,057
Special assessments	52,441	-	52,441
Charges for services	595,039	-	595,039
Fines and forfeitures	4,796	-	4,796
Intergovernmental	2,334,164	-	2,334,164
Investment income	23,163	-	23,163
Rent	82,249	-	82,249
Contributions and donations	37,339	-	37,339
Other	96,982	-	96,982
	<hr/>	<hr/>	<hr/>
Total revenues	4,874,204	569,057	5,443,261
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
General government	12,272	-	12,272
Security of persons and property	1,373,410	-	1,373,410
Public health	18,737	-	18,737
Leisure time activities	151,101	-	151,101
Community and economic environment	65,844	-	65,844
Transportation	2,948,533	-	2,948,533
Capital outlay.	796,929	-	796,929
Debt service:			
Principal retirement.	400,000	385,000	785,000
Interest and fiscal charges	165,422	184,057	349,479
	<hr/>	<hr/>	<hr/>
Total expenditures	5,932,248	569,057	6,501,305
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures.	(1,058,044)	-	(1,058,044)
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Transfers in.	691,852	-	691,852
Transfers out	(158,489)	-	(158,489)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	533,363	-	533,363
	<hr/>	<hr/>	<hr/>
Net change in fund balances	(524,681)	-	(524,681)
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	2,432,722	-	2,432,722
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	<u>\$ 1,908,041</u>	<u>\$ -</u>	<u>\$ 1,908,041</u>

CITY OF STOW, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2007*

	<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.	\$ 384,695	\$ 74,869	\$ 291	\$ 291
Receivables:				
Property taxes.	-	-	239,211	239,211
Accounts	-	-	-	-
Intergovernmental.	603,276	65,594	13,865	13,865
Materials and supplies.	<u>129,175</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,117,146</u>	<u>\$ 140,463</u>	<u>\$ 253,367</u>	<u>\$ 253,367</u>
Liabilities:				
Accounts payable.	\$ 114,028	\$ 6,311	\$ -	\$ -
Accrued wages and benefits	-	-	-	-
Intergovernmental payable	38,154	1,020	151,671	147,024
Deferred revenue	389,033	48,223	27,781	27,781
Unearned revenue	-	-	225,200	225,200
Loans from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities.	<u>541,215</u>	<u>55,554</u>	<u>404,652</u>	<u>400,005</u>
Fund Balances:				
Reserved for encumbrances.	59,726	4,652	-	-
Reserved for materials and supplies inventory	129,175	-	-	-
Unreserved, undesignated (deficit), reported in:				
Special revenue funds	<u>387,030</u>	<u>80,257</u>	<u>(151,285)</u>	<u>(146,638)</u>
Total fund balances.	<u>575,931</u>	<u>84,909</u>	<u>(151,285)</u>	<u>(146,638)</u>
Total liabilities and fund balance.	<u>\$ 1,117,146</u>	<u>\$ 140,463</u>	<u>\$ 253,367</u>	<u>\$ 253,367</u>

Motor Vehicle License Tax	ODNR Litter Prevention Grant	EMS Transport Fees	Police Enforcement and Education	Special Assessment Improvements	Tree Trust
\$ 105,652	\$ 37,847	\$ 22,639	\$ 21,559	\$ 7,903	\$ 179,727
-	-	-	-	-	-
-	-	68,607	-	-	-
16,901	-	-	110	-	-
-	-	-	-	-	-
<u>\$ 122,553</u>	<u>\$ 37,847</u>	<u>\$ 91,246</u>	<u>\$ 21,669</u>	<u>\$ 7,903</u>	<u>\$ 179,727</u>
\$ -	\$ -	\$ -	\$ 19,866	\$ 1,387	\$ -
-	633	-	-	-	-
-	89	-	-	193	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	30,000	-
<u>-</u>	<u>722</u>	<u>-</u>	<u>19,866</u>	<u>31,580</u>	<u>-</u>
-	-	-	-	346	-
-	-	-	-	-	-
<u>122,553</u>	<u>37,125</u>	<u>91,246</u>	<u>1,803</u>	<u>(24,023)</u>	<u>179,727</u>
<u>122,553</u>	<u>37,125</u>	<u>91,246</u>	<u>1,803</u>	<u>(23,677)</u>	<u>179,727</u>
<u>\$ 122,553</u>	<u>\$ 37,847</u>	<u>\$ 91,246</u>	<u>\$ 21,669</u>	<u>\$ 7,903</u>	<u>\$ 179,727</u>

-- Continued

CITY OF STOW, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2007*

	<u>Communication Tower</u>	<u>Cemetery Trust</u>	<u>Park Improvements</u>	<u>Federal Law Enforcement Forfeited Fees</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 285,528	\$ 197,794	\$ 28,425	\$ 53,865
Receivables:				
Property taxes.	-	-	-	-
Accounts	-	-	-	-
Intergovernmental.	-	-	-	-
Materials and supplies.	-	-	-	-
Total assets	<u>\$ 285,528</u>	<u>\$ 197,794</u>	<u>\$ 28,425</u>	<u>\$ 53,865</u>
Liabilities:				
Accounts payable.	\$ 3,311	\$ -	\$ -	\$ 936
Accrued wages and benefits	-	-	-	-
Intergovernmental payable	-	-	-	-
Deferred revenue	-	-	-	-
Unearned revenue	-	-	-	-
Loans from other funds	-	-	-	-
Total liabilities.	<u>3,311</u>	<u>-</u>	<u>-</u>	<u>936</u>
Fund Balances:				
Reserved for encumbrances.	23,017	1,545	5,619	241
Reserved for materials and supplies inventory	-	-	-	-
Unreserved, undesignated (deficit), reported in:				
Special revenue funds	259,200	196,249	22,806	52,688
Total fund balances.	<u>282,217</u>	<u>197,794</u>	<u>28,425</u>	<u>52,929</u>
Total liabilities and fund balance.	<u>\$ 285,528</u>	<u>\$ 197,794</u>	<u>\$ 28,425</u>	<u>\$ 53,865</u>

Commission of the Arts	Safety Town	D.A.R.E. Program	Police MVA Fees	Youth Division Donations	Fire Department Emergency Equipment
\$ 2,576	\$ 459	\$ 1,115	\$ -	\$ 6,059	\$ 1,453
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,576</u>	<u>\$ 459</u>	<u>\$ 1,115</u>	<u>\$ -</u>	<u>\$ 6,059</u>	<u>\$ 1,453</u>
\$ 30	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
285	-	627	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>315</u>	<u>-</u>	<u>627</u>	<u>-</u>	<u>-</u>	<u>-</u>
14	352	-	-	-	195
-	-	-	-	-	-
<u>2,247</u>	<u>107</u>	<u>488</u>	<u>-</u>	<u>6,059</u>	<u>1,258</u>
<u>2,261</u>	<u>459</u>	<u>488</u>	<u>-</u>	<u>6,059</u>	<u>1,453</u>
<u>\$ 2,576</u>	<u>\$ 459</u>	<u>\$ 1,115</u>	<u>\$ -</u>	<u>\$ 6,059</u>	<u>\$ 1,453</u>

-- Continued

CITY OF STOW, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2007*

	<u>Parks Youth Fund</u>	<u>Police Department Emergency Equipment</u>	<u>Youth Division Teen Center</u>	<u>Parks Lodge Improvement</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 862	\$ 664	\$ 5,501	\$ 53,276
Receivables:				
Property taxes.	-	-	-	-
Accounts	-	-	-	-
Intergovernmental.	-	-	-	-
Materials and supplies.	-	-	-	-
Total assets	<u>\$ 862</u>	<u>\$ 664</u>	<u>\$ 5,501</u>	<u>\$ 53,276</u>
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ 63	\$ -
Accrued wages and benefits	-	-	-	-
Intergovernmental payable	-	-	-	-
Deferred revenue	-	-	-	-
Unearned revenue	-	-	-	-
Loans from other funds	-	-	-	-
Total liabilities.	<u>-</u>	<u>-</u>	<u>63</u>	<u>-</u>
Fund Balances:				
Reserved for encumbrances.	-	-	865	541
Reserved for materials and supplies inventory	-	-	-	-
Unreserved, undesignated (deficit), reported in:				
Special revenue funds	862	664	4,573	52,735
Total fund balances.	<u>862</u>	<u>664</u>	<u>5,438</u>	<u>53,276</u>
Total liabilities and fund balance.	<u>\$ 862</u>	<u>\$ 664</u>	<u>\$ 5,501</u>	<u>\$ 53,276</u>

Community Relations	SS Ballfield Complex	Park and Recreation Scholarship	Police Explorer	Community Development	FEMA
\$ 6,084	\$ 19,827	\$ 1,790	\$ 377	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	95,169	5,997
-	-	-	-	-	-
<u>\$ 6,084</u>	<u>\$ 19,827</u>	<u>\$ 1,790</u>	<u>\$ 377</u>	<u>\$ 95,169</u>	<u>\$ 5,997</u>
\$ 569	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>569</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
618	2,725	-	-	-	-
-	-	-	-	-	-
4,897	17,102	1,790	377	95,169	5,997
<u>5,515</u>	<u>19,827</u>	<u>1,790</u>	<u>377</u>	<u>95,169</u>	<u>5,997</u>
<u>\$ 6,084</u>	<u>\$ 19,827</u>	<u>\$ 1,790</u>	<u>\$ 377</u>	<u>\$ 95,169</u>	<u>\$ 5,997</u>

-- Continued

CITY OF STOW, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2007*

	<u>Business Assistance</u>	<u>City Lodging Tax</u>	<u>Residential Snow Removal</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$ 649	\$ 248,687	\$ 34,042
Receivables:			
Property taxes.	-	33,815	-
Accounts	-	-	-
Intergovernmental.	-	-	-
Materials and supplies.	-	-	-
Total assets	<u>\$ 649</u>	<u>\$ 282,502</u>	<u>\$ 34,042</u>
 Liabilities:			
Accounts payable.	\$ -	\$ -	\$ 7,757
Accrued wages and benefits	-	-	-
Intergovernmental payable	-	-	-
Deferred revenue	-	-	-
Unearned revenue	-	-	-
Loans from other funds	-	-	-
Total liabilities.	<u>-</u>	<u>-</u>	<u>7,757</u>
 Fund Balances:			
Reserved for encumbrances.	-	11,000	24,862
Reserved for materials and supplies inventory	-	-	-
Unreserved, undesignated (deficit), reported in:			
Special revenue funds	649	271,502	1,423
Total fund balances.	<u>649</u>	<u>282,502</u>	<u>26,285</u>
Total liabilities and fund balance.	<u>\$ 649</u>	<u>\$ 282,502</u>	<u>\$ 34,042</u>

<u>Enhanced 911 Wireless</u>	<u>Building Education/Seminar</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 56,922	\$ -	\$ 1,841,428
-	-	512,237
-	-	68,607
8,989	-	823,766
-	-	129,175
<u>\$ 65,911</u>	<u>\$ -</u>	<u>\$ 3,375,213</u>
\$ -	\$ -	\$ 154,258
-	-	633
-	-	339,063
-	-	492,818
-	-	450,400
-	-	30,000
<u>-</u>	<u>-</u>	<u>1,467,172</u>
52,600	-	188,918
-	-	129,175
13,311	-	1,589,948
<u>65,911</u>	<u>-</u>	<u>1,908,041</u>
<u>\$ 65,911</u>	<u>\$ -</u>	<u>\$ 3,375,213</u>

CITY OF STOW, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007*

	Street Construction	State Highway Improvement	Police Pension and Disability	Fire Pension and Disability
Revenues:				
Property and other taxes	\$ -	\$ -	\$ 230,181	\$ 230,181
Income taxes	1,050,000	-	-	-
Special assessments	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	1,478,917	103,492	30,802	30,802
Investment income	13,539	2,791	-	-
Rent	-	-	-	-
Contributions and donations	-	-	-	-
Other	24,551	1,378	-	-
Total revenues	2,567,007	107,661	260,983	260,983
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	558,061	555,737
Public health	-	-	-	-
Leisure time activities	-	-	-	-
Community and economic environment	-	-	-	-
Transportation	2,837,467	111,066	-	-
Capital outlay	234,304	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	3,071,771	111,066	558,061	555,737
Excess (deficiency) of revenues over (under) expenditures	<u>(504,764)</u>	<u>(3,405)</u>	<u>(297,078)</u>	<u>(294,754)</u>
Other financing sources (uses):				
Transfers in	-	-	280,209	292,943
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	280,209	292,943
Net change in fund balances	(504,764)	(3,405)	(16,869)	(1,811)
Fund balances (deficits) at beginning of year	1,080,695	88,314	(134,416)	(144,827)
Fund balances (deficits) at end of year	\$ 575,931	\$ 84,909	\$ (151,285)	\$ (146,638)

Motor Vehicle License Tax	ODNR Litter Prevention Grant	EMS Transport Fees	Police Enforcement and Education	Special Assessment Improvement	Tree Trust
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	52,441	-
-	-	563,151	-	-	-
-	-	-	4,796	-	-
237,529	34,394	-	-	-	-
6,833	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	800	-	47,164
<u>244,362</u>	<u>34,394</u>	<u>563,151</u>	<u>5,596</u>	<u>52,441</u>	<u>47,164</u>
-	-	-	-	-	-
-	-	73,430	19,866	80,645	-
-	9,683	-	-	-	-
-	-	-	-	-	43,485
-	-	-	-	-	-
-	-	-	-	-	-
300,000	-	10,022	5,020	-	-
-	-	400,000	-	-	-
-	-	165,422	-	-	-
<u>300,000</u>	<u>9,683</u>	<u>648,874</u>	<u>24,886</u>	<u>80,645</u>	<u>43,485</u>
<u>(55,638)</u>	<u>24,711</u>	<u>(85,723)</u>	<u>(19,290)</u>	<u>(28,204)</u>	<u>3,679</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(55,638)	24,711	(85,723)	(19,290)	(28,204)	3,679
178,191	12,414	176,969	21,093	4,527	176,048
<u>\$ 122,553</u>	<u>\$ 37,125</u>	<u>\$ 91,246</u>	<u>\$ 1,803</u>	<u>\$ (23,677)</u>	<u>\$ 179,727</u>

