



Dave Yost • Auditor of State

**CITY OF STOW
SUMMIT COUNTY**

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Dave Yost • Auditor of State

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

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

To the Honorable Mayor and City Council Members:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the discretely presented component unit and remaining fund information of the City of Stow, Summit County, (the City) as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 15, 2011, wherein we noted the City restated net assets due to capital assets. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and timely corrected.

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

Compliance and Other Matters

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

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City of Stow
Summit County
Independent Accountants' Report on Internal Control Over
Financial Reporting and On Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 15, 2011.

We intend this report solely for the information and use of management, the audit committee, City Council, and federal awarding agencies and pass-through entities and others within the City. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

June 15, 2011



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

To the Honorable Mayor and City Council Members:

Compliance

We have audited the compliance of City of Stow (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended December 31, 2010. The summary of auditor's results section of the accompanying Schedule of Findings identifies the City's major federal programs. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of Stow complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of opining on compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

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 over compliance that might be deficiencies, 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.

We noted matters involving federal compliance or internal control over federal compliance not requiring inclusion in this report, that we reported to the City's management in a separate letter dated June 15, 2011.

Federal Awards Expenditures Schedule

We have also audited the financial statements of governmental activities, the business-type activities, each major fund, and the discretely presented component unit and the remaining fund information of City of Stow, Summit County, (the City) as of and for the year ended December 31, 2010, and have issued our report thereon dated June 15, 2011, wherein we noted the City restated net assets due to the capital assets. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The accompanying federal awards expenditures schedule provides additional information required by the 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. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, City Council, others within the City, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Dave Yost
Auditor of State

June 15, 2011

**CITY OF STOW
SUMMIT COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>Passed Through Ohio Department of Transportation</i>			
<u>Highway Planning and Construction</u>			
Hudson Drive Widening Project	81785-22264	20.205	\$ 8,357
ARRA - Seasons Road Extension Project	E090 000780	20.205	2,295,249
Seasons Road Extension Project	E090 000780	20.205	188,051
Seasons Road and Route 8 Diamond Interchange	E060-206	20.205	230,802
Steels Corner Road Turn Lane Addition	E050-0-000-013	20.205	<u>12,285</u>
Total Highway Planning and Construction			2,734,744
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
<i>Passed Through the Federal Emergency Management Agency</i>			
Assistance to Firefighters Grant	EMW-2008-FR-00400	97.044	30,818
<u>U.S. DEPARTMENT OF DEFENSE</u>			
<i>Direct</i>			
Seasons Road and Sanitary Sewer Pump Station and Force Main Project	NA	12.XXX	321,439
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Passed Through Ohio Governor's Office of Criminal Justice Services</i>			
Edward Byrne Justice Assistance Grant	2009-RA-A02-2302	16.803	46,930
Radio Interoperability Grant	2009-JG-E01-6708	16.738	88,779
DARE Grant Program	NA	16.001	<u>52,511</u>
Total			<u>188,220</u>
Totals			<u>\$ 3,275,221</u>

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

**CITY OF STOW
SUMMIT COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2010**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the City of Stow, Summit County, Ohio, (the City's) federal award programs' expenditures. The Schedule has been prepared on the cash basis of accounting.

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

**CITY OF STOW
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2010**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	No
(d)(1)(vii)	Major Programs (list):	Highway Planning and Construction Grant (CFDA #20.205) Seasons Road and Sanitary Sewer Pump Station and Force Main Project (CFDA #12.XXX)
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

NONE

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

NONE

**CITY OF STOW
SUMMIT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2009-001	Significant Deficiency – Capital Assets	No	Partially Corrected. See Management Letter.

CITY OF STOW, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010

PREPARED BY:

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

*3760 DARROW ROAD
STOW, OHIO 44224*

INTRODUCTORY SECTION

CITY OF STOW, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010

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John M. Baranek
Director of Finance

June 15, 2011

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

Ladies and Gentlemen:

The Comprehensive Annual Financial Report for the City of Stow (the “City”) for the fiscal year ended December 31, 2010, is hereby respectfully submitted. It includes information pertaining to all of the City’s funds and financial transactions and selected financial and other information for the most recently completed fiscal year (2010). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation rests with the City. To the best of our knowledge, the data in this report is accurate in all material respects and it presents fairly the financial position and results of operations of the City. All disclosures necessary to provide the reader with a better understanding of the City’s financial activities have been included.

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

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

As a part of the City’s independent audit, considerations are made to assess the internal control structure, in relation to the financial statements, as well as to determine that the City has complied with applicable laws and regulations. The results of the City’s independent audit for the year ended December 31, 2010, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

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

COMMUNITY PROFILE

The City of Stow was incorporated in 1957 as a village and became a City in 1960. The City is located in Summit County approximately 30 miles southeast of Cleveland, Ohio and 8 miles northeast of Akron, Ohio. With a population of 34,837 according to the 2010 Census, Stow is the third largest City in Summit County. The City operates under, and is governed by, its Charter, which was first adopted by the voters in 1958. The Charter is subject to amendment from time-to-time by the voters.

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

The City's chief executive and administrative officer is the Mayor, who is elected to serve a four-year term. The Mayor also serves as Public Safety Director. The Mayor may veto any legislation passed by the Council. A veto may be overridden by a two-thirds vote of the members of the Council. Effective with terms commencing in 2012, all elected City officials are limited by the Charter to eight consecutive years in office.

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

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

ECONOMIC CONDITION AND FUTURE OUTLOOK

Local Economy

The City of Stow was originally founded as a township, eventually became a village and was incorporated as a city in 1960 with a population of 12,194. The 2000 population reached 32,139. The official count in 2010 by the U.S. Census Bureau indicates that Stow's population reached 34,837, which is an 8.4 percent increase from 2000. To accommodate the City's population growth, over 10,000 dwelling units have been constructed in Stow since 1970, bringing the total number of units to 15,141 per the 2010 census. It has been recently estimated that there is available land for an additional 2,000 dwelling units to be constructed in Stow in the future. Recent projections estimate the fully developed population of the City of Stow to be nearly 40,000 residents. This estimated range could be reached sometime within the next 25 years.

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

Substantial commercial, office and industrial growth has occurred in Stow in recent years. As part of the effort to update the City's Comprehensive Land Use Plan, City officials, with the assistance of a professional development consultant, prepared a market study to analyze existing and potential nonresidential development in the City and the future local market for office and retail expansion. It was determined that the City of Stow has a substantial supply of competitive retail space – approximately 2.8 million square feet. Stow's retail vacancy rates have fluctuated from 8 to 15 percent over the past several years. With a few exceptions, the Stow vacancy rate for retail has typically been lower than the rate for the Akron Metropolitan Area. The most recent vacancy rate (July 2010) is approximately 11.7 percent which is below the Akron Metropolitan Area rate of 14 percent. It is anticipated that the City will take the necessary policy steps to ensure that the local retail sector continues to remain strong. Estimates place the potential demand for additional retail space in Stow to be as high as 380,000 square feet or more over the next ten years.

