

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SUPPLEMENTAL REPORTS

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2008**

CATHERINE BULGRIN, TREASURER



Mary Taylor, CPA
Auditor of State

Board of Education
Stow-Munroe Falls City School District
4350 Allen Road
Stow, Ohio 44224

We have reviewed the *Independent Auditor's Report* of the Stow-Munroe Falls City School District, Summit County, prepared by Julian & Grube, Inc., for the audit period July 1, 2007 through June 30, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Stow-Munroe Falls City School District is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

February 17, 2009

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**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

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Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report on Supplementary Schedule of Receipts and Expenditures of Federal Awards

Board of Education
Stow-Munroe Falls City School District
4350 Allen Road
Stow, Ohio 44224

We have audited the financial statements of the governmental activities, its major fund and the aggregate remaining fund information of Stow-Munroe Falls City School District, Summit County, Ohio, as of and for the fiscal year ended June 30, 2008, and have issued our report thereon dated December 23, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Stow-Munroe Falls City School District's basic financial statements. The accompanying schedule of receipts and expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

Julian & Grube, Inc.

Julian & Grube, Inc.
December 23, 2008

STOW-MUNROE FALLS CSD
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(G) PASS-THROUGH GRANT NUMBER	(D) CASH FEDERAL RECEIPTS	(D) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION				
(B) Food Donation	10.550	2008	\$ 64,673	\$ 64,673
Total Food Donation			<u>64,673</u>	<u>64,673</u>
(C) National School Lunch Program	10.555	2008	317,891	317,891
Total National School Lunch Program			<u>317,891</u>	<u>317,891</u>
Total U.S. Department of Agricultur			<u>382,564</u>	<u>382,564</u>
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION				
(F) Title I Grants to Local Educational Agencies	84.010	2007	5,449	8,298
(F) Title I Grants to Local Educational Agencies	84.010	2008	317,021	330,230
Total Title I Grants to Local Educational Agency:			<u>322,470</u>	<u>338,528</u>
Special Education Cluster:				
(A), (F) Special Education_Grants to States	84.027	2007	226,775	105,754
(A), (F) Special Education_Grants to States	84.027	2008	698,049	789,979
Total Special Education _Grants to State:			<u>924,824</u>	<u>895,733</u>
(A), (F) Special Education_Preschool Grants	84.173	2007	5,836	-
(A), (F) Special Education_Preschool Grants	84.173	2008	20,926	20,518
Total Special Education_Preschool Grants			<u>26,762</u>	<u>20,518</u>
Total Special Education Cluste			<u>951,586</u>	<u>916,251</u>
Safe and Drug-Free Schools and Communities State Grants	84.186	2007	2,988	4,985
Safe and Drug-Free Schools and Communities State Grants	84.186	2008	5,885	11,395
Total Safe and Drug-Free School and Communities State Grants			<u>8,873</u>	<u>16,380</u>
State Grants for Innovative Programs	84.298	2007	-	564
State Grants for Innovative Programs	84.298	2008	4,712	12,752
Total State Grants for Innovative Programs			<u>4,712</u>	<u>13,316</u>
(F) Education Technology State Grants	84.318	2007	(259)	-
(F) Education Technology State Grants	84.318	2008	644	963
Total Education Technology State Grant:			<u>385</u>	<u>963</u>
English Language Acquisition Grants	84.365	2008	13,148	15,060
Total English Language Acquisition Grants			<u>13,148</u>	<u>15,060</u>
(F) Improving Teacher Quality State Grants	84.367	2007	12,231	25,275
(F) Improving Teacher Quality State Grants	84.367	2008	80,647	109,862
Total Improving Teacher Quality State Grants			<u>92,878</u>	<u>135,137</u>
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE SIX DISTRICT EDUCATIONAL COMPACT				
(E) Federal Perkins Loan Program_Federal Capital Contributions	84.038	2008	-	1,313
(E) Federal Perkins Loan Program_Federal Capital Contributions	84.038	2008	39,000	38,319
Total Federal Perkins Loan Program			<u>39,000</u>	<u>39,632</u>
Total U.S. Department of Educator			<u>1,433,052</u>	<u>1,475,267</u>
Total Federal Financial Assistanc			<u>\$ 1,815,616</u>	<u>\$ 1,857,831</u>

-continued

**STOW-MUNROE FALLS CSD
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS:

- (A) Included as part of "Special Education Grant Cluster" in determining major programs.
- (B) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are valued at entitlement values.
- (C) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis.
- (D) This schedule was prepared on the cash basis of accounting.
- (E) Passed through the Six District Educational Compact.
- (F) The District generally must spend Federal assistance within 15 months of receipt (funds must be obligated by June 30th and spent by September 30th). However, with Ohio Department of Education ("ODE")'s approval, a District can transfer unspent Federal assistance to the succeeding year, thus allowing the District a total of 27 months to spend the assistance. Schools can document this by using special cost centers for each year's activity, and transferring the amounts ODE approves between the cost centers. During fiscal year 2008, the ODE authorized the following transfers:

CFDA Number	Program Title	Grant Year	Transfer Out	Transfer In
84.027	Special Education Grants to States	2007	\$ 114,126	
84.027	Special Education Grants to States	2008		\$ 114,126
84.010	Title I Grants to Local Education Agencies	2007	9,252	
84.010	Title I Grants to Local Education Agencies	2008		9,252
84.173	Special Education Preschool Grants	2007	1,977	
84.173	Special Education Preschool Grants	2008		1,977
84.367	Improving Teacher Quality State Grants	2007	1,046	
84.367	Improving Teacher Quality State Grants	2008		1,046
84.318	Education Technology State Grants	2007	260	
84.318	Education Technology State Grants	2008		260
Total			\$ 126,661	\$ 126,661

- (G) OAKS did not assigned pass-through numbers for fiscal year 2008.



Julian & Grube, Inc.

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333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Education
Stow-Munroe Falls City School District
4350 Allen Road
Stow, Ohio 44224

We have audited the financial statements of the governmental activities, its major fund, and the aggregate remaining fund information of Stow-Munroe Falls City School District, Summit County, Ohio, as of and for the fiscal year ended June 30, 2008, which collectively comprise Stow-Munroe Falls City School District's basic financial statements and have issued our report thereon dated December 23, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Stow-Munroe Falls City School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Stow-Munroe Falls City School District's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of Stow-Munroe Falls City School District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of 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 Stow-Munroe Falls City School District's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Stow-Munroe Falls City School District's financial statements that is more than inconsequential will not be prevented or detected by Stow-Munroe Falls City School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Stow-Munroe Falls City School District's internal control.

Board of Education
Stow-Munroe Falls City School District

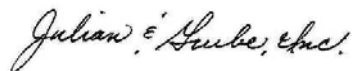
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Stow-Munroe Falls City School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of Stow-Munroe Falls City School District in a separate letter dated December 23, 2008.

This report is intended solely for the information and use of the management and Board of Education of Stow-Munroe Falls City School District and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Julian & Grube, Inc.
December 23, 2008



Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Report on Compliance With Requirements Applicable to Its Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

Board of Education
Stow-Munroe Falls City School District
4350 Allen Road
Stow, Ohio 44224

Compliance

We have audited the compliance of Stow-Munroe Falls City School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the fiscal year ended June 30, 2008. Stow-Munroe Falls City School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Stow-Munroe Falls City School District's management. Our responsibility is to express an opinion on Stow-Munroe Falls City School District's compliance based on our audit.

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

In our opinion, Stow-Munroe Falls City School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the fiscal year ended June 30, 2008.

Board of Education
Stow-Munroe Falls City School District

Internal Control Over Compliance

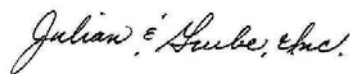
The management of Stow-Munroe Falls City School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Stow-Munroe Falls City School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Stow-Munroe Falls City School District's internal control over compliance.

A control deficiency in Stow-Munroe Falls City School District's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Stow-Munroe Falls City School District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by Stow-Munroe Falls City School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by Stow-Munroe Falls City School District's internal control.

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

This report is intended solely for the information and use of management and Board of Education of Stow-Munroe Falls City School District and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Julian & Grube, Inc.
December 23, 2008

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2008**

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unqualified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unqualified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under §.510?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	Special Education Cluster: Special Education: Grants to States - CFDA #84.027; and Special Education: Preschool Grants - CFDA #84.173.
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**STATUS OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2008**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2007-SMFCSD-001	Ohio Revised Code Section 5705.39 requires that the total appropriation from each fund should not exceed total estimated resources.	Yes	N/A
2007-SMFCSD-002	Ohio Revised Code Section 5705.36 in part, requires subdivisions to request increased or reduced amended certificates of estimated resources upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources.	Yes	N/A

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

OF THE

**STOW-MUNROE FALLS CITY
SCHOOL DISTRICT**

SUMMIT COUNTY, OHIO

FOR THE

FISCAL YEAR ENDED JUNE 30, 2008

**PREPARED BY
TREASURER'S DEPARTMENT
CATHERINE BULGRIN, TREASURER**

4350 ALLEN ROAD

STOW, OHIO 44224

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2008**

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INTRODUCTORY SECTION



STOW-MUNROE FALLS CITY SCHOOLS

Administrative Offices
4350 Allen Road
Stow, OH 44224-1082

(330) 689-5445 • Phone
(330) 688-1629 • FAX
<http://www.stow.summit.k12.oh.us>



December 23, 2008

Members of the Board of Education and Residents of the
Stow-Munroe Falls City School District

The Comprehensive Annual Financial Report (CAFR) of the Stow-Munroe Falls City School District (the "District") for the fiscal year ended June 30, 2008 is hereby submitted. This CAFR includes financial statements and other financial and statistical data and conforms to accounting principles generally accepted in the United States of America (GAAP) as they apply to governmental entities. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of costs and benefits requires estimates and judgments by management.

State statute requires an annual audit by independent auditors. The firm of Julian & Grube, Inc. conducted the audit for fiscal year 2008. The audit has been conducted in accordance with generally accepted auditing standards, generally accepted government auditing standards, and include a review of internal controls and tests of compliance with Federal and State laws and regulations. The Independent Auditor's Report is included in this CAFR.

As a part of the District's independent audit, tests are made to determine the adequacy of the internal controls, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the District's independent audit for the fiscal year ended June 30, 2008 provided no instances of material weaknesses in internal controls.

This transmittal letter is designed to provide historical information about the District, as well as compliment the required Management's Discussion and Analysis (MD&A). GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements. The District's MD&A, which focuses on the government-wide statements, can be found immediately following the Independent Auditor's Report. This transmittal letter should be read in conjunction with the MD&A which can be found beginning on page 13.

District Vision: "To actively engage all learners in meaningful experiences which enable them to acquire the tools necessary to become productive, responsible citizens."

PROFILE OF STOW-MUNROE FALLS CITY SCHOOL DISTRICT

The District ranks as the 53rd largest by total enrollment among the 896 public school districts and community schools in the State of Ohio. As of the current school year (2007-08), the average daily membership (ADM) was 5,617 students attending nine schools.

The District has 665 full and part-time employees (not including supplemental positions). The District employs 379 certificated staff and 286 classified staff members. Included in these totals are the 30 administrators employed by the District.

The District offers a wide variety of educational programs for all segments of the community. Stow-Munroe Falls High School is part of the Six District Educational Compact which offers 24 career programs to students in five other neighboring high schools. Six of the career programs are offered at SMFHS: Cooperative Business Education, Marketing Education, Business Careers Technology, Culinary Arts and Catering, Pre-engineering Academy and Career Based Intervention. The District provides extensive special education services and offers a gifted program for grades 4-8. All District kindergarten students are offered the option of attending all-day kindergarten classes.

A full range of extracurricular programs and activities are available to students beginning with the elementary grades. All District schools have libraries and special purpose rooms.

An active Council of Parent Teacher Associations provides for articulation, cooperation, communication and partnership between parents, community members, and school officials.

The District cooperates with the City of Stow Park and Recreation Department, churches and a number of community and civic organizations in making school facilities available for athletic, recreational and enrichment activities.

Classroom teachers at all levels are supported by specialists in media, guidance, art, instrumental and vocal music, physical education and math. A comprehensive interscholastic and intramural sports program is offered to students at select grade levels of the District. All elementary schools have media aides and secondary schools are staffed by certified media specialists. Four psychologists, ten counselors, specific coordinators for Title I (a federally funded reading and mathematics program), and gifted programs offer direction, support and coordination of services for all students. All schools have nurses for most of the school day, five days a week.

The District's academic performance index score has increased each year on the State-generated local report card. This rising index score has resulted in the State of Ohio Department of Education rating the District as "Excellent with Distinction." This rating is the highest rating a District can receive from the State. Only 71 of the 612 School Districts in the State of Ohio earned this acknowledgment.

The Riverview Elementary School received the 2008 Hall of Fame awarded by the Ohio Association for Elementary School Administrators. Indian Trail and Woodland Elementary Schools both received the Buckeye Best Healthy School Gold Award from the Ohio Department of Health. The Kimpton Middle School's Strings orchestra received an Excellent rating in a State contest achieving nine Superiors and five Excellent ratings at the Regional Solo and Ensemble Contest. The Stow Munroe Falls High School's sophomore class had the third highest percentage (82.8) to pass all five sections of the Ohio Graduation Test (OGT) out of the 17 schools in Summit County. The Academic Challenge Team qualified for the National Tournament, with one team member placing tenth in the individual scoring at the National Competition. The Girls' Varsity Basketball team placed fourth in the State for the highest team grade point average (GPA).

Employees

A statewide public employee bargaining law applies generally to public employee relations and collective bargaining. The starting salary (2007-08 school year) for a teacher with a bachelor's degree is \$33,637, and the maximum salary for a teacher with a master's degree plus 60 graduate hours and 27 years of experience is \$71,277.

The District's certificated staff, excluding administration, are members of the Stow Teachers Association (S.T.A.), a labor organization affiliated with the Ohio Education Association. The current contract between the Board of Education and the S.T.A expires June 30, 2010.

All of the District's support staff employees, including secretarial, custodial, maintenance, food service, transportation, and teacher aides, are represented for bargaining purposes by the Stow-Munroe Falls Classified Employees' Association (S.M.F.C.E.A.), a labor organization affiliated with the Ohio Education Association. The current S.M.F.C.E.A. contract expires June 30, 2010.

In the judgment of the Board and administration, labor relations between the District and its employees remain excellent.

The Reporting Entity

The District has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity", as amended by Governmental Accounting Standards Board Statement No. 39, "Determining Whether Certain Organizations are Component Units." In evaluating how to define the District for financial reporting purposes, management has considered all agencies, departments and organizations making up the District (the primary government) and its potential component units. Based upon the application of these criteria, the District has no component units and is not itself a component unit of another government. The basic financial statements of the reporting entity include only those of the District (the primary government).

The District participates in certain organizations that are defined as jointly governed organizations and public entity risk pools. These organizations include the Northeast Ohio Network for Educational Technology (NeoNet), the Six District Educational Compact, the Ohio Schools Council, the Stark County Schools Council of Governments Health Benefits Program, and the Ohio School Boards Association Workers' Compensation Group Rating Program. These organizations are presented in Note 2.A to the basic financial statements.

Budgetary Controls

In addition to the internal controls mentioned above, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Activities of all funds are included in the annual appropriated budget. The legal level of budgetary control is at the first digit function for the general fund and the fund level for all other funds. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Unencumbered amounts lapse at year-end. A complete description of the District's Budgetary Process can be found in Note 2.E. to the basic financial statements. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The general fund balance was \$8,954,546 at June 30, 2008 as can be seen on the budgetary statement on page 33.

ECONOMIC CONDITION

Local Economy

The District is located in Summit County, in Northeast Ohio, approximately thirty miles south of Cleveland. Most of the District is located within Summit County, with a small portion falling in Portage County.

The District is served by diversified transportation facilities including immediate access to two State highways and Interstate 80 (Ohio Turnpike).

Major commercial banks with offices within the District include National City Bank, First Merit Bank, Huntington Bank, Fifth Third Bank and Charter One Bank.

Three daily newspapers and one weekly newspaper serve the District. The District falls within the broadcast area of six television stations and numerous AM/FM radio stations.

Within commuting distance of the District are numerous public and private two and four-year colleges and universities including Kent State University, Akron University, Cleveland State University, Youngstown State University, Walsh, and Mount Union.

The cities of Stow and Munroe Falls are located in northern Summit County, northeast of Akron and Cuyahoga Falls. They have a reputation for friendliness, hospitality, and have great pride in their history. They are growing, progressive cities that welcome new business ventures and support their existing ones. The quality schools have played a major role in making the community an attractive family environment which continues to attract quality professional and managerial persons.

Stow-Munroe Falls residents are within easy driving time of medical facilities, colleges and universities, recreational facilities, including national, state and local parks, shopping malls and professional athletic facilities.

Long-Term Financial Planning

The District prepares a five-year financial forecast annually for use as a tool for long range planning. The five-year forecast contains projected local and state revenues, spending patterns within each area of the budget, and cash balances in the District's operating fund. The five-year forecast provides early warning signs of potential financial problems.

The District uses the five-year forecast to provide a basis for making financial decisions, including the construction of the annual budget, adjustments to staffing levels, collective bargaining, and the placement of tax levies on the ballot. Specific examples of recent decisions that have resulted in improvements in the District's financial condition include the renewal of a 7.61 mill emergency levy in 2007.

Major Initiatives for the Year

The District implemented a number of significant programs during the past year to meet student and community needs.

The District has been involved in three House Bill 264 projects that replaced and upgraded HVAC equipment and other energy saving devices. Continued with Year Two of the District's five-year strategic plan implementing building wide literacy programs at Kimpton Middle and Lakeview Intermediate School buildings. The District is using computer programs to increase efficiency and cost savings in areas such as Transportation, Facilities, and preventative maintenance programs, utilization of staff and permanent improvement projects and projections.

The District entered into a \$1,500,000 H.B. 264 Energy Conservation Project with Honeywell International and CT Taylor to make energy saving improvements to several buildings in the District. Savings generated from the energy saving improvements will be used to pay for the cost of the project over a 15 year term.

The District purchased Study Island, Educational Options and Pre K-12 Notification Systems for use by the Administration, Staff, Parents and Students of Stow-Munroe Falls City Schools. Study Island is a provider of web-based state assessment preparation programs and standards based learning programs. Educational Options delivers an online program for students to earn credits needed for graduation requirements. Pre K-12 Notification Systems is a tool that can rapidly relay information to staff and parents in case of emergencies via telephone and e-mail.

The District continues its classroom focus of instructional alignment and moved to an inclusion model for its special education programs implementing AimsWeb and Response to Intervention (RTI) in all buildings.

Major Initiatives for the Future

The District will continue to refine its permanent improvement plan for future facility upgrades in conjunction with the Ohio School Facilities Commission. Public meetings will be scheduled for community discussion and direction as the District moves forward to implement its permanent improvement plan.

The District examined the costs to administer all-day kindergarten to all students, but offers all-day kindergarten to parents that prefer an all-day program for their child. The District will continue with Year Three initiatives indicated in its Five-Year Strategic Plan. These initiatives continue the classroom focus of instructional alignment.

The District will implement a public engagement outreach program and will institute a quarterly District newsletter to facilitate increasing the communication within the community.

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 District due to the phasing out of the tax. In calendar years 2008-2010, the District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out. The District will continue to pursue new money levy options to meet the rising costs of the District and supplement the effects that House Bill No. 66 had on Tangible Property Tax revenue and the State funding formula.

INDEPENDENT AUDIT

Provisions of State statute require the District’s financial statements to be subjected to an annual audit by an independent auditor. Those provisions have been satisfied and the opinion of the District’s independent auditors is included herein.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all units of local education agencies in Ohio. The District adopted and has been in conformance with that system.

AWARDS

GFOA Certificate of Achievement - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Stow-Munroe Falls City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2007. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report that conforms to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA.

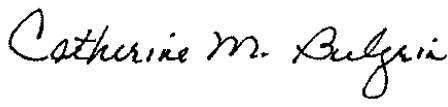
ASBO Certificate - The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2007, to the Stow-Munroe Falls City School District. This award certifies that the Comprehensive Annual Financial Report substantially conformed to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing business officials. Management believes that the Comprehensive Annual Financial Report submitted for the fiscal year ended June 30, 2008, will conform to ASBO’s principles and standards.