-- Continued

CITY OF STOW, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007*

	Communications Tower	Cemetery Trust	Park Improvements	Federal Law Enforcement Forfeited Fees
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-
Special assessments	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	-
Investment income	-	-	-	-
Rent	82,249	-	-	-
Contributions and donations	19,517	-	550	500
Other	170	11,936	-	-
Total revenues	101,936	11,936	550	500
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	1,083
Public health	-	9,054	-	-
Leisure time activities	-	-	1,293	-
Community and economic environment	64,768	-	-	-
Transportation	-	-	-	-
Capital outlay	42,078	-	2,466	9,585
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	106,846	9,054	3,759	10,668
Excess (deficiency) of revenues over (under) expenditures	(4,910)	2,882	(3,209)	(10,168)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(4,910)	2,882	(3,209)	(10,168)
Fund balances (deficits) at beginning of year	287,127	194,912	31,634	63,097
Fund balances (deficits) at end of year	\$ 282,217	\$ 197,794	\$ 28,425	\$ 52,929

<u>Commission of the Arts</u>	<u>Safety Town</u>	<u>D.A.R.E. Program</u>	<u>Police MVA Fees</u>	<u>Youth Division Donations</u>	<u>Fire Department Emergency Equipment</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
10,004	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,000	5,157	376	-	-	6,642
3,868	-	-	-	-	800
<u>16,872</u>	<u>5,157</u>	<u>376</u>	<u>-</u>	<u>-</u>	<u>7,442</u>
-	-	-	-	-	-
-	8,790	27,896	4,078	-	10,978
-	-	-	-	-	-
84,348	-	-	-	41	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	100
-	-	-	-	-	-
-	-	-	-	-	-
<u>84,348</u>	<u>8,790</u>	<u>27,896</u>	<u>4,078</u>	<u>41</u>	<u>11,078</u>
<u>(67,476)</u>	<u>(3,633)</u>	<u>(27,520)</u>	<u>(4,078)</u>	<u>(41)</u>	<u>(3,636)</u>
65,000	3,700	8,000	-	-	3,000
-	-	-	-	-	-
<u>65,000</u>	<u>3,700</u>	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>3,000</u>
(2,476)	67	(19,520)	(4,078)	(41)	(636)
4,737	392	20,008	4,078	6,100	2,089
<u>\$ 2,261</u>	<u>\$ 459</u>	<u>\$ 488</u>	<u>\$ -</u>	<u>\$ 6,059</u>	<u>\$ 1,453</u>

-- Continued

CITY OF STOW, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007*

	Parks Youth Fund	Police Department Emergency Equipment	Youth Division Teen Center	Parks Lodge Improvement
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-
Special assessments	-	-	-	-
Charges for services	-	-	12,579	9,305
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	-
Investment income	-	-	-	-
Rent	-	-	-	-
Contributions and donations	-	559	-	-
Other	-	-	191	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	559	12,770	9,305
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Public health	-	-	-	-
Leisure time activities	-	-	14,966	2,848
Community and economic environment	-	-	-	-
Transportation	-	-	-	-
Capital outlay	-	-	-	10,718
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	-	14,966	13,566
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	-	559	(2,196)	(4,261)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	559	(2,196)	(4,261)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficits) at beginning of year	862	105	7,634	57,537
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficits) at end of year	\$ 862	\$ 664	\$ 5,438	\$ 53,276
	<hr/>	<hr/>	<hr/>	<hr/>

<u>Community Relations</u>	<u>SS Ballfield Complex</u>	<u>Park and Recreation Scholarship</u>	<u>Police Explorer</u>	<u>Community Development</u>	<u>FEMA Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	200,000	170,986
-	-	-	-	-	-
-	-	-	-	-	-
-	5,976	135	-	-	-
<u>-</u>	<u>5,976</u>	<u>135</u>	<u>-</u>	<u>200,000</u>	<u>170,986</u>
-	-	-	-	-	-
-	-	-	-	-	-
525	3,595	-	-	-	-
1,076	-	-	-	-	-
-	-	-	-	-	-
-	3,006	-	-	173,130	6,500
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,601</u>	<u>6,601</u>	<u>-</u>	<u>-</u>	<u>173,130</u>	<u>6,500</u>
<u>(1,601)</u>	<u>(625)</u>	<u>135</u>	<u>-</u>	<u>26,870</u>	<u>164,486</u>
4,000	-	-	-	-	-
-	-	-	-	-	(158,489)
<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(158,489)</u>
2,399	(625)	135	-	26,870	5,997
3,116	20,452	1,655	377	68,299	-
<u>\$ 5,515</u>	<u>\$ 19,827</u>	<u>\$ 1,790</u>	<u>\$ 377</u>	<u>\$ 95,169</u>	<u>\$ 5,997</u>

-- Continued

CITY OF STOW, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007*

	Business Assistance	City Lodging Tax	Residential Snow Removal	Enhanced 911 Wireless
Revenues:				
Property and other taxes	\$ -	\$ 137,669	\$ -	\$ -
Income taxes	-	-	-	-
Special assessments	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	47,242
Investment income	-	-	-	-
Rent	-	-	-	-
Contributions and donations	1,038	-	-	-
Other	-	-	-	-
Total revenues	<u>1,038</u>	<u>137,669</u>	<u>-</u>	<u>47,242</u>
Expenditures:				
Current:				
General government	-	12,272	-	-
Security of persons and property	1,131	-	8,715	23,000
Public health	-	-	-	-
Leisure time activities	-	-	-	-
Community and economic environment	-	-	-	-
Transportation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>1,131</u>	<u>12,272</u>	<u>8,715</u>	<u>23,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(93)</u>	<u>125,397</u>	<u>(8,715)</u>	<u>24,242</u>
Other financing sources (uses):				
Transfers in	-	-	35,000	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>35,000</u>	<u>-</u>
Net change in fund balances	(93)	125,397	26,285	24,242
Fund balances (deficits) at beginning of year	<u>742</u>	<u>157,105</u>	<u>-</u>	<u>41,669</u>
Fund balances (deficits) at end of year	<u>\$ 649</u>	<u>\$ 282,502</u>	<u>\$ 26,285</u>	<u>\$ 65,911</u>