City officials have placed a particular emphasis on the development of the office and industrial market in Stow, recognizing the positive revenue implications resulting from this type of development. As of the beginning of 2011, there was nearly 750,000 square feet of office space in Stow. The office vacancy rate was 14.3 percent, which is slightly higher than the vacancy rate for the Akron Metropolitan Area. In addition, there was over 3,800,000 square feet of industrial space in Stow, and the vacancy rate was 10.2 percent as of the beginning of 2011, which is below the region's 12.0 percent rate.

Through the use of development incentive programs and an aggressive construction schedule for public infrastructure, City officials are planning to encourage the construction of additional office capacity, medical space, flex space and light industrial space by 2013. The Seasons Road/State Route 8 Interchange project will accommodate much of this expected development in the northwest sector of the City. The current development of the Steels Corners Road Interchange area already accommodates some 200,000 square feet of office space, including medical facilities. Supporting commercial and service and related businesses are already constructed or being planned in the vicinity of the interchange, including three medium-sized hotels which have opened. A sizeable health and wellness medical facility opened in June of 2007. It was supplemented in 2009 by a sizeable medical office facility.

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

In 2006, the City administration completed its first long-term Economic Development Strategy to guide and facilitate the efforts of the City government and other community organizations in undertaking economic development activities in Stow. The formal Strategic Plan was reviewed and evaluated in public by Stow's legislative body and was officially adopted by the City. It is now being implemented by the City administration and the local Community Improvement Corporation. It is subject to update in 2011 and beyond as economic conditions and the local economy change.

Major Initiatives and Long-Term Financial Planning

Current Year – In order to balance its budget and ensure that it operated within its financial means, the City of Stow began the 2009 operating year with the goal of significantly reducing its workforce over the next three years. The City ended the 2010 operating year with a total of 41 full-time employee positions eliminated or left unfilled out of 276 authorized full-time positions at the beginning of 2009. This represented a workforce reduction of nearly 15 percent in two years. The City also eliminated seven part-time employees and numerous seasonal positions.

The workforce reduction was accomplished through an ongoing hiring freeze and the implementation of a one-time voluntary separation program for eligible employees. The hiring freeze, as supplemented by other expenditure reduction and containment measures, continues as a formal City policy. The City will maintain its effort to reduce the workforce where feasible in 2011 and beyond, although not at the pace of the previous two years.

The City's voter-approved program to expand the City's Emergency Medical Services (EMS) and fire response capabilities has proven to be very successful for the community. The expansion program was funded through an increase of 2.3 mills in the City's Charter property tax rate and included two new fire stations, and fifteen additional paramedics as well as new fire trucks and equipment. One of the new fire stations is an additional station to increase emergency coverage on the City's east side, while the other is a relocated replacement facility to improve response times on the City's west side. The fifteen additional paramedics have enabled the City's Fire Department to operate a full EMS transport system throughout the entire community and to fully staff the two new fire stations. The City's centrally located Safety Building continues to serve the community as its main fire station. Three new fire trucks were acquired in 2007 and two new EMS response vehicles were purchased in 2008 to further upgrade and enhance the City's ability to provide high quality emergency service to its residents. In early 2011, the City received FEMA funding to hire five replacement paramedics to restore the Fire Department's staffing to its pre-recession level.

Recent construction of the City's new Service Maintenance Center and the Parks Maintenance and Urban Forestry Complex provided almost 100,000 square feet of new space for the City's combined maintenance operations, including Water System maintenance. They enable the City to store virtually all of its service and parks vehicles indoors. The new structures cost approximately \$9.8 million combined. They replaced the existing undersized and outdated buildings which were used by Stow for many years. These two new City structures are major components of the City's ongoing long-term plan to construct new public service facilities for the City government to serve its residents and businesses. Previous new buildings constructed include the Stow City Hall, which was opened in 1986, and the Safety Building (Police, Fire, EMS and Communications) which was completed in 1995. The City continued its building upgrade program on a more modest scale in 2008-2009 with modifications to several parks buildings.

Maintenance and repair of roads throughout the community to accommodate the growing population and expanding commercial and industrial base continues to be a high priority for the City government. In the 2003-2004 Capital Improvements Budget, the City allocated nearly \$3.6 million for road-related projects, including general road repaving. In the amended 2005-2006 Budget, the amount allocated for road projects was also \$3.6 million, including funding for two major road projects designed to improve the community's overall transportation system and the future flow of traffic in Stow. The City allocated \$4.1 million for major road projects in the 2007-2008 Capital Budget. The City has allocated additional funding for three major road projects in Stow as part of the 2009-2010 Capital Budget. Also included was \$750,000 for the road resurfacing program.

A program to revitalize older commercial areas of the City by completing improvements in or adjacent to the City right-of-way such as the installation of needed sidewalks, landscape strips, street trees, planters and/or decorative paving blocks was continued by the City in 2010. Each improvement is being completed in cooperation with the property owners who will share the cost with the City. As part of the program, the property owners are also committing to building renovations. The program has helped improve the appearance of the City's older commercial areas. Two or three projects are planned to be completed each year.

In order to accommodate the expected continued population and business growth in Stow, the City government will continue to invest in its public facilities, its transportation system, the Stow Water System and the community infrastructure in the years ahead. City officials are guided in the development of the community in the future by the City's Comprehensive Land Use Plan which is currently being updated. Approval of the new Plan is expected in 2011. Before it receives final approval, the new Plan will be subject to many public hearings and community meetings held by Stow City officials.

In November, 2001, the City of Stow regained ownership of the Stow Water System from the Summit County government and immediately became fully responsible for its daily operation. The City completed nine very successful full operating years for the System in 2010. The City provides water to its citizens based on a 99-year water service agreement between Stow and the City of Akron whereby Akron supplies water directly to Stow on a wholesale basis. The detailed terms of the Stow water supply agreement with Akron were finalized and a formal contract executed in December of 2006.

A long-term comprehensive Operating Budget for the Stow Water System was developed when the System was acquired by the City in 2001 to guide the City in managing the operation and maintenance of the System. The Budget is updated each year with current financial information and is used to assist the administration and City Council in determining and meeting the operating needs of the System and assessing the adequacy and level of future water rates. As a result of detailed budget planning, the Water System is financially very sound. As of the end of 2010, it had adequate reserves to address virtually any unanticipated operating expense.

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

In 2010, the City continued with the long-term improvements program outlined in its comprehensive Capital Plan for the Water System, including numerous waterline replacement projects and related upgrades. The City previously enacted an ongoing, monthly \$4.00 Water System capital improvements fee for all water customers to generate the revenue necessary to undertake and complete the improvements identified in the long-term Plan on a programmed basis over the next ten-twenty years and also to implement an automatic, radio-based meter reading system for more efficient and timely reading of the meters of Stow's water customers. Installation of the automatic meter reading system has been completed and is now being monitored for accuracy and reliability. It cost approximately \$2.3 million and, except for the correction of minor problems, is now fully operational.