ACKNOWLEDGEMENTS

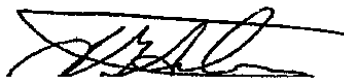
The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated services of the Treasurer’s Office staff. In addition, we acknowledge the outstanding services of our data processing department in meeting the vast informational requirements. Our consultant, Julian & Grube, Inc., provided us with expert technical assistance in all phases of preparing the report. The assistance of the Summit County Auditor’s office in providing information is also appreciated.

In closing, without the leadership and support of the Board of Education of the District, preparation of this report would not have been possible.

Sincerely,



Catherine Bulgrin, Treasurer/CFO



Thomas Adams, Business Manager



Russell Jones, Superintendent

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY OHIO**

PRINCIPAL OFFICERS
JUNE 30, 2008

Board of Education

Dennis Mariola - President

Richard Spangler - Vice President

Patricia Matthews

Karen Powers

Karen Wright

Superintendent

Dr. Russell Jones

Treasurer/CFO

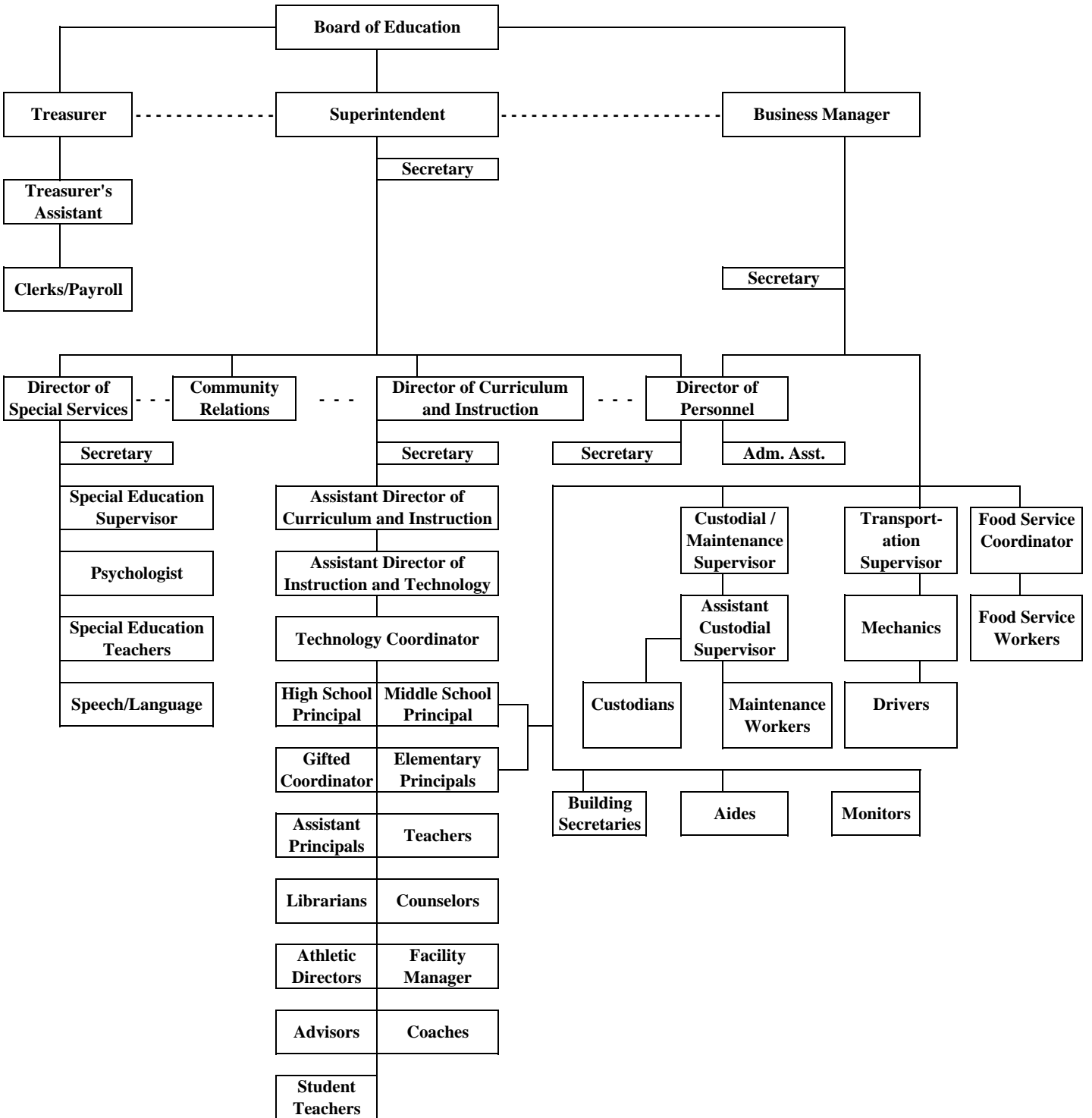
Catherine Bulgrin

Business Manager

Tom Adams

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Stow-Munroe Falls
City School District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

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



Charles S. Cox

President

Jeffrey R. Emer

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

STOW-MUNROE FALLS CITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2007

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

Glenn E. Brendel

President

John D. Mueser

Executive Director

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FINANCIAL SECTION



Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Board of Education
Stow-Munroe Falls City School District
4350 Allen Road
Stow, Ohio 44224

We have audited the accompanying financial statements of the governmental activities, its major fund and the aggregate remaining fund information of Stow-Munroe Falls City School District, Summit County, Ohio, as of and for the fiscal year ended June 30, 2008, which collectively comprise Stow-Munroe Falls City School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Stow-Munroe Falls City School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, its major fund, and the aggregate remaining fund information of Stow-Munroe Falls City School District, Summit County, Ohio, as of June 30, 2008, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2008, on our consideration of Stow-Munroe Falls City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Independent Auditor's Report
Stow-Munroe Falls City School District
Page Two

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Stow-Munroe Falls City School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Julian & Grube, Inc.
December 23, 2008

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED**

The management's discussion and analysis of the Stow-Munroe Falls City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2008. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2008 are as follows:

- In total, net assets of governmental activities increased \$1,816,594, which represents an 11.10% increase from 2007.
- General revenues accounted for \$49,071,498 in revenue or 87.96% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$6,713,965 or 12.04% of total revenues of \$55,785,463.
- The District had \$53,968,869 in expenses related to governmental activities; \$6,713,965 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$49,071,498 were adequate to provide for these programs.
- The District's only major governmental fund is the general fund. The general fund had \$50,332,831 in revenues and other financing sources and \$48,952,731 in expenditures and other financing uses. During fiscal year 2008, the general fund's fund balance increased \$1,380,100 from \$4,633,210 to \$6,013,310.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net assets and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund is by far the most significant fund, and the only governmental fund reported as a major fund.

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2008?" The statement of net assets and the statement of activities answer this question. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED

These two statements report the District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net assets and the statement of activities, the governmental activities include the District's programs and services, including instruction, support services, operations and maintenance, pupil transportation, extracurricular activities, and food service operations.

The District's statement of net assets and statement of activities can be found on pages 27-28 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental fund begins on page 20. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's only major governmental fund is the general fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets than can readily be converted to cash. The governmental fund financial statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 29-33 of this report.

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals or other entities. These activities are reported in agency funds. All of the District's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets on pages 34 and 35. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 37-63 of this report.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED

The District as a Whole

Recall that the statement of net assets provides the perspective of the District as a whole.

The table below provides a summary of the District's net assets for 2008 and 2007.

	Net Assets	
	Governmental Activities 2008	Governmental Activities 2007
<u>Assets</u>		
Current and other assets	\$ 42,166,274	\$ 41,254,372
Capital assets, net	<u>18,003,782</u>	<u>18,416,500</u>
Total assets	<u>60,170,056</u>	<u>59,670,872</u>
<u>Liabilities</u>		
Current liabilities	34,083,273	34,638,715
Long-term liabilities	<u>7,905,494</u>	<u>8,667,462</u>
Total liabilities	<u>41,988,767</u>	<u>43,306,177</u>
<u>Net assets</u>		
Invested in capital assets, net of related debt	14,413,341	14,594,908
Restricted	977,417	1,261,715
Unrestricted	<u>2,790,531</u>	<u>508,072</u>
Total net assets	<u>\$ 18,181,289</u>	<u>\$ 16,364,695</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2008, the District's assets exceeded liabilities by \$18,181,289. Of this total, \$977,417 is restricted in use.

At year-end, capital assets represented 29.92% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2008, were \$14,413,341. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

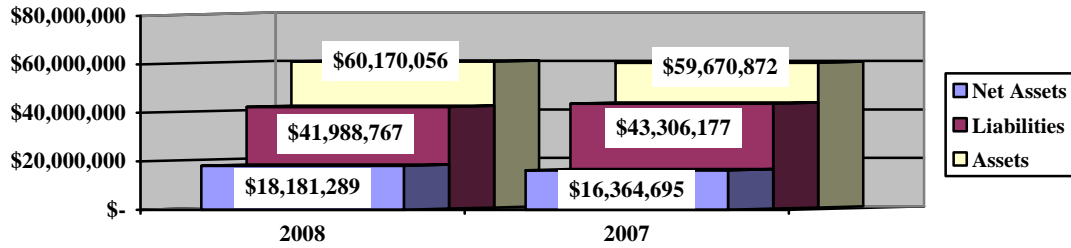
A portion of the District's net assets, \$977,417, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets is \$2,790,531.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED

The graph below illustrates the District assets, liabilities and net assets at June 30, 2008 and 2007:

Governmental Activities



The table below shows the change in net assets for fiscal year 2008 and 2007.

Change in Net Assets

	Governmental Activities <u>2008</u>	Governmental Activities <u>2007</u>
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 3,014,346	\$ 2,327,409
Operating grants and contributions	3,559,651	4,180,948
Capital grants and contributions	139,968	60,033
General revenues:		
Property taxes	29,616,627	30,920,562
Grants and entitlements	18,755,169	17,957,172
Investment earnings	640,953	734,831
Other	<u>58,749</u>	<u>115,255</u>
Total revenues	<u>55,785,463</u>	<u>56,296,210</u>

-- continued

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED

	Change in Net Assets (Continued)	
	Governmental	Governmental
	Activities	Activities
	<u>2008</u>	<u>2007</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	\$ 24,485,458	\$ 23,550,656
Special	4,473,031	4,427,824
Vocational	1,715,572	1,458,317
Adult/continuing	14,550	-
Other	299,228	902,031
Support services:		
Pupil	3,127,951	3,332,745
Instructional staff	2,552,978	2,829,699
Board of education	460,799	310,104
Administration	2,775,102	2,815,201
Fiscal	1,172,084	1,098,441
Business	552,982	536,163
Operations and maintenance	5,130,426	5,282,427
Pupil transportation	3,117,758	2,995,031
Central	843,101	762,104
Operations of non-instructional services	42,965	94,980
Food service operations	1,296,565	1,343,765
Extracurricular activities	1,236,766	1,374,551
Intergovernmental	427,686	524,702
Interest and fiscal charges	<u>243,867</u>	<u>172,551</u>
Total expenses	<u>53,968,869</u>	<u>53,811,292</u>
Change in net assets	1,816,594	2,484,918
Net assets at beginning of year	<u>16,364,695</u>	<u>13,879,777</u>
Net assets at end of year	<u>\$ 18,181,289</u>	<u>\$ 16,364,695</u>

Governmental Activities

Net assets of the District's governmental activities increased \$1,816,594. Total governmental expenses of \$53,968,869 were offset by program revenues of \$6,713,965 and general revenues of \$49,071,498. Program revenues supported 12.44% of the total governmental expenses.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED**

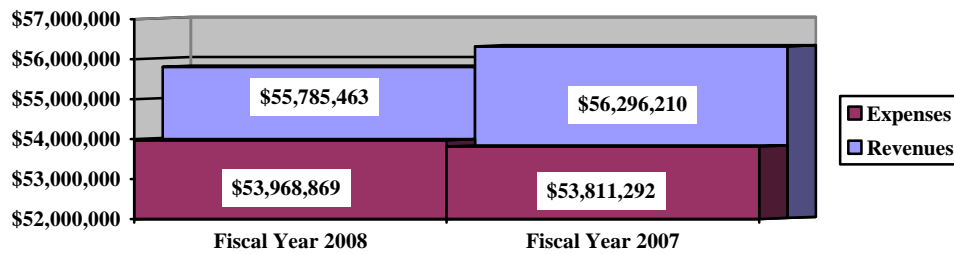
The primary sources of revenue for governmental activities are derived from property taxes and unrestricted grants and entitlements. These revenue sources represent 86.71% of total governmental revenue

In fiscal 2008, the charges for services program revenue category increased approximately \$687,000. This is due to the District receiving more in open enrollment revenue during the fiscal year. Interest earnings decreased approximately \$94,000 due to decreased interest rates on investments in 2008. Additionally, tax revenue decreased approximately \$1,300,000 primarily due to the phase-out of the tangible personal property tax on businesses under HB 66.

The largest expense of the District is for instructional programs. Instruction expenses totaled \$30,987,839 or 57.42% of total governmental expenses for fiscal 2008. All expenditures were comparable to the prior year.

The graph below presents the District's governmental activities revenue and expenses for fiscal year 2008 and 2007.

Governmental Activities - Revenues and Expenses



As can be seen in the chart above, revenues decreased from the prior year while expenses increased. Revenues decreased by 0.91% while expenses increased 0.30%. As a result, net assets increased \$1,816,594 during fiscal year 2008.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED**

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.

Governmental Activities

	Total Cost of Services <u>2008</u>	Net Cost of Services <u>2008</u>	Total Cost of Services <u>2007</u>	Net Cost of Services <u>2007</u>
Program expenses				
Instruction:				
Regular	\$ 24,485,458	\$ 22,807,670	\$ 23,550,656	\$ 22,285,411
Special	4,473,031	2,901,200	4,427,824	2,732,048
Vocational	1,715,572	1,515,940	1,458,317	1,235,246
Adult/continuing	14,550	14,550	-	-
Other	299,228	299,228	902,031	902,031
Support services:				
Pupil	3,127,951	2,604,256	3,332,745	2,755,195
Instructional staff	2,552,978	2,407,717	2,829,699	2,659,897
Board of education	460,799	460,799	310,104	302,095
Administration	2,775,102	2,607,089	2,815,201	2,629,840
Fiscal	1,172,084	1,172,084	1,098,441	1,098,441
Business	552,982	552,982	536,163	535,231
Operations and maintenance	5,130,426	5,056,596	5,282,427	5,221,180
Pupil transportation	3,117,758	2,904,007	2,995,031	2,770,999
Central	843,101	816,101	762,104	735,083
Operations of non-instructional services	42,965	2,361	94,980	14,274
Food service operations	1,296,565	46,493	1,343,765	114,005
Extracurricular activities	1,236,766	902,348	1,374,551	1,027,973
Intergovernmental pass through	427,686	(60,384)	524,702	51,402
Interest and fiscal charges	243,867	243,867	172,551	172,551
Total expenses	<u>\$ 53,968,869</u>	<u>\$ 47,254,904</u>	<u>\$ 53,811,292</u>	<u>\$ 47,242,902</u>

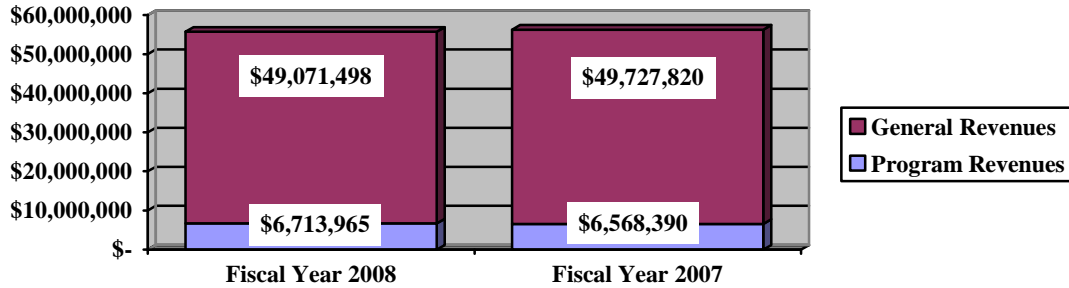
The dependence upon tax and other general revenues for governmental activities is apparent, 88.87% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 87.56%. The District's taxpayers and unrestricted grants and entitlements from the State of Ohio, as a whole, are by far the primary support for District's students.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED

The graph below presents the District's governmental activities revenue for fiscal year 2008 and 2007.

Governmental Activities - General and Program Revenues



General revenues decreased \$656,322 or 1.32% from fiscal 2007 to 2008 while program revenues increased \$145,575 or 2.22% from 2007 to 2008. The increase in governmental activities revenues is discussed on page 17.

The District's Funds

The District's governmental funds reported a combined fund balance of \$7,043,334, which is more than last year's total of \$6,003,099. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2008 and 2007.

	Fund Balance June 30, 2008	Fund Balance June 30, 2007	Increase (Decrease)	Percentage Change
General	\$ 6,013,310	\$ 4,633,210	\$ 1,380,100	29.79 %
Other governmental	<u>1,030,024</u>	<u>1,369,889</u>	<u>(339,865)</u>	(24.81) %
Total	<u>\$ 7,043,334</u>	<u>\$ 6,003,099</u>	<u>\$ 1,040,235</u>	17.33 %

Fund balance of the governmental funds increased primarily due revenues exceeding expenditures by \$1,029,884.

General Fund

The District's general fund balance increased \$1,380,100. Revenues decreased from the prior year by \$434,848, or 0.86%, while expenditures increased \$598,835, or 1.24%, over the prior year. An analysis of the general fund's revenues and expenditures is provided below.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED

The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	2008 <u>Amount</u>	2007 <u>Amount</u>	Increase (Decrease)	Percentage Change
<u>Revenues</u>				
Taxes	\$ 28,377,768	\$ 29,896,467	\$ (1,518,699)	(5.08) %
Earnings on investments	630,417	667,243	(36,826)	(5.52) %
Intergovernmental	19,899,703	19,348,924	550,779	2.85 %
Other revenues	<u>1,414,592</u>	<u>844,694</u>	<u>569,898</u>	67.47 %
Total	<u>\$ 50,322,480</u>	<u>\$ 50,757,328</u>	<u>\$ (434,848)</u>	(0.86) %
<u>Expenditures</u>				
Instruction	\$ 29,360,359	\$ 28,405,103	\$ 955,256	3.36 %
Support services	18,582,441	18,320,853	261,588	1.43 %
Non-instructional services	-	23,377	(23,377)	(100.00) %
Extracurricular activities	797,140	902,742	(105,602)	(11.70) %
Facilities acquisition and construction	72,330	333,691	(261,361)	(78.32) %
Debt service	<u>88,196</u>	<u>315,865</u>	<u>(227,669)</u>	(72.08) %
Total	<u>\$ 48,900,466</u>	<u>\$ 48,301,631</u>	<u>\$ 598,835</u>	1.24 %

During fiscal year 2008, interest rates decreased from those present in fiscal year 2007. As a result, the District's return on investments decreased when compared to the prior fiscal year. Tax revenue decreased due to the phase-out of tangible personal property tax on businesses under HB 66. HB 66 provides for the reimbursement of the lost tax revenue from the State. This is the main reason intergovernmental revenue increased when compared to the prior fiscal year. The increase in "other revenues" was due to an increase in open enrollment revenue during fiscal year 2008.

The increase in instruction and support services expenditures are the result of normal and customary wage and benefit increases from the prior year. These two line items represented 98.05% and 96.74% of total general fund expenditures in fiscal year 2008 and 2007, respectively.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund.