<u>Building Education/Seminar</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ 598,031
-	1,050,000
-	52,441
-	595,039
-	4,796
-	2,334,164
-	23,163
-	82,249
-	37,339
<u>13</u>	<u>96,982</u>
 13	 4,874,204
 -	 12,272
-	1,373,410
-	18,737
-	151,101
-	65,844
-	2,948,533
-	796,929
-	400,000
-	<u>165,422</u>
 -	 5,932,248
 13	 (1,058,044)
 -	 691,852
 -	 (158,489)
 -	 533,363
 13	 (524,681)
 (13)	 2,432,722
 <u>\$ -</u>	 <u>\$ 1,908,041</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET CONSTRUCTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Income taxes	\$ 1,061,000	\$ 1,061,000	\$ 1,050,000	\$ (11,000)
Intergovernmental.	1,682,000	1,682,000	1,485,856	(196,144)
Investment income	10,000	10,000	13,539	3,539
Other	8,000	8,000	24,551	16,551
Total revenues.	<u>2,761,000</u>	<u>2,761,000</u>	<u>2,573,946</u>	<u>(187,054)</u>
Expenditures:				
Current:				
Transportation	2,745,532	2,837,779	2,679,661	158,118
Capital outlay	230,756	238,509	236,499	2,010
Total expenditures.	<u>2,976,288</u>	<u>3,076,288</u>	<u>2,916,160</u>	<u>160,128</u>
Net change in fund balance.	(215,288)	(315,288)	(342,214)	(26,926)
Fund balance at beginning of year	326,452	326,452	326,452	-
Prior year encumbrances appropriated	<u>226,788</u>	<u>226,788</u>	<u>226,788</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 337,952</u>	<u>\$ 237,952</u>	<u>\$ 211,026</u>	<u>\$ (26,926)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STATE HIGHWAY IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 143,800	\$ 143,800	\$ 104,054	\$ (39,746)
Investment income	1,000	1,000	2,791	1,791
Other	200	200	1,378	1,178
Total revenues.	<u>145,000</u>	<u>145,000</u>	<u>108,223</u>	<u>(36,777)</u>
Expenditures:				
Current:				
Transportation	<u>124,666</u>	<u>124,666</u>	<u>117,994</u>	<u>6,672</u>
Total expenditures.	<u>124,666</u>	<u>124,666</u>	<u>117,994</u>	<u>6,672</u>
Net change in fund balance	20,334	20,334	(9,771)	(30,105)
Fund balance at beginning of year.	67,046	67,046	67,046	-
Prior year encumbrances appropriated . . .	<u>6,631</u>	<u>6,631</u>	<u>6,631</u>	<u>-</u>
Fund balance at end of year	<u>\$ 94,011</u>	<u>\$ 94,011</u>	<u>\$ 63,906</u>	<u>\$ (30,105)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE PENSION AND DISABILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other local taxes.	\$ 180,289	\$ 226,005	\$ 230,181	\$ 4,176
Intergovernmental.	27,947	35,033	30,707	(4,326)
Total revenues.	<u>208,236</u>	<u>261,038</u>	<u>260,888</u>	<u>(150)</u>
Expenditures:				
Current:				
Security of persons and property	<u>563,400</u>	<u>563,400</u>	<u>540,806</u>	<u>22,594</u>
Total expenditures.	<u>563,400</u>	<u>563,400</u>	<u>540,806</u>	<u>22,594</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(355,164)</u>	<u>(302,362)</u>	<u>(279,918)</u>	<u>22,444</u>
Other financing sources:				
Transfers in	<u>304,650</u>	<u>381,900</u>	<u>280,209</u>	<u>(101,691)</u>
Total other financing sources	<u>304,650</u>	<u>381,900</u>	<u>280,209</u>	<u>(101,691)</u>
Net change in fund balance	(50,514)	79,538	291	(79,247)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (50,514)</u>	<u>\$ 79,538</u>	<u>\$ 291</u>	<u>\$ (79,247)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE PENSION AND DISABILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other local taxes	\$ 240,593	\$ 226,005	\$ 230,181	\$ 4,176
Intergovernmental	37,295	35,034	30,707	(4,327)
Total revenues	<u>277,888</u>	<u>261,039</u>	<u>260,888</u>	<u>(151)</u>
Expenditures:				
Current:				
Security of persons and property	<u>559,811</u>	<u>559,811</u>	<u>553,540</u>	<u>6,271</u>
Total expenditures	<u>559,811</u>	<u>559,811</u>	<u>553,540</u>	<u>6,271</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(281,923)</u>	<u>(298,772)</u>	<u>(292,652)</u>	<u>6,120</u>
Other financing sources:				
Transfers in.	<u>463,398</u>	<u>435,300</u>	<u>292,943</u>	<u>(142,357)</u>
Total other financing sources.	<u>463,398</u>	<u>435,300</u>	<u>292,943</u>	<u>(142,357)</u>
Net change in fund balance.	181,475	136,528	291	(136,237)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 181,475</u>	<u>\$ 136,528</u>	<u>\$ 291</u>	<u>\$ (136,237)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MOTOR VEHICLE LICENSE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 289,000	\$ 289,000	\$ 238,737	\$ (50,263)
Investment income	3,000	3,000	6,650	3,650
Total revenues	<u>292,000</u>	<u>292,000</u>	<u>245,387</u>	<u>(46,613)</u>
Expenditures:				
Capital outlay	<u>303,000</u>	<u>303,000</u>	<u>300,000</u>	<u>3,000</u>
Total expenditures.	<u>303,000</u>	<u>303,000</u>	<u>300,000</u>	<u>3,000</u>
Net change in fund balance	(11,000)	(11,000)	(54,613)	(43,613)
Fund balance at beginning of year.	<u>160,265</u>	<u>160,265</u>	<u>160,265</u>	<u>-</u>
Fund balance at end of year	<u>\$ 149,265</u>	<u>\$ 149,265</u>	<u>\$ 105,652</u>	<u>\$ (43,613)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ODNR LITTER PREVENTION GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 36,000	\$ 6,000	\$ 34,394	\$ 28,394
Total revenues	<u>36,000</u>	<u>6,000</u>	<u>34,394</u>	<u>28,394</u>
Expenditures:				
Current:				
Public health	<u>14,205</u>	<u>14,805</u>	<u>9,386</u>	<u>5,419</u>
Total expenditures	<u>14,205</u>	<u>14,805</u>	<u>9,386</u>	<u>5,419</u>
Excess (deficiency) of revenues over (under) expenditures	<u>21,795</u>	<u>(8,805)</u>	<u>25,008</u>	<u>33,813</u>
Other financing sources:				
Transfers in	<u>15,500</u>	<u>15,500</u>	<u>-</u>	<u>(15,500)</u>
Total other financing sources	<u>15,500</u>	<u>15,500</u>	<u>-</u>	<u>(15,500)</u>
Net change in fund balance	37,295	6,695	25,008	18,313
Fund balance at beginning of year.	<u>12,839</u>	<u>12,839</u>	<u>12,839</u>	<u>-</u>
Fund balance at end of year	<u>\$ 50,134</u>	<u>\$ 19,534</u>	<u>\$ 37,847</u>	<u>\$ 18,313</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMS TRANSPORT FEES FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 590,000	\$ 590,000	\$ 494,544	\$ (95,456)
Other	161,900	161,900	-	(161,900)
Total revenues	<u>751,900</u>	<u>751,900</u>	<u>494,544</u>	<u>(257,356)</u>
Expenditures:				
Current:				
Security of persons and property.	131,891	163,730	75,106	88,624
Capital outlay	29,976	37,212	10,022	27,190
Debt service:				
Principal retirement	326,243	405,000	400,000	5,000
Interest and fiscal charges	133,255	165,423	165,422	1
Total expenditures	<u>621,365</u>	<u>771,365</u>	<u>650,550</u>	<u>120,815</u>
Net change in fund balance	130,535	(19,465)	(156,006)	(136,541)
Fund balance at beginning of year	122,280	122,280	122,280	-
Prior year encumbrances appropriated. . .	<u>56,365</u>	<u>56,365</u>	<u>56,365</u>	<u>-</u>
Fund balance at end of year	<u>\$ 309,180</u>	<u>\$ 159,180</u>	<u>\$ 22,639</u>	<u>\$ (136,541)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE ENFORCEMENT AND EDUCATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 40,000	\$ 15,000	\$ 5,397	\$ (9,603)
Other	-	-	800	800
Total revenues	<u>40,000</u>	<u>15,000</u>	<u>6,197</u>	<u>(8,803)</u>
Expenditures:				
Current:				
Security of persons and property	1,250	2,500	224	2,276
Capital outlay	13,750	27,500	24,640	2,860
Total expenditures	<u>15,000</u>	<u>30,000</u>	<u>24,864</u>	<u>5,136</u>
Net change in fund balance.	25,000	(15,000)	(18,667)	(3,667)
Fund balance at beginning of year	<u>20,382</u>	<u>20,382</u>	<u>20,382</u>	<u>-</u>
Fund balance at end of year	<u>\$ 45,382</u>	<u>\$ 5,382</u>	<u>\$ 1,715</u>	<u>\$ (3,667)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL ASSESSMENT IMPROVEMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special assessments.	\$ 202,000	\$ 202,000	\$ 52,441	\$ (149,559)
Other	23,000	23,000	-	(23,000)
Total revenues	<u>225,000</u>	<u>225,000</u>	<u>52,441</u>	<u>(172,559)</u>
Expenditures:				
Current:				
Security of persons and property.	<u>129,602</u>	<u>154,602</u>	<u>83,018</u>	<u>71,584</u>
Total expenditures	<u>129,602</u>	<u>154,602</u>	<u>83,018</u>	<u>71,584</u>
Net change in fund balance.	95,398	70,398	(30,577)	(100,975)
Fund balance at beginning of year	33,952	33,952	33,952	-
Prior year encumbrances appropriated . .	<u>2,602</u>	<u>2,602</u>	<u>2,602</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 131,952</u>	<u>\$ 106,952</u>	<u>\$ 5,977</u>	<u>\$ (100,975)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TREE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 150,000	\$ 150,000	\$ 47,164	\$ (102,836)
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>47,164</u>	<u>(102,836)</u>
Expenditures:				
Current:				
Leisure time activities	<u>70,973</u>	<u>70,973</u>	<u>43,485</u>	<u>27,488</u>
Total expenditures.	<u>70,973</u>	<u>70,973</u>	<u>43,485</u>	<u>27,488</u>
Net change in fund balance.	79,027	79,027	3,679	(75,348)
Fund balance at beginning of year	<u>176,048</u>	<u>176,048</u>	<u>176,048</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 255,075</u>	<u>\$ 255,075</u>	<u>\$ 179,727</u>	<u>\$ (75,348)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNICATIONS TOWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 1,084	\$ 1,084	\$ 170	\$ (914)
Rental income	524,646	524,646	82,249	(442,397)
Contributions and donations	124,495	124,495	19,517	(104,978)
Total revenues	<u>650,225</u>	<u>650,225</u>	<u>101,936</u>	<u>(548,289)</u>
Expenditures:				
Current:				
Economic development	665,317	665,317	77,235	588,082
Capital outlay	<u>52,924</u>	<u>52,924</u>	<u>52,924</u>	<u>-</u>
Total expenditures	<u>718,241</u>	<u>718,241</u>	<u>130,159</u>	<u>588,082</u>
Net change in fund balance.	(68,016)	(68,016)	(28,223)	39,793
Fund balance at beginning of year	278,197	278,197	278,197	-
Prior year encumbrances appropriated . .	<u>9,226</u>	<u>9,226</u>	<u>9,226</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 219,407</u>	<u>\$ 219,407</u>	<u>\$ 259,200</u>	<u>\$ 39,793</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CEMETERY TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Other	\$ 30,062	\$ 30,062	\$ 11,936	\$ (18,126)
Total revenues.	<u>30,062</u>	<u>30,062</u>	<u>11,936</u>	<u>(18,126)</u>
Expenditures:				
Current:				
Public health	15,779	15,779	10,599	5,180
Total expenditures.	<u>15,779</u>	<u>15,779</u>	<u>10,599</u>	<u>5,180</u>
Net change in fund balance.	14,283	14,283	1,337	(12,946)
Fund balance at beginning of year	184,850	184,850	184,850	-
Prior year encumbrances appropriated . . .	<u>10,062</u>	<u>10,062</u>	<u>10,062</u>	<u>-</u>
Fund balance at end of year	<u>\$ 209,195</u>	<u>\$ 209,195</u>	<u>\$ 196,249</u>	<u>\$ (12,946)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARK IMPROVEMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Contributions and donations.	\$ 37,370	\$ 37,370	\$ 550	\$ (36,820)
Total revenues.	<u>37,370</u>	<u>37,370</u>	<u>550</u>	<u>(36,820)</u>
Expenditures:				
Current:				
Leisure time activities.	8,823	8,823	8,822	1
Capital outlay	<u>2,926</u>	<u>2,926</u>	<u>2,926</u>	<u>-</u>
Total expenditures.	<u>11,749</u>	<u>11,749</u>	<u>11,748</u>	<u>1</u>
Net change in fund balance.	25,621	25,621	(11,198)	(36,819)
Fund balance at beginning of year	31,634	31,634	31,634	-
Prior year encumbrances appropriated . . .	<u>2,370</u>	<u>2,370</u>	<u>2,370</u>	<u>-</u>
Fund balance at end of year	<u>\$ 59,625</u>	<u>\$ 59,625</u>	<u>\$ 22,806</u>	<u>\$ (36,819)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEDERAL LAW ENFORCEMENT FORFEITED FEES FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Contributions and donations.	\$ 306,761	\$ 306,761	\$ 500	\$ (306,261)
Total revenues.	<u>306,761</u>	<u>306,761</u>	<u>500</u>	<u>(306,261)</u>
Expenditures:				
Current:				
Security of persons and property	217,865	217,865	147	217,718
Capital outlay	<u>18,860</u>	<u>18,860</u>	<u>18,860</u>	<u>-</u>
Total expenditures	<u>236,725</u>	<u>236,725</u>	<u>19,007</u>	<u>217,718</u>
Net change in fund balance.	70,036	70,036	(18,507)	(88,543)
Fund balance at beginning of year	62,434	62,434	62,434	-
Prior year encumbrances appropriated . . .	<u>8,761</u>	<u>8,761</u>	<u>8,761</u>	<u>-</u>
Fund balance at end of year	<u>\$ 141,231</u>	<u>\$ 141,231</u>	<u>\$ 52,688</u>	<u>\$ (88,543)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMISSION OF THE ARTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ -	\$ -	\$ 10,004	\$ 10,004
Contributions and donations.	13,437	35,000	3,000	(32,000)
Other	27,063	70,500	3,868	(66,632)
Total revenues	<u>40,500</u>	<u>105,500</u>	<u>16,872</u>	<u>(88,628)</u>
Expenditures:				
Current:				
Leisure time activities	58,126	93,126	84,077	9,049
Total expenditures	<u>58,126</u>	<u>93,126</u>	<u>84,077</u>	<u>9,049</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(17,626)</u>	<u>12,374</u>	<u>(67,205)</u>	<u>(79,579)</u>
Other financing sources:				
Transfers in.	-	-	65,000	65,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>65,000</u>	<u>65,000</u>
Net change in fund balance.	(17,626)	12,374	(2,205)	(14,579)
Fund balance at beginning of year	2,111	2,111	2,111	-
Prior year encumbrances appropriated	<u>2,626</u>	<u>2,626</u>	<u>2,626</u>	<u>-</u>
Fund balance (deficit) at end of year.	<u>\$ (12,889)</u>	<u>\$ 17,111</u>	<u>\$ 2,532</u>	<u>\$ (14,579)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SAFETY TOWN FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Contributions and donations.	\$ 9,300	\$ 11,300	\$ 5,157	\$ (6,143)
Total revenues	<u>9,300</u>	<u>11,300</u>	<u>5,157</u>	<u>(6,143)</u>
Expenditures:				
Current:				
Security of persons and property	7,000	10,600	9,142	1,458
Total expenditures	<u>7,000</u>	<u>10,600</u>	<u>9,142</u>	<u>1,458</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>2,300</u>	<u>700</u>	<u>(3,985)</u>	<u>(4,685)</u>
Other financing sources:				
Transfers in.	-	-	3,700	3,700
Total other financing sources	<u>-</u>	<u>-</u>	<u>3,700</u>	<u>3,700</u>
Net change in fund balance.	2,300	700	(285)	(985)
Fund balance at beginning of year	392	392	392	-
Prior year encumbrances appropriated . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,692</u>	<u>\$ 1,092</u>	<u>\$ 107</u>	<u>\$ (985)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
D.A.R.E PROGRAM FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 21,000	\$ 21,000	\$ -	\$ (21,000)
Contributions and donations.	10,162	10,162	376	(9,786)
Total revenues	<u>31,162</u>	<u>31,162</u>	<u>376</u>	<u>(30,786)</u>
Expenditures:				
Current:				
Security of persons and property	44,795	44,795	28,008	16,787
Total expenditures	<u>44,795</u>	<u>44,795</u>	<u>28,008</u>	<u>16,787</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(13,633)</u>	<u>(13,633)</u>	<u>(27,632)</u>	<u>(13,999)</u>
Other financing sources:				
Transfers in.	-	-	8,000	8,000
Total other financing sources.	<u>-</u>	<u>-</u>	<u>8,000</u>	<u>8,000</u>
Net change in fund balance.	(13,633)	(13,633)	(19,632)	(5,999)
Fund balance at beginning of year	20,585	20,585	20,585	-
Prior year encumbrances appropriated . . .	<u>162</u>	<u>162</u>	<u>162</u>	<u>-</u>
Fund balance at end of year	<u>\$ 7,114</u>	<u>\$ 7,114</u>	<u>\$ 1,115</u>	<u>\$ (5,999)</u>

CITY OF STOW OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE MVA FEES
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 21,000	\$ 21,000	\$ -	\$ (21,000)
Total revenues	<u>21,000</u>	<u>21,000</u>	<u>-</u>	<u>(21,000)</u>
Expenditures:				
Current:				
Security of persons and property	4,078	4,078	4,078	-
Total expenditures	<u>4,078</u>	<u>4,078</u>	<u>4,078</u>	<u>-</u>
Net change in fund balance.	16,922	16,922	(4,078)	(21,000)
Fund balance at beginning of year	<u>4,078</u>	<u>4,078</u>	<u>4,078</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 21,000</u>	<u>\$ 21,000</u>	<u>\$ -</u>	<u>\$ (21,000)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
YOUTH DIVISION DONATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Total revenues.	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Expenditures:				
Current:				
Leisure time activities	46	46	46	-
Total expenditures	<u>46</u>	<u>46</u>	<u>46</u>	<u>-</u>
Net change in fund balance.	954	954	(46)	(1,000)
Fund balance at beginning of year	<u>6,105</u>	<u>6,105</u>	<u>6,105</u>	<u>-</u>
Fund balance at end of year	<u>\$ 7,059</u>	<u>\$ 7,059</u>	<u>\$ 6,059</u>	<u>\$ (1,000)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE DEPARTMENT EMERGENCY EQUIPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 40,496	\$ 40,496	\$ 7,442	\$ (33,054)
Total revenues	<u>40,496</u>	<u>40,496</u>	<u>7,442</u>	<u>(33,054)</u>
Expenditures:				
Current:				
Security of persons and property	12,018	12,018	11,671	347
Capital outlay	<u>100</u>	<u>100</u>	<u>100</u>	<u>-</u>
Total expenditures	<u>12,118</u>	<u>12,118</u>	<u>11,771</u>	<u>347</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>28,378</u>	<u>28,378</u>	<u>(4,329)</u>	<u>(32,707)</u>
Other financing sources:				
Transfers in.	-	-	3,000	3,000
Total other financing sources.	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>3,000</u>
Net change in fund balance.	28,378	28,378	(1,329)	(29,707)
Fund balance at beginning of year	2,091	2,091	2,091	-
Prior year encumbrances appropriated . . .	<u>496</u>	<u>496</u>	<u>496</u>	<u>-</u>
Fund balance at end of year	<u>\$ 30,965</u>	<u>\$ 30,965</u>	<u>\$ 1,258</u>	<u>\$ (29,707)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARKS YOUTH FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