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

The City established a Storm Water Management Utility in 2004 to address flooding issues and problems throughout the Stow community. This past year the City continued its assessment of the engineering studies completed for every neighborhood within the City to identify storm water problems that need to be corrected as part of a long-term storm water management plan. An ongoing, monthly storm water improvement fee was enacted in 2004 by City Council to pay all future operating and capital costs associated with maintaining and upgrading the City's existing storm water management system over the next ten-twenty years. The fee is graduated and is based on an engineering evaluation of the size of the impervious surfaces of individual residential and non-residential properties in Stow. Numerous storm water projects have been completed over the past six years with funding provided by the enactment of the new fee. Many more projects are being evaluated and prioritized for completion in 2011 and 2012.

In 2010, the City of Stow continued many of its ongoing programs which are designed to improve the community as a whole and its individual neighborhoods. The provision of such programs as the Stow Senior Center, adopt-a-spot beautification, the neighborhood playground upgrades, residential storm sewer improvements, sidewalk repair, housing repair, litter and recycling education and awareness, neighborhood beautification and tree planting programs were important accomplishments of the City again this past year.

A comprehensive ten-year Capital Improvements Financial Plan was prepared by the City in 2002 to guide City officials in undertaking and completing the City's major permanent improvement projects over the period, 2002-2011. The Plan, as updated, was used in 2010 and will continue to be used as it is updated in future years to identify available capital improvement funding sources and all potential general capital projects which are necessary to improve the City's infrastructure, buildings, facilities and major equipment over the ten-year period. The Plan also serves as the City's guide for both short-term and long-term debt management.

In May of 2006, the City Council adopted a long-term master plan for the development of the City Center Site which encompasses the centrally located municipal government offices, a large playground and the surrounding acreage. The development of the site will eventually include public gathering facilities for entertainment, an amphitheater, cultural and arts centers, walking trails and some mixed use buildings. The master plan for the maintenance, development and future management of the City's arboretum/sancturetum, which is located near Stow City Hall, continued to be updated in 2010. It is included as a major component of the City's overall City Center Site long-term plan. It is the intent of the City to further develop detailed plans and possible funding sources to enhance the arboretum/sancturetum in several phases. It was opened fully to the public in the summer of 2006. Preservation of this unique and extensive outdoor natural resource is a long-standing commitment of the City.

In February of 2006, the Stow City government completed the acquisition of an 18-hole municipal golf course located on 140 acres of land within a highly developed residential area of the City. The golf course, which was named the best privately owned public golf course in Ohio in 2005, was successfully operated by the City's Parks and Recreation Department on a better than break-even basis with its own resources over the period 2006-2010. The City's ongoing commitment to the operation of the golf course ensures its retention and preservation as a highly-valued recreational asset in the Stow community.

A unique, special needs playground was completed as a supplemental facility in one of Stow's major parks in 2008. It cost approximately \$278,000 and was funded through a combination of private donations, a state grant and City funding. It is designed for the inclusion and accessibility of all children regardless of disability. In 2010, it was used by many individuals and groups in the community.

After assessing the feasibility of converting its Safety/Service communications system to 800 MHz capability, in 2006, the City executed a 10-year agreement to participate with other communities in the Summit County/Akron radio system. The County-wide system increases compatibility, interoperability and mutual communications capabilities with surrounding communities. The City continued its effort to complete the new radio system for its safety forces in 2010 through the use of local funding and grants.

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

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

In May 2009, the City completed renovation of a City-owned building to replace the former Senior Center which had previously been in rented quarters. The new Senior Center, which is near the Stow City Hall, is more centrally located than the former Center and will provide improved accessibility for seniors throughout Stow. In 2010, the facility generated considerable senior citizen activity and programs in Stow.

Future – As with virtually every other governmental unit in Ohio, Stow is coping with the adverse impact of the severe national economic recession on its finances. We have adopted a much more conservative and restrictive stance regarding our operating and capital budgets. We have reduced our operating expenditures, imposed a hiring freeze, implemented an employee buyout program and cancelled or delayed many capital improvements. Within our more limited financial capability, we continue with various major initiatives designed to improve and enhance the City of Stow and/or to enable the City to accommodate the continued growth and development of the Stow community in 2011 and beyond.

The City's elected officials, in cooperation with the Judges and Clerk of Courts, are working in 2011 to stabilize the finances of the Stow Municipal Court for the future. Many essential services are provided by the Court within the sixteen jurisdictions served. An important component of the City's plan is to ensure that Mayor's Courts, either existing or new, do not negatively impact the long-term finances or budget of the Court.

The new Route 8 Interchange, located at State Route 8 and Seasons Road in both Stow and Hudson, has been completed and is now open. The main access road to the interchange was improved and widened in 2010. The project was a joint undertaking of the State of Ohio, the City of Stow and the City of Hudson. Along with the recently-completed Seasons/Norton Roads connection and the Seasons Road improvement projects, the new interchange is necessary to facilitate expansion of the industrial and commercial growth areas of Stow to ensure future expansion of our tax base. The total design and construction cost for the interchange was approximately \$7.7 million, with \$4.0 million paid by a federal grant. Stow and Hudson paid for a combined fifty percent of the remaining cost, or \$1.85 million each.

The cities of Stow, Hudson and Cuyahoga Falls have reached a tentative agreement to create a tax sharing district of 250 acres in 2011 around the interchange in which specified taxes generated by new businesses will be equally shared by the three communities. The tax sharing area will help eliminate competition among the communities for the location of new businesses. When the tentative tax sharing agreement is finalized and adopted by the three communities, Cuyahoga Falls will also share equally in the local cost of the construction of the new Route 8 Interchange, which will reduce the local cost for Stow and Hudson.

A major new employer planning to locate in the new interchange and tax-sharing area is a 100-bed, full-service hospital facility. The hospital is currently in the final planning stages, but has been delayed due to economic conditions. It is now expected to move forward prior to the end of 2011 and will be the anchor of the tax-sharing district. When it is completed in the next several years, the hospital facility will generate considerable related economic activity in the area surrounding the interchange.

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

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

In 2011, the City will also be continuing its ongoing traffic signal upgrade program at major intersections throughout the community. Local funds will be combined with grant funds and other sources to finance the installation of new signals at high traffic volume locations to improve traffic control and/or to meet safety concerns.

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

The proceeds of the City's lodging tax, which is collected on all overnight hotel and motel room occupancies, have been dedicated to pay for infrastructure improvements in specified areas of the City to encourage economic development. In 2007, the usage of the tax was expanded to include support of the City's Community Improvement Corporation (C.I.C.), which has the ability to offer financial aid and/or loans as incentives to new and/or expanding businesses in Stow. In 2010, a significant portion of the proceeds was obligated to fund the City's community development staff. In 2010, the funding was expanded to include the City's planning staff as well. The C.I.C. was involved in providing assistance to several important local industries in Stow in 2010. In 2011, it served as the conduit for a sizeable state assistance loan to a local business to enable it to remain in operation.