During the course of fiscal 2008, the District amended its general fund budget several times. For the general fund, original budgeted revenues and other financing sources were \$49,848,946 and final budgeted revenues and other financing sources were \$49,698,077. Actual revenues and other financing sources for fiscal 2008 was \$51,348,061. This was \$1,649,984 greater than the final budgeted revenues. The District conservatively budgets revenues as can be seen with actual revenues being larger than in the original and final budget. There were no major budget variances between the original budget, final budget and actual revenues.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED

General fund original appropriations (appropriated expenditures including other financing uses) of \$58,101,837 were decreased to \$57,950,968 in the final appropriations. The actual budget basis expenditures and other financing uses for fiscal year 2008 totaled \$50,646,406, which was \$7,304,562 less than the final budgeted appropriations. The District conservatively budgets appropriations as can be seen with actual expenditures being less than in the original and final budget.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2008, the District had \$18,003,782 invested in land, land improvements, buildings and improvements, furniture and equipment and vehicles. This entire amount is reported in governmental activities. The following table shows fiscal 2008 balances compared to 2007:

**Capital Assets at June 30
(Net of Depreciation)**

	Governmental Activities	
	2008	2007
Land	\$ 563,915	\$ 563,915
Land improvements	1,113,416	849,451
Building and improvements	13,294,731	12,473,045
Furniture and equipment	704,982	844,283
Vehicles	2,326,738	2,304,370
CIP	-	1,381,436
Total	\$ 18,003,782	\$ 18,416,500

The overall decrease in capital assets of \$412,718 is due to depreciation expense of \$1,315,819 and disposals of \$15,358 (net of accumulated depreciation) exceeding capital outlays of \$918,459 in the fiscal year.

During fiscal year 2008, the District completed the energy conservation projects that made improvements to the District's buildings that will save energy costs in future years. The total cost of this project was approximately \$1.45 million. In addition, the District completed a bridge project at the high school. The total cost of the bridge project was approximately \$150,000. See Note 8 to the basic financial statements for additional information on the District's capital assets.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED

Debt Administration

At June 30, 2008, the District had \$4,005,000 in general obligation bonds outstanding. Of this total, \$650,000 is due within one year and \$3,355,000 is due in greater than one year. The following table summarizes the bond obligations outstanding.

Outstanding Bonds, at Year End

	Governmental Activities <u>2008</u>	Governmental Activities <u>2007</u>
General obligation bonds	\$ 4,005,000	\$ 4,645,000
Total	<u>\$ 4,005,000</u>	<u>\$ 4,645,000</u>

See Note 9 to the basic financial statements for additional information on the District's long-term obligations.

Current Financial Related Activities

As the preceding information shows, the District relies heavily upon State Foundation and property tax monies. The Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast. The financial future of the District is not without its challenges though. These issues stem from issues that are local and at the State level. The local challenges will continue to exist, as the District must rely heavily on property taxes to fund its operations. State level challenges continue to evolve as the State of Ohio neglects to deal with the unconstitutionality of the State's educational funding system.

The District is currently facing two challenges. One challenge is the future of the State funding. On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional. The Ohio General Assembly was directed to enact a school-funding mechanism that is to be thorough and efficient. The District is unable to determine what effect, if any, this decision will have on future funding from the State.

In addition to the issues above, House Bill 66 speeds up the phase out of the tangible personal property tax of general businesses, telephone and telecommunication companies, and railroads. This phase out will lead to the District eventually losing \$55,000,000 of its tax base. The District continues to get information and opinions, while trying to evaluate them as they affect the five year forecast.

Due to unsettled issues in the school funding, management is required to plan carefully and prudently to provide the resources to meet student needs over the next several years.

In conclusion, the District's system of budgeting and internal controls is well regarded. All of the District's financial abilities will be needed to meet the challenges of the future.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED

Contacting the District's Financial Management

This financial report is designed to provide our citizen's taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact: Ms. Catherine Bulgrin, Treasurer, at Stow-Munroe Falls City School District, 4350 Allen Road, Stow, Ohio 44224.

**BASIC
FINANCIAL STATEMENTS**

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**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

STATEMENT OF NET ASSETS
JUNE 30, 2008

	Governmental Activities
Assets:	
Equity in pooled cash and investments.	\$ 11,677,899
Receivables:	
Taxes	29,858,184
Accounts	23,028
Intergovernmental	381,017
Accrued interest	53,082
Materials and supplies inventory	101,552
Unamortized bond issue costs	71,512
Capital assets:	
Land.	563,915
Depreciable capital assets, net.	17,439,867
Total capital assets, net	18,003,782
 Total assets	 60,170,056
 Liabilities:	
Accounts payable.	307,195
Accrued wages and benefits	4,865,404
Pension obligation payable.	1,340,437
Intergovernmental payable	395,596
Unearned revenue	27,160,757
Accrued interest payable	13,884
Long-term liabilities:	
Due within one year.	1,094,589
Due in more than one year	6,810,905
Total long-term liabilities	7,905,494
 Total liabilities	 41,988,767
 Net assets:	
Invested in capital assets, net of related debt.	14,413,341
Restricted for:	
Capital projects	292,374
Debt service.	231,157
Locally funded programs	6,316
State funded programs	126,086
Federally funded programs	47,624
Student activities	86,290
Other purposes	187,570
Unrestricted.	2,790,531
Total restricted net assets	1,037,937
 Total net assets	 \$ 18,181,289

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
Governmental activities:					
Instruction:					
Regular	\$ 24,485,458	\$ 1,087,083	\$ 537,366	\$ 53,339	\$ (22,807,670)
Special	4,473,031	348,941	1,222,890	-	(2,901,200)
Vocational	1,715,572	53,723	145,909	-	(1,515,940)
Adult/continuing.	14,550	-	-	-	(14,550)
Other	299,228	-	-	-	(299,228)
Support services:					
Pupil.	3,127,951	214,314	309,381	-	(2,604,256)
Instructional staff	2,552,978	775	144,486	-	(2,407,717)
Board of education	460,799	-	-	-	(460,799)
Administration.	2,775,102	-	168,013	-	(2,607,089)
Fiscal.	1,172,084	-	-	-	(1,172,084)
Business.	552,982	-	-	-	(552,982)
Operations and maintenance	5,130,426	73,830	-	-	(5,056,596)
Pupil transportation.	3,117,758	-	127,122	86,629	(2,904,007)
Central	843,101	-	27,000	-	(816,101)
Operation of non-instructional services	42,965	-	40,604	-	(2,361)
Food service operations.	1,296,565	901,262	348,810	-	(46,493)
Extracurricular activities.	1,236,766	334,418	-	-	(902,348)
Intergovernmental	427,686	-	488,070	-	60,384
Interest and fiscal charges	243,867	-	-	-	(243,867)
Total governmental activities	\$ 53,968,869	\$ 3,014,346	\$ 3,559,651	\$ 139,968	(47,254,904)
General revenues:					
Property taxes levied for:					
General purposes					28,667,429
Debt service.					378,895
Capital outlay.					570,303
Grants and entitlements not restricted to specific programs					18,755,169
Investment earnings					640,953
Miscellaneous					58,749
Total general revenues					49,071,498
Change in net assets					1,816,594
Net assets at beginning of year					16,364,695
Net assets at end of year					\$ 18,181,289

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Equity in pooled cash and investments	\$ 9,624,733	\$ 1,878,104	\$ 11,502,837
Receivables:			
Taxes	29,096,141	762,043	29,858,184
Accounts	22,715	313	23,028
Intergovernmental	-	381,017	381,017
Accrued interest	53,082	-	53,082
Interfund loans	981,778	-	981,778
Materials and supplies inventory	49,610	51,942	101,552
Restricted assets:			
Equity in pooled cash and cash investments	175,062	-	175,062
Total assets	\$ 40,003,121	\$ 3,073,419	\$ 43,076,540
Liabilities:			
Accounts payable	\$ 218,254	\$ 88,941	\$ 307,195
Accrued wages and benefits	4,703,940	161,464	4,865,404
Compensated absences payable	122,060	-	122,060
Pension obligation payable	1,278,358	62,079	1,340,437
Intergovernmental payable	365,335	30,261	395,596
Interfund loan payable	-	981,778	981,778
Deferred revenue	818,325	41,654	859,979
Unearned revenue	26,483,539	677,218	27,160,757
Total liabilities	33,989,811	2,043,395	36,033,206
Fund balances:			
Reserved for encumbrances	654,292	389,500	1,043,792
Reserved for materials and supplies inventory	49,610	51,942	101,552
Reserved for textbooks/instructional materials	175,062	-	175,062
Reserved for unclaimed monies	12,508	-	12,508
Reserved for property tax unavailable for appropriation	1,840,170	62,187	1,902,357
Reserved for debt service	-	211,264	211,264
Unreserved, undesignated, reported in:			
General fund	3,281,668	-	3,281,668
Special revenue funds	-	204,163	204,163
Capital projects funds	-	110,968	110,968
Total fund balances	6,013,310	1,030,024	7,043,334
Total liabilities and fund balances	\$ 40,003,121	\$ 3,073,419	\$ 43,076,540

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2008

Total governmental fund balances		\$ 7,043,334
<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.		18,003,782
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes	\$ 795,070	
Interest	45,893	
Intergovernmental revenue	19,016	
Total		859,979
Unamortized premiums are not recognized in the funds.		(86,953)
Unamortized bond issuance costs are not recognized in the funds.		71,512
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(13,884)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(4,005,000)	
Compensated absences	(3,691,481)	
Total		(7,696,481)
Net assets of governmental activities		\$ 18,181,289

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
From local sources:			
Taxes	\$ 28,377,768	\$ 939,632	\$ 29,317,400
Tuition	1,249,518	-	1,249,518
Earnings on investments	630,417	20,867	651,284
Charges for services	-	901,262	901,262
Extracurricular	77,418	329,334	406,752
Classroom materials and fees	-	183,795	183,795
Other local revenues	87,656	244,112	331,768
Intergovernmental - Intermediate	28,445	133	28,578
Intergovernmental - State	19,871,258	783,541	20,654,799
Intergovernmental - Federal	-	1,747,793	1,747,793
Total revenue	<u>50,322,480</u>	<u>5,150,469</u>	<u>55,472,949</u>
Expenditures:			
Current:			
Instruction:			
Regular	23,224,015	764,532	23,988,547
Special	4,119,235	344,704	4,463,939
Vocational	1,705,575	21	1,705,596
Adult/continuing	14,550	-	14,550
Other	296,984	-	296,984
Support services:			
Pupil	2,629,498	531,664	3,161,162
Instructional staff	2,429,547	163,404	2,592,951
Board of education	457,684	3,115	460,799
Administration	2,667,881	163,266	2,831,147
Fiscal	1,128,441	14,193	1,142,634
Business	546,628	6,004	552,632
Operations and maintenance	4,742,633	316,817	5,059,450
Pupil transportation	3,155,065	100,396	3,255,461
Central	825,064	13,280	838,344
Operation of non-instructional services	-	44,473	44,473
Food service operations	-	1,275,691	1,275,691
Extracurricular activities	797,140	298,694	1,095,834
Intergovernmental pass through	-	422,912	422,912
Facilities acquisition and construction	72,330	269,177	341,507
Debt service:			
Principal retirement	84,747	555,253	640,000
Interest and fiscal charges	3,449	255,003	258,452
Total expenditures	<u>48,900,466</u>	<u>5,542,599</u>	<u>54,443,065</u>
Excess of revenues over (under) expenditures	<u>1,422,014</u>	<u>(392,130)</u>	<u>1,029,884</u>
Other financing sources (uses):			
Sale of capital assets	10,351	-	10,351
Transfers in	-	52,265	52,265
Transfers (out)	<u>(52,265)</u>	<u>-</u>	<u>(52,265)</u>
Total other financing sources (uses)	<u>(41,914)</u>	<u>52,265</u>	<u>10,351</u>
Net change in fund balances	1,380,100	(339,865)	1,040,235
Fund balances at beginning of year	<u>4,633,210</u>	<u>1,369,889</u>	<u>6,003,099</u>
Fund balances at end of year	<u>\$ 6,013,310</u>	<u>\$ 1,030,024</u>	<u>\$ 7,043,334</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Net change in fund balances - total governmental funds \$ 1,040,235

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

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

Capital asset additions	\$ 918,459	
Current year depreciation	(1,315,819)	
Total		(397,360)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets. (15,358)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in less interest being reported on the statement of activities:

Decrease in accrued interest payable	13,434	
Amortization of bond premium	6,481	
Amortization of bond issue costs	(5,330)	
Total		14,585

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

Taxes	299,227	
Interest	10,536	
Intergovernmental	2,751	
Total		312,514

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets. 640,000

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 221,978

Change in net assets of governmental activities **\$ 1,816,594**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
Revenues:				
From local sources:				
Taxes	\$ 28,178,934	\$ 28,093,649	\$ 29,026,363	\$ 932,714
Tuition.	1,190,987	1,187,382	1,226,803	39,421
Earnings on investments.	636,720	634,793	655,868	21,075
Extracurricular.	75,157	74,930	77,418	2,488
Other local revenues.	85,353	85,095	87,920	2,825
Intergovernmental - Intermediate	27,615	27,531	28,445	914
Intergovernmental - State	19,291,113	19,232,728	19,871,258	638,530
Total revenue	<u>49,485,879</u>	<u>49,336,108</u>	<u>50,974,075</u>	<u>1,637,967</u>
Expenditures:				
Current:				
Instruction:				
Regular	26,391,395	26,322,867	23,004,942	3,317,925
Special.	4,703,133	4,690,921	4,099,643	591,278
Vocational.	1,947,127	1,942,071	1,697,278	244,793
Adult/continuing	16,691	16,648	14,550	2,098
Other.	345,716	344,818	301,355	43,463
Support services:				
Pupil.	3,082,288	3,074,284	2,686,779	387,505
Instructional staff	2,893,499	2,885,986	2,522,215	363,771
Board of education	547,914	546,491	477,607	68,884
Administration.	3,093,556	3,085,523	2,696,601	388,922
Fiscal	1,326,324	1,322,880	1,156,135	166,745
Business	674,547	672,795	587,991	84,804
Operations and maintenance.	5,975,955	5,960,438	5,209,141	751,297
Pupil transportation	3,737,590	3,727,885	3,257,995	469,890
Central.	1,002,798	1,000,194	874,122	126,072
Operation of non-instructional services	697	695	607	88
Extracurricular activities.	972,022	969,498	847,295	122,203
Facilities acquisition and construction.	103,148	102,880	89,912	12,968
Debt service:				
Principal retirement	97,222	96,970	84,747	12,223
Interest and fiscal charges	3,956	3,946	3,449	497
Total expenditures	<u>56,915,578</u>	<u>56,767,790</u>	<u>49,612,364</u>	<u>7,155,426</u>
Excess of revenues over (under) expenditures.	<u>(7,429,699)</u>	<u>(7,431,682)</u>	<u>1,361,711</u>	<u>8,793,393</u>
Other financing sources (uses):				
Refund of prior year expenditure	119,982	119,619	123,590	3,971
Transfers (out)	(59,959)	(59,803)	(52,265)	7,538
Advances in.	233,037	232,332	240,045	7,713
Advances (out)	(1,126,300)	(1,123,375)	(981,777)	141,598
Sale of capital assets.	10,048	10,018	10,351	333
Total other financing sources (uses)	<u>(823,192)</u>	<u>(821,209)</u>	<u>(660,056)</u>	<u>161,153</u>
Net change in fund balance	(8,252,891)	(8,252,891)	701,655	8,954,546
Fund balance at beginning of year	7,543,622	7,543,622	7,543,622	-
Prior year encumbrances appropriated	709,269	709,269	709,269	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,954,546</u>	<u>\$ 8,954,546</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2008

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and investments	\$ 122,646	\$ 125,520
Receivables:		
Accounts	-	648
	122,646	126,168
Total assets	122,646	\$ 126,168
Liabilities:		
Accounts payable	500	\$ 4,434
Due to students	-	121,734
	500	126,168
Total liabilities	500	\$ 126,168
Net assets:		
Held in trust for scholarships	122,146	
Total net assets	\$ 122,146	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Private-Purpose Trust
	Scholarship
Additions:	
Interest	\$ 6,158
Gifts and contributions.	18,979
Total additions.	25,137
Deductions:	
Payments in accordance with trust agreements	9,054
Change in net assets	16,083
Net assets at beginning of year.	106,063
Net assets at end of year	\$ 122,146

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Stow-Munroe Falls City School District (the "District") operates under a locally-elected, five-member Board form of government and provides educational services as authorized or mandated by State and/or Federal agencies. This Board controls the District's nine instructional/support facilities staffed by 286 full-time and part-time non-certificated employees and 379 certificated teaching personnel. Included in these totals are 30 administrators employed by the District. The District provides services to 5,617 students and other community members.

The District is the 53rd largest among the 896 public school districts and community schools in the State of Ohio.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The District's significant accounting policies are described below.

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". The reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based upon the application of this criterion, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

Within the District boundaries are three non-public schools. Holy Family School which is operated through the Cleveland Diocese, the Cornerstone Community School which is operated by the Cornerstone Community School Board of Trustees and the Kids Country Preschool which is operated by Kids Country, Incorporated. Current State legislation provides funding to these non-public schools. These monies are received and disbursed on behalf of the non-public school by the Treasurer of the District, as directed by the non-public school. This activity is reflected in a nonmajor governmental fund for financial reporting purposes.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

The following organizations are described due to their relationship to the District:

RELATED ORGANIZATION

Stow-Munroe Falls Public Library

The Stow-Munroe Falls Public Library (the "Library") is a related organization to the District. The District's Board of Education is responsible for appointing all the trustees of the Library; however, the District's Board of Education cannot influence the Library's operation nor does the Library represent a potential financial benefit or burden to the District. Although the District serves as the taxing authority and may issue tax related debt on behalf of the Library, including the determination of the rate and duration, the District must place the levy on the ballot. The Library may issue debt and determines its own budget. The Library did not receive any funding from the District during the fiscal year 2008; however, the District continues to service debt issued on behalf of the Library (see Note 9.A).

JOINTLY GOVERNED ORGANIZATIONS

Northeast Ohio Network for Educational Technology (NEOnet)

Northeast Ohio Network for Educational Technology (NEOnet) is the computer service organization or Data Acquisition Site (DAS) used by the District. NEOnet is an association of public school districts in a geographic area determined by the Ohio Department of Education. The Summit County Educational Service Center acts as the fiscal agent for NEOnet. The purpose of NEOnet is to develop and employ a computer system efficiently and effectively for the needs of the member Board of Education. All districts in NEOnet are required to pay fees, charges, and assessments as charges. NEOnet is governed by a board made up of superintendents from all of the participating districts. An elected Executive Board consisting of five members of the governing board is the managerial body of NEOnet and meets on a monthly basis. The District does not maintain an ongoing financial interest or an ongoing financial responsibility. Payments to NEOnet are made from the general fund. During fiscal year 2008, the District contributed \$251,445 to NEOnet. Financial information can be obtained by contracting the Treasurer at the Summit County Educational Service Center, who serves as the fiscal agent, at 420 Washington Ave., Suite 200, Cuyahoga Falls, Ohio 44221.

Six District Educational Compact

The Six District Educational Compact is a jointly governed organization to provide for the vocational and special education needs of the students of six participating school districts. The six member board consists of the superintendent from each of the participating school districts. Students may attend any vocational or special education class offered by any of the six districts. If a student elects to attend a class offered by a school district other than the school district in which the student resides, the school district of residence pays an instructional fee to the school district that offered the class. Hudson City School District serves as the fiscal agent for this agreement, collecting and distributing payments. All revenues are generated from charges for services. The District paid \$404,297 to the Six District Educational Compact for services during fiscal year 2008.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

Ohio Schools Council Association

The Ohio Schools Council Association (Council) is a jointly governed organization comprised of one hundred and nine member districts. The mission of the Council is to identify, plan and provide services to member districts that can be more effectively achieved by cooperative endeavors of member districts than by an individual district operating on its own. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2008, the District paid \$917,372 to the Council. Financial information can be obtained by contacting David Cottrell, the Executive Director of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The District participates in the Council's Energy for Education Program. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating in the program for an extended period of time. The current, three year contract expires in December 2008. The participants make monthly payments based upon estimated usage. At the end of each fiscal year, these estimated payments are compared to actual usage for the year and additional billings are made or refunds are issued accordingly.

In April 2005, the Energy Acquisition Corporation II, a non-profit corporation with a self-appointing board, issued \$246 million in bonds and used the proceeds to prepay for the estimated electric energy costs for 249 entities from Cleveland Electric Illuminating, Ohio Edison and Toledo Edison. The participating school districts are not obligated in any manner for this debt.

The District also participates in the Council's prepaid natural gas program which was implemented during fiscal year 2000. This program allows school districts to purchase natural gas at reduced rates, if the school districts will commit to participating in the program for a twelve year period. The participants make monthly payments based upon estimated usage. Annually, these estimated payments are compared to actual usage and any necessary adjustments are made.