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

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE DEPARTMENT EMERGENCY EQUIPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Contributions and donations.	\$ 30,000	\$ 30,000	\$ 629	\$ (29,371)
Total revenues.	<u>30,000</u>	<u>30,000</u>	<u>629</u>	<u>(29,371)</u>
Expenditures:				
Capital outlay	<u>392</u>	<u>392</u>	<u>-</u>	<u>392</u>
Total expenditures.	<u>392</u>	<u>392</u>	<u>-</u>	<u>392</u>
Net change in fund balance.	29,608	29,608	629	(28,979)
Fund balance at beginning of year	<u>35</u>	<u>35</u>	<u>35</u>	<u>-</u>
Fund balance at end of year	<u>\$ 29,643</u>	<u>\$ 29,643</u>	<u>\$ 664</u>	<u>\$ (28,979)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
YOUTH DIVISION TEEN CENTER FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services.	\$ 22,345	\$ 12,000	\$ 12,579	\$ 579
Other	31,655	17,000	191	(16,809)
Total revenues.	<u>54,000</u>	<u>29,000</u>	<u>12,770</u>	<u>(16,230)</u>
Expenditures:				
Current:				
Leisure time activities.	<u>17,258</u>	<u>17,258</u>	<u>15,980</u>	<u>1,278</u>
Total expenditures.	<u>17,258</u>	<u>17,258</u>	<u>15,980</u>	<u>1,278</u>
Net change in fund balance.	36,742	11,742	(3,210)	(14,952)
Fund balance at beginning of year	7,625	7,625	7,625	-
Prior year encumbrances appropriated . . .	<u>158</u>	<u>158</u>	<u>158</u>	<u>-</u>
Fund balance at end of year	<u>\$ 44,525</u>	<u>\$ 19,525</u>	<u>\$ 4,573</u>	<u>\$ (14,952)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARKS LODGE IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 339,470	\$ 339,470	\$ 9,305	\$ (330,165)
Total revenues	<u>339,470</u>	<u>339,470</u>	<u>9,305</u>	<u>(330,165)</u>
Expenditures:				
Current:				
Leisure time activities	8,096	8,096	3,746	4,350
Capital outlay	<u>10,718</u>	<u>10,718</u>	<u>10,718</u>	<u>-</u>
Total expenditures	<u>18,814</u>	<u>18,814</u>	<u>14,464</u>	<u>4,350</u>
Net change in fund balance.	320,656	320,656	(5,159)	(325,815)
Fund balance at beginning of year	53,187	53,187	53,187	-
Prior year encumbrances appropriated . . .	<u>4,707</u>	<u>4,707</u>	<u>4,707</u>	<u>-</u>
Fund balance at end of year	<u>\$ 378,550</u>	<u>\$ 378,550</u>	<u>\$ 52,735</u>	<u>\$ (325,815)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY RELATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 392	\$ 392	\$ -	\$ (392)
Total revenues.	<u>392</u>	<u>392</u>	<u>-</u>	<u>(392)</u>
Expenditures:				
Current:				
Community development	2,612	2,612	2,263	349
Total expenditures	<u>2,612</u>	<u>2,612</u>	<u>2,263</u>	<u>349</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(2,220)</u>	<u>(2,220)</u>	<u>(2,263)</u>	<u>(43)</u>
Other financing sources:				
Transfers in.	-	-	4,000	4,000
Total other financing sources.	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>4,000</u>
Net change in fund balance.	(2,220)	(2,220)	1,737	3,957
Fund balance at beginning of year	2,768	2,768	2,768	-
Prior year encumbrances appropriated . . .	<u>392</u>	<u>392</u>	<u>392</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 940</u>	<u>\$ 940</u>	<u>\$ 4,897</u>	<u>\$ 3,957</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SS BALLFIELD COMPLEX FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other.	\$ 26,089	\$ 26,089	\$ 5,976	\$ (20,113)
Total revenues	<u>26,089</u>	<u>26,089</u>	<u>5,976</u>	<u>(20,113)</u>
Expenditures:				
Current:				
Leisure time activities.	23,834	23,833	6,320	17,513
Capital outlay	<u>4,081</u>	<u>4,081</u>	<u>4,080</u>	<u>1</u>
Total expenditures	<u>27,915</u>	<u>27,914</u>	<u>10,400</u>	<u>17,514</u>
Net change in fund balance.	(1,826)	(1,825)	(4,424)	(2,599)
Fund balance at beginning of year.	19,437	19,437	19,437	-
Prior year encumbrances appropriated	<u>2,089</u>	<u>2,089</u>	<u>2,089</u>	<u>-</u>
Fund balance at end of year	<u>\$ 19,700</u>	<u>\$ 19,701</u>	<u>\$ 17,102</u>	<u>\$ (2,599)</u>

CITY OF STOW OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARK AND RECREATION SCHOLARSHIP FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other.	\$ -	\$ -	\$ 135	\$ 135
Total revenues	-	-	135	135
Net change in fund balance.	-	-	135	135
Fund balance at beginning of year	<u>1,655</u>	<u>1,655</u>	<u>1,655</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1,655</u>	<u>\$ 1,655</u>	<u>\$ 1,790</u>	<u>\$ 135</u>

CITY OF STOW OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE EXPLORER FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

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

CITY OF STOW OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY DEVELOPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 81,200	\$ 141,200	\$ 104,831	\$ (36,369)
Total revenues	<u>81,200</u>	<u>141,200</u>	<u>104,831</u>	<u>(36,369)</u>
Expenditures:				
Capital outlay	<u>107,114</u>	<u>187,114</u>	<u>173,130</u>	<u>13,984</u>
Total expenditures	<u>107,114</u>	<u>187,114</u>	<u>173,130</u>	<u>13,984</u>
Net change in fund balance.	(25,914)	(45,914)	(68,299)	(22,385)
Fund balance at beginning of year	<u>68,299</u>	<u>68,299</u>	<u>68,299</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 42,385</u>	<u>\$ 22,385</u>	<u>\$ -</u>	<u>\$ (22,385)</u>

CITY OF STOW OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEMA FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 82,034	\$ 323,312	\$ 164,989	\$ (158,323)
Other	19,966	78,688	-	(78,688)
Total revenues	<u>102,000</u>	<u>402,000</u>	<u>164,989</u>	<u>(237,011)</u>
Expenditures:				
Capital outlay	71,010	71,010	6,500	64,510
Total expenditures	<u>71,010</u>	<u>71,010</u>	<u>6,500</u>	<u>64,510</u>
Excess (deficiency) of revenues over (under) expenditures	<u>30,990</u>	<u>330,990</u>	<u>158,489</u>	<u>(172,501)</u>
Other financing uses:				
Transfers out	<u>(158,490)</u>	<u>(158,490)</u>	<u>(158,489)</u>	<u>1</u>
Total other financing uses	<u>(158,490)</u>	<u>(158,490)</u>	<u>(158,489)</u>	<u>1</u>
Net change in fund balance.	(127,500)	172,500	-	(172,500)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ (127,500)</u>	<u>\$ 172,500</u>	<u>\$ -</u>	<u>\$ (172,500)</u>

CITY OF STOW OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BUSINESS ASSISTANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Contributions and donations.	\$ 2,000	\$ 2,000	\$ 1,038	\$ (962)
Total revenues.	<u>2,000</u>	<u>2,000</u>	<u>1,038</u>	<u>(962)</u>
Expenditures:				
Current:				
Security of persons and property	<u>1,131</u>	<u>1,131</u>	<u>1,131</u>	<u>-</u>
Total expenditures	<u>1,131</u>	<u>1,131</u>	<u>1,131</u>	<u>-</u>
Net change in fund balance.	869	869	(93)	(962)
Fund balance at beginning of year	<u>742</u>	<u>742</u>	<u>742</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1,611</u>	<u>\$ 1,611</u>	<u>\$ 649</u>	<u>\$ (962)</u>

CITY OF STOW OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY LODGING TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other local taxes	\$ 128,750	\$ 128,750	\$ 132,763	\$ 4,013
Total revenues	<u>128,750</u>	<u>128,750</u>	<u>132,763</u>	<u>4,013</u>
Expenditures:				
Current:				
General government.	215,000	215,000	23,272	191,728
Total expenditures	<u>215,000</u>	<u>215,000</u>	<u>23,272</u>	<u>191,728</u>
Net change in fund balance.	(86,250)	(86,250)	109,491	195,741
Fund balance at beginning of year	<u>128,196</u>	<u>128,196</u>	<u>128,196</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 41,946</u>	<u>\$ 41,946</u>	<u>\$ 237,687</u>	<u>\$ 195,741</u>

CITY OF STOW OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RESIDENTIAL SNOW REMOVAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Security of persons and property	\$ -	\$ 35,000	\$ 33,577	\$ 1,423
Total expenditures	-	35,000	33,577	1,423
Excess (deficiency) of revenues over (under) expenditures	-	(35,000)	(33,577)	1,423
Other financing sources:				
Transfers in	-	50,000	35,000	(15,000)
Total other financing sources	-	50,000	35,000	(15,000)
Net change in fund balance.	-	15,000	1,423	(13,577)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ 1,423</u>	<u>\$ (13,577)</u>

CITY OF STOW OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENHANCED 911 WIRELESS FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 39,187	\$ 39,187
Fines and forfeitures	25,000	25,000	-	(25,000)
Other	50,000	50,000	-	(50,000)
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>39,187</u>	<u>(35,813)</u>
Expenditures:				
Current:				
Public safety.	23,000	23,000	23,000	-
Capital outlay	<u>52,600</u>	<u>52,600</u>	<u>52,600</u>	<u>-</u>
Total expenditures	<u>75,600</u>	<u>75,600</u>	<u>75,600</u>	<u>-</u>
Net change in fund balance.	(600)	(600)	(36,413)	(35,813)
Fund balance at beginning of year	<u>40,735</u>	<u>40,735</u>	<u>40,735</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 40,135</u>	<u>\$ 40,135</u>	<u>\$ 4,322</u>	<u>\$ (35,813)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL OBLIGATION BOND RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Income taxes.	\$ 569,058	\$ 569,058	\$ 569,057	\$ (1)
Total revenues.	<u>569,058</u>	<u>569,058</u>	<u>569,057</u>	<u>(1)</u>
Expenditures:				
Debt service:				
Principal retirement.	385,000	385,000	385,000	-
Interest and fiscal charges.	<u>184,058</u>	<u>184,058</u>	<u>184,057</u>	<u>1</u>
Total expenditures.	<u>569,058</u>	<u>569,058</u>	<u>569,057</u>	<u>1</u>
Net change in fund balance.	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL CAPITAL IMPROVEMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Income taxes	\$ 4,614,513	\$ 4,614,513	\$ 2,882,716	\$ (1,731,797)
Intergovernmental.	430,986	430,986	1,217,681	786,695
Special assessments	-	-	20,248	20,248
Other	4,806,833	5,306,833	316,178	(4,990,655)
Total revenues.	<u>9,852,332</u>	<u>10,352,332</u>	<u>4,436,823</u>	<u>(5,915,509)</u>
Expenditures:				
Capital outlay	16,446,361	17,371,005	14,086,046	3,284,959
Debt service:				
Principal retirement.	6,388,784	6,748,200	6,748,200	-
Interest and fiscal charges.	287,578	303,518	303,518	-
Bond issue costs	-	-	60,040	(60,040)
Total expenditures.	<u>23,122,723</u>	<u>24,422,723</u>	<u>21,197,804</u>	<u>3,224,919</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,270,391)</u>	<u>(14,070,391)</u>	<u>(16,760,981)</u>	<u>(2,690,590)</u>
Other financing sources (uses):				
Transfers in.	-	-	158,489	158,489
Transfers out	-	-	(110,000)	(110,000)
Sale of bonds	4,200,000	4,200,000	4,200,000	-
Sale of notes	11,290,172	11,290,172	11,290,172	-
Premium on bonds	127,821	127,821	60,040	(67,781)
Premium on notes.	76,675	76,675	36,015	(40,660)
Total other financing sources (uses)	<u>15,694,668</u>	<u>15,694,668</u>	<u>15,634,716</u>	<u>(59,952)</u>
Net change in fund balance.	2,424,277	1,624,277	(1,126,265)	(2,750,542)
Fund balance at beginning of year	3,530,731	3,530,731	3,530,731	-
Prior year encumbrances appropriated . . .	<u>1,835,858</u>	<u>1,835,858</u>	<u>1,835,858</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 7,790,866</u>	<u>\$ 6,990,866</u>	<u>\$ 4,240,324</u>	<u>\$ (2,750,542)</u>

CITY OF STOW, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - PROPRIETARY FUNDS*