The City administration will continue to emphasize economic development in Stow in 2011 as a means to enhance our tax base for the future and strengthen the City's financial standing. We also expect to finalize updating both the 2001 city-wide Comprehensive Plan and the 2006 Economic Development Plan.

OTHER INFORMATION

Awards – The City prepared and submitted a Comprehensive Annual Financial Report (CAFR) for the first time for 2000 to the Government Finance Officers Association of the United States and Canada (GFOA). A Certificate of Achievement for Excellence in Financial Reporting was awarded to the City of Stow for its Comprehensive Annual Financial Report for the years ended December 31, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008 and 2009. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both Generally Accepted Accounting Principles and applicable legal requirements. We believe our current report for 2010 conforms to the Certificate of Achievement for Excellence in Financial Reporting program requirements, and we are submitting it to the GFOA to determine its eligibility for a 2010 award.

Acknowledgment – I would like to express my sincere appreciation and thanks to those individuals who assisted in the preparation of the 2010 Comprehensive Annual Financial Report. Successful preparation of a report of this scope required the dedicated services of the entire staff of the Finance Department. I also extend my appreciation to the Mayor, City Council and all Department Heads for their support and assistance in completing this Comprehensive Annual Financial Report.

Respectfully submitted,

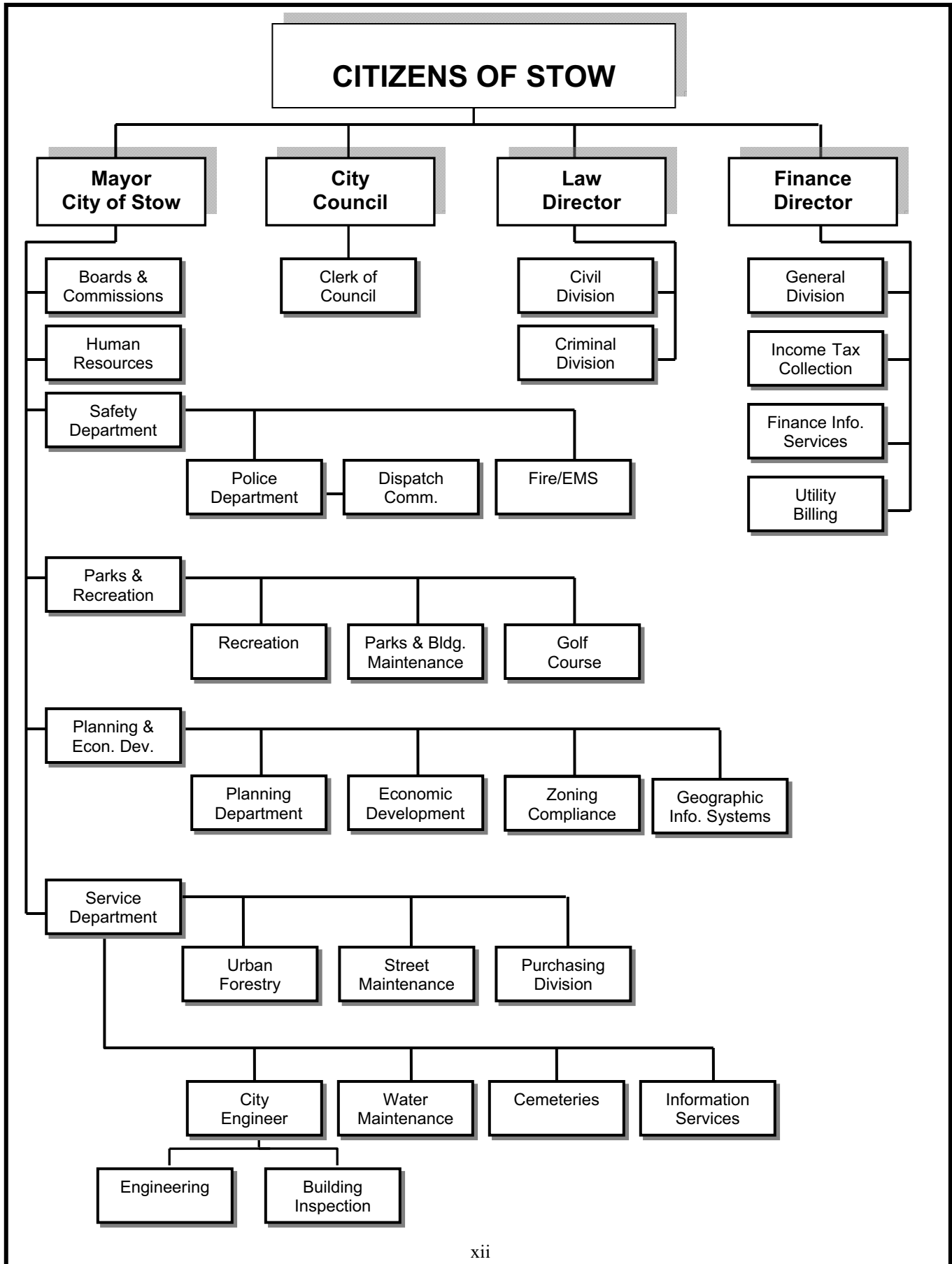
A handwritten signature in black ink, appearing to read "John M. Baranek". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

John M. Baranek
Director of Finance

City of Stow, Ohio

General Organization Chart

2010



CITY OF STOW, OHIO
PRINCIPAL CITY OFFICIALS
AS OF DECEMBER 31, 2010

Elected Officials

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

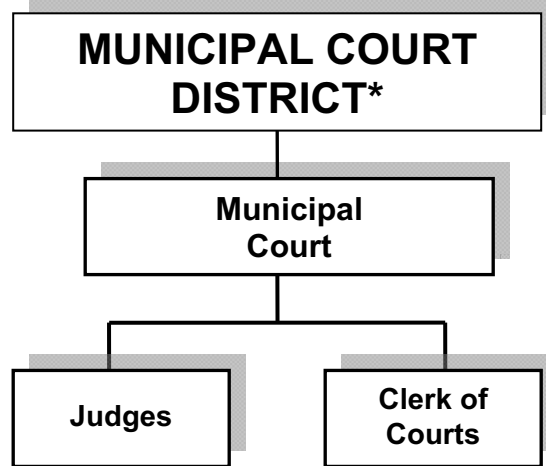
Department Officials

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

City of Stow, Ohio

Stow Municipal Court Organizational Chart

2010



Stow is the host City for the Stow Municipal Court

*The following jurisdictions make up the Stow Municipal Court District:

CITY

Stow
Cuyahoga Falls
Hudson
Twinsburg
Tallmadge
Macedonia
Munroe Falls

VILLAGES

Reminderville
Boston Heights
Peninsula
Northfield
Silver Lake

TOWNSHIPS

Boston
Northfield Center
Sagamore Hills
Twinsburg

STOW MUNICIPAL COURT PRINCIPAL OFFICIALS AS OF DECEMBER 31, 2010

Elected Officials

Judge Kim R. Hoover
Judge Lisa Coates
Clerk of Courts Lisa Zeno Carano

Appointed Officials

Court Administrator Rick Klinger
Chief Deputy Clerk of Courts Chris Grimm

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Stow
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

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



President

Executive Director

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FINANCIAL SECTION



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Honorable Mayor and City Council Members:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the discretely presented component unit and remaining fund information of City of Stow, Summit County, Ohio, (the City), as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit, and remaining fund information of City of Stow, Summit County, Ohio, as of December 31, 2010, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and EMS/Fire Levy fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As more fully discussed in Note 3C to the basic financial statements, the City made adjustments to capital assets due to errors and omissions. Net assets were restated as a result of these adjustments.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2011, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



Dave Yost
Auditor of State

June 15, 2011

CITY OF STOW, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 (UNAUDITED)

The management's discussion and analysis for the City of Stow's (the "City") financial statements provides an overview of the City's financial activities for the year ended December 31, 2010. The intent of this discussion and analysis is to provide a narrative that describes the City's performance as a whole. To obtain a more detailed understanding, one should also review the transmittal letter, the notes to the basic financial statements and the basic financial statements.

Financial Highlights

The City's key financial highlights for 2010 are as follows:

- The assets of the City exceeded its liabilities at the close of the year ended December 31, 2010 by \$84,064,504 (net assets). Of this amount, \$7,658,087 is considered restricted for various purposes such as capital projects, debt service and other restrictions, and \$67,505,107 is invested in capital assets. These combined amounts are lower than the City's total net assets at year end, resulting in a balance of \$8,901,310 in unrestricted net assets.
- Total net assets increased \$6,753,639 or 8.74 percent as a result of this year's operations and restatement of prior year's net assets. Net assets for business-type activities increased \$2,643,445 or 9.11 percent, while the net assets related to governmental activities increased \$4,110,194, or 8.51 percent.
- The City's total revenues amounted to \$43,525,562 in 2010, of which \$36,316,579 related to governmental activities and \$7,208,983 to business-type activities. Program specific revenues in the form of charges for services, grants and contributions accounted for \$19,279,372 or 44.29 percent of total revenues.
- The City had \$36,771,923 in expenses in 2010, \$31,991,107 of which were for governmental activities and \$4,780,816 for business-type activities.
- Among the major funds, the general fund had \$21,397,102 in revenues and \$21,159,992 in expenditures in 2010. The amount of \$550,000 was transferred to the general fund in 2010, and \$566,923 was transferred to other funds.
- The general fund's balance increased to \$4,682,197, an increase of \$220,187 from the beginning of 2010. The general fund balance was 21.88 percent of total general fund revenues, which is a slight increase from the percentage in 2009.
- The City's total governmental activities long-term obligations decreased from \$30,058,990 to \$28,453,223 during 2010. This decrease of \$1,605,767 was primarily due to a reduction in City bond, note and capital lease obligations.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

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

CITY OF STOW, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 (UNAUDITED)

Reporting the City as a Whole

Statement of Net Assets and Statement of Activities

The analysis of the City as a whole begins on page 6. One of the most important questions asked about the City's finances is, "How did the City perform financially during 2010?" The statement of net assets and the statement of activities provide information concerning the City as a whole and its financial activities that will assist the reader in answering this question. These statements include all assets and liabilities using the accrual method of accounting similar to the accounting used by most private-sector businesses. This method of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

Fund Financial Statements

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

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

Governmental Funds

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

CITY OF STOW, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 (UNAUDITED)

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

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

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

Proprietary Funds

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

Fiduciary Funds

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

Notes to the Basic Financial Statements

The financial statement notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Notes to the basic financial statements can be found on pages 31 through 68 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements, schedules, and a statistical section, which can be found on pages 69 through 198 of this report.

CITY OF STOW, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)*

Government-Wide Financial Analysis

As noted earlier, the trend in net assets serves as an indicator of a government's changing financial position. At the close of 2010 the City's total assets, as shown in Table 1, exceeded liabilities by \$84,064,504. Some \$52,396,337 of these net assets was in governmental activities while \$31,668,167 was in business-type activities. The table below provides a summary of the City's net assets for 2010 compared to 2009. The net assets of the City were restated at December 31, 2009 as described in Note 3.C to the basic financial statements.

Table 1 - Net Assets

	Governmental Activities <u>2010</u>	Restated Governmental Activities <u>2009</u>	Business-Type Activities <u>2010</u>	Restated Business-Type Activities <u>2009</u>	2010 Total	Restated 2009 Total
Assets						
Current and other assets	\$ 25,752,851	\$ 24,859,878	\$ 6,130,265	\$ 5,008,554	\$ 31,883,116	\$ 29,868,432
Capital assets, net	<u>65,745,586</u>	<u>64,259,352</u>	<u>33,378,048</u>	<u>32,392,690</u>	<u>99,123,634</u>	<u>96,652,042</u>
Total assets	<u>91,498,437</u>	<u>89,119,230</u>	<u>39,508,313</u>	<u>37,401,244</u>	<u>131,006,750</u>	<u>126,520,474</u>
Liabilities						
Current and other liabilities	10,648,877	10,774,097	752,895	838,923	11,401,772	11,613,020
Long term liabilities:						
Due within one year	2,014,284	2,052,606	244,121	247,573	2,258,405	2,300,179
Due in more than one year	<u>26,438,939</u>	<u>28,006,384</u>	<u>6,843,130</u>	<u>7,290,026</u>	<u>33,282,069</u>	<u>35,296,410</u>
Total liabilities	<u>39,102,100</u>	<u>40,833,087</u>	<u>7,840,146</u>	<u>8,376,522</u>	<u>46,942,246</u>	<u>49,209,609</u>
Net Assets						
Invested in capital assets, net of related debt	41,222,186	38,242,890	26,282,921	24,875,802	67,505,107	63,118,692
Restricted	7,658,087	7,561,593	-	-	7,658,087	7,561,593
Unrestricted	<u>3,516,064</u>	<u>2,481,660</u>	<u>5,385,246</u>	<u>4,148,920</u>	<u>8,901,310</u>	<u>6,630,580</u>
Total net assets	<u>\$ 52,396,337</u>	<u>\$ 48,286,143</u>	<u>\$ 31,668,167</u>	<u>\$ 29,024,722</u>	<u>\$ 84,064,504</u>	<u>\$ 77,310,865</u>

During 2010, the City's overall financial position improved by \$6,753,639 as governmental activities net assets increased by \$4,110,194 and those for business-type activities increased by \$2,643,445.

The majority of the City's net assets (80.30 percent) reflect its investment in capital assets (e.g. land, construction in progress, buildings and building improvements, vehicles, infrastructure and equipment, furniture and fixtures), less any related debt used to acquire those assets. These capital assets are utilized by the City to provide services to its citizens. They are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

CITY OF STOW, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)*

Statement of Activities

The table below shows the changes in net assets for years ended 2010 and 2009. The net assets of the City were restated at December 31, 2009 as described in Note 3.C to the basic financial statements.