The City of Hamilton, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Ohio, issued \$89,450,000 in debt to purchase twelve years of natural gas from CMS Energy Corporation for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is entitled to recover the amount, if any, of its contributions to the operating fund which are not encumbered for its share of program administrative costs.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

PUBLIC ENTITY RISK POOL

Stark County Schools Council of Government Health Benefits Program

The Stark County Schools Council of Government Health Benefits Program (the "Consortium") is a shared risk pool, with participants from Stark, Mahoning, Summit, and Portage Counties and provides medical/surgical, dental, life insurance and dismemberment insurance. The Consortium is governed by an assembly which consists of one representative from each participant (usually the superintendent or designee). The assembly elects officers for two year terms to serve as the Board of Directors. The assembly exercises control over the operation of the Consortium. All Consortium revenues are generated from charges for services. Financial information can be obtained by writing to Stark County Educational Service Center, 2100 38th Street, Canton, Ohio 44709.

Ohio School Boards Association Workers' Compensation Group Rating Program

The District participates in the Ohio School Boards Association (OSBA) Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP was established under Section 4123.29 of the Ohio Revised Code. The GRP's business and affairs are conducted by a three-member Board of directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

B. Fund Accounting

The District 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 District does not have proprietary funds.

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 is the District's major governmental fund:

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

Other governmental funds of the District are used to account for (a) the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs; (b) financial resources to be used for the acquisition, construction, or improvement of capital facilities; (c) for grants and other resources whose use is restricted to a particular purpose; and (d) for food service operations.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District's only trust fund is a private purpose trust, which primarily accounts for memorial and scholarship programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency fund accounts for student activity.

C. Basis of Presentation and Measurement Focus

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. 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 amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District.

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net assets.

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column. Fiduciary funds are reported by fund type.

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

The private-purpose trust fund is reported using the economic resources measurement focus. The agency fund does not report a measurement focus as it does not report operations.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting.

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 District, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 6).

Revenue from grants, entitlements and donations is recognized in the fiscal 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 fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District 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 fiscal year-end: property taxes available as an advance, interest, tuition, grants, student 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 June 30, 2008, but which were levied to finance fiscal year 2009 operations, and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at June 30, 2008 are recorded as deferred revenue in the governmental funds.

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

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities used during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

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 costs, such as depreciation and amortization, are not recognized in governmental funds.

E. Budgets

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budget documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. All funds, other than agency funds, are required to be budgeted and appropriated. The legal level of budgetary control is at the first digit function for the general fund and the fund level for all other funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education. Although the legal level of budgetary control was established at the first digit function level of expenditures for the general fund, the District has elected to present the budgetary statement comparison at the fund and function level of expenditures.

The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with legal restriction that appropriations cannot exceed estimated resources, as certified. The amounts reported as the original budgeted revenues in the budgetary statements reflect the amounts in the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted revenues in the budgetary statement reflect the amounts in the amended certificate of estimated resources that was in effect at the time the final appropriations were passed by the Board of Education. The amounts reported as the original budgeted expenditures reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted expenditures represent the final appropriation amounts passed by the Board during the year.

F. Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the basic financial statements.

During fiscal year 2008, investments were limited to federal agency securities, U.S. Treasury money market funds, a repurchase agreement and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). 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.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

The District has invested funds in STAR Ohio during fiscal 2008. 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 June 30, 2008.

Under existing Ohio statutes, all investment earnings are assigned to the general fund except those specifically related to certain trust funds, unless the Board of Education specifically directs interest to be recorded in other funds. Interest revenue credited to the general fund during fiscal year 2008 amounted to \$630,417 which includes \$95,268 assigned from other District funds.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the District's investment account at year-end is provided in Note 4.

G. Inventory

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are reported on a first-in, first-out basis and are expensed when used.

Inventories are accounted for using the consumption method. Inventories of the general fund, food service fund, a nonmajor governmental fund, and uniform school supplies fund, a nonmajor governmental fund, are stated at cost, which is determined on a first-in, first-out basis. Inventory in the general fund consist of expendable supplies held for consumption. Inventories of the food service fund, a nonmajor governmental fund, consist of donated food, purchased food and supplies held for resale. Inventories reported on the fund financial statements are expensed when used. Inventory of the uniform school supplies fund, a nonmajor governmental fund, consist of workbooks and bookstore supplies.

H. Capital Assets

General capital assets are those related to government activities. 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.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintained a capitalization threshold of \$5,000 for its general capital assets during fiscal 2008. 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.

All reported capital assets, except land, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Land improvements	15 - 20 years
Buildings and improvements	10 - 40 years
Furniture, fixtures and equipment	5 - 20 years
Vehicles	8 - 15 years

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans between governmental funds are classified as “interfund loans receivable/payable.” These amounts are eliminated in the governmental activities column on the statement of net assets.

J. Compensated Absences

GASB Statement No. 16, “Accounting for Compensated Absences”, specifies the method used to accrue liabilities for leave benefits. Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that is probable that benefits will result in termination (severance) payments. The liability is an estimate based on the District’s past experience of making termination (severance) payments.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2008 and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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 are recognized as a liability on the fund financial statements when due.

L. Estimates

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

M. Fund Balance Reserves

Reserved fund balances indicate that portion of fund equity which is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for encumbrances, unclaimed monies, instructional materials, materials and supplies inventory, tax advance unavailable for appropriation and debt service. The unreserved portions of fund equity reflected for the governmental funds are available for use within the specific purposes of those funds. The reserve for tax revenue unavailable for appropriation represents taxes recognized as revenue under GAAP but not available for appropriations under State statute. Under Ohio law, unclaimed money must be held for five years before it becomes available for appropriation. Money not yet held for the five year period is presented as reserved.

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes represent unclaimed monies held at fiscal year-end and amounts restricted by State statute for instructional materials.

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

O. Interfund Activity

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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the basic financial statements.

Interfund transfers between governmental funds are eliminated for reporting in the government-wide statement of activities.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

P. Extraordinary and Special Items

Extraordinary items are transactions of events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. During fiscal year 2008, the District did not incur any transactions that would be classified as an extraordinary item or special item.

Q. Unamortized Bond Issuance Costs and Bond Premiums

On government-wide financial statements, bond issuance costs are deferred and amortized over the term of the bonds using the straight line method. Unamortized issuance costs are recorded as a separate line item on the statement of net assets.

Bond premiums are deferred and amortized over the term of the bonds using the straight line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds.

On the governmental fund financial statements, issuance costs and bond premiums are recognized in the current period. A reconciliation between the bonds face value and the amount reported on the statement of net assets is presented in Note 9.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2008, the District has implemented GASB Statement No. 45, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues", and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 establishes uniform standards of financial reporting for other postemployment benefits and increases the usefulness and improves the faithfulness of representations in the financial reports. The implementation of GASB Statement No. 45 did not have an effect on the financial statements of the District; however, certain disclosures related to postemployment benefits (see Note 12) have been modified to conform to the new reporting requirements.

GASB Statement No. 48 establishes 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 District.

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

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Deficit Fund Balances

Fund balances at June 30, 2008 included the following individual fund deficits:

	<u>Deficit</u>
<u>Nonmajor governmental funds</u>	
Food service	\$ 87,365
Ohio reads	11,003
Vocational education	6,825
Title I	2,311
Miscellaneous federal grants	3,219

The general fund is liable for any deficits in this fund and provides transfers when cash is required, not when accruals occur. These deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the District 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 District 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 the Board of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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) and (2) above 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. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, 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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash on Hand

At year-end, the District had \$1,050 in undeposited cash on hand which is included on the financial statements of the District as part of "equity in pooled cash and investments."

B. Deposits with Financial Institutions

At June 30, 2008, the carrying amount of all District deposits was \$1,652,870, exclusive of the \$2,115,000 repurchase agreement included in investments below. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2008, \$1,591,034 of the District's bank balance of \$1,795,522 was exposed to custodial risk as discussed below, while \$204,488 was covered by the Federal Deposit Insurance Corporation.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District. The District 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 District to a successful claim by the FDIC.

C. Investments

As of June 30, 2008, the District had the following investments and maturities:

Investment type	Fair value	Investment maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater Than 24 months
Repurchase agreement	\$ 2,115,000	\$ 2,115,000	\$ -	\$ -	\$ -	\$ -
U.S. Treasury money market	1,787,810	1,787,810	-	-	-	-
STAR Ohio	2,516,497	2,516,497	-	-	-	-
FHLMC	835,343	150,750	204,001	251,075	229,517	-
FHLMC discount notes	798,568	598,980	199,588	-	-	-
FHLB	1,718,192	743,877	747,059	-	125,037	102,219
FNMA discount notes	97,750	-	97,750	-	-	-
FNMA	402,985	50,297	253,282	-	-	99,406
	<u>\$ 10,272,145</u>	<u>\$ 7,963,211</u>	<u>\$ 1,501,680</u>	<u>\$ 251,075</u>	<u>\$ 354,554</u>	<u>\$ 201,625</u>

The weighted average maturity of investments is .28 years.

Interest Rate Risk: Interest rate risk arises as potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

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 District's investments in the federal agency securities, U.S. Treasury money markets 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.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the District's \$2,115,000 investment in repurchase agreements, the entire balance is collateralized by underlying securities that are held by the investment's counterparty, not in the name of the District. Ohio law requires the market value of the securities subject to repurchase agreements must exceed the principal value of securities subject to a repurchase agreement by 2%. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk: The District's investment policy places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2008:

<u>Investment type</u>	<u>Fair value</u>	<u>% of Total</u>
Repurchase agreement	\$ 2,115,000	20.59
U.S. Treasury money market	1,787,810	17.40
STAR Ohio	2,516,497	24.50
FHLMC	835,343	8.13
FHLMC discount notes	798,568	7.77
FHLB	1,718,192	16.73
FNMA discount notes	97,750	0.95
FNMA	<u>402,985</u>	<u>3.93</u>
	<u>\$ 10,272,145</u>	<u>100.00</u>

D. 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 June 30, 2008:

Cash and investments per footnote

Carrying amount of deposits	\$ 1,652,870
Investments	10,272,145
Cash on hand	<u>1,050</u>
Total	<u>\$ 11,926,065</u>

Cash and investments per statement of net assets

Governmental activities	\$ 11,677,899
Private-purpose trust fund	122,646
Agency fund	<u>125,520</u>
Total	<u>\$ 11,926,065</u>

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund balances at June 30, 2008 as reported on the fund statements, consist of the following individual interfund loans receivable and payable:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	<u>\$ 981,778</u>

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year.

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

- B. Interfund transfers for the year ended June 30, 2008, consisted of the following, as reported on the fund financial statements:

Transfers to nonmajor governmental funds from:	<u>Amount</u>
General fund	<u>\$ 52,265</u>

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements. No interfund transfers are reported on the statement of activities.

All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half tax distributions are received by the District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar 2008 represents collections of calendar year 2007 taxes. Real property taxes received in calendar year 2008 were levied after April 1, 2007, on the assessed value listed as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 6 - PROPERTY TAXES - (Continued)

Public utility property tax revenue received in calendar 2008 represents collections of calendar year 2007 taxes. Public utility real and tangible personal property taxes received in calendar year 2008 became a lien December 31, 2006, were levied after April 1, 2007 and are collected in 2008 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2008 (other than public utility property) represents the collection of 2008 taxes. Tangible personal property taxes received in calendar year 2008 were levied after April 1, 2007, on the value as of December 31, 2007. Tangible personal property tax is being phased out. For 2007, tangible personal property was assessed at 12.50% for property, including inventory. This percentage was reduced to 6.25% for 2008 and will be reduced to zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

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 District due to the phasing out of the tax. In calendar years 2008-2010, the District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The District receives property taxes from Summit and Portage Counties. The County Auditors periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2008, are available to finance fiscal year 2008 operations. The amount available to be advanced can vary based on the date tax bills are sent. The amount available as an advance at June 30, 2008 was \$1,840,170 in the general fund, \$24,875 in the bond retirement fund, a nonmajor governmental fund and \$37,312 in the permanent improvement fund, a nonmajor governmental fund. These amounts have been recorded as revenue. The amount available as an advance at June 30, 2007 was \$2,488,765 in the general fund and \$32,240 in the bond retirement fund, a nonmajor governmental fund and \$50,663 in the permanent improvement fund, a nonmajor governmental fund.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2008 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to unearned revenue.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values upon which the fiscal year 2008 taxes were collected are:

	2007 Second Half Collections		2008 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 914,974,050	94.75	\$ 935,897,171	97.59
Public utility personal	11,754,660	1.22	8,103,640	.85
Tangible personal property	<u>38,891,955</u>	<u>4.03</u>	<u>15,028,968</u>	<u>1.56</u>
Total	<u>\$ 965,620,665</u>	<u>100.00</u>	<u>\$ 959,029,779</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 46.24		\$ 45.93	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2008 consisted of taxes, accounts (billings for user charged services and student fees), accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of Federal funds. A summary of the receivables reported on the statement of net assets follows:

Governmental activities:

Taxes	\$ 29,858,184
Accounts	23,028
Accrued interest	53,082
Intergovernmental	<u>381,017</u>
Total	<u>\$ 30,315,311</u>

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2008, was as follows:

	<u>Balance</u> <u>06/30/07</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/08</u>
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 563,915	\$ -	\$ -	\$ 563,915
Construction in progress	<u>1,381,436</u>	<u>224,646</u>	<u>(1,606,082)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>1,945,351</u>	<u>224,646</u>	<u>(1,606,082)</u>	<u>563,915</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	2,870,148	367,630	-	3,237,778
Buildings and improvements	30,993,637	1,630,671	-	32,624,308
Furniture, fixtures and equipment	3,736,240	-	-	3,736,240
Vehicles	<u>4,589,203</u>	<u>301,594</u>	<u>(97,988)</u>	<u>4,792,809</u>
Total capital assets, being depreciated	<u>42,189,228</u>	<u>2,299,895</u>	<u>(97,988)</u>	<u>44,391,135</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(2,020,697)	(103,665)	-	(2,124,362)
Buildings and improvements	(18,520,592)	(808,985)	-	(19,329,577)
Furniture, fixtures and equipment	(2,891,957)	(139,301)	-	(3,031,258)
Vehicles	<u>(2,284,833)</u>	<u>(263,868)</u>	<u>82,630</u>	<u>(2,466,071)</u>
Total accumulated depreciation	<u>(25,718,079)</u>	<u>(1,315,819)</u>	<u>82,630</u>	<u>(26,951,268)</u>
Governmental activities capital assets, net	<u>\$ 18,416,500</u>	<u>\$ 1,208,722</u>	<u>\$ (1,621,440)</u>	<u>\$ 18,003,782</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 630,916
Special	11,981
<u>Support services:</u>	
Pupil	3,937
Instructional staff	2,059
Administration	6,942
Fiscal	4,304
Operations and maintenance	352,805
Pupil transportation	153,371
Extracurricular activities	137,226
Food service operations	<u>12,278</u>
Total depreciation expense	<u>\$ 1,315,819</u>

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 9 - LONG-TERM OBLIGATIONS

- A. During the fiscal year 2008, the following changes occurred in the governmental activities long-term obligations.

	<u>Balance</u> <u>06/30/07</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/08</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
Governmental activities:					
<u>General obligation bonds</u>					
1996 public library, 5.33%	\$ 840,000	\$ -	\$ (410,000)	\$ 430,000	\$ 430,000
2006 bus acquisition/energy conservation, 4.00-5.00%	<u>3,805,000</u>	<u>-</u>	<u>(230,000)</u>	<u>3,575,000</u>	<u>220,000</u>
Total general obligation bonds	<u>4,645,000</u>	<u>-</u>	<u>(640,000)</u>	<u>4,005,000</u>	<u>650,000</u>
<u>Other obligations:</u>					
Compensated absences	<u>3,929,028</u>	<u>358,182</u>	<u>(473,669)</u>	<u>3,813,541</u>	<u>444,589</u>
Total other obligations	<u>3,929,028</u>	<u>358,182</u>	<u>(473,669)</u>	<u>3,813,541</u>	<u>444,589</u>
Total governmental activities long-term obligations	<u>\$ 8,574,028</u>	<u>\$ 358,182</u>	<u>\$ (1,113,669)</u>	7,818,541	<u>\$ 1,094,589</u>
Add: unamortized premium on bonds				<u>86,953</u>	
Total on statement of net assets				<u>\$ 7,905,494</u>	

Series 1996 Public Library Bonds

In fiscal year 1997, the District issued \$3,952,000 in general obligation bonds for the purpose of financing improvements to public library buildings. These bonds mature December 1, 2008. During fiscal year 2008, principal payments on the general obligation bonds were made from the bond retirement fund, a nonmajor governmental fund, in the amount of \$410,000. The source of revenue to retire the bonds is derived from voted property tax levies recorded in the bond retirement fund, a nonmajor governmental fund.

Series 2006 Bus Acquisition/Energy Conservation Bonds

In fiscal year 2007, the District issued \$3,805,000 in general obligation bonds for the purpose of financing school bus acquisitions and energy conservation projects to various District buildings. These bonds mature December 1, 2021. These bonds are paid out of the general fund and bond retirement fund, a nonmajor governmental fund.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The following is a summary of future annual debt service requirements for maturity for the general obligation bonds:

Fiscal Year Ending	General Obligation Bonds		
	Principal	Interest	Total
2009	\$ 650,000	\$ 162,210	\$ 812,210
2010	235,000	141,500	376,500
2011	235,000	132,100	367,100
2012	250,000	122,400	372,400
2013	260,000	112,200	372,200
2014 - 2018	1,375,000	370,555	1,745,555
2019 - 2022	<u>1,000,000</u>	<u>86,976</u>	<u>1,086,976</u>
Total	<u>\$ 4,005,000</u>	<u>\$ 1,127,941</u>	<u>\$ 5,132,941</u>

Compensated Absences

Compensated absences represent accumulated vacation and an estimated severance liability for employees both eligible to retire and those expected to become eligible in the future. Compensated absences will be paid from the fund from which the employee is paid. Compensated absences will be paid from the general fund and the following nonmajor governmental funds: food service, auxiliary services, IDEA Part B grants, vocational education, Title I disadvantaged children, and Title VI innovative education program.

B. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2008, are a voted debt margin of \$81,183,216 (including available funds of \$236,139) and an unvoted debt margin of \$943,912.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 10 - RISK MANAGEMENT

A. Comprehensive

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no settlements paid in excess of insurance nor has insurance coverage been significantly reduced in the past three years.

B. Employee Group Life, Medical, Dental, and Vision Insurance

The District has contracted with Stark County Schools Council of Government (the "Consortium") to provide medical/surgical, dental, life insurance and accidental death and dismemberment insurance for its employees and their covered dependents. The Consortium is a shared risk pool comprised of forty-two members. The members pay monthly contributions that are placed in a common fund from which eligible claims and expenses are paid for employees of participating entities and their covered dependents. Claims are paid for all participants regardless of claims flow. This plan contains a stop-loss provision of \$250,000 per participant and an aggregate stop-loss provision of \$120,939,556.

Premium contributions are determined annually based on the claims experience of the individual member. Premiums can be increased or decrease by up to 20% of the prior year's contribution. Members may become liable for additional contributions to fund the liability of the pool. In the event of termination, all participating member claims would be paid without regard to their individual account balances. The Consortium's Board of Directors has authority to return monies to an exiting member subsequent to the settlement of all claims and expenses.