ENTERPRISE FUNDS

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

Major Enterprise Funds

Water Fund

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

Storm Water Utility Fund

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

Golf Fund

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

INTERNAL SERVICE FUNDS

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

Nonmajor Internal Service Funds

Administrative Insurance Fund

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

Self-Insurance Fund

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

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 7,087,824	\$ 8,040,900	\$ 4,946,900	\$ (3,094,000)
Tap-in fees	1,031,321	1,170,000	182,971	(987,029)
Other.	132,750	150,600	147,076	(3,524)
Total revenues	<u>8,251,895</u>	<u>9,361,500</u>	<u>5,276,947</u>	<u>(4,084,553)</u>
Operating expenses:				
Personal services.	1,077,531	1,336,424	1,074,573	261,851
Materials and supplies	96,366	119,520	96,102	23,418
Contractual services	2,785,054	3,454,206	2,777,409	676,797
Capital outlay	2,831,026	3,511,224	2,823,255	687,969
Total expenses	<u>6,789,977</u>	<u>8,421,374</u>	<u>6,771,339</u>	<u>1,650,035</u>
Operating income (loss)	<u>1,461,918</u>	<u>940,126</u>	<u>(1,494,392)</u>	<u>(2,434,518)</u>
Nonoperating revenues (expenses):				
Intergovernmental	396,662	450,000	390,000	(60,000)
Advances out	(44,073)	(50,000)	(50,000)	-
Notes issued	1,762,943	2,000,000	2,579,828	579,828
Premium on notes issued.	-	-	8,230	8,230
Debt service:				
Principal retirement	(3,572,556)	(4,430,917)	(3,558,916)	872,001
Interest and fiscal charges.	(165,038)	(209,353)	(162,370)	46,983
Total nonoperating revenues (expenses).	<u>(1,622,062)</u>	<u>(2,240,270)</u>	<u>(793,228)</u>	<u>1,447,042</u>
Net change in fund equity	(160,144)	(1,300,144)	(2,287,620)	(987,476)
Fund equity at beginning of year.	3,728,185	3,728,185	3,728,185	-
Prior year encumbrances appropriated	<u>1,470,544</u>	<u>1,470,544</u>	<u>1,470,544</u>	<u>-</u>
Fund equity at end of year	<u>\$ 5,038,585</u>	<u>\$ 3,898,585</u>	<u>\$ 2,911,109</u>	<u>\$ (987,476)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STORM WATER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 1,450,000	\$ 1,450,000	\$ 787,390	\$ (662,610)
Other	-	-	484	484
Total revenues	<u>1,450,000</u>	<u>1,450,000</u>	<u>787,874</u>	<u>(662,126)</u>
Operating expenses:				
Personal services	312,517	320,074	249,069	71,005
Materials and supplies	58,049	59,453	46,264	13,189
Contractual services	617,900	632,842	492,453	140,389
Other	22,962	23,517	18,300	5,217
Capital outlay	435,948	446,490	347,441	99,049
Total expenses	<u>1,447,376</u>	<u>1,482,376</u>	<u>1,153,527</u>	<u>328,849</u>
Operating income (loss)	<u>2,624</u>	<u>(32,376)</u>	<u>(365,653)</u>	<u>(333,277)</u>
Nonoperating revenues:				
Intergovernmental	-	-	24,871	24,871
Notes issued	400,000	400,000	-	(400,000)
Transfers in	-	-	110,000	110,000
Total nonoperating revenues	<u>400,000</u>	<u>400,000</u>	<u>134,871</u>	<u>(265,129)</u>
Net change in fund equity	402,624	367,624	(230,782)	(598,406)
Fund equity at beginning of year	71,631	71,631	71,631	-
Prior year encumbrances appropriated	<u>197,376</u>	<u>197,376</u>	<u>197,376</u>	<u>-</u>
Fund equity at end of year	<u>\$ 671,631</u>	<u>\$ 636,631</u>	<u>\$ 38,225</u>	<u>\$ (598,406)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GOLF FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 1,473,000	\$ 1,473,000	\$ 961,524	\$ (511,476)
Other	299,500	299,500	170,265	(129,235)
Total revenues	<u>1,772,500</u>	<u>1,772,500</u>	<u>1,131,789</u>	<u>(640,711)</u>
Operating expenses:				
Personal services	467,349	488,842	484,609	4,233
Materials and supplies	434,551	454,536	370,343	84,193
Contractual services	409,471	428,303	220,444	207,859
Capital outlay	108,305	113,286	61,562	51,724
Total expenses	<u>1,419,676</u>	<u>1,484,967</u>	<u>1,136,958</u>	<u>348,009</u>
Operating income (loss)	<u>352,824</u>	<u>287,533</u>	<u>(5,169)</u>	<u>(292,702)</u>
Nonoperating revenues (expenses):				
Income taxes	527,500	527,500	197,571	(329,929)
Bonds issued	5,300,000	5,300,000	5,500,000	200,000
Premium on bonds issued	-	-	87,487	87,487
Debt service:				
Principal retirement	(5,258,176)	(5,500,000)	(5,500,000)	-
Interest and fiscal charges	(236,686)	(247,571)	(247,571)	-
Bond issuance costs	-	-	(87,487)	(87,487)
Total nonoperating revenues (expenses)	<u>332,638</u>	<u>79,929</u>	<u>(50,000)</u>	<u>(129,929)</u>
Net change in fund equity	685,462	367,462	(55,169)	(422,631)
Fund equity at beginning of year	112,954	112,954	112,954	-
Prior year encumbrances appropriated	<u>67,038</u>	<u>67,038</u>	<u>67,038</u>	<u>-</u>
Fund equity at end of year	<u>\$ 865,454</u>	<u>\$ 547,454</u>	<u>\$ 124,823</u>	<u>\$ (422,631)</u>

CITY OF STOW, OHIO

*COMBINING STATEMENT OF NET ASSETS
NONMAJOR INTERNAL SERVICE FUNDS
DECEMBER 31, 2007*

	Administrative Insurance	Self-Insurance	Total Nonmajor Internal Service Funds
	<hr/>	<hr/>	<hr/>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents . . .	\$ 31,341	\$ 1,454,066	\$ 1,485,407
Receivables (net of allowance for uncollectibles):			
Accounts	-	617	617
	<hr/>	<hr/>	<hr/>
Total assets	31,341	1,454,683	1,486,024
	<hr/>	<hr/>	<hr/>
Liabilities:			
Current liabilities:			
Claims payable.	-	523,336	523,336
	<hr/>	<hr/>	<hr/>
Total liabilities	-	523,336	523,336
	<hr/>	<hr/>	<hr/>
Net assets:			
Unrestricted	31,341	931,347	962,688
	<hr/>	<hr/>	<hr/>
Total net assets	\$ 31,341	\$ 931,347	\$ 962,688
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF STOW, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
NONMAJOR INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007*

	Administrative Insurance	Self-Insurance	Total Nonmajor Internal Service Funds
Operating revenues:			
Charges for services	\$ 204,117	\$ 1,990,681	\$ 2,194,798
Other	55	-	55
Total operating revenues	<u>204,172</u>	<u>1,990,681</u>	<u>2,194,853</u>
Operating expenses:			
Contract services	214,887	-	214,887
Claims	-	2,536,917	2,536,917
Total operating expenses.	<u>214,887</u>	<u>2,536,917</u>	<u>2,751,804</u>
Operating loss/changes in net assets	(10,715)	(546,236)	(556,951)
Net assets at beginning of year.	<u>42,056</u>	<u>1,477,583</u>	<u>1,519,639</u>
Net assets at end of year	<u>\$ 31,341</u>	<u>\$ 931,347</u>	<u>\$ 962,688</u>

CITY OF STOW, OHIO

*COMBINING STATEMENT OF CASH FLOWS
NONMAJOR INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007*

	Administrative Insurance	Self-Insurance	Total Nonmajor Internal Service Funds
	<hr/>	<hr/>	<hr/>
Cash flows from operating activities:			
Cash received from customers.	\$ 204,117	\$ 2,065,077	\$ 2,269,194
Cash received from other operations	55	-	55
Cash payments for contract services	(219,887)	-	(219,887)
Cash payments for claims.	<hr/> -	<hr/> (2,208,967)	<hr/> (2,208,967)
 Net cash used in operating activities	<hr/> (15,715)	<hr/> (143,890)	<hr/> (159,605)
 Net decrease in cash and cash equivalents.	(15,715)	(143,890)	(159,605)
 Cash and cash equivalents at beginning of year	<hr/> 47,056	<hr/> 1,597,956	<hr/> 1,645,012
Cash and cash equivalents at end of year	<hr/> <u>\$ 31,341</u>	<hr/> <u>\$ 1,454,066</u>	<hr/> <u>\$ 1,485,407</u>
 Reconciliation of operating loss to net cash used in operating activities:			
Operating loss.	\$ (10,715)	\$ (546,236)	\$ (556,951)
 Changes in assets and liabilities:			
Decrease in accounts receivable	-	74,396	74,396
Decrease in accounts payable.	(5,000)	-	(5,000)
Increase in claims payable	<hr/> -	<hr/> 327,950	<hr/> 327,950
 Net cash used in operating activities.	<hr/> <u>\$ (15,715)</u>	<hr/> <u>\$ (143,890)</u>	<hr/> <u>\$ (159,605)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ADMINISTRATIVE INSURANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ -	\$ -	\$ 204,117	\$ 204,117
Other	-	-	55	55
Total revenues	<u>-</u>	<u>-</u>	<u>204,172</u>	<u>204,172</u>
Operating expenses:				
Contractual services	<u>356,973</u>	<u>356,973</u>	<u>225,887</u>	<u>131,086</u>
Total expenses	<u>356,973</u>	<u>356,973</u>	<u>225,887</u>	<u>131,086</u>
Operating loss	<u>(356,973)</u>	<u>(356,973)</u>	<u>(21,715)</u>	<u>335,258</u>
Nonoperating revenues:				
Transfers in	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>(500,000)</u>
Total nonoperating revenues.	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>(500,000)</u>
Net change in fund equity	143,027	143,027	(21,715)	(164,742)
Fund equity at beginning of year.	42,056	42,056	42,056	-
Prior year encumbrances appropriated . . .	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Fund equity at end of year	<u>\$ 190,083</u>	<u>\$ 190,083</u>	<u>\$ 25,341</u>	<u>\$ (164,742)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SELF-INSURANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 2,200,000	\$ 2,200,000	\$ 2,065,077	\$ (134,923)
Total revenues	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,065,077</u>	<u>(134,923)</u>
Operating expenses:				
Claims	<u>3,541,678</u>	<u>3,541,678</u>	<u>2,208,967</u>	<u>1,332,711</u>
Total expenses	<u>3,541,678</u>	<u>3,541,678</u>	<u>2,208,967</u>	<u>1,332,711</u>
Net change in fund equity	(1,341,678)	(1,341,678)	(143,890)	1,197,788
Fund equity at beginning of year.	<u>1,597,956</u>	<u>1,597,956</u>	<u>1,597,956</u>	<u>-</u>
Fund equity at end of year	<u>\$ 256,278</u>	<u>\$ 256,278</u>	<u>\$ 1,454,066</u>	<u>\$ 1,197,788</u>

CITY OF STOW, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - FIDUCIARY FUNDS*

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

Private Purpose Trust Funds

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

Stutler Scholarship Fund

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

Wells Perkins Cemetery Fund

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

Stow Seniors Commission Fund

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

Agency Fund

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

Road Construction Bonds

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

Allotment Deposits

To account for deposits from subdivision developers for engineering oversight.

Miscellaneous Service Deposits

To account for various service department non-recurring deposits.

Bond Forfeitures

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

Park and Recreation Deposits

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

Other Agency Funds

Well Performance Bond
Police Forfeited Cash
Police Drug Forfeiture Cash

Ohio BBS 3% Surcharge
Unclaimed Money Fund

CITY OF STOW, OHIO

*COMBINING STATEMENT OF NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
DECEMBER 31, 2007*

	<u>Stutler Scholarship Fund</u>	<u>Wells Perkins Cemetery</u>	<u>Stow Seniors Commission</u>	<u>Total Private Purpose Trust</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 450	\$ 500	\$ 850	\$ 1,800
Total assets	<u>450</u>	<u>500</u>	<u>850</u>	<u>1,800</u>
Net assets:				
Held in trust.	<u>450</u>	<u>500</u>	<u>850</u>	<u>1,800</u>
Total net assets.	<u><u>\$ 450</u></u>	<u><u>\$ 500</u></u>	<u><u>\$ 850</u></u>	<u><u>\$ 1,800</u></u>

CITY OF STOW, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCES
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007*

	Stutler Scholarship Fund	Wells Perkins Cemetery	Stow Seniors Commission	Totals
Additions:				
Contributions	\$ -	\$ -	\$ 550	\$ 550
Total additions	<u>-</u>	<u>-</u>	<u>550</u>	<u>550</u>
Changes in net assets	-	-	550	550
Net assets at beginning of year.	<u>450</u>	<u>500</u>	<u>300</u>	<u>1,250</u>
Net assets at end of year	<u><u>\$ 450</u></u>	<u><u>\$ 500</u></u>	<u><u>\$ 850</u></u>	<u><u>\$ 1,800</u></u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STUTLER SCHOLARSHIP FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

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

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WELLS PERKINS CEMETERY FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

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

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STOW SENIORS COMMISSION FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Additions:				
Contributions	\$ -	\$ -	\$ 550	\$ 550
Total operating revenues	<u>-</u>	<u>-</u>	<u>550</u>	<u>550</u>
Change in net assets	-	-	550	550
Fund equity at beginning of year	<u>\$ 300</u>	<u>\$ 300</u>	<u>\$ 300</u>	<u>\$ -</u>
Fund equity at end of year	<u><u>\$ 300</u></u>	<u><u>\$ 300</u></u>	<u><u>\$ 850</u></u>	<u><u>\$ 550</u></u>