	Table 2 - Change in Net Assets					
	Governmental	Restated Governmental	Business-Type	Restated Business-Type		Restated
	Activities	Activities	Activities	Activities	2010	2009
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>Total</u>	<u>Total</u>
Revenues						
Program revenues:						
Charges for services	\$ 5,386,089	\$ 4,921,628	\$ 6,502,733	\$ 6,531,059	\$ 11,888,822	\$ 11,452,687
Operating grants and contributions	2,480,186	2,075,237	-	-	2,480,186	2,075,237
Capital grants and contributions	<u>4,694,364</u>	<u>4,387,095</u>	<u>216,000</u>	<u>-</u>	<u>4,910,364</u>	<u>4,387,095</u>
Total program revenues	<u>12,560,639</u>	<u>11,383,960</u>	<u>6,718,733</u>	<u>6,531,059</u>	<u>19,279,372</u>	<u>17,915,019</u>
General revenues:						
Taxes	19,107,399	18,830,604	361,828	354,440	19,469,227	19,185,044
Grants and entitlements	3,933,904	3,881,534	-	-	3,933,904	3,881,534
Investment income	102,494	192,603	-	-	102,494	192,603
Miscellaneous	<u>612,143</u>	<u>660,823</u>	<u>128,422</u>	<u>245,021</u>	<u>740,565</u>	<u>905,844</u>
Total general revenues	<u>23,755,940</u>	<u>23,565,564</u>	<u>490,250</u>	<u>599,461</u>	<u>24,246,190</u>	<u>24,165,025</u>
Total revenues	<u>36,316,579</u>	<u>34,949,524</u>	<u>7,208,983</u>	<u>7,130,520</u>	<u>43,525,562</u>	<u>42,080,044</u>
Expenses:						
General government	8,737,033	10,154,101	-	-	8,737,033	10,154,101
Security of persons and property	14,199,929	14,418,225	-	-	14,199,929	14,418,225
Public health	445,503	421,832	-	-	445,503	421,832
Leisure time activities	1,867,648	2,286,945	-	-	1,867,648	2,286,945
Community and economic development	686,144	1,380,821	-	-	686,144	1,380,821
Transportation	5,165,638	4,429,498	-	-	5,165,638	4,429,498
Interest and fiscal charges	889,212	1,074,985	-	-	889,212	1,074,985
Water	-	-	2,913,323	3,555,964	2,913,323	3,555,964
Golf	-	-	1,130,238	1,194,315	2,913,323	1,194,315
Storm water utility	<u>-</u>	<u>-</u>	<u>737,255</u>	<u>752,345</u>	<u>737,255</u>	<u>752,345</u>
Total expenses	<u>31,991,107</u>	<u>34,166,407</u>	<u>4,780,816</u>	<u>5,502,624</u>	<u>36,771,923</u>	<u>39,669,031</u>
Increase in net assets before special items and transfers	4,325,472	783,117	2,428,167	1,627,896	6,753,639	2,411,013
Special item	-	1,778,978	-	-	-	1,778,978
Transfers	<u>(215,278)</u>	<u>(346,219)</u>	<u>215,278</u>	<u>346,219</u>	<u>-</u>	<u>-</u>
Change in net assets	4,110,194	2,215,876	2,643,445	1,974,115	6,753,639	4,189,991
Net assets at beginning of year (restated)	<u>48,286,143</u>	<u>46,070,267</u>	<u>29,024,722</u>	<u>27,050,607</u>	<u>77,310,865</u>	<u>73,120,874</u>
Net assets at end of year	<u>\$ 52,396,337</u>	<u>\$ 48,286,143</u>	<u>\$ 31,668,167</u>	<u>\$ 29,024,722</u>	<u>\$ 84,064,504</u>	<u>\$ 77,310,865</u>

CITY OF STOW, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)*

Governmental Activities

The information in Table 2 indicates that security of persons and property accounted for \$14,199,929, or 44.39 percent of the \$31,991,107 expensed for governmental activities this past year. General government accounted for \$8,737,033 or 27.31 percent in the governmental activities category as compared to \$10,154,101 or 29.72 percent in 2009.

Some \$19,107,399 in tax revenues was generated for the City in 2010 to support governmental activities. This amount represented 52.61 percent of total revenues for governmental activities which reached \$36,316,579 in 2010. Other major revenues received by the City included \$3,933,904 in unrestricted grants and entitlements.

Program revenues to support governmental activities amounted to \$12,560,639 in 2010, which included \$5,386,089 in charges for services. Capital grants and contributions increased by \$307,269 over prior year due to the receipts of funding in 2010 for transportation projects.

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

	Total Cost of Services <u>2010</u>	Net Cost of Services <u>2010</u>	Total Cost of Services <u>2009</u>	Net Cost of Services <u>2009</u>
Program Expenses:				
General government	\$ 8,737,033	\$ 4,443,308	\$ 10,154,101	\$ 5,866,563
Security of persons and property	14,199,929	13,315,974	14,418,225	13,706,685
Public health	445,503	334,568	421,832	332,079
Leisure time activities	1,867,648	1,518,634	2,286,945	1,917,256
Community and economic development	686,144	493,981	1,380,821	1,104,303
Transportation	5,165,638	(1,565,209)	4,429,498	(1,219,424)
Interest and fiscal charges	889,212	889,212	1,074,985	1,074,985
Total Expenses	<u>\$ 31,991,107</u>	<u>\$ 19,430,468</u>	<u>\$ 34,166,407</u>	<u>\$ 22,782,447</u>

The dependence upon general revenues for governmental activities is apparent, with 60.74 percent of expenses supported through taxes and other general revenues in 2010 and 66.68 percent in 2009.

Business-Type Activities

Water system expenses were \$2,913,323 for the year, which were primarily offset by the \$4,934,014 in charges for services generated by the water system through the operation of the City's water distribution system in 2010.

Golf expenses were \$1,130,238 for the year, which were offset by the \$750,361 in charges for services generated by the Fox Den Golf Course through user fees.

Storm water utility expenses were \$737,255 for the year, which were offset by the \$818,358 in charges for services generated by the storm water system in 2010.

The City experienced an increase in net assets of \$2,643,445 in the area of business-type activities in 2010. Water system program revenues totaled \$5,150,014 for the year as compared to \$4,824,385 in 2009. This increase was due to capital grants and contributions obtained for City water system improvements and increased service charges and tap in fees.

CITY OF STOW, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 (UNAUDITED)

Financial Analysis of the City's Funds

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

Governmental Funds

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

As of the end of the current year, the City's governmental funds reported combined ending balances of \$11,126,429, an increase of \$339,381 as compared with the prior year. Approximately 81.14 percent of this total year end amount or \$9,028,395 represents unreserved fund balance, which is available at the City's discretion within certain legal constraints and purpose restrictions. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) to liquidate contracts and purchase orders of the prior period (\$1,222,565); 2) to repay loans (\$150,000); and 3) for materials and supplies (\$725,469).