The Consortium reported the following summary of actuarially measured liabilities and assets available to pay these liabilities as of June 30:

	2008	2007
Cash and investments	\$ 46,026,262	\$ 34,211,002
Actuarial liabilities	10,652,000	10,460,000

C. Workers' Compensation

The District participates in the OSBA Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 2.A.). Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the state based on the rate for the GRP rather than its individual rate.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 11 - PENSION PLANS

A. School Employees Retirement System

Plan Description - The District contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under *Forms and Publications*.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2008, 9.16 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007 and 2006 were \$755,451, \$802,906 and \$759,889, respectively; 45.62 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System of Ohio

Plan Description - The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 11 - PENSION PLANS - (Continued)

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For fiscal year 2008, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007, and 2006 were \$3,051,520, \$3,157,539, and \$3,100,340, respectively; 83.31 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were \$43,584 made by the District and \$90,025 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System of Ohio. As of June 30, 2008, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

NOTE 12 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description - The District participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008, 4.18 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2008, this amount was \$35,800.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 12 - POSTEMPLOYMENT BENEFITS - (Continued)

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$505,200, \$421,016, and \$418,543, respectively; 45.62 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2008, this actuarially required allocation was 0.66 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 were \$54,432, \$54,598, and \$60,481, respectively; 45.62 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System of Ohio

Plan Description - The District contributes to the cost sharing, multiple employer defined benefit Health Plan (the "Plan") administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$234,732, \$242,888, and \$238,488, respectively; 83.31 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

NOTE 13 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of GAAP, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures, and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general 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 the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 13 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Investments are reported at fair value (GAAP basis) rather than cost (budget basis);
- (e) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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

Net Change in Fund Balance

	<u>General Fund</u>
Budget basis	\$ 701,655
Net adjustment for revenue accruals	(651,595)
Net adjustment for expenditure accruals	(100,185)
Net adjustment for other sources/uses	618,142
Adjustment for encumbrances	<u>812,083</u>
GAAP basis	<u>\$ 1,380,100</u>

NOTE 14 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous Federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B. Litigation

The District is a party to legal proceedings. Management of the District is of the opinion that the outcome of any such legal proceeding will not have a material adverse effect, if any, on the financial condition of the District.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 15 - STATUTORY RESERVES

The District is required by State law to set-aside certain general fund revenue amounts, as defined by statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2008, the reserve activity was as follows:

	Textbooks/ Instructional <u>Materials</u>	Capital <u>Acquisition</u>
Set-aside balance as of June 30, 2007	\$ (182,925)	\$ -
Current year set-aside requirement	919,569	919,569
Current year offsets	-	(577,907)
Qualifying disbursements	<u>(561,582)</u>	<u>(2,732,281)</u>
Total	<u>\$ 175,062</u>	<u>\$ (2,390,619)</u>
Balance carried forward to FY 2009	<u>\$ 175,062</u>	<u>\$ -</u>

Although the District had offsets and qualifying disbursements during the year that reduced the capital acquisition set-aside amount below zero, this extra amount may not be used to reduce the set-aside requirement for future years. The negative amount is therefore not presented as being carried forward to the next fiscal year.

A schedule of the governmental fund restricted assets at June 30, 2008 follows:

Amount restricted for instructional materials	<u>\$ 175,062</u>
Total restricted assets	<u>\$ 175,062</u>

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**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
COMBINING STATEMENTS - NONMAJOR FUNDS**

Nonmajor Special Revenue Funds

Special revenue funds are used to account for revenues from specific sources which are restricted, legally or otherwise, to expenditures for specific purposes. A description of the District's special revenue funds follows:

Food Service Fund Section 3313.81, Revised Code

A fund used to account for financial transactions related to food service operations.

Special Trust Fund Section 5705.09, Revised Code

A fund used to account for assets held by a school system in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

Uniform School Supplies Fund Section 3313.81, Revised Code

A fund used to account for the purchase and sale of school supplies for use in the District. Profits derived from such sales are used for school purposes or activities connected with the school.

Public School Support Fund Section 5705.12, Revised Code

A fund used to account for specific local revenue sources (i.e.: profits from vending machines, etc.), other than taxes or expendable trusts, that are restricted to expenditures for specified purposes approved by Board resolution. Such expenditures may include curricular and extra-curricular related purposes.

Other Grants Fund Sections 5705.09 and 5705.13, Revised Code

A fund used to account for the proceeds of specific revenue sources (except for state and federal grants) that are legally restricted to expenditures for specified purposes.

District Managed Activity Fund Section 3313.062, Revised Code

A fund used to account for those student activity programs which have student participation in the activity but do not have student management of the programs. This fund usually includes athletic programs but could also include the band, cheerleaders, flag corps, and other similar types of activities.

Auxiliary Services Fund Current Budget Bill, appropriation line item 200-511

A fund used to account for receipts and expenditures incurred in providing services and materials to pupils attending non-public schools within the District.

Teacher Development Fund Current Budget Bill, appropriation line item 200-527

A fund used to account for receipts and expenditures necessary for providing assistance to local school districts for the development of in-service programs for professional staff.

Management Information Systems Fund Am. Sub. HB 111

A fund used to account for monies associated with the state-wide requirements of the Education Management Information System (EMIS).

Entry Year Programs Fund Section 3313.024, Revised Code

A fund used to assist in the implementation of entry-year programs pursuant to division (T) of section 3313.024 of the Ohio Revised Code.

Data Communication Fund Section 5705.09, Revised Code

A fund used to account for monies appropriated for the costs incurred in connecting schools to the Ohio Educational Computer Network.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
COMBINING STATEMENTS - NONMAJOR FUNDS**

Nonmajor Special Revenue Funds - (Continued)

SchoolNet Professional Development Fund

Section 5705.09, Revised Code

A fund used to account for a limited number of professional development subsidy grants.

Ohio Reads Fund

State Line Item Appropriation GRF 200-455 and 200-566

A fund used: 1) to improve reading outcomes, especially on the fourth grade reading proficiency test, and; 2) for volunteer coordinators in public schools, for educational service centers for costs associated with volunteer coordination, for background checks of volunteers, to evaluate the Ohio Reads program, and for operating expenses associated with administering the program.

Miscellaneous State Grants Fund

Section 5705.12, Revised Code

A fund used to account for various monies received from State agencies not classified elsewhere.

IDEA Part B Grants Fund

Education of the Handicapped Act, PL 91-230

A fund used to account for Federal monies which assist states in the identification of handicapped children, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

Vocational Education Fund

Carl D. Perkins Vocational Education Act of 1984, PL 98-524

A fund used to account for the provision of funds to boards of education, teacher training institutions, and the state administering agency for cooperating in development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, exemplary programs, cooperative education, construction of area vocational schools, ancillary services, research, advisory committees, and work-study projects, including sex equity grants. Funds are administered by the Ohio Department of Education, Division of Vocational and Career Education.

Title III Limited English Proficiency

Catalog of Federal Domestic Assistance #81-041

A fund used to account for funds used to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency.

Title I Disadvantaged Children Fund

PL 97-35; Title I EESA 1965

A fund used to account for monies which are to: 1) establish or improve programs designed to meet the special educational needs of children of migratory agricultural workers or migratory fisherman, and; 2) enable state education agencies to coordinate their state and local migrant education programs and projects with similar programs and projects in other states, including the transfer of school records and other information about children of migrant workers.

Title VI Innovative Education Program Fund

PL 97-35; EESA 1965

A fund used to account for Federal revenues which support the implementation of a variety of programs such as computer education, gifted and talented programs, and in-service and staff development.

Drug Free School Grant Fund

Catalog of Federal Domestic Assistance #84-166

A fund used to account for funds to local educational agencies and consortia of these agencies to establish, operate, and improve local programs of drug abuse prevention, early intervention, rehabilitation referral and education in elementary and secondary schools, and to engage in development, training, training, technical assistance, and coordination activities.

IDEA Preschool-Handicapped Fund

Education of the Handicapped Act Amendments,
PL 99-457. Catalog of Federal Domestic Assistance #84-173

A fund used to account for the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
COMBINING STATEMENTS - NONMAJOR FUNDS**

Nonmajor Special Revenue Funds - (Continued)

Improving Teacher Quality Fund

Catalog of Domestic Assistance #84-340

A fund used to account for monies to hire additional classroom teachers in grades 1 through 3, so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants Fund

Section 5705.12, Revised Code

A fund used to account for various monies received from the federal government directly or through state agencies which are not classified elsewhere.

Nonmajor Debt Service Fund

Bond Retirement Fund

Section 5705.09, Revised Code

The bond retirement fund is used to account for the retirement of serial bonds and short term loans. All revenues derived from general or special levies, either within or exceeding the statutory unvoted ten-mill limitation, which is levied for debt service on bonds or loans paid into this fund. Since the District maintains only one debt service fund, no combining statements are presented.

Nonmajor Capital Projects Funds

Capital projects funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). A description of the District's capital projects funds follows:

Permanent Improvement Fund

Section 5705.10, Revised Code

A fund used to account for all transactions related to the acquisition or construction of such permanent improvements as are authorized by Chapter 5705 of the Revised Code.

Building Fund

Section 5705.09, Revised Code

A fund used to account for the receipts and expenditures related to all special bond funds in the district.

SchoolNet Fund

Section 5705.09, Revised Code

A fund used to account for State grants to provide classroom wiring, which will support the transmission of voice, video, and data; to provide a computer workstation and related technology for every classroom in low-wealth districts.

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**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash investments.	\$ 1,420,739	\$ 211,264	\$ 246,101	\$ 1,878,104
Receivables:				
Taxes.	-	180,001	582,042	762,043
Accounts.	313	-	-	313
Intergovernmental	381,017	-	-	381,017
Materials and supplies inventory	51,942	-	-	51,942
Total assets.	<u>\$ 1,854,011</u>	<u>\$ 391,265</u>	<u>\$ 828,143</u>	<u>\$ 3,073,419</u>
Liabilities:				
Accounts payable.	\$ 84,166	\$ -	\$ 4,775	\$ 88,941
Accrued wages and benefits	161,464	-	-	161,464
Pension obligation payable.	62,079	-	-	62,079
Intergovernmental payable	30,261	-	-	30,261
Interfund loan payable	981,778	-	-	981,778
Deferred revenue	19,016	8,902	13,736	41,654
Unearned revenue	-	146,224	530,994	677,218
Total liabilities	<u>1,338,764</u>	<u>155,126</u>	<u>549,505</u>	<u>2,043,395</u>
Fund balances:				
Reserved for encumbrances.	259,142	-	130,358	389,500
Reserved for materials and supplies inventory	51,942	-	-	51,942
Reserved for property tax unavailable for appropriation	-	24,875	37,312	62,187
Reserved for debt service.	-	211,264	-	211,264
Unreserved:				
Undesignated, reported in:				
Special revenue funds	204,163	-	-	204,163
Capital projects funds	-	-	110,968	110,968
Total fund balances	<u>515,247</u>	<u>236,139</u>	<u>278,638</u>	<u>1,030,024</u>
Total liabilities and fund balances.	<u>\$ 1,854,011</u>	<u>\$ 391,265</u>	<u>\$ 828,143</u>	<u>\$ 3,073,419</u>

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
From local sources:				
Taxes	\$ -	\$ 375,076	\$ 564,556	\$ 939,632
Earnings on investments	6,642	-	14,225	20,867
Charges for services	901,262	-	-	901,262
Extracurricular	318,617	-	10,717	329,334
Classroom materials and fees	183,795	-	-	183,795
Other local revenues	206,420	-	37,692	244,112
Intergovernmental - Intermediate	-	133	-	133
Intergovernmental - State	624,750	52,040	106,751	783,541
Intergovernmental - Federal	1,747,793	-	-	1,747,793
Total revenues	<u>3,989,279</u>	<u>427,249</u>	<u>733,941</u>	<u>5,150,469</u>
Expenditures:				
Current:				
Instruction:				
Regular	755,480	-	9,052	764,532
Special	344,704	-	-	344,704
Vocational	21	-	-	21
Support services:				
Pupil	531,664	-	-	531,664
Instructional staff	163,404	-	-	163,404
Board of education	3,115	-	-	3,115
Administration	163,266	-	-	163,266
Fiscal	-	5,605	8,588	14,193
Business	-	-	6,004	6,004
Operations and maintenance	2,500	-	314,317	316,817
Pupil transportation	417	-	99,979	100,396
Central	13,280	-	-	13,280
Operation of non-instructional services	44,473	-	-	44,473
Food service operations	1,275,691	-	-	1,275,691
Extracurricular activities	298,694	-	-	298,694
Intergovernmental pass through	422,912	-	-	422,912
Facilities acquisition and construction	20,508	-	248,669	269,177
Debt service:				
Principal retirement	-	410,253	145,000	555,253
Interest and fiscal charges	-	122,163	132,840	255,003
Total expenditures	<u>4,040,129</u>	<u>538,021</u>	<u>964,449</u>	<u>5,542,599</u>
Excess of revenues over (under) expenditures	<u>(50,850)</u>	<u>(110,772)</u>	<u>(230,508)</u>	<u>(392,130)</u>
Other financing sources:				
Transfers in	52,265	-	-	52,265
Total other financing sources	<u>52,265</u>	<u>-</u>	<u>-</u>	<u>52,265</u>
Net change in fund balances	1,415	(110,772)	(230,508)	(339,865)
Fund balances at beginning of year	513,832	346,911	509,146	1,369,889
Fund balances at end of year	<u>\$ 515,247</u>	<u>\$ 236,139</u>	<u>\$ 278,638</u>	<u>\$ 1,030,024</u>

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	<u>Food Service</u>	<u>Special Trust</u>	<u>Uniform School Supplies</u>	<u>Public School Support</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 31,066	\$ 46,491	\$ 91,412	\$ 167,676
Receivables:	-			
Accounts.	-	60	-	-
Intergovernmental	-	-	-	-
Materials and supplies inventory	23,918	-	28,024	-
Total assets.	<u>\$ 54,984</u>	<u>\$ 46,551</u>	<u>\$ 119,436</u>	<u>\$ 167,676</u>
Liabilities:				
Accounts payable.	\$ 2,138	\$ 503	\$ 4,523	\$ 9,993
Accrued wages and benefits	75,935	-	-	-
Pension obligation payable.	50,182	-	-	-
Intergovernmental payable	14,094	-	-	-
Interfund loan payable	-	-	-	-
Deferred revenue.	-	-	-	-
Total liabilities.	<u>142,349</u>	<u>503</u>	<u>4,523</u>	<u>9,993</u>
Fund balances (deficits):				
Reserved for encumbrances	5,403	6,528	2,477	6,722
Reserved for materials and supplies inventory	23,918	-	28,024	-
Unreserved-undesignated (deficit)	(116,686)	39,520	84,412	150,961
Total fund balances (deficits)	<u>(87,365)</u>	<u>46,048</u>	<u>114,913</u>	<u>157,683</u>
Total liabilities and fund balances.	<u>\$ 54,984</u>	<u>\$ 46,551</u>	<u>\$ 119,436</u>	<u>\$ 167,676</u>

<u>Other Grants</u>	<u>District Managed Activity</u>	<u>Auxiliary Services</u>	<u>Teacher Development</u>	<u>Management Information Systems</u>	<u>Data Communication</u>	<u>SchoolNet Professional Development</u>
\$ 6,340	\$ 87,523	\$ 133,563	\$ 1,881	\$ 20,379	\$ 15,406	\$ 220
-	253	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 6,340</u>	<u>\$ 87,776</u>	<u>\$ 133,563</u>	<u>\$ 1,881</u>	<u>\$ 20,379</u>	<u>\$ 15,406</u>	<u>\$ 220</u>
\$ 24	\$ 1,444	\$ 8,398	\$ -	\$ -	\$ 1,588	\$ -
-	-	16,987	717	-	-	-
-	-	3,786	-	-	-	-
-	42	1,726	11	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>24</u>	<u>1,486</u>	<u>30,897</u>	<u>728</u>	<u>-</u>	<u>1,588</u>	<u>-</u>
125	7,187	59,722	-	-	13,818	-
-	-	-	-	-	-	-
<u>6,191</u>	<u>79,103</u>	<u>42,944</u>	<u>1,153</u>	<u>20,379</u>	<u>-</u>	<u>220</u>
<u>6,316</u>	<u>86,290</u>	<u>102,666</u>	<u>1,153</u>	<u>20,379</u>	<u>13,818</u>	<u>220</u>
<u>\$ 6,340</u>	<u>\$ 87,776</u>	<u>\$ 133,563</u>	<u>\$ 1,881</u>	<u>\$ 20,379</u>	<u>\$ 15,406</u>	<u>\$ 220</u>

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**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	<u>Ohio Reads</u>	<u>Miscellaenous State Grants</u>	<u>IDEA Part B Grants</u>	<u>Vocational Education</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 15,158	\$ 9,881	\$ 694,026	\$ 681
Receivables:				
Accounts.	-	-	-	-
Intergovernmental	11,141	13,845	231,247	-
Materials and supplies inventory	-	-	-	-
Total assets.	<u>\$ 26,299</u>	<u>\$ 23,726</u>	<u>\$ 925,273</u>	<u>\$ 681</u>
Liabilities:				
Accounts payable.	\$ 433	\$ 24	\$ 47,107	\$ -
Accrued wages and benefits	9,310	-	26,233	6,950
Pension obligation payable.	-	-	4,640	-
Intergovernmental payable	573	141	8,927	556
Interfund loan payable	26,986	12,000	785,956	-
Deferred revenue.	-	-	-	-
Total liabilities.	<u>37,302</u>	<u>12,165</u>	<u>872,863</u>	<u>7,506</u>
Fund balances (deficits):				
Reserved for encumbrances	420	6,795	103,702	9
Reserved for materials and supplies inventory	-	-	-	-
Unreserved-undesignated (deficit)	<u>(11,423)</u>	<u>4,766</u>	<u>(51,292)</u>	<u>(6,834)</u>
Total fund balances (deficits)	<u>(11,003)</u>	<u>11,561</u>	<u>52,410</u>	<u>(6,825)</u>
Total liabilities and fund balances.	<u>\$ 26,299</u>	<u>\$ 23,726</u>	<u>\$ 925,273</u>	<u>\$ 681</u>

Title III Limited English Proficiency	Title I Disadvantaged Children	Title VI Innovative Education Program	Drug Free School Grant	IDEA Preschool- Handicapped	Improving Teacher Quality	Miscellaneous Federal Grants
\$ 390	\$ 57,573	\$ 1,853	\$ 3,318	\$ 883	\$ 31,370	\$ 3,649
-	-	-	-	-	-	-
2,302	38,167	10,457	8,828	475	60,586	3,969
-	-	-	-	-	-	-
<u>\$ 2,692</u>	<u>\$ 95,740</u>	<u>\$ 12,310</u>	<u>\$ 12,146</u>	<u>\$ 1,358</u>	<u>\$ 91,956</u>	<u>\$ 7,618</u>
\$ 30	\$ 2,536	\$ 1,528	\$ -	\$ 156	\$ 141	\$ 3,600
-	19,101	-	-	-	6,231	-
-	2,713	-	-	-	758	-
-	2,918	-	238	-	1,020	15
2,302	70,783	9,893	8,829	475	60,586	3,968
160	-	564	963	475	13,600	3,254
<u>2,492</u>	<u>98,051</u>	<u>11,985</u>	<u>10,030</u>	<u>1,106</u>	<u>82,336</u>	<u>10,837</u>
295	24,796	325	3,085	727	16,961	45
-	-	-	-	-	-	-
(95)	(27,107)	-	(969)	(475)	(7,341)	(3,264)
<u>200</u>	<u>(2,311)</u>	<u>325</u>	<u>2,116</u>	<u>252</u>	<u>9,620</u>	<u>(3,219)</u>
<u>\$ 2,692</u>	<u>\$ 95,740</u>	<u>\$ 12,310</u>	<u>\$ 12,146</u>	<u>\$ 1,358</u>	<u>\$ 91,956</u>	<u>\$ 7,618</u>

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**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

COMBINING BALANCE SHEET (CONCLUDED)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	Total Nonmajor Special Revenue Funds
Assets:	
Equity in pooled cash and cash equivalents.	\$ 1,420,739
Receivables:	
Accounts.	313
Intergovernmental	381,017
Materials and supplies inventory	<u>51,942</u>
 Total assets.	 <u><u>\$ 1,854,011</u></u>
Liabilities:	
Accounts payable.	\$ 84,166
Accrued wages and benefits	161,464
Pension obligation payable.	62,079
Intergovernmental payable	30,261
Interfund loan payable	981,778
Deferred revenue.	<u>19,016</u>
 Total liabilities.	 <u>1,338,764</u>
Fund balances (deficits):	
Reserved for encumbrances	259,142
Reserved for materials and supplies inventory	51,942
Unreserved-undesignated (deficit)	<u>204,163</u>
 Total fund balances (deficits)	 <u>515,247</u>
 Total liabilities and fund balances.	 <u><u>\$ 1,854,011</u></u>