CITY OF STOW, OHIO

*STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007*

	Beginning Balance 12/31/2006	Additions	Reductions	Ending Balance 12/31/2007
Road Construction Bonds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 347,111	\$ 17,100	\$ 22,086	\$ 342,125
Total assets.	<u>\$ 347,111</u>	<u>\$ 17,100</u>	<u>\$ 22,086</u>	<u>\$ 342,125</u>
Liabilities:				
Undistributed monies	\$ 347,111	\$ 17,100	\$ 22,086	\$ 342,125
Total liabilities	<u>\$ 347,111</u>	<u>\$ 17,100</u>	<u>\$ 22,086</u>	<u>\$ 342,125</u>
Allotment Deposits				
Assets:				
Equity in pooled cash and cash equivalents	\$ 124,310	\$ 13,746	\$ 10,135	\$ 127,921
Total assets.	<u>\$ 124,310</u>	<u>\$ 13,746</u>	<u>\$ 10,135</u>	<u>\$ 127,921</u>
Liabilities:				
Undistributed monies	\$ 124,310	\$ 13,746	\$ 10,135	\$ 127,921
Total liabilities	<u>\$ 124,310</u>	<u>\$ 13,746</u>	<u>\$ 10,135</u>	<u>\$ 127,921</u>
Miscellaneous Service Deposits				
Assets:				
Equity in pooled cash and cash equivalents	\$ 9,298	\$ -	\$ -	\$ 9,298
Total assets.	<u>\$ 9,298</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,298</u>
Liabilities:				
Undistributed monies	\$ 9,298	\$ -	\$ -	\$ 9,298
Total liabilities	<u>\$ 9,298</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,298</u>
Bond Forfeitures				
Assets:				
Equity in pooled cash and cash equivalents	\$ 20,557	\$ -	\$ -	\$ 20,557
Total assets.	<u>\$ 20,557</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,557</u>
Liabilities:				
Deposits held and due to others	\$ 20,557	\$ -	\$ -	\$ 20,557
Total liabilities	<u>\$ 20,557</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,557</u>

-- Continued

CITY OF STOW, OHIO

*STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007*

	Beginning Balance 12/31/2006	Additions	Reductions	Ending Balance 12/31/2007
Park and Recreation Deposits				
Assets:				
Equity in pooled cash and cash equivalents	\$ 33,491	\$ 257,777	\$ 274,415	\$ 16,853
Total assets.	<u>\$ 33,491</u>	<u>\$ 257,777</u>	<u>\$ 274,415</u>	<u>\$ 16,853</u>
Liabilities:				
Undistributed monies	\$ 33,491	\$ 257,777	\$ 274,415	\$ 16,853
Total liabilities	<u>\$ 33,491</u>	<u>\$ 257,777</u>	<u>\$ 274,415</u>	<u>\$ 16,853</u>
Well Performance Bond				
Assets:				
Equity in pooled cash and cash equivalents	\$ 40,000	\$ -	\$ -	\$ 40,000
Total assets.	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,000</u>
Liabilities:				
Undistributed monies	\$ 40,000	\$ -	\$ -	\$ 40,000
Total liabilities	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,000</u>
Police Forfeited Cash				
Assets:				
Equity in pooled cash and cash equivalents	\$ 929	\$ -	\$ -	\$ 929
Total assets.	<u>\$ 929</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 929</u>
Liabilities:				
Undistributed monies	\$ 929	\$ -	\$ -	\$ 929
Total liabilities	<u>\$ 929</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 929</u>

- - Continued

CITY OF STOW, OHIO

*STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007*

	Beginning Balance 12/31/2006	Additions	Reductions	Ending Balance 12/31/2007
Police Drug Forfeiture Cash				
Assets:				
Equity in pooled cash and cash equivalents	\$ 10,387	\$ 8,178	\$ 1,798	\$ 16,767
Accounts receivable	740	-	740	-
Total assets.	<u>\$ 11,127</u>	<u>\$ 8,178</u>	<u>\$ 2,538</u>	<u>\$ 16,767</u>
Liabilities:				
Undistributed monies	\$ 11,127	\$ 8,178	\$ 2,538	\$ 16,767
Total liabilities	<u>\$ 11,127</u>	<u>\$ 8,178</u>	<u>\$ 2,538</u>	<u>\$ 16,767</u>
Ohio BBS 3% Surcharge				
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,371	\$ 4,786	\$ 5,659	\$ 498
Total assets.	<u>\$ 1,371</u>	<u>\$ 4,786</u>	<u>\$ 5,659</u>	<u>\$ 498</u>
Liabilities:				
Undistributed monies	\$ 1,371	\$ 4,786	\$ 5,659	\$ 498
Total liabilities	<u>\$ 1,371</u>	<u>\$ 4,786</u>	<u>\$ 5,659</u>	<u>\$ 498</u>
Unclaimed Money Fund				
Assets:				
Equity in pooled cash and cash equivalents	\$ 7,528	\$ 14,599	\$ 3,054	\$ 19,073
Total assets.	<u>\$ 7,528</u>	<u>\$ 14,599</u>	<u>\$ 3,054</u>	<u>\$ 19,073</u>
Liabilities:				
Undistributed monies	\$ 7,528	\$ 14,599	\$ 3,054	\$ 19,073
Total liabilities	<u>\$ 7,528</u>	<u>\$ 14,599</u>	<u>\$ 3,054</u>	<u>\$ 19,073</u>
Total Agency				
Assets:				
Equity in pooled cash and cash equivalents	\$ 594,982	\$ 316,186	\$ 317,147	\$ 594,021
Accounts receivable	740	-	740	-
Total assets.	<u>\$ 595,722</u>	<u>\$ 316,186</u>	<u>\$ 317,887</u>	<u>\$ 594,021</u>
Liabilities:				
Undistributed monies	\$ 595,722	\$ 316,186	\$ 317,887	\$ 594,021
Total liabilities	<u>\$ 595,722</u>	<u>\$ 316,186</u>	<u>\$ 317,887</u>	<u>\$ 594,021</u>

THIS PAGE IS INTENTIONALLY LEFT BLANK

STATISTICAL SECTION

CITY OF STOW, OHIO
STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	143
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the income tax and property tax.	155
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	163
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	169
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the city provides and the activities it performs.	173

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

THIS PAGE IS INTENTIONALLY LEFT BLANK

FINANCIAL TRENDS

CITY OF STOW, OHIO

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

	Fiscal Year			
	2007	2006	2005	2004
Governmental activities				
Invested in capital assets, net of related debt	\$ 32,776,346	\$ 29,534,790	\$ 27,553,492	\$ 25,216,608
Restricted	7,217,515	8,857,474	7,001,862	7,635,153
Unrestricted	3,145,164	4,086,986	7,739,333	7,163,602
Total governmental activities net assets	<u>\$ 43,139,025</u>	<u>\$ 42,479,250</u>	<u>\$ 42,294,687</u>	<u>\$ 40,015,363</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 21,095,746	\$ 18,074,614	\$ 18,532,258	\$ 17,251,673
Unrestricted	3,288,345	4,966,486	3,654,574	2,548,005
Total business-type activities net assets	<u>\$ 24,384,091</u>	<u>\$ 23,041,100</u>	<u>\$ 22,186,832</u>	<u>\$ 19,799,678</u>
Primary government				
Invested in capital assets, net of related debt	\$ 53,872,092	\$ 47,609,404	\$ 46,085,750	\$ 42,468,281
Restricted	7,217,515	8,857,474	7,001,862	7,635,153
Unrestricted	6,433,509	9,053,472	11,393,907	9,711,607
Total primary government net assets	<u>\$ 67,523,116</u>	<u>\$ 65,520,350</u>	<u>\$ 64,481,519</u>	<u>\$ 59,815,041</u>

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

2003

\$ 20,570,820
9,036,658
7,685,369
\$ 37,292,847

\$ 15,839,601
1,425,497
\$ 17,265,098

\$ 36,410,421
9,036,658
9,110,866
\$ 54,557,945

CITY OF STOW, OHIO

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

	Fiscal Year			
	2007	2006	2005	2004
Expenses				
Governmental activities:				
General government	\$ 6,578,566	\$ 6,918,887	\$ 6,090,778	\$ 5,432,973
Security of persons and property	14,252,725	15,284,191	12,048,393	11,853,463
Public health	434,833	478,870	440,074	492,311
Leisure time activities	2,208,765	2,362,474	1,951,619	2,078,775
Community and economic development	1,527,660	1,723,424	1,545,734	1,529,252
Transportation	5,164,464	3,466,779	3,779,144	3,815,181
Interest and fiscal charges	831,442	594,333	694,127	350,575
Depreciation - (Unallocated)	-	-	-	7,428
Total governmental activities expenses	<u>30,998,455</u>	<u>30,828,958</u>	<u>26,549,869</u>	<u>25,559,958</u>
Business-type activities:				
Water	4,404,703	3,980,833	3,614,891	3,647,156
Golf	1,304,665	1,361,329	-	-
Storm Water Utility	907,519	803,296	642,835	-
Total business-type activities expenses	<u>6,616,887</u>	<u>6,145,458</u>	<u>4,257,726</u>	<u>3,647,156</u>
Total primary government expenses	<u>\$ 37,615,342</u>	<u>\$ 36,974,416</u>	<u>\$ 30,807,595</u>	<u>\$ 29,207,114</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 857,393	\$ 878,026	\$ 809,517	\$ 393,667
Security of persons and property	708,292	564,625	611,180	1,258,830
Public health	47,869	50,759	56,361	29,730
Leisure time activities	295,613	272,149	351,952	152,107
Community and economic development	243,228	252,718	250,583	237,401
Transportation	20,248	-	-	61,887
Operating grants and contributions				
General government	170,986	-	-	18,831
Security of persons and property	61,514	413,210	522,180	109,192
Public health	34,394	5,000	-	10,922
Leisure time activities	3,550	-	-	6,229
Community and economic development	219,517	-	-	23,026
Transportation	1,818,004	1,592,073	1,404,271	2,960
Capital grants and contributions				
General Government	1,000,000	-	-	-
Security of persons and property	-	-	-	64,810
Transportation	406,531	550,997	1,444,831	431,525
Total governmental program revenues	<u>5,887,139</u>	<u>4,579,557</u>	<u>5,450,875</u>	<u>2,801,117</u>
Business-type activities:				
Charges for services:				
Water	5,167,026	4,905,336	4,929,505	4,441,491
Golf Course	961,526	936,183	-	-
Storm Water Utility	788,270	774,892	725,359	-
Operating grants and contributions	-	177,876	106,378	-
Capital grants and contributions	414,871	-	856,697	958,467
Total business-type activities program revenues	<u>7,331,693</u>	<u>6,794,287</u>	<u>6,617,939</u>	<u>5,399,958</u>
Total primary government program revenue	<u>\$ 13,218,832</u>	<u>\$ 11,373,844</u>	<u>\$ 12,068,814</u>	<u>\$ 8,201,075</u>
Net (Expense)/Revenue				
Governmental activities	\$ (25,111,316)	\$ (26,249,401)	\$ (21,098,994)	\$ (22,758,841)
Business-type activities	714,806	648,829	2,360,213	1,752,802
Total primary government net expense	<u>\$ (24,396,510)</u>	<u>\$ (25,600,572)</u>	<u>\$ (18,738,781)</u>	<u>\$ (21,006,039)</u>

2003

\$ 4,868,501
12,358,496
472,916
1,734,052
1,242,741
2,008,079
889,842
672,634
24,247,261

3,712,059
-
-
3,712,059

\$ 27,959,320

\$ 367,955
1,308,313
27,104
145,037
94,760
64,972

51,518
115,821
21,795
16,584
124,114
9,096

-
-
903,400
3,250,469

4,099,615
-
-
-
83,675
4,183,290

\$ 7,433,759

\$ (20,996,792)
471,231
\$ (20,525,561)

-- Continued

CITY OF STOW, OHIO

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

	Fiscal Year			
	2007	2006	2005	2004
General Revenues				
Governmental activities:				
Taxes				
Property taxes	\$ 7,639,945	\$ 7,871,452	\$ 7,459,294	\$ 6,844,640
Income taxes	12,642,876	11,579,104	11,209,387	11,422,047
Grants and entitlements not restricted to specific programs	3,890,054	3,814,628	3,354,221	4,655,070
Investment earnings	1,293,813	894,418	471,060	219,668
Other	414,403	2,274,362	884,356	416,504
Premium on debt issued	-	-	-	146,083
Gain on sale of capital assets	-	-	-	-
Transfers	(110,000)	-	-	753,480
Total governmental activities	<u>25,771,091</u>	<u>26,433,964</u>	<u>23,378,318</u>	<u>24,457,492</u>
Business-type activities:				
Municipal income taxes	197,571	-	-	-
Investment earnings	-	-	-	4,963
Other	320,614	205,439	26,941	100,622
Premium on debt issued	-	-	-	20,470
Transfers	110,000	-	-	(753,480)
Total business-type activities	<u>628,185</u>	<u>205,439</u>	<u>26,941</u>	<u>(627,425)</u>
Total primary government	<u>\$ 26,399,276</u>	<u>\$ 26,639,403</u>	<u>\$ 23,405,259</u>	<u>\$ 23,830,067</u>
Change in Net Assets				
Governmental activities	\$ 659,775	\$ 184,563	\$ 2,279,324	\$ 1,698,651
Business-type activities	1,342,991	854,268	2,387,154	1,125,377
Total primary government	<u>\$ 2,002,766</u>	<u>\$ 1,038,831</u>	<u>\$ 4,666,478</u>	<u>\$ 2,824,028</u>

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

2003

\$ 6,797,865
11,167,214

4,092,246
290,877
519,809
78,919
34,474
88,196
23,069,600

-
9,133
63,272
11,398
(88,196)
(4,393)

\$ 23,065,207

\$ 2,072,808
466,838
\$ 2,539,646

CITY OF STOW, OHIO

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund				
Reserved	\$ 648,662	\$ 1,003,425	\$ 734,620	\$ 570,919
Unreserved	5,234,108	5,275,404	4,795,925	5,226,327
Total general fund	<u>\$ 5,882,770</u>	<u>\$ 6,278,829</u>	<u>\$ 5,530,545</u>	<u>\$ 5,797,246</u>
All Other Governmental Funds				
Reserved	\$ 7,444,910	\$ 2,239,930	\$ 1,300,045	\$ 1,138,739
Unreserved, reported in:				
Special revenue funds	1,553,319	1,779,727	1,554,666	2,129,062
Capital projects funds	4,694,850	4,193,828	3,896,066	3,730,693
Total all other governmental funds	<u>\$ 13,693,079</u>	<u>\$ 8,213,485</u>	<u>\$ 6,750,777</u>	<u>\$ 6,998,494</u>