The general fund is the City's chief operating fund. The general fund's year end balance increased by \$220,187 during the current year to reach an ending total of \$4,682,197. The unreserved fund balance of the general fund was \$3,967,433. As a measure of the general fund's liquidity, it is useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The unreserved fund balance represents 18.75 percent of total general fund expenditures, while total fund balance represents 22.13 percent of such expenditures.

The City's two other major governmental funds are the EMS/fire levy fund and the general capital improvements fund. The fund balance of the EMS/fire levy fund decreased \$42,725 during 2010, an improvement over a \$77,490 decrease in fund balance during 2009 due to a reduction in capital expenditures. The fund balance of the general capital improvements fund increased \$218,748 as a result of the increase in intergovernmental revenue in relation to the construction of multiple street improvements.

Transfers from the general fund to other governmental funds, which occurred principally for funding of pensions, amounted to \$566,923.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail. Unrestricted net assets for the City's water, golf and storm water utility funds at the end of the year amounted to \$5,325,076. Total assets were \$39,598,143 at year-end. The water fund net assets and storm water utility fund net assets increased 9.77 percent and 4.20 percent, respectively, during 2010 due to tightly controlled expenses. The golf fund net assets continued to rise during 2010 with an increase of \$76,633 bringing the net assets to a positive fund balance of \$41,315.

Budgeting Highlights

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

CITY OF STOW, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 (UNAUDITED)

Regarding revenues, there were no differences between the general fund original budget and the final budget. The income tax revenue projection in the original and final budgets was significantly in excess of actual revenues due to the effects of a poor economy and a partial overestimate of expected revenues. For the reasons indicated, actual total revenues and other financing sources were \$3,427,716 less than final budgeted revenues.

There were no differences between the general fund original and final budget estimates for expenditures and other financing uses. Actual amounts for 2010 were less than original and final budgeted amounts by \$1,945,663. This variance was the result of the conservative budgeting by the City, a large contingency allocation that was not expended, and the decision not to expand the City's safety forces as had been originally contemplated, particularly in the police area, due to insufficient revenue enhancement to pay for such employee expansion.

Capital Assets and Debt Administration

Capital Assets

The City's net investment in capital assets, for both its governmental and business-type activities amounted to \$99,123,634 (net of accumulated depreciation) at year end 2010. Capital assets, which include land, buildings and building improvements, vehicles, equipment, furniture and fixtures, infrastructure and construction in progress, increased by \$2,471,592 during 2010. The net assets of the City were restated at December 31, 2009 as described in Note 3.C to the basic financial statements.

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

	Governmental Activities		Business-Type Activities		Total	
	2010	Restated 2009	2010	Restated 2009	2010	Restated 2009
Land	\$11,202,207	\$11,202,207	\$ 5,377,376	\$ 5,377,376	\$16,579,583	\$16,579,583
Construction in progress	1,761,672	7,798,151	1,828,026	1,423,288	3,589,698	9,221,439
Buildings and improvements	25,757,410	26,493,723	2,770,929	2,846,245	28,528,339	29,339,968
Vehicles	3,641,213	4,049,487	586,345	639,049	4,227,558	4,688,536
Equipment, furniture and fixtures	2,602,336	2,674,827	137,118	164,338	2,739,454	2,839,165
Infrastructure	20,780,748	12,040,957	22,678,254	21,942,394	43,459,002	33,983,351
Totals	\$65,745,586	\$64,259,352	\$33,378,048	\$32,392,690	\$99,123,634	\$96,652,042

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

Debt

At the end of the current fiscal year, the City's total outstanding general obligation bonded debt for governmental activities amounted to \$15,490,265 (before unamortized charges and unamortized premium). Part of this debt was originally issued in the amount of \$6.44 million in 2004 to pay for the refinancing of the Stow Safety Center debt issued in 1995. The amount of \$4,200,000 was issued in 2007 to finance the construction of the Municipal Courthouse. The City issued \$8,073,932 in general obligation bonds in 2008 for the service center construction and fire improvements. The City also had governmental activity general obligation notes outstanding at year-end in the amount of \$7,125,000 and capital lease obligations of \$1,167,369. As can be seen from Table 4, the total debt for governmental activities decreased \$1,493,062 or 5.74 percent during the year.

CITY OF STOW, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 (UNAUDITED)

Debt related to business-type activity for the City amounted to \$7,095,127 at year-end, which consisted of \$5,803,966 in general obligation bonds, \$800,000 in general obligation notes, \$173,768 in Ohio Public Works Commission (OPWC) loans and \$317,393 in capital lease obligations. Total business-type activity debt for the City decreased \$421,761 or 5.61 percent of the total business-type activity outstanding debt at the commencement of the year.

At December 31, 2010, the City's outstanding general obligation bonds were rated "Aa2" by Moody's Investors Service. State statute limits the total amount of debt a governmental entity may issue. The City's debt limitation at year-end, per the limits described by state statute, was substantially higher than the City's existing outstanding debt.

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

Additional information regarding the City's long-term obligations can be found in Note 12 of this report, Note 15 provides information relating to compensated absences and Note 11 provides information on short-term note obligations.

Table 4 - Debt Obligations

	Governmental Activities		Business-type Activities		Total	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
General obligation bonds	\$ 15,431,031	\$ 16,103,143	\$ 5,803,966	\$ 5,966,464	\$ 21,234,997	\$ 22,069,607
General obligation notes	7,925,000	8,575,000	800,000	1,000,000	8,725,000	9,575,000
OPWC loans	-	-	173,768	191,144	173,768	191,144
Capital lease obligations	<u>1,167,369</u>	<u>1,338,319</u>	<u>317,393</u>	<u>359,280</u>	<u>1,484,762</u>	<u>1,697,599</u>
Total long-term obligations	<u>\$ 24,523,400</u>	<u>\$ 26,016,462</u>	<u>\$ 7,095,127</u>	<u>\$ 7,516,888</u>	<u>\$ 31,618,527</u>	<u>\$ 33,533,350</u>

Economic Factors and Next Year's Budget

The City is a growing community with a stable and diversified economy. Since 2000, the City's population has grown by 8.4 percent. Trends in the local economy compare favorably with those of the state and nation. The City's unemployment rate in 2010 stood at 8.5 percent. The county, state and national unemployment rates were 9.9, 10.1, and 9.6 percent, respectively in 2010.

The City's budgets were forecast conservatively for 2010 and 2011 based on local, state and national economic conditions and trends. The service needs of the citizens of Stow were taken into account as were the ongoing financial condition of the City and any applicable budgetary constraints.