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**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Food Service</u>	<u>Special Trust</u>	<u>Uniform School Supplies</u>	<u>Public School Support</u>
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ -
Charges for services	901,262	-	-	-
Extracurricular	-	12,119	-	149,238
Classroom materials and fees.	-	775	183,020	-
Other local revenues	-	46,409	-	30,576
Intergovernmental - State	7,669	-	-	-
Intergovernmental - Federal	341,141	-	-	-
Total revenues	<u>1,250,072</u>	<u>59,303</u>	<u>183,020</u>	<u>179,814</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	185,410	-
Special	-	-	-	-
Vocational	-	-	-	-
Support services:				
Pupil	-	41,042	-	148,369
Instructional staff.	-	6,173	-	-
Board of education.	-	-	-	-
Administration	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	98	-	-
Operation of non-instructional services.	-	-	-	-
Food service operations.	1,275,691	-	-	-
Extracurricular activities	-	396	-	10,523
Intergovernmental pass through	-	-	-	-
Facilities acquisition and construction	-	13,035	-	-
Total expenditures	<u>1,275,691</u>	<u>60,744</u>	<u>185,410</u>	<u>158,892</u>
Excess of revenues over (under) expenditures	<u>(25,619)</u>	<u>(1,441)</u>	<u>(2,390)</u>	<u>20,922</u>
Other financing sources:				
Transfers in.	40,000	-	4,397	-
Total other financing sources	<u>40,000</u>	<u>-</u>	<u>4,397</u>	<u>-</u>
Net change in fund balances.	14,381	(1,441)	2,007	20,922
Fund balances (deficits)				
at beginning of year	(101,746)	47,489	112,906	136,761
Fund balances (deficits) at end of year	<u><u>\$ (87,365)</u></u>	<u><u>\$ 46,048</u></u>	<u><u>\$ 114,913</u></u>	<u><u>\$ 157,683</u></u>

<u>Other Grants</u>	<u>District Managed Activity</u>	<u>Auxiliary Services</u>	<u>Teacher Development</u>	<u>Management Information Systems</u>	<u>Entry Year Programs</u>
\$ -	\$ -	\$ 6,642	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	157,260	-	-	-	-
-	-	-	-	-	-
-	129,435	-	-	-	-
-	-	481,428	-	20,644	-
-	-	-	-	-	-
-	<u>286,695</u>	<u>488,070</u>	<u>-</u>	<u>20,644</u>	<u>-</u>
3,436	245	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	2,433
3,398	-	-	1,182	-	-
3,115	-	-	-	-	-
-	-	-	-	-	-
2,500	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	287,775	-	-	-	-
-	-	422,912	-	-	-
-	-	-	-	-	-
<u>12,449</u>	<u>288,020</u>	<u>422,912</u>	<u>1,182</u>	<u>-</u>	<u>2,433</u>
<u>(12,449)</u>	<u>(1,325)</u>	<u>65,158</u>	<u>(1,182)</u>	<u>20,644</u>	<u>(2,433)</u>
-	7,868	-	-	-	-
-	<u>7,868</u>	-	-	-	-
(12,449)	6,543	65,158	(1,182)	20,644	(2,433)
18,765	79,747	37,508	2,335	(265)	2,433
<u>\$ 6,316</u>	<u>\$ 86,290</u>	<u>\$ 102,666</u>	<u>\$ 1,153</u>	<u>\$ 20,379</u>	<u>\$ -</u>

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**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Data Communication	SchoolNet Professional Development	Ohio Reads	Miscellaneous State Grants
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Extracurricular	-	-	-	-
Classroom materials and fees.	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - State	27,000	2,970	45,487	39,552
Intergovernmental - Federal	-	-	-	-
Total revenues	27,000	2,970	45,487	39,552
Expenditures:				
Current:				
Instruction:				
Regular.	-	2,700	54,780	12,271
Special	-	-	-	-
Vocational	-	-	-	-
Support services:				
Pupil	-	-	-	25,421
Instructional staff.	-	-	-	2,313
Board of education.	-	-	-	-
Administration	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
Central	13,182	-	-	-
Operation of non-instructional services.	-	-	-	-
Food service operations.	-	-	-	-
Extracurricular activities	-	-	-	-
Intergovernmental pass through	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Total expenditures	13,182	2,700	54,780	40,005
Excess of revenues over (under) expenditures	13,818	270	(9,293)	(453)
Other financing sources:				
Transfers in.	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances.	13,818	270	(9,293)	(453)
Fund balances (deficits)				
at beginning of year	-	(50)	(1,710)	12,014
Fund balances (deficits) at end of year	\$ 13,818	\$ 220	\$ (11,003)	\$ 11,561

IDEA Part B Grants	Vocational Education	Title III Limited English Proficiency	Title I Disadvantaged Children	Title VI Innovative Education Program	Drug Free School Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
815,170	39,000	15,290	345,936	14,605	16,738
<u>815,170</u>	<u>39,000</u>	<u>15,290</u>	<u>345,936</u>	<u>14,605</u>	<u>16,738</u>
-	40,120	14,192	342,156	8,254	13,838
336,530	-	-	-	-	-
-	-	-	-	-	-
301,899	-	-	-	-	-
58,227	-	680	13,460	6,045	2,364
-	-	-	-	-	-
163,266	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	417
-	-	-	-	-	-
35,707	-	-	8,221	545	-
-	-	-	-	-	-
-	-	-	-	-	-
7,473	-	-	-	-	-
<u>903,102</u>	<u>40,120</u>	<u>14,872</u>	<u>363,837</u>	<u>14,844</u>	<u>16,619</u>
<u>(87,932)</u>	<u>(1,120)</u>	<u>418</u>	<u>(17,901)</u>	<u>(239)</u>	<u>119</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>(87,932)</u>	<u>(1,120)</u>	<u>418</u>	<u>(17,901)</u>	<u>(239)</u>	<u>119</u>
140,342	(5,705)	(218)	15,590	564	1,997
<u>\$ 52,410</u>	<u>\$ (6,825)</u>	<u>\$ 200</u>	<u>\$ (2,311)</u>	<u>\$ 325</u>	<u>\$ 2,116</u>

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**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR SPECIAL REVENUE FUNDS (CONCLUDED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>IDEA Preschool- Handicapped</u>	<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ 6,642
Charges for services	-	-	-	901,262
Extracurricular	-	-	-	318,617
Classroom materials and fees.	-	-	-	183,795
Other local revenues	-	-	-	206,420
Intergovernmental - State	-	-	-	624,750
Intergovernmental - Federal	18,949	139,864	1,100	1,747,793
Total revenues	<u>18,949</u>	<u>139,864</u>	<u>1,100</u>	<u>3,989,279</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	77,578	500	755,480
Special	8,174	-	-	344,704
Vocational	-	-	21	21
Support services:				
Pupil	12,500	-	-	531,664
Instructional staff.	-	64,988	4,574	163,404
Board of education.	-	-	-	3,115
Administration	-	-	-	163,266
Operations and maintenance	-	-	-	2,500
Pupil transportation	-	-	-	417
Central	-	-	-	13,280
Operation of non-instructional services.	-	-	-	44,473
Food service operations.	-	-	-	1,275,691
Extracurricular activities	-	-	-	298,694
Intergovernmental pass through	-	-	-	422,912
Facilities acquisition and construction	-	-	-	20,508
Total expenditures	<u>20,674</u>	<u>142,566</u>	<u>5,095</u>	<u>4,040,129</u>
Excess of revenues over (under) expenditures	<u>(1,725)</u>	<u>(2,702)</u>	<u>(3,995)</u>	<u>(50,850)</u>
Other financing sources:				
Transfers in.	-	-	-	52,265
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,265</u>
Net change in fund balances.	(1,725)	(2,702)	(3,995)	1,415
Fund balances (deficits)				
at beginning of year	1,977	12,322	776	513,832
Fund balances (deficits) at end of year	<u>\$ 252</u>	<u>\$ 9,620</u>	<u>\$ (3,219)</u>	<u>\$ 515,247</u>

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<u>Food Service Fund</u>			
Total revenues and other financing sources	\$ 1,266,823	\$ 1,266,822	\$ (1)
Total expenditures and other financing uses	<u>1,228,959</u>	<u>1,245,088</u>	<u>(16,129)</u>
Net change in fund balance	37,864	21,734	(16,130)
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	<u>2,136</u>	<u>2,136</u>	<u>-</u>
Fund balance at end of year	<u>\$ 40,000</u>	<u>\$ 23,870</u>	<u>\$ (16,130)</u>
<u>Special Trust Fund</u>			
Total revenues and other financing sources	\$ 60,828	\$ 59,819	\$ (1,009)
Total expenditures and other financing uses	<u>109,121</u>	<u>68,652</u>	<u>40,469</u>
Net change in fund balance	(48,293)	(8,833)	39,460
Fund balance at beginning of year	44,780	44,780	-
Prior year encumbrances appropriated	<u>3,513</u>	<u>3,513</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 39,460</u>	<u>\$ 39,460</u>
<u>Uniform School Supplies Fund</u>			
Total revenues and other financing sources	\$ 183,192	\$ 187,589	\$ 4,397
Total expenditures and other financing uses	<u>284,830</u>	<u>204,815</u>	<u>80,015</u>
Net change in fund balance	(101,638)	(17,226)	84,412
Fund balance at beginning of year	99,001	99,001	-
Prior year encumbrances appropriated	<u>2,637</u>	<u>2,637</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 84,412</u>	<u>\$ 84,412</u>

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<u>Public School Support Fund</u>			
Total revenues and other financing sources	\$ 179,934	\$ 179,934	\$ -
Total expenditures and other financing uses	<u>316,947</u>	<u>165,986</u>	<u>150,961</u>
Net change in fund balance	(137,013)	13,948	150,961
Fund balance at beginning of year	130,525	130,525	-
Prior year encumbrances appropriated	<u>6,488</u>	<u>6,488</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 150,961</u>	<u>\$ 150,961</u>
<u>Other Grants Fund</u>			
Total revenues and other financing sources	\$ 4,902	\$ -	\$ (4,902)
Total expenditures and other financing uses	<u>23,867</u>	<u>12,774</u>	<u>11,093</u>
Net change in fund balance	(18,965)	(12,774)	6,191
Fund balance at beginning of year	18,639	18,639	-
Prior year encumbrances appropriated	<u>326</u>	<u>326</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 6,191</u>	<u>\$ 6,191</u>
<u>District Managed Activity Fund</u>			
Total revenues and other financing sources	\$ 287,757	\$ 295,626	\$ 7,869
Total expenditures and other financing uses	<u>378,400</u>	<u>307,377</u>	<u>71,023</u>
Net change in fund balance	(90,643)	(11,751)	78,892
Fund balance at beginning of year	65,187	65,187	-
Prior year encumbrances appropriated	<u>25,456</u>	<u>25,456</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 78,892</u>	<u>\$ 78,892</u>

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<u>Auxiliary Services Fund</u>			
Total revenues and other financing sources	\$ 487,238	\$ 488,070	\$ 832
Total expenditures and other financing uses	<u>549,351</u>	<u>484,740</u>	<u>64,611</u>
Net change in fund balance	(62,113)	3,330	65,443
Fund balance at beginning of year	14,575	14,575	-
Prior year encumbrances appropriated	<u>47,538</u>	<u>47,538</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 65,443</u>	<u>\$ 65,443</u>
<u>Teacher Development Fund</u>			
Total expenditures and other financing uses	<u>\$ 2,340</u>	<u>\$ 459</u>	<u>\$ 1,881</u>
Net change in fund balance	(2,340)	(459)	1,881
Fund balance at beginning of year	<u>2,340</u>	<u>2,340</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,881</u>	<u>\$ 1,881</u>
<u>Management Information Systems Fund</u>			
Total revenues and other financing sources	\$ 20,342	\$ 20,342	\$ -
Total expenditures and other financing uses	<u>20,379</u>	<u>-</u>	<u>20,379</u>
Net change in fund balance	(37)	20,342	20,379
Fund balance at beginning of year	<u>37</u>	<u>37</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 20,379</u>	<u>\$ 20,379</u>

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<u>Entry Year Programs Fund</u>			
Total expenditures and other financing uses	\$ 2,597	\$ 2,597	\$ -
Net change in fund balance	(2,597)	(2,597)	-
Fund balance at beginning of year	2,597	2,597	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Data Communication Fund</u>			
Total revenues and other financing sources	\$ 27,000	\$ 27,000	\$ -
Total expenditures and other financing uses	27,000	27,000	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>SchoolNet Professional Development Fund</u>			
Total revenues and other financing sources	\$ 2,970	\$ 2,970	\$ -
Total expenditures and other financing uses	2,970	2,750	220
Net change in fund balance	-	220	220
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 220</u>	<u>\$ 220</u>

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<u>Ohio Reads Fund</u>			
Total revenues and other financing sources	\$ 61,332	\$ 61,332	\$ -
Total expenditures and other financing uses	<u>61,332</u>	<u>47,027</u>	<u>14,305</u>
Net change in fund balance	-	14,305	14,305
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 14,305</u>	<u>\$ 14,305</u>
<u>Miscellaneous State Grants Fund</u>			
Total revenues and other financing sources	\$ 40,683	\$ 40,683	\$ -
Total expenditures and other financing uses	<u>49,721</u>	<u>46,659</u>	<u>3,062</u>
Net change in fund balance	(9,038)	(5,976)	3,062
Fund balance at beginning of year	<u>9,038</u>	<u>9,038</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 3,062</u>	<u>\$ 3,062</u>
<u>IDEA Part B Grants Fund</u>			
Total revenues and other financing sources	\$ 1,710,780	\$ 1,710,780	\$ -
Total expenditures and other financing uses	<u>1,791,616</u>	<u>1,248,479</u>	<u>543,137</u>
Net change in fund balance	(80,836)	462,301	543,137
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	<u>80,836</u>	<u>80,836</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 543,137</u>	<u>\$ 543,137</u>

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<u>Vocational Education Fund</u>			
Total revenues and other financing sources	\$ 39,000	\$ 39,000	\$ -
Total expenditures and other financing uses	<u>40,313</u>	<u>39,641</u>	<u>672</u>
Net change in fund balance	(1,313)	(641)	672
Fund balance at beginning of year	<u>1,313</u>	<u>1,313</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 672</u>	<u>\$ 672</u>
<u>Title III Limited English Proficiency Fund</u>			
Total revenues and other financing sources	\$ 15,450	\$ 15,450	\$ -
Total expenditures and other financing uses	<u>15,450</u>	<u>15,385</u>	<u>65</u>
Net change in fund balance	-	65	65
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 65</u>	<u>\$ 65</u>
<u>Title I Disadvantaged Children Fund</u>			
Total revenues and other financing sources	\$ 393,253	\$ 393,253	\$ -
Total expenditures and other financing uses	<u>401,805</u>	<u>377,733</u>	<u>24,072</u>
Net change in fund balance	(8,552)	15,520	24,072
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Prior year encumbrances appropriated	<u>14,721</u>	<u>14,721</u>	<u>-</u>
Fund balance at end of year	<u>\$ 6,169</u>	<u>\$ 30,241</u>	<u>\$ 24,072</u>

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<u>Title V Innovative Education Program Fund</u>			
Total revenues and other financing sources	\$ 15,169	\$ 14,605	\$ (564)
Total expenditures and other financing uses	<u>15,733</u>	<u>15,169</u>	<u>564</u>
Net change in fund balance	(564)	(564)	-
Fund balance at beginning of year	<u>564</u>	<u>564</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<u>Drug Free School Grant Fund</u>			
Total revenues and other financing sources	\$ 17,702	\$ 17,702	\$ -
Total expenditures and other financing uses	<u>23,502</u>	<u>23,501</u>	<u>1</u>
Net change in fund balance	(5,800)	(5,799)	1
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	<u>5,800</u>	<u>5,800</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 1</u></u>
<u>IDEA Preschool-Handicapped Fund</u>			
Total revenues and other financing sources	\$ 27,237	\$ 27,237	\$ -
Total expenditures and other financing uses	<u>27,237</u>	<u>27,237</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<u>Improving Teacher Quality Fund</u>			
Total revenues and other financing sources	\$ 153,464	\$ 153,464	\$ -
Total expenditures and other financing uses	<u>179,356</u>	<u>165,088</u>	<u>14,268</u>
Net change in fund balance	(25,892)	(11,624)	14,268
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	<u>25,892</u>	<u>25,892</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 14,268</u>	<u>\$ 14,268</u>
<u>Miscellaneous Federal Grants Fund</u>			
Total revenues and other financing sources	\$ 4,353	\$ 4,353	\$ -
Total expenditures and other financing uses	<u>4,684</u>	<u>5,129</u>	<u>(445)</u>
Net change in fund balance	(331)	(776)	(445)
Fund balance at beginning of year	<u>780</u>	<u>780</u>	<u>-</u>
Fund balance at end of year	<u>\$ 449</u>	<u>\$ 4</u>	<u>\$ (445)</u>

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<u>Bond Retirement Fund</u>			
Total revenues and other financing sources	\$ 434,125	\$ 434,614	\$ 489
Total expenditures and other financing uses	<u>771,760</u>	<u>560,496</u>	<u>211,264</u>
Net change in fund balance	(337,635)	(125,882)	211,753
Fund balance at beginning of year	330,946	330,946	-
Prior year encumbrances appropriated	<u>6,200</u>	<u>6,200</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (489)</u>	<u>\$ 211,264</u>	<u>\$ 211,753</u>

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2008

	Permanent Improvement	Building	SchoolNet	Total Nonmajor Capital Projects Funds
Assets:				
Equity in pooled cash and cash equivalents.	\$ 127,241	\$ 79,746	\$ 39,114	\$ 246,101
Receivables:				
Taxes	582,042	-	-	582,042
Total assets.	\$ 709,283	\$ 79,746	\$ 39,114	\$ 828,143
Liabilities:				
Accounts payable.	\$ 4,775	\$ -	\$ -	\$ 4,775
Deferred revenue.	13,736	-	-	13,736
Unearned revenue	530,994	-	-	530,994
Total liabilities.	549,505	-	-	549,505
Fund balances:				
Reserved for encumbrances	11,500	79,746	39,112	130,358
Reserved for property tax unavailable for appropriation	37,312	-	-	37,312
Unreserved-undesignated	110,966	-	2	110,968
Total fund balances	159,778	79,746	39,114	278,638
Total liabilities and fund balances	\$ 709,283	\$ 79,746	\$ 39,114	\$ 828,143

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Permanent Improvement	Building	SchoolNet	Total Nonmajor Capital Projects Funds
Revenues:				
From local sources:				
Taxes	\$ 564,556	\$ -	\$ -	\$ 564,556
Earnings on investments	4,993	9,232	-	14,225
Extracurricular	10,717	-	-	10,717
Other local revenues	37,692	-	-	37,692
Intergovernmental - State	67,637	-	39,114	106,751
Total revenues	685,595	9,232	39,114	733,941
Expenditures:				
Current:				
Instruction:				
Regular	9,052	-	-	9,052
Support services:				
Fiscal	8,588	-	-	8,588
Business	6,004	-	-	6,004
Operations and maintenance	314,317	-	-	314,317
Pupil transportation	99,979	-	-	99,979
Facilities acquisition and construction	35,863	212,806	-	248,669
Debt service:				
Principal retirement	145,000	-	-	145,000
Interest and fiscal charges	132,840	-	-	132,840
Total expenditures	751,643	212,806	-	964,449
Net change in fund balances	(66,048)	(203,574)	39,114	(230,508)
Fund balances				
at beginning of year	225,826	283,320	-	509,146
Fund balances at end of year	\$ 159,778	\$ 79,746	\$ 39,114	\$ 278,638

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<u>Permanent Improvement Fund</u>			
Total revenues and other financing sources	\$ 698,946	\$ 698,946	\$ -
Total expenditures and other financing uses	<u>874,109</u>	<u>763,043</u>	<u>111,066</u>
Net change in fund balance	(175,163)	(64,097)	111,066
Fund balance at beginning of year	162,863	162,863	-
Prior year encumbrances appropriated	<u>12,300</u>	<u>12,300</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 111,066</u>	<u>\$ 111,066</u>
<u>Building Fund</u>			
Total revenues and other financing sources	\$ 9,232	\$ 9,232	\$ -
Total expenditures and other financing uses	<u>669,155</u>	<u>669,155</u>	<u>-</u>
Net change in fund balance	(659,923)	(659,923)	-
Fund balance at beginning of year	47,422	47,422	-
Prior year encumbrances appropriated	<u>612,501</u>	<u>612,501</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>SchoolNet Equipment/Infrastructure Fund</u>			
Total revenues and other financing sources	\$ 39,114	\$ 39,114	\$ -
Total expenditures and other financing uses	<u>39,114</u>	<u>39,112</u>	<u>2</u>
Net change in fund balance	-	2	2
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<u>Scholarship</u>			
Total revenues and other financing sources	\$ 25,237	\$ 25,237	\$ -
Total expenditures and other financing uses	<u>132,200</u>	<u>9,554</u>	<u>122,646</u>
Net change in fund balance	(106,963)	15,683	122,646
Fund balance at beginning of year	105,963	105,963	-
Prior year encumbrances appropriated	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 122,646</u>	<u>\$ 122,646</u>

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Beginning Balance July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2008</u>
<u>Student Managed Activities</u>				
Assets:				
Equity in pooled cash and investments.	\$ 129,939	\$ 176,620	\$ 181,039	\$ 125,520
Receivables				
Accounts	<u>2,394</u>	<u>648</u>	<u>2,394</u>	<u>648</u>
Total assets	<u>\$ 132,333</u>	<u>\$ 177,268</u>	<u>\$ 183,433</u>	<u>\$ 126,168</u>
Liabilities:				
Accounts payable	\$ 4,142	\$ 4,434	\$ 4,142	\$ 4,434
Due to students	<u>128,191</u>	<u>172,834</u>	<u>179,291</u>	<u>121,734</u>
Total liabilities.	<u>\$ 132,333</u>	<u>\$ 177,268</u>	<u>\$ 183,433</u>	<u>\$ 126,168</u>

STATISTICAL SECTION

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

STATISTICAL SECTION

This part of the Stow-Munroe City School District'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 District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	98-107
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	108-113
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	114-117
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	118-119
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	120-128

Sources: Sources are noted on the individual schedules. The District implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 14,413,341	\$ 14,594,908	\$ 13,822,667	\$ 13,475,011
Restricted	977,417	1,261,715	1,071,897	909,159
Unrestricted (deficit)	2,790,531	508,072	(1,014,787)	(2,357,564)
Total governmental activities net assets	<u>\$ 18,181,289</u>	<u>\$ 16,364,695</u>	<u>\$ 13,879,777</u>	<u>\$ 12,026,606</u>

Source: School District financial records.