2003	2002	2001	2000	1999	1998
\$ 640,154	\$ 1,803,014	\$ 2,078,401	\$ 1,987,548	\$ 1,677,907	\$ 221,118
5,117,349	4,549,300	3,764,897	1,773,991	1,539,578	1,991,121
<u>\$ 5,757,503</u>	<u>\$ 6,352,314</u>	<u>\$ 5,843,298</u>	<u>\$ 3,761,539</u>	<u>\$ 3,217,485</u>	<u>\$ 2,212,239</u>
\$ 3,712,841	\$ 9,310,570	\$ 2,324,308	\$ 882,489	\$ 976,750	\$ 540,533
2,030,952	(1,480,404)	1,807,376	2,614,549	2,135,060	2,274,545
4,836,697	(4,155,417)	4,351,113	5,288,575	4,182,092	2,732,484
<u>\$ 10,580,490</u>	<u>\$ 3,674,749</u>	<u>\$ 8,482,797</u>	<u>\$ 8,785,613</u>	<u>\$ 7,293,902</u>	<u>\$ 5,547,562</u>

CITY OF STOW, OHIO

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Revenues				
Property and other taxes	\$ 7,429,309	\$ 7,416,170	\$ 6,830,535	\$ 6,847,919
Income taxes	12,595,578	12,013,125	11,832,911	11,422,047
Special assessments	72,689	51,417	61,809	57,600
Charges for services	913,908	829,301	965,041	1,062,425
Licenses and permits	674,105	812,172	760,506	823,125
Fines and forfeitures	159,063	143,822	115,118	152,428
Intergovernmental	6,910,284	6,480,588	6,447,556	5,212,987
Investment income	1,309,078	873,755	451,530	215,183
Rent	280,274	264,570	189,731	95,644
Contributions and donations	53,714	12,593	1,338	5,697
Other	587,069	2,178,764	883,018	422,376
Total revenues	<u>30,985,071</u>	<u>31,076,277</u>	<u>28,539,093</u>	<u>26,317,431</u>
Expenditures				
Current:				
General government	5,682,480	5,126,246	4,980,022	4,662,459
Security of persons and property	12,211,360	11,668,726	10,720,669	10,613,717
Public health	402,885	400,521	384,994	405,931
Leisure time activities	1,967,626	1,843,051	1,756,686	1,712,128
Community and economic development	1,357,699	1,368,784	1,329,499	1,293,809
Transportation	3,479,526	2,500,585	2,922,095	2,856,791
Capital outlay	8,040,397	4,220,049	4,976,831	7,333,364
Other	-	-	-	-
Debt service:				
Principal retirement	10,808,200	11,656,000	12,511,858	14,134,662
Interest and fiscal charges	652,997	586,369	499,341	475,179
Bond issuance costs	60,040	-	-	141,726
Total expenditures	<u>44,663,210</u>	<u>39,370,331</u>	<u>40,081,995</u>	<u>43,629,766</u>
Excess of revenues over (under) expenditures	(13,678,139)	(8,294,054)	(11,542,902)	(17,312,335)
Other Financing Sources (Uses)				
Notes issued	14,565,172	10,423,200	11,281,000	12,141,858
Premium on notes	106,502	81,846	74,300	95,745
Refunding bonds issued	4,200,000	-	-	6,440,000
Accrued interest received on debt issuance	-	-	-	16,203
Payment to refunded bond escrow agent	-	-	-	(6,281,301)
Proceeds from sale of capital assets	-	-	-	-
Loss on sale of common stock	-	-	-	-
Transfers in	850,341	569,879	571,188	1,413,421
Transfers out	(960,341)	(569,879)	(571,188)	(659,941)
Total other financing sources	<u>18,761,674</u>	<u>10,505,046</u>	<u>11,355,300</u>	<u>13,165,985</u>
Net change in fund balances	<u>\$ 5,083,535</u>	<u>\$ 2,210,992</u>	<u>\$ (187,602)</u>	<u>\$ (4,146,350)</u>
Capital expenditures	6,927,367	2,722,203	3,199,104	5,823,962
Debt service as a percentage of noncapital expenditures	30.53%	33.41%	35.28%	39.02%

	2003	2002	2001	2000	1999	1998
\$	6,675,497	\$ 6,133,362	\$ 5,984,321	\$ 4,360,593	\$ 4,421,931	\$ 4,599,832
	11,167,214	11,281,810	11,221,994	10,939,038	10,256,841	10,148,391
	53,454	52,917	55,319	56,032	56,788	54,819
	977,307	1,043,272	837,868	424,981	298,254	274,948
	878,235	615,963	599,729	603,019	803,038	551,374
	96,039	77,000	86,298	63,370	63,391	58,366
	5,274,336	4,425,388	6,602,441	4,702,144	4,046,790	3,591,199
	285,379	457,090	574,944	817,719	536,138	430,127
	-	-	-	-	-	-
	-	-	-	-	-	-
	520,129	718,788	493,111	347,600	156,232	225,403
	<u>25,927,590</u>	<u>24,805,590</u>	<u>26,456,025</u>	<u>22,314,496</u>	<u>20,639,403</u>	<u>19,934,459</u>
	4,337,419	4,038,069	3,787,262	3,455,250	3,120,550	3,354,777
	10,107,920	8,874,918	8,732,322	7,833,280	7,241,474	6,710,670
	435,598	469,082	462,594	468,329	442,050	433,642
	1,646,323	1,486,482	1,492,171	1,501,736	1,388,987	1,329,193
	1,163,616	1,132,509	1,096,685	1,119,854	909,323	417,785
	2,542,914	2,352,871	2,217,758	2,384,678	2,063,396	1,790,751
	12,567,939	10,434,356	5,548,763	3,649,212	2,057,286	2,434,063
	3,863	6,389	23,224	50,973	-	-
	15,627,361	180,000	315,000	225,000	215,000	200,000
	735,296	382,395	402,683	414,308	428,908	499,316
	-	-	-	-	-	-
	<u>49,168,249</u>	<u>29,357,071</u>	<u>24,078,462</u>	<u>21,102,620</u>	<u>17,866,974</u>	<u>17,170,197</u>
	(23,240,659)	(4,551,481)	2,377,563	1,211,876	2,772,429	2,764,262
	13,923,919	59,694	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	34,474	-	61,222	-	15,609	18,350
	-	(6,122)	-	-	-	-
	684,228	6,894,637	11,149,059	14,110,788	15,371,086	15,280,556
	<u>(596,032)</u>	<u>(6,894,637)</u>	<u>(11,652,208)</u>	<u>(14,110,788)</u>	<u>(15,419,552)</u>	<u>(15,263,871)</u>
	<u>14,046,589</u>	<u>53,572</u>	<u>(441,927)</u>	<u>-</u>	<u>(32,857)</u>	<u>35,035</u>
\$	<u>(9,194,070)</u>	<u>(4,497,909)</u>	<u>1,935,636</u>	<u>1,211,876</u>	<u>2,739,572</u>	<u>2,799,297</u>
	12,101,292	10,434,356	5,548,763	3,649,212	2,057,286	2,434,063
	44.14%	2.97%	3.87%	3.66%	4.07%	4.75%

THIS PAGE IS INTENTIONALLY LEFT BLANK

REVENUE CAPACITY

CITY OF STOW, OHIO

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

Collection Year	Real Property (1)		Public Utility Property (2)		Tangible Personal Property (3)	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2007	\$ 807,864,530	\$ 2,308,184,371	\$ 11,680,280	\$ 46,721,120	\$ 24,319,941	\$ 194,559,528
2006	785,872,830	2,245,350,943	10,062,490	40,249,960	35,360,828	188,591,083
2005	726,040,350	2,074,401,000	11,035,980	44,143,920	35,360,828	141,443,312
2004	705,710,080	2,016,314,514	10,855,300	43,421,200	47,772,680	160,005,088
2003	693,300,320	1,980,858,057	11,361,260	45,445,040	51,014,864	171,524,939
2002	611,933,190	1,748,380,543	10,647,060	42,588,240	54,307,489	186,740,648
2001	588,277,820	1,680,793,771	13,019,160	52,076,640	53,892,421	178,287,544
2000	567,191,520	1,620,547,200	14,630,840	58,523,360	53,811,583	171,353,812
1999	526,516,730	1,504,333,514	14,428,370	57,713,480	52,133,728	165,249,802
1998	512,961,810	1,465,605,171	14,557,040	58,228,160	50,150,238	156,929,832

Source: Summit County Fiscal Office

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

Total		
Assessed Value	Estimated Actual Value	Ratio
\$ 843,864,751	\$ 2,549,465,019	33.10%
831,296,148	2,474,191,986	33.60%
772,437,158	2,259,988,232	34.18%
764,338,060	2,219,740,802	34.43%
755,676,444	2,197,828,036	34.38%
676,887,739	1,977,709,431	34.23%
655,189,401	1,911,157,955	34.28%
635,633,943	1,850,424,372	34.35%
593,078,828	1,727,296,796	34.34%
577,669,088	1,680,763,163	34.37%

CITY OF STOW, OHIO

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

Collection Year	City Direct Rates					Overlapping Rates	
	General Operating	Police Pension	Fire Pension	EMS	Total Direct	Stow City School District	Summit County
2007	6.60	0.30	0.30	2.30	9.50	45.62	14.57
2006	6.60	0.30	0.30	2.30	9.50	46.73	13.07
2005	6.60	0.30	0.30	2.30	9.50	47.88	13.07
2004	6.60	0.30	0.30	2.30	9.50	47.93	13.07
2003	6.60	0.30	0.30	2.30	9.50	48.32	13.07
2002	6.60	0.30	0.30	2.30	9.50	45.74	13.07
2001	6.60	0.30	0.30	2.30	9.50	46.44	13.07
2000	6.60	0.30	0.30	-	7.20	46.44	13.07
1999	6.60	0.30	0.30	-	7.20	47.64	12.27
1998	6.60	0.30	0.30	-	7.20	47.74	11.65

Source: Summit County Fiscal Officer

CITY OF STOW, OHIO

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

<u>Collection Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections to Current Tax Levy</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Current Tax Levy</u>
2007	\$ 7,785,698	\$ 7,567,654	97.20%	\$ 276,214	\$ 7,843,868	100.75%
2006	7,636,480	7,449,227	97.55%	178,019	7,627,246	99.88%
2005	7,002,463	6,829,291	97.53%	170,235	6,999,526	99.96%
2004	6,817,956	6,644,645	97.46%	165,073	6,809,718	99.88%
2003	6,694,114	6,499,566	97.09%	160,251	6,659,817	99.49%
2002	6,102,629	5,791,916	94.91%	144,724	5,936,640	97.28%
2001	5,898,640	5,580,204	94.60%	127,890	5,708,094	96.77%
2000	4,278,289	4,062,677	94.96%	77,990	4,140,667	96.78%
1999	3,985,361	3,801,725	95.39%	84,055	3,885,780	97.50%
1998	3,908,376	3,714,778	95.05%	84,821	3,799,599	97.22%

Source: Summit County Fiscal Officer

CITY OF STOW, OHIO

PRINCIPAL TAXPAYERS
REAL ESTATE TAX
CURRENT YEAR AND SEVEN YEARS AGO

December 31, 2007			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Heron Springs Associates, LLC	\$ 8,382,140	1	1.04%
Wyndham Ridge, LLC	7,843,490	2	0.97%
DDR Ohio Opportunity II, LLC	6,670,820	3	0.83%
Marcliff Hidden Lake Apartments Limited	4,653,450	4	0.58%
Stow-Glen Properties	4,606,350	5	0.57%
Morgan Adhesives Company	4,313,840	6	0.53%
Steels Corners Apartment Company Ltd.	4,276,430	7	0.53%
SFC Enterprises LTD	2,760,630	8	0.34%
WalMart Real Estate Business Trust	2,547,290	9	0.32%
Stow Associates	2,261,500	10	0.28%
Total	\$ 48,315,940		5.99%
Total Assessed Value of Real Property	\$ 807,864,530		

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

Source: Summit County Fiscal Office

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

CITY OF STOW, OHIO

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

December 31, 2007			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Morgan Adhesives	\$ 2,571,000	1	10.57%
New Cingular Wireless PCS LLC	1,367,090	2	5.62%
Audio-Technican U.S. Inc.	1,165,660	3	4.79%
GoJo Industries Inc.	1,060,030	4	4.36%
Ohio Bell Telephone	994,750	5	4.09%
Tamarkin Co.	921,850	6	3.79%
Lowes Home Centers, Inc.	774,700	7	3.19%
Wal Mart Stores East, Inc.	773,730	8	3.18%
Marhofer Chevrolet, Inc.	871,680	9	3.58%
Wrayco Industries, Inc.	698,180	10	2.87%
Total	<u>\$ 11,198,670</u>		<u>46.04%</u>
Total Assessed Value of Tangible Personal Property	<u>\$ 24,319,941</u>		