<u>2004</u>	<u>2003</u>
\$ 13,566,347	\$ 13,399,505
1,097,917	1,453,640
(1,303,353)	(1,333,184)
<u>\$ 13,360,911</u>	<u>\$ 13,519,961</u>

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Expenses					
Governmental activities:					
Instruction:					
Regular	\$ 24,485,458	\$ 23,550,656	\$ 23,764,903	\$ 25,450,276	\$ 23,103,681
Special	4,473,031	4,427,824	3,989,858	4,313,470	3,835,287
Vocational	1,715,572	1,458,317	1,541,980	1,847,273	1,297,268
Adult/continuing	14,550	-	-	-	250
Other instructional	299,228	902,031	940,423	737,074	936,811
Support services:					
Pupil	3,127,951	3,332,745	3,080,777	3,166,707	2,776,546
Instructional staff	2,552,978	2,829,699	2,624,390	2,985,883	2,650,470
Board of education	460,799	310,104	368,110	289,971	269,601
Administration	2,775,102	2,815,201	2,992,001	3,191,741	2,945,966
Fiscal	1,172,084	1,098,441	1,019,822	1,050,449	1,014,760
Business	552,982	536,163	588,952	445,583	488,385
Operations and maintenance	5,130,426	5,282,427	5,019,556	4,438,153	4,880,797
Pupil transportation	3,117,758	2,995,031	2,922,388	2,960,741	2,894,856
Central	843,101	762,104	422,118	505,640	584,798
Operation of non-instructional services:					
Other non-instructional services	42,965	94,980	135,432	57,909	501,165
Food service operations	1,296,565	1,343,765	1,403,937	1,386,922	1,444,664
Extracurricular activities	1,236,766	1,374,551	1,351,955	1,302,681	1,214,993
Intergovernmental pass-through	427,686	524,702	483,660	617,552	-
Interest and fiscal charges	243,867	172,551	210,613	278,866	298,510
Total governmental activities expenses	<u>53,968,869</u>	<u>53,811,292</u>	<u>52,860,875</u>	<u>55,026,891</u>	<u>51,138,808</u>

2003

\$ 21,278,031
3,592,459
1,254,799
989
1,048,792

2,657,613
2,269,340
331,060
2,628,576
841,874
378,808
3,816,579
2,462,800
464,589

459,466
1,275,325
948,190
-
499,049

46,208,339

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

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

Program revenues	2008	2007	2006	2005	2004
Governmental activities:					
Charges for services:					
Instruction:					
Regular	\$ 1,087,083	\$ 839,577	\$ 809,107	\$ 699,094	\$ 317,194
Special	348,941	20,500	-	-	52,079
Vocational	53,723	22,046	26,770	40,409	30,588
Adult/continuing	-	-	-	-	594
Support services:					
Pupil	214,314	232,209	189,464	152,916	173,344
Instructional staff	775	9,335	14,068	24,033	15,606
Board of education	-	-	-	-	1,475
Administration	-	-	-	-	-
Fiscal	-	-	-	-	2,676
Operations and maintenance	73,830	61,247	5,342	58,547	-
Pupil transportation	-	-	-	55,710	-
Central	-	21	-	-	-
Operation of non-instructional services:					
Food service operations	901,262	911,688	985,430	982,914	1,002,911
Extracurricular activities	334,418	230,786	315,281	273,388	411,133
Operating grants and contributions:					
Instruction:					
Regular	537,366	425,668	447,749	548,770	601,497
Special	1,222,890	1,675,276	485,548	538,298	357,782
Vocational	145,909	201,025	1,709	9,324	18,499
Support services:					
Pupil	309,381	345,341	309,623	215,783	120,346
Instructional staff	144,486	160,467	103,585	71,929	74,433
Board of education	-	8,009	3,294	5,322	4,607
Administration	168,013	185,361	177,466	161,481	186,115
Fiscal	-	-	-	25,195	-
Business	-	932	-	-	-
Pupil transportation	127,122	163,999	-	141,555	-
Central	27,000	27,000	27,000	30,782	27,000
Operation of non-instructional services:					
Other non-instructional services	40,604	80,706	96,965	60,649	496,796
Food service operations	348,810	318,072	330,886	308,308	242,925
Extracurricular activities	-	115,792	12,943	9,420	11,009
Intergovernmental pass-through	488,070	473,300	503,264	522,910	-
Capital grants and contributions:					
Instruction:					
Regular	53,339	-	-	49,350	-
Support services:					
Pupil transportation	86,629	60,033	-	-	17,438
Total governmental program revenues	<u>6,713,965</u>	<u>6,568,390</u>	<u>4,845,494</u>	<u>4,986,087</u>	<u>4,166,047</u>
Net (expense)/revenue					
Governmental activities	<u>\$ (47,254,904)</u>	<u>\$ (47,242,902)</u>	<u>\$ (48,015,381)</u>	<u>\$ (50,040,804)</u>	<u>\$ (46,972,761)</u>
General revenues and other changes in net assets					
Governmental activities:					
Property taxes levied for:					
General purposes	\$ 28,667,429	\$ 29,939,799	\$ 29,113,425	\$ 28,523,107	\$ 26,143,723
Debt service	378,895	634,047	1,065,835	1,157,845	1,025,310
Capital outlay	570,303	346,716	-	-	-
Grants and entitlements not restricted					
to specific programs	18,755,169	17,957,172	19,088,996	18,713,795	19,347,434
Investment earnings	640,953	734,831	489,912	263,326	115,986
Miscellaneous	58,749	115,255	110,384	48,426	181,258
Total governmental activities	<u>49,071,498</u>	<u>49,727,820</u>	<u>49,868,552</u>	<u>48,706,499</u>	<u>46,813,711</u>
Change in net assets					
Governmental activities	<u>\$ 1,816,594</u>	<u>\$ 2,484,918</u>	<u>\$ 1,853,171</u>	<u>\$ (1,334,305)</u>	<u>\$ (159,050)</u>

Source: School District financial records.

2003

\$ 292,803
273,559
30,651
594

107,049
91
1,850
4,482

-
-
12,776
-

954,481
244,005

211,116
403,185
30,500

208,502
47,056
3,877
135,723

-
-
-
28,000

461,135
213,206
6,890
-

92,933

67,958
3,832,422

\$ (42,375,917)

\$ 26,032,094
1,117,393
-

18,695,113
138,041
427,354

46,409,995

\$ 4,034,078

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General fund:				
Reserved	\$ 2,731,642	\$ 3,021,818	\$ 1,963,826	\$ 1,776,600
Unreserved	<u>3,281,668</u>	<u>1,611,392</u>	<u>307,654</u>	<u>(1,146,189)</u>
Total general fund	<u>\$ 6,013,310</u>	<u>\$ 4,633,210</u>	<u>\$ 2,271,480</u>	<u>\$ 630,411</u>
All other governmental funds:				
Reserved	\$ 714,893	\$ 803,864	\$ 846,476	\$ 742,648
Unreserved, reported in:				
Special revenue funds	204,163	355,740	271,861	209,024
Capital projects funds	110,968	210,285	92,339	70,094
Debt service funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 1,030,024</u>	<u>\$ 1,369,889</u>	<u>\$ 1,210,676</u>	<u>\$ 1,021,766</u>

Source: School District financial records.

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 997,971	\$ 1,956,797	\$ 1,372,111	\$ 1,362,605	\$ 2,982,878	\$ 1,899,774
<u>2,691,362</u>	<u>2,111,428</u>	<u>(2,639,346)</u>	<u>(1,334,226)</u>	<u>1,231,489</u>	<u>3,913,989</u>
<u>\$ 3,689,333</u>	<u>\$ 4,068,225</u>	<u>\$ (1,267,235)</u>	<u>\$ 28,379</u>	<u>\$ 4,214,367</u>	<u>\$ 5,813,763</u>
\$ 109,833	\$ 217,874	\$ 138,503	\$ 390,903	\$ 152,576	\$ 210,687
460,608	242,451	338,217	331,954	297,588	298,504
505,149	460,722	(26,389)	320,421	748,548	410,516
<u>295,113</u>	<u>594,179</u>	<u>599,421</u>	<u>612,121</u>	<u>629,124</u>	<u>698,765</u>
<u>\$ 1,370,703</u>	<u>\$ 1,515,226</u>	<u>\$ 1,049,752</u>	<u>\$ 1,655,399</u>	<u>\$ 1,827,836</u>	<u>\$ 1,618,472</u>

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Revenues					
From local sources:					
Taxes	\$ 29,317,400	\$ 30,875,950	\$ 30,165,879	\$ 29,702,046	\$ 27,048,879
Tuition	1,249,518	685,399	589,338	508,996	631,116
Earnings on investments	651,284	716,891	491,407	251,929	118,392
Charges for services	901,262	911,688	985,430	982,914	1,006,187
Extracurricular	406,752	425,574	379,140	487,552	471,428
Classroom materials and fees	183,795	172,174	162,876	156,784	-
Other local revenues	331,768	386,297	382,040	215,829	377,775
Intergovernmental - Intermediate	28,578	-	-	-	-
Intergovernmental - State	20,654,799	20,049,641	19,692,736	19,534,663	21,552,374
Intergovernmental - Federal	1,747,793	2,005,425	1,837,816	1,857,907	-
Total revenues	<u>55,472,949</u>	<u>56,229,039</u>	<u>54,686,662</u>	<u>53,698,620</u>	<u>51,206,151</u>
Expenditures					
Current:					
Instruction:					
Regular	23,988,547	22,768,780	22,883,452	24,700,303	22,295,969
Special	4,463,939	4,384,329	3,996,276	4,297,974	3,805,316
Vocational	1,705,596	1,467,657	1,538,598	1,862,192	1,295,383
Adult/continuing	14,550	-	-	-	250
Other	296,984	900,478	928,589	737,074	936,811
Current:					
Pupil	3,161,162	3,317,294	3,050,080	3,151,380	2,738,814
Instructional staff	2,592,951	2,815,881	2,601,998	3,000,488	2,632,278
Board of education	460,799	310,104	368,110	289,971	303,015
Administration	2,831,147	2,808,089	2,910,525	3,095,215	2,892,625
Fiscal	1,142,634	1,105,427	1,020,454	1,049,369	1,016,790
Business	552,632	548,016	577,389	435,379	509,438
Operations and maintenance	5,059,450	4,858,766	4,668,455	4,410,011	4,605,046
Pupil transportation	3,255,461	2,869,203	3,694,489	3,706,834	2,872,125
Central	838,344	759,073	437,537	509,889	568,325
Operation of non-instructional services:					
Other non-instructional services	44,473	94,662	134,486	66,870	500,743
Food service operations	1,275,691	1,338,914	1,381,034	1,362,198	1,383,232
Extracurricular activities	1,095,834	1,211,090	1,164,548	1,096,598	1,136,442
Intergovernmental pass-through	422,912	528,287	482,488	596,202	-
Facilities acquisitions and construction	341,507	1,602,885	382,551	1,997,407	-
Capital outlay	-	-	-	-	434,633
Debt service:					
Principal retirement	640,000	5,992,000	3,045,000	3,789,000	2,522,000
Interest and fiscal charges	258,452	196,329	200,324	271,518	339,331
Bond issuance costs	-	79,507	-	-	-
Total expenditures	<u>54,443,065</u>	<u>59,956,771</u>	<u>55,466,383</u>	<u>60,425,872</u>	<u>52,788,566</u>
Excess of revenues over (under) expenditures	1,029,884	(3,727,732)	(779,721)	(6,727,252)	(1,582,415)
Other financing sources (uses)					
Transfers in	52,265	93,967	80,096	109,324	202,300
Transfers (out)	(52,265)	(93,967)	(80,096)	(109,324)	(202,300)
Refund of prior year expenditure	-	-	-	-	-
Sale of assets	10,351	-	9,700	-	-
Capital lease transaction	-	-	-	-	-
Issuance of bonds	-	3,805,000	-	-	-
Premium on bonds sold	-	96,675	-	-	-
Issuance of notes	-	2,347,000	2,600,000	3,750,000	1,059,000
Total other financing sources (uses)	<u>10,351</u>	<u>6,248,675</u>	<u>2,609,700</u>	<u>3,750,000</u>	<u>1,059,000</u>
Net change in fund balances	<u>\$ 1,040,235</u>	<u>\$ 2,520,943</u>	<u>\$ 1,829,979</u>	<u>\$ (2,977,252)</u>	<u>\$ (523,415)</u>
Debt service as a percentage of noncapital expenditures (1)	1.65%	10.45%	5.49%	6.27%	4.82%

Source: School District financial records.

(1) For purposes of this analysis, noncapital expenditures are defined as total expenditures less "facilities acquisition and construction" and "capital outlay" expenditures.

	2003	2002	2001	2000	1999
\$	27,423,545	\$ 23,393,218	\$ 23,943,910	\$ 22,594,354	\$ 21,955,295
	314,206	212,566	301,621	262,135	171,809
	139,306	224,224	682,807	756,840	733,836
	959,054	-	-	-	135
	383,344	317,148	454,641	503,744	469,183
	-	-	-	-	-
	510,143	203,932	338,407	296,766	222,153
	-	-	-	-	-
	20,399,767	18,889,960	17,838,087	15,867,742	15,120,804
	-	-	-	-	-
	<u>50,129,365</u>	<u>43,241,048</u>	<u>43,559,473</u>	<u>40,281,581</u>	<u>38,673,215</u>

	20,547,614	22,021,235	23,207,596	22,507,794	19,717,623
	3,602,048	3,001,700	2,649,974	2,305,927	2,396,926
	1,228,066	1,092,600	1,012,059	958,123	909,785
	989	-	870	6,551	555
	1,048,792	551,454	-	-	-
	2,654,942	2,479,132	2,126,346	1,909,775	1,820,395
	2,285,101	2,464,966	1,792,995	1,542,288	1,331,589
	297,815	187,969	136,392	135,278	79,528
	2,514,907	2,347,729	2,064,912	1,925,364	1,797,530
	881,642	811,215	548,862	341,936	404,211
	368,961	419,944	444,877	430,697	383,175
	3,669,549	3,298,239	3,559,343	2,738,035	3,118,426
	2,316,596	1,797,336	2,193,374	2,059,104	1,547,427
	498,893	516,893	337,510	347,186	293,929
	466,145	485,176	373,632	322,350	369,756
	1,146,741	-	-	-	-
	873,341	732,197	853,519	677,521	678,149
	-	-	-	-	-
	-	-	-	-	-
	-	1,313,963	2,351,553	1,523,813	1,942,508
	3,080,941	1,030,510	1,110,409	3,721,585	4,107,199
	446,099	577,659	654,207	740,027	854,454
	-	-	-	-	-
	<u>47,929,182</u>	<u>45,129,917</u>	<u>45,418,430</u>	<u>44,193,354</u>	<u>41,753,165</u>
	2,200,183	(1,888,869)	(1,858,957)	(3,911,773)	(3,079,950)
	46,410	136,235	43,256	9,391	620,196
	(46,410)	(142,497)	(46,042)	(12,291)	(620,422)
	-	(6,130)	-	-	-
	-	-	-	-	1,475
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	1,542,000	-	-	2,512,000	2,544,000
	<u>1,542,000</u>	<u>(12,392)</u>	<u>(2,786)</u>	<u>2,509,100</u>	<u>2,545,249</u>
\$	<u>3,742,183</u>	<u>(1,901,261)</u>	<u>(1,861,743)</u>	<u>(1,402,673)</u>	<u>(534,701)</u>

6.43%	2.35%	2.58%	8.72%	10.32%
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**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

Collection Year	Real Property (a)		Tangible Personal Property (b)		Public Utility (c)	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2008	\$ 935,897,171	\$2,673,991,917	\$ 15,028,968	\$ 60,115,872	\$ 8,103,640	\$ 23,153,257
2007	914,974,050	2,614,211,571	38,891,955	155,567,820	11,754,660	33,584,743
2006	911,792,170	2,605,120,486	38,613,915	154,455,660	11,718,780	33,482,229
2005	838,347,610	2,395,278,886	52,633,230	210,532,920	13,080,400	37,372,571
2004	816,206,050	2,332,017,286	56,950,308	227,801,232	12,819,450	36,627,000
2003	799,925,210	2,285,500,600	60,365,970	241,463,880	13,556,590	38,733,114
2002	708,833,710	2,025,239,171	60,132,970	240,531,880	12,646,960	36,134,171
2001	684,911,940	1,956,891,257	59,824,252	239,297,008	15,231,380	43,518,229
2000	662,844,300	1,893,840,857	58,904,694	235,618,776	17,087,380	48,821,086
1999	613,470,610	1,752,773,171	55,039,846	220,159,384	16,756,680	47,876,229

Source: Summit County Auditor's Office

- (a) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the State Tax Commissioner.
- (b) The rate at which tangible personal property used in business is assessed for purposes ad valorem property taxation decreased one percent each year from 35% in 1983 until it reached 25% in 1993.
- (c) Assumes public utilities are assessed at true value which is 35%.

Total			
Assessed Value	Estimated Actual Value	%	Total Direct Tax Rate
\$ 959,029,779	\$ 2,757,261,046	34.78%	45.93
965,620,665	2,803,364,134	34.45%	45.62
962,124,865	2,793,058,374	34.45%	48.73
904,061,240	2,643,184,377	34.20%	47.88
885,975,808	2,596,445,518	34.12%	47.93
873,847,770	2,565,697,594	34.06%	48.32
781,613,640	2,301,905,223	33.96%	45.74
759,967,572	2,239,706,494	33.93%	46.44
738,836,374	2,178,280,719	33.92%	46.44
685,267,136	2,020,808,784	33.91%	47.64

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

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

Tax Year/ Collection Year	Overlapping Rates		Direct Rates			
	County	City	Voted		Unvoted	Total
			General	Bond		
2007/2008	\$ 14.57	\$ 9.50	40.09	0.44	5.40	45.93
2006/2007	14.57	9.50	39.80	0.42	5.40	45.62
2005/2006	13.07	9.50	42.20	1.13	5.40	48.73
2004/2005	13.07	9.50	41.08	1.40	5.40	47.88
2003/2004	13.07	9.50	41.13	1.40	5.40	47.93
2002/2003	13.07	9.50	41.57	1.35	5.40	48.32
2001/2002	13.07	9.50	38.76	1.58	5.40	45.74
2000/2001	13.07	9.50	39.14	1.90	5.40	46.44
1999/2000	12.27	7.20	39.24	1.80	5.40	46.44
1998/1999	12.27	7.20	40.14	2.10	5.40	47.64

Source: Summit County Auditor's Office

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**PRINCIPAL PROPERTY TAX PAYERS
DECEMBER 31, 2007 AND DECEMBER 31, 2000**

December 31, 2007

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Heron Springs Associates LLC	\$ 8,382,140	1	0.90%
Wyndham Ridge LTD	7,843,490	2	0.84%
Morgan Adhesive Co.	6,885,820	3	0.74%
Ohio Edison	6,832,670	4	0.73%
DDR Ohio Opportunity II LLC	6,670,820	5	0.71%
Marcliff Hidden Lake Apartments Limited	4,653,450	6	0.50%
Stow-Glen Properties LLC	4,606,350	7	0.49%
SFC Enterprises LTD	4,549,930	8	0.49%
Steels Corners Apartment Company LTD	3,731,030	9	0.40%
Walmart Real Estate Business Trust	2,547,490	10	0.27%
Total	\$ 56,703,190		\$ 935,897,171

December 31, 2000

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Ohio Edison	\$ 7,435,610	1	0.98%
DDR Ohio Opportunity II LLC	6,482,360	2	0.85%
Stow-Glen Properties LLC	4,098,190	3	0.54%
Morgan Adhesive Co.	3,680,600	4	0.48%
Stow Associates	3,588,120	5	0.47%
Aetna Life Insurance Co.	3,475,530	6	0.46%
Ohio Bell Telephone	3,284,010	7	0.43%
Steels Corners Apartment Co. LTD	2,992,420	8	0.39%
East Ohio Gas	2,605,190	9	0.34%
Stow Falls Retail Limited Partnership	2,332,920	10	0.31%
Total	\$ 39,974,950		759,967,572

Source: Summit County Auditor's Office

Note: Information on principal property tax payers prior to December 31, 2000 was unavailable.

Note: Information is available on a calendar year basis only.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected
2007/2008	\$ 32,843,109	\$ 933,518	\$ 33,776,627	\$ 31,909,592	97.16%
2006/2007	33,277,434	776,598	34,054,032	32,500,835	97.67%
2005/2006	33,283,700	451,231	33,734,931	32,832,469	98.64%
2004/2005	29,823,368	725,697	30,549,065	29,097,672	97.57%
2003/2004	31,794,416	873,524	32,667,940	30,920,892	97.25%
2002/2003	31,861,265	1,055,847	32,917,112	30,850,154	96.83%
2001/2002	26,615,496	693,246	27,308,742	25,922,250	97.40%
2000/2001	26,510,502	746,175	27,256,677	25,764,327	97.19%
1999/2000	25,611,727	693,930	26,305,657	24,917,797	97.29%
1998/1999	24,831,052	500,726	25,331,778	24,330,326	97.98%

Source: Summit County Auditor's Office

Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy
\$ 730,891	\$ 32,640,483	96.64%
449,506	32,950,341	96.76%
404,077	33,236,546	98.52%
858,085	29,955,757	98.06%
802,139	31,723,031	97.11%
753,795	31,603,949	96.01%
760,037	26,682,287	97.71%
699,923	26,464,250	97.09%
485,166	25,402,963	96.57%
617,574	24,947,900	98.48%

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities			(a) Total Primary Government	(b) Per Capita	(b) Percentage of Personal Income	(b) Per ADM
	General Obligation Bonds	Bond Anticipation Notes	Capital Leases				
2008	\$ 4,005,000	\$ -	\$ -	\$ 4,005,000	\$ 116	0.464%	\$ 713
2007	4,645,000	-	-	4,645,000	135	0.530%	784
2006	1,885,000	2,600,000	-	4,485,000	130	0.489%	754
2005	2,910,000	2,020,000	-	4,930,000	143	0.562%	830
2004	3,910,000	1,059,000	-	4,969,000	144	0.566%	833
2003	4,890,000	1,542,000	-	6,432,000	188	0.737%	1,103
2002	5,850,000	2,025,000	95,941	7,970,941	236	0.925%	1,377
2001	6,790,000	2,073,000	96,623	8,959,623	267	1.047%	1,551
2000	7,715,000	2,179,000	282,032	10,176,032	317	1.241%	1,753
1999	8,620,000	2,544,000	554,617	11,718,617	364	2.234%	1,997

Sources:

(a) See notes to the financial statements regarding the District's outstanding debt information.

(b) See schedule " Demographic and Economic Statistic, Last Ten Years" for personal income, population and enrollment information.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	General Bonded Debt Outstanding		Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Total		
2008	\$ 4,005,000	\$ 4,005,000	0.15%	\$ 116
2007	4,645,000	4,645,000	0.17%	135
2006	1,885,000	1,885,000	0.07%	55
2005	2,910,000	2,910,000	0.11%	85
2004	3,910,000	3,910,000	0.15%	114
2003	4,890,000	4,890,000	0.19%	143
2002	5,850,000	5,850,000	0.25%	173
2001	6,790,000	6,790,000	0.30%	202
2000	7,715,000	7,715,000	0.35%	240
1999	8,620,000	8,620,000	0.43%	268

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

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2008

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Stow-Munroe City School District	\$ 4,005,000	100.00%	\$ 4,005,000
Overlapping debt:			
Summit County	49,245,000	7.55%	3,717,998
Portage County	19,638,063	0.09%	17,674
Akron Metro Regional Transit Authority	650,000	7.55%	49,075
City of Cuyahoga Falls	7,924,800	0.05%	3,962
City of Hudson	33,248,101	0.32%	106,394
City of Tallmadge	11,661,410	0.08%	9,329
City of Stow	32,765,000	100.00%	32,765,000
City of Munroe Falls	<u>1,590,000</u>	99.24%	<u>1,577,916</u>
 Total direct and overlapping debt	 <u>\$ 160,727,374</u>		 <u>\$ 42,252,348</u>

Source: Ohio Municipal Advisory Council

Note: Percent applicable to Stow-Munroe City School District calculated using assessed valuation of the District area value contained within the noted governmental unit divided by assessed valuation of the governmental unit.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	Voted Debt Limit	Total Debt Applicable to Limit	Debt Service Available Balance	Net Debt Applicable to Limit	Voted Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2008	\$ 84,952,077	\$ 4,005,000	\$ 236,139	\$ 3,768,861	\$ 81,183,216	4.44%
2007	86,905,860	4,645,000	346,911	4,298,089	82,607,771	4.95%
2006	86,591,238	1,885,000	692,278	1,192,722	85,398,516	1.38%
2005	81,365,512	2,910,000	612,306	2,297,694	79,067,818	2.82%
2004	79,737,823	3,910,000	505,149	3,404,851	76,332,972	4.27%
2003	78,646,299	4,890,000	594,179	4,295,821	74,350,478	5.46%
2002	70,345,228	5,850,000	626,013	5,223,987	65,121,241	7.43%
2001	68,397,081	6,790,000	636,539	6,153,461	62,243,620	9.00%
2000	66,495,274	7,715,000	647,378	7,067,622	59,427,652	10.63%
1999	61,674,042	8,620,000	721,551	7,898,449	53,775,593	12.81%

Source: Summit County Auditor and District financial records

Note: Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt.

Note: Voted Debt Margins are determined without reference to applicable monies in the District's debt service fund.

Note: Beginning in fiscal year 2007, the amount of assessed valuation for railroad and telephone personal property has been excluded from the debt margin calculation.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (4)</u>	<u>Total Personal Income</u>	<u>Median Age (5)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rates (3)</u>		
						<u>Summit County</u>	<u>Ohio</u>	<u>United States</u>
2008	34,550	\$ 24,999	\$ 863,715,450	36.9	5,617	6.2%	6.6%	5.9%
2007	34,335	25,509	875,851,515	36.9	5,927	5.1%	5.9%	4.7%
2006	34,404	26,646	916,728,984	37.4	5,949	4.6%	5.1%	4.4%
2005	34,394	25,509	877,356,546	36.9	5,937	5.4%	5.9%	5.0%
2004	34,394	25,509	877,356,546	36.9	5,966	6.1%	5.7%	5.1%
2003	34,222	25,509	872,968,998	36.9	5,830	6.2%	5.5%	5.7%
2002	33,771	25,509	861,464,439	36.9	5,787	6.0%	5.3%	6.0%
2001	33,554	25,509	855,928,986	36.9	5,779	4.6%	4.8%	5.8%
2000	32,139	25,509	819,833,751	36.9	5,804	4.2%	3.9%	4.0%
1999	32,162	16,310	524,562,220	33.4	5,867	4.3%	4.0%	4.1%

(1) U. S. Census Bureau

(2) District records

(3) Civilian Labor Force Estimates, Ohio Department of Job and Family Services.

(4) State Department of Labor

(5) State Department of Commerce

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND SIX YEARS AGO**

Employer	December 31, 2007		
	Employees	Rank	Percentage of Total City Employment
Stow-Munroe Falls City Schools	665	1	3.81%
MacTac-Morgan Adhesives	362	2	2.08%
Matco Tools Corp	250	3	1.43%
City of Stow	226	4	1.30%
National Machines Co.	215	5	1.23%
Akron General Health and Wellness Center	151	6	0.87%
Centimark Corp.	126	7	0.72%
Audio Technica US Inc.	112	8	0.64%
Saint-Gobain Norpro Corporation	80	9	0.46%
Spectrum Surgical	71	10	0.41%
Total	2,258		12.95%

Employer	December 31, 2001		
	Employees	Rank	Percentage of Total City Employment
Stow-Munroe Falls City Schools	639	1	3.66%
MACTAC	400	2	2.29%
Goodyear Stow Mold Plant	230	3	1.32%
Oak Technical	223	4	1.28%
Matco Tools	170	5	0.97%
Eagle Plastics Division-Plastics Components Inc.	150	6	0.86%
National Machine Company	140	7	0.80%
Norton Chemical Process-St. Gobain Norpro Corp	130	8	0.75%
Wrayco Industries Inc	115	9	0.66%
Audio Technica	114	10	0.65%
Total	2,311		13.25%

Source: City of Stow

Note: Information on principal employers prior to December 31, 2001 was not available.

Note: Information is available on a calendar year basis only.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**STAFFING STATISTICS
FULL TIME EQUIVALENTS (FTE) BY TYPE AND FUNCTION
LAST TEN FISCAL YEARS**

Type	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Professional staff:										
Teaching staff:										
Elementary	122	120	139	154	148	147	144	135	134	123
Intermediate	60	48	57	58	58	49	46	45	43	45
Middle	54	55	58	62	64	59	56	50	54	54
High	138	100	120	130	121	120	119	106	104	102
Tutors	18	17	18	19	17	20	24	31	28	17
Librarians	8	4	4	5	5	5	6	6	6	6
Others	2	1	1	2	2	2	-	2	5	2
Administration:										
District	28	30	35	38	35	32	33	52	32	31
Board members	5	5	5	5	5	5	5	5	5	5
Auxiliary positions:										
Counselors	11	10	11	11	10	9	10	11	12	11
Speech	6	5	5	7	7	7	6	6	6	6
Mental health specialists	5	5	16	7	6	6	5	5	3	3
Support staff:										
Secretarial	41	41	41	40	39	48	43	47	38	34
Aides	56	57	57	60	63	63	63	74	56	56
Hall monitor/security	20	18	19	17	17	23	18	21	15	21
Cooks	19	18	20	20	19	21	20	24	21	21
Custodial	41	37	38	36	37	38	28	37	33	34
Maintenance	13	14	12	11	10	11	9	9	10	9
Bus driver	35	36	36	37	36	38	41	50	33	34
Mechanics	4	4	5	4	5	5	4	4	4	4
Extracurricular	262	287	239	207	196	191	174	190	186	181
Total	948	912	936	930	900	899	854	910	828	799

Function	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Instruction:										
Regular	298	229	269	275	271	269	267	268	274	259
Special	84	39	46	37	39	40	33	34	28	29
Vocational	17	14	13	19	17	19	20	21	18	18
Other	-	39	62	88	75	79	66	76	73	67
Support services:										
Pupil	39	43	35	33	31	30	37	42	34	32
Instructional staff	64	112	115	114	118	114	111	92	71	70
Administration	50	35	40	43	40	38	38	57	37	36
Fiscal	8	5	6	6	6	6	6	6	5	5
Business	3	-	-	-	-	-	-	-	1	1
Operations and maintenance	55	69	70	67	66	70	57	70	64	67
Pupil transportation	40	40	41	41	41	43	45	54	37	34
Extracurricular activities	290	287	239	207	196	191	174	190	186	181
Total governmental activities	948	912	936	930	900	899	854	910	828	799

Source: School District records

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Instruction:										
Regular and special										
Enrollment (students)	5,617	5,927	5,949	5,937	5,966	5,830	5,787	5,779	5,804	5,867
Graduates	466	460	463	480	447	431	420	446	500	416
Support services:										
Board of education										
Regular meetings per year	24	20	20	20	20	19	20	20	19	18
Special meetings per year	29	52	54	56	43	17	20	14	14	11
Administration										
Student attendance rate	95.5	96.1	95.3	95.0	95.4	94.8	94.8	94.5	94.4	93.8
Fiscal										
Nonpayroll checks issued	5,654	7,196	6,504	6,328	5,899	6,163	5,938	6,252	6,197	5,616
Operations and maintenance										
Work orders completed	3,010	3,000	3,100	3,000	2,800	2,600	2,500	2,300	2,200	2,100
Square footage maintained	760,409	760,409	760,409	760,409	760,409	760,409	760,409	760,409	760,409	760,409
Pupil transportation										
Avg. students transported daily	4,005	4,344	4,161	4,573	4,367	2,372	4,585	4,543	4,814	5,023
Food service operations:										
Meals served to students	113,654	320,200	284,036	267,880	N/A	N/A	N/A	N/A	N/A	N/A
Percentage of students receiving reduced cost or free lunches	14.5%	12.2%	11.2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: District records

N/A = information not available.

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**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

CAPITAL ASSET STATISTICS
LAST SIX FISCAL YEARS

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Land	\$ 563,915	\$ 563,915	\$ 563,915	\$ 563,915	\$ 563,915	\$ 563,915
Land improvements	1,113,416	849,451	938,762	898,026	911,288	1,029,337
Buildings and improvements	13,294,731	12,473,045	13,248,043	13,884,899	12,742,746	13,369,991
Furniture, fixtures and equipment	704,982	844,283	992,038	1,123,191	1,142,721	1,334,209
Vehicles	2,326,738	2,304,370	2,564,909	1,934,980	1,224,677	1,249,053
Construction in progress	-	1,381,436	-	-	-	-
 Total governmental activities capital assets, net	 <u>\$ 18,003,782</u>	 <u>\$ 18,416,500</u>	 <u>\$ 18,307,667</u>	 <u>\$ 18,405,011</u>	 <u>\$ 16,585,347</u>	 <u>\$ 17,546,505</u>

Source: School District financial records.

Note: Amounts above are presented net of accumulated depreciation.

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Echo Hills Elementary (1963)						
Square feet	38,285	38,285	38,285	38,285	38,285	38,285
Capacity (students)	550	550	550	550	550	550
Enrollment	364	408	407	377	382	378
Fishcreek Elementary (1960)						
Square feet	32,153	32,153	32,153	32,153	32,153	32,153
Capacity (students)	500	500	500	500	500	500
Enrollment	377	386	389	310	296	321
Highland Elementary (1938)						
Square feet	33,324	33,324	33,324	33,324	33,324	33,324
Capacity (students)	500	500	500	500	500	500
Enrollment	347	358	360	323	335	330
Indian Trail Elementary (1969)						
Square feet	41,600	41,600	41,600	41,600	41,600	41,600
Capacity (students)	500	500	500	500	500	500
Enrollment	292	381	383	323	299	309
Riverview Elementary (1954)						
Square feet	23,277	23,277	23,277	23,277	23,277	23,277
Capacity (students)	575	575	575	575	575	575
Enrollment	266	286	290	301	319	305
Woodland Elementary (1954)						
Square feet	23,277	23,277	23,277	23,277	23,277	23,277
Capacity (students)	525	525	525	525	525	525
Enrollment	285	322	333	320	306	297
Lakeview Intermediate (1959)						
Square feet	178,882	178,882	178,882	178,882	178,882	178,882
Capacity (students)	1,050	1,050	1,050	1,050	1,050	1,050
Enrollment	843	864	867	917	941	932
Kimpton Middle School (1970)						
Square feet	117,500	117,500	117,500	117,500	117,500	117,500
Capacity (students)	1,125	1,125	1,125	1,125	1,125	1,125
Enrollment	904	913	918	973	955	940
High School (1987)						
Square feet	254,514	254,514	254,514	254,514	254,514	254,514
Capacity (students)	2,050	2,050	2,050	2,050	2,050	2,050
Enrollment	1,938	1,999	2,002	1,985	1,987	1,916
Central office (1996)						
Square feet	11,000	11,000	11,000	11,000	11,000	11,000
Transportation and warehouse (1987)						
Square feet	6,597	6,597	6,597	6,597	6,597	6,597

Source: District records

Note: Year of original construction is in parentheses. Increases in square footage and capacity are the result of renovations and additions. Capacity is the "program" capacity and decreases are the result of changes in federal, state or local standards.

2002	2001	2000	1999
38,285	38,285	38,285	38,285
550	550	550	550
367	359	379	401
32,153	32,153	32,153	32,153
500	500	500	500
305	321	309	361
33,324	33,324	33,324	33,324
500	500	500	500
314	305	330	378
41,600	41,600	41,600	41,600
500	500	500	500
347	357	363	407
23,277	23,277	23,277	23,277
575	575	575	575
331	321	320	342
23,277	23,277	23,277	23,277
525	525	525	525
305	304	282	320
178,882	178,882	178,882	178,882
1,050	1,050	1,050	1,050
932	933	943	960
117,500	117,500	117,500	117,500
1,125	1,125	1,125	1,125
954	978	973	940
254,514	254,514	254,514	254,514
2,050	2,050	2,050	2,050
1,892	1,873	1,906	1,954
11,000	11,000	11,000	11,000
6,597	6,597	6,597	6,597

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	General Government		Governmental Activities (2)		Enrollment
	Expenses (1)	Cost per pupil	Expenses (1)	Cost per pupil	
2008	\$ 53,544,613	\$ 9,533	\$ 53,725,002	\$ 9,565	5,617
2007	53,688,935	9,058	53,638,741	9,050	5,927
2006	52,221,059	8,778	52,650,262	8,850	5,949
2005	56,365,354	9,494	54,748,025	9,221	5,937
2004	49,927,235	8,368	50,840,298	8,521	5,966
2003	44,402,142	7,616	45,709,290	7,841	5,830
2002	43,521,748	7,521	N/A	N/A	5,787
2001	43,653,814	7,555	N/A	N/A	5,779
2000	39,731,742	6,845	N/A	N/A	5,804
1999	36,791,512	6,271	N/A	N/A	5,867

Source: District records

(1) Debt service totals have been excluded.

(2) The District implemented GASB 34 in fiscal year 2003.

Percent Change	Teaching Staff	Pupil/Teacher Ratio	Student Attendance Percentage
-5.23%	383	14.67	95.50%
-0.37%	344	17.23	96.10%
0.20%	380	15.66	95.30%
-0.49%	396	14.99	95.00%
2.35%	393	15.18	95.40%
0.75%	322	18.10	94.80%
0.14%	349	16.58	94.80%
-0.44%	342	16.90	94.50%
-1.08%	302	19.22	94.40%
-0.31%	296	19.82	93.80%

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**TEACHER STATISTICS
JUNE 30, 2008**

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	261	68.15%
Master's Degree	<u>122</u>	<u>31.85%</u>
	<u><u>383</u></u>	<u><u>100.00%</u></u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	90	23.50%
6 - 10	88	22.98%
11 and over	<u>205</u>	<u>53.52%</u>
	<u><u>383</u></u>	<u><u>100.00%</u></u>

Source: School District Personnel Records



Mary Taylor, CPA
Auditor of State

STOW-MUNROE FALLS CITY SCHOOL DISTRICT
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
MARCH 3, 2009