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

Source: Summit County Fiscal Office

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

CITY OF STOW, OHIO

INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS

<u>Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected (1)</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes from Individuals</u>	<u>Percentage of Taxes from Individuals</u>
2007	2.00%	\$ 12,739,603	\$ 8,630,468	67.75%	\$ 1,572,191 (2)	12.34%	\$ 2,536,945	19.91%
2006	2.00%	11,886,629	8,102,987	68.17%	1,395,119 (2)	11.74%	2,388,523	20.09%
2005	2.00%	12,054,635	7,833,216	64.98%	1,487,884 (2)	12.34%	2,733,535	22.68%
2004	2.00%	11,463,637	7,745,451	67.57%	997,939 (2)	8.71%	2,720,247	23.73%
2003	2.00%	11,378,531	7,596,252	66.76%	1,132,905 (2)	9.96%	2,649,374	23.28%
2002	2.00%	11,340,627	7,605,139	67.06%	928,622 (2)	8.19%	2,806,866	24.75%
2001	2.00%	11,050,292	7,506,138	67.93%	841,297	7.61%	2,702,857	24.46%
2000	2.00%	10,986,687	7,436,931	67.69%	875,142	7.97%	2,674,614	24.34%
1999	2.00%	10,654,608	7,066,934	66.33%	972,824	9.13%	2,614,850	24.54%
1998	2.00%	10,242,826	6,783,301	66.22%	1,030,653	10.06%	2,428,872	23.71%

Source: City of Stow, Income Tax Department

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

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

DEBT CAPACITY

CITY OF STOW, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

Fiscal Year	Governmental Activities			Business-Type Activities			
	General Obligation Bonds	Long-Term Notes	Land Purchase Agreement	OWDA Loans	OPWC Loans	General Obligation Bonds	Long-Term Notes
2007	\$ 9,170,000	\$ 14,565,172	\$ -	\$ 25,984	\$ 208,520	\$ 5,500,000	\$ 2,579,828
2006	5,355,000	10,423,200	-	51,516	220,104	-	9,021,800
2005	5,730,000	11,281,000	-	76,635	231,688	-	2,064,000
2004	6,100,000	12,141,858	-	99,879	195,353	-	2,503,142
2003	5,820,000	13,845,000	-	121,389	-	-	2,000,000
2002	6,015,000	15,505,000	-	141,294	-	-	2,300,000
2001	6,195,000	-	-	168,274	-	-	2,300,000
2000	6,360,000	-	75,000	-	-	-	-
1999	6,510,000	-	150,000	-	-	-	-
1998	6,650,000	-	225,000	-	-	-	-

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

	Total Primary Government	Percentage of Personal Income	Per Capita
\$	32,049,504	2.53%	\$ 876
	25,071,620	2.25%	772
	19,383,323	1.74%	597
	21,040,232	1.98%	678
	21,786,389	2.12%	726
	23,961,294	2.41%	813
	8,663,274	0.87%	293
	6,435,000	0.72%	230
	6,660,000	0.76%	246
	6,875,000	0.85%	269

CITY OF STOW, OHIO

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS

Fiscal Year	General Bonded Debt Outstanding		Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Total		
2007	\$ 9,170,000	\$ 9,170,000	1.09%	\$ 265
2006	5,355,000	5,355,000	0.64%	156
2005	5,730,000	5,730,000	0.74%	167
2004	6,100,000	6,100,000	0.80%	178
2003	5,820,000	5,820,000	0.77%	170
2002	6,015,000	6,015,000	0.89%	178
2001	6,195,000	6,195,000	0.95%	185
2000	6,360,000	6,360,000	1.00%	198
1999	6,510,000	6,510,000	1.10%	202
1998	6,650,000	6,650,000	1.15%	209

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

CITY OF STOW, OHIO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2007

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
City of Stow	\$ 23,735,172	100.00%	\$ 23,735,172
Overlapping Debt:			
Summit County	49,245,000	6.56%	3,230,472
Stow-Munroe Falls City School District	430,000	87.07%	374,401
Akron Metro Regional Transit Authority	650,000	6.56%	42,640
Subtotal, overlapping debt			<u>3,647,513</u>
City direct debt			<u>23,735,172</u>
Total direct and overlapping debt			<u>\$ 27,382,685</u>

Source: Ohio Municipal Advisory Council

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

CITY OF STOW, OHIO

LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2007 (a)	\$ 85,546,487	\$ 9,170,000	\$ 76,376,487	10.72%
2006	87,286,096	5,355,000	81,931,096	6.13%
2005	81,105,902	5,730,000	75,375,902	7.06%
2004	80,255,496	6,100,000	74,155,496	7.60%
2003	79,346,027	5,820,000	73,526,027	7.33%
2002	71,073,213	6,015,000	65,058,213	8.46%
2001	68,794,887	6,195,000	62,599,887	9.01%
2000	66,741,564	6,360,000	60,381,564	9.53%
1999	62,273,277	6,510,000	55,763,277	10.45%
1998	60,655,254	6,650,000	54,005,254	10.96%

Source: City of Stow, Financial Records

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF STOW, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	School Enrollment	Unemployment Rate (3)
2007	34,550 (est.)	\$1,264,391,800 (est.)	\$36,596 (est.)	5,927	4.5%
2006	34,335	1,180,952,325	34,395	6,000	4.3%
2005	34,397	1,116,595,414	32,462	6,080	5.8%
2004	34,343	1,065,216,831	31,017	6,076	6.1%
2003	34,206	1,026,145,794	29,999	6,001	5.7%
2002	33,771	994,758,576	29,456	5,836	6.1%
2001	33,565	993,188,350	29,590	6,018	4.3%
2000	32,139	899,988,417	28,003	5,964	4.0%
1999	32,162	871,622,362	27,101	6,001	4.2%
1998	31,762	810,534,478	25,519	6,075	4.0%

Sources:

- (1) U.S. Census Estimates, City of Stow
- (2) Ohio Workforce Informer, Akron Metropolitan Statistical Area Data
- (3) Ohio Bureau of Employment Services, U.S. Department of Labor and Bureau of Labor Statistics

CITY OF STOW, OHIO

PRINCIPAL EMPLOYERS
CURRENT YEAR AND FIVE YEARS AGO

	<u>2007</u>	
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>
MACTac - Morgan Adhesives	362	1
Wrayco Industries, Inc.	281	2
Matco Tools Corporation	250	3
City of Stow	226	4
National Machine Co.	215	5
Akron General Health & Wellness Center	151	6
Centimark Corporation	126	7
Audio Technica U.S. Inc.	112	8
GOJO Industries, Inc.	84	9
Saint-Gobain Norpro Corporation	<u>80</u>	10
Total	<u><u>1,887</u></u>	

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

Source: City of Stow, Department of Planning & Development

Note: Information prior to 2002 is not available.

OPERATING INFORMATION

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF STOW, OHIO

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

Full-time Equivalent Employees as of December 31										
Function/Program	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General government										
Management service	30	33	33	31	29	29	29	27	N/A	N/A
Finance	13	13	13	13	13	13	11	12	N/A	N/A
Planning	6	6	7	7	7	6	5	5	N/A	N/A
Building	6	6	7	7	7	7	7	6	N/A	N/A
Other - Public Utilities	14	10	10	9	8	8	7	-	N/A	N/A
Security of persons and property										
Officers	43	38	38	34	34	33	35	35	N/A	N/A
Civilians	75	74	74	73	73	73	72	58	N/A	N/A
Public health and welfare	1	1	1	1	1	1	1	1	N/A	N/A
Transportation	21	23	22	22	21	20	21	21	N/A	N/A
Community environment	3	3	3	3	3	3	3	3	N/A	N/A
Leisure time activity	14	18	14	13	13	14	13	14	N/A	N/A
Total	226	225	222	213	209	207	204	182	-	-

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

CITY OF STOW, OHIO

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2007	2006	2005	2004
General Government				
Council				
Number of Ordinances & resolutions	250	205	226	292
Court				
Number of court cases	4,423	4,717	4,073	5,014
Number of tickets	7,855	7,678	7,171	8,546
Number of court appearances	1,040	1,050	1,000	1,200
Finance				
Checks issued	6,215	6,311	6,407	6,424
Purchase orders issued	3,274	3,270	2,839	3,118
Number of W-2 forms issued	460	443	426	415
City W-2 Wages	\$ 15,048,694	\$ 14,093,448	\$ 13,262,323	\$ 13,144,667
Security of persons and property				
Police				
Physical arrests	1,222	1,399	1,294	1,317
Parking violations	444	150	139	303
Traffic citations	6,511	7,528	7,032	8,243
Traffic accidents	655	841	970	1,015
Marked patrol units	21	19	N/A	N/A
Unmarked patrol units	7	5	5	5
Calls for service answered	12,456	21,411	21,267	22,183
Fire				
Fire engines	4	4	4	4
Calls answered	3,387	3,354	3,531	3,305
Number of inspections by Fire Prevention Bureau	1,689	1,219	938	846
Transportation				
Number of bridges	13	13	13	13
Number of street lights	1,246	1,239	1,210	1,112
Number of signalized intersections	47	47	47	46
Community Environment				
Building				
Building permits issued	672	672	730	877
Inspections performed	1,006	1,415	1,908	2,366
Estimated value of construction	\$ 59,582,633	\$ 41,431,980	\$ 28,390,400	\$ 55,325,891
Number of plans examined	78	63	69	65
Public Health and Welfare				
Cemetery (plots sold)	60	56	68	52
Water				
Miles of water mains	152	151	151	151
Number of water tanks	1	1	1	1
Maximum holding capacity of water tank in gallons	2,500,000	2,500,000	2,500,000	2,500,000
Number of service connections	12,000	11,900	11,800	11,600
Number of fire hydrants	2,225	2,100	2,100	2,100
Daily average consumption in gallons	3,200,000	3,000,000	3,000,000	2,950,000

<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
195	247	245	352	245	239
4,271	4,041	3,854	2,837	3,177	2,881
7,450	6,898	6,817	3,847	5,297	4,087
1,025	950	950	600	800	650
6,749	6,496	6,460	6,354	6,551	6,218
3,376	3,580	N/A	N/A	N/A	N/A
413	408	418	388	385	365
\$ 12,098,984	\$ 11,130,679	\$ 10,440,764	\$ 9,526,095	\$ 9,047,888	\$ 8,539,308
1,354	1,543	1,535	1,229	1,417	1,359
247	389	924	268	158	213
7,203	6,509	5,893	3,579	5,139	3,874
1,031	1,109	1,191	1,198	1,147	1,110
N/A	N/A	N/A	N/A	N/A	N/A
5	5	5	5	5	5
21,102	22,439	21,381	18,218	18,629	17,734
4	3	3	3	3	3
3,350	3,404	3,424	3,414	3,200	3,209
762	724	859	898	775	1,299
13	13	13	13	13	13
1,074	1,074	N/A	N/A	N/A	N/A
46	46	44	43	N/A	N/A
902	821	1,007	1,049	N/A	N/A
2,231	2,058	2,628	1,297	N/A	N/A
\$ 43,094,062	\$ 52,600,342	\$ 38,522,473	\$ 71,760,830	N/A	N/A
61	57	65	81	N/A	N/A
62	103	148	N/A	N/A	N/A
151	151	151	N/A	N/A	N/A
1	1	1	N/A	N/A	N/A
2,500,000	2,500,000	2,500,000	N/A	N/A	N/A
11,500	10,900	10,500	N/A	N/A	N/A
2,100	2,100	2,100	N/A	N/A	N/A
2,900,000	2,800,000	2,700,000	N/A	N/A	N/A

CITY OF STOW, OHIO

**CAPITAL ASSET INDICATORS
LAST TEN YEARS**

Function/Program	2007	2006	2005	2004
Public Safety				
Police:				
Stations	1.00	1.00	1.00	1.00
Fire:				
Stations	3.00	3.00	3.00	3.00
Leisure Time Activities				
City Parks	4.00	4.00	4.00	4.00
Neighborhood Parks	6.00	6.00	6.00	6.00
Park Acreage	407.75	407.75	407.75	407.75
Lodges	3.00	4.00	4.00	4.00
Ballfields	15.00	7.00	13.00	7.00
Tennis Courts	4.00	4.00	4.00	4.00
Volleyball Courts	-	3.00	1.00	3.00
Camp Sites	27.00	27.00	27.00	27.00
Transportation				
City Lanes (Paved Miles)	293.00	293.00	293.00	283.00
State Highways (Paved Miles)	48.00	48.00	48.00	47.00

<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
1.00	1.00	1.00	1.00	1.00	1.00
3.00	2.00	2.00	2.00	2.00	2.00
4.00	4.00	4.00	4.00	N/A	N/A
6.00	6.00	6.00	6.00	N/A	N/A
407.75	407.75	407.75	407.75	N/A	N/A
4.00	4.00	4.00	4.00	N/A	N/A
7.00	10.00	10.00	10.00	N/A	N/A
4.00	4.00	4.00	4.00	N/A	N/A
3.00	4.00	4.00	4.00	N/A	N/A
27.00	27.00	27.00	27.00	N/A	N/A
283.00	343.00	340.00	340.00	N/A	N/A
47.00	44.00	44.00	44.00	N/A	N/A

CITY OF STOW, OHIO

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Land	\$ 11,315,360	\$ 10,127,855	\$ 10,157,855	\$ 10,076,005	\$ 9,937,445
Construction in progress	3,108,666	1,071,785	2,755,424	3,526,044	12,102,100
Buildings and building improvements	16,517,663	17,088,395	17,793,185	16,446,238	5,273,199
Vehicles	3,912,139	2,931,700	2,931,661	3,372,545	3,096,774
Equipment, furniture and fixtures	1,003,053	1,280,437	1,183,759	1,025,582	641,600
Infrastructure	12,743,822	12,295,937	9,742,608	9,652,052	9,184,702
Total Capital Assets, Net	<u>\$ 48,600,703</u>	<u>\$ 44,796,109</u>	<u>\$ 44,564,492</u>	<u>\$ 44,098,466</u>	<u>\$ 40,235,820</u>



Mary Taylor, CPA
Auditor of State

CITY OF STOW

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 19, 2008**