Requests for Information

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

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BASIC
FINANCIAL STATEMENTS

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CITY OF STOW, OHIO

*STATEMENT OF NET ASSETS
DECEMBER 31, 2010*

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
Assets:				
Equity in pooled cash and investments	\$ 12,125,803	\$ 5,273,340	\$ 17,399,143	\$ 45,140
Cash held with escrow agents	90,484	-	90,484	-
Receivables:				
Property taxes	7,678,614	-	7,678,614	-
Income taxes.	1,960,632	-	1,960,632	-
Accounts.	311,563	459,929	771,492	-
Intergovernmental	2,404,823	216,000	2,620,823	-
Accrued interest	79,310	-	79,310	-
Special assessments	968	-	968	-
Internal balance	89,830	(89,830)	-	-
Materials and supplies inventory.	725,469	186,595	912,064	-
Deferred charges	285,355	84,231	369,586	-
Capital assets:				
Nondepreciable capital assets.	12,963,879	7,205,402	20,169,281	-
Depreciable capital assets, net.	52,781,707	26,172,646	78,954,353	-
Total capital assets, net.	<u>65,745,586</u>	<u>33,378,048</u>	<u>99,123,634</u>	<u>-</u>
Total assets.	<u>91,498,437</u>	<u>39,508,313</u>	<u>131,006,750</u>	<u>45,140</u>
Liabilities:				
Accounts payable.	586,764	48,976	635,740	-
Accrued wages and benefits.	344,021	28,418	372,439	-
Intergovernmental payable	1,060,287	445,262	1,505,549	-
Accrued interest payable	157,997	30,239	188,236	-
Matured bonds payable.	90,484	-	90,484	-
Claims payable.	309,227	-	309,227	-
Unearned revenue	7,300,097	-	7,300,097	-
Notes payable.	800,000	200,000	1,000,000	-
Long-term liabilities:				
Due within one year	2,014,284	244,121	2,258,405	-
Due in more than one year.	26,438,939	6,843,130	33,282,069	-
Total liabilities	<u>39,102,100</u>	<u>7,840,146</u>	<u>46,942,246</u>	<u>-</u>
Net assets:				
Invested in capital assets, net of related debt	41,222,186	26,282,921	67,505,107	-
Restricted for:				
EMS/fire protection.	72,646	-	72,646	-
Police	62,523	-	62,523	-
Street repair and maintenance.	1,948,853	-	1,948,853	-
Public health	74,984	-	74,984	-
Leisure time activities.	295,747	-	295,747	-
Special assessments	1,561	-	1,561	-
Community and economic development.	383,775	-	383,775	-
Municipal court	1,516,602	-	1,516,602	-
Capital outlay	2,932,809	-	2,932,809	-
Other purposes	368,587	-	368,587	-
Unrestricted	<u>3,516,064</u>	<u>5,385,246</u>	<u>8,901,310</u>	<u>45,140</u>
Total net assets	<u>\$ 52,396,337</u>	<u>\$ 31,668,167</u>	<u>\$ 84,064,504</u>	<u>\$ 45,140</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010*

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 8,737,033	\$ 4,156,491	\$ 100	\$ 137,134
Security of persons and property	14,199,929	643,889	240,066	-
Public health	445,503	58,851	52,084	-
Leisure time activities	1,867,648	295,434	53,580	-
Community and economic development	686,144	165,268	26,895	-
Transportation	5,165,638	66,156	2,107,461	4,557,230
Interest and fiscal charges	889,212	-	-	-
Total governmental activities	<u>31,991,107</u>	<u>5,386,089</u>	<u>2,480,186</u>	<u>4,694,364</u>
Business-type activities:				
Water	2,913,323	4,934,014	-	216,000
Golf	1,130,238	750,361	-	-
Storm Water Utility	737,255	818,358	-	-
Total business-type activities	<u>4,780,816</u>	<u>6,502,733</u>	<u>-</u>	<u>216,000</u>
Totals	<u>\$ 36,771,923</u>	<u>\$ 11,888,822</u>	<u>\$ 2,480,186</u>	<u>\$ 4,910,364</u>
Component Unit:				
Stow Community Improvement Corporation	<u>\$ 4,860</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ -</u>

General revenues:

Property taxes levied for:

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

Total general revenues

Transfers

Change in net assets

Net assets at beginning of year (restated) . . .

Net assets at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Primary Government

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total	Component Unit
\$ (4,443,308)	\$ -	\$ (4,443,308)	\$ -
(13,315,974)	-	(13,315,974)	-
(334,568)	-	(334,568)	-
(1,518,634)	-	(1,518,634)	-
(493,981)	-	(493,981)	-
1,565,209	-	1,565,209	-
(889,212)	-	(889,212)	-
<u>(19,430,468)</u>	<u>-</u>	<u>(19,430,468)</u>	<u>-</u>
-	2,236,691	2,236,691	-
-	(379,877)	(379,877)	-
-	81,103	81,103	-
<u>-</u>	<u>1,937,917</u>	<u>1,937,917</u>	<u>-</u>
<u>(19,430,468)</u>	<u>1,937,917</u>	<u>(17,492,551)</u>	<u>-</u>
-	-	-	45,140
5,103,571	-	5,103,571	-
2,430,115	-	2,430,115	-
11,573,713	361,828	11,935,541	-
3,933,904	-	3,933,904	-
102,494	-	102,494	-
612,143	128,422	740,565	-
<u>23,755,940</u>	<u>490,250</u>	<u>24,246,190</u>	<u>-</u>
<u>(215,278)</u>	<u>215,278</u>	<u>-</u>	<u>-</u>
4,110,194	2,643,445	6,753,639	45,140
48,286,143	29,024,722	77,310,865	-
<u>\$ 52,396,337</u>	<u>\$ 31,668,167</u>	<u>\$ 84,064,504</u>	<u>\$ 45,140</u>

CITY OF STOW, OHIO

*BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010*

	<u>General</u>	<u>EMS/Fire Tax Levy</u>	<u>General Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in pooled cash and cash equivalents . . .	\$ 4,049,114	\$ 8,367	\$ 2,872,393	\$ 3,662,887	\$ 10,592,761
Cash held with escrow agents	-	-	-	90,484	90,484
Receivables:					
Property taxes	5,305,376	1,848,842	-	524,396	7,678,614
Income taxes.	1,176,379	-	784,253	-	1,960,632
Accounts.	301,625	-	7,950	102	309,677
Intergovernmental	1,320,406	156,899	16,776	910,742	2,404,823
Accrued interest	79,310	-	-	-	79,310
Special assessments	-	-	-	968	968
Loans to other funds	150,000	-	-	-	150,000
Materials and supplies	168,131	-	-	557,338	725,469
Total assets	<u>\$ 12,550,341</u>	<u>\$ 2,014,108</u>	<u>\$ 3,681,372</u>	<u>\$ 5,746,917</u>	<u>\$ 23,992,738</u>
Liabilities:					
Accounts payable.	\$ 239,704	\$ 1,857	\$ 20,204	\$ 324,999	\$ 586,764
Accrued wages and benefits	311,582	29,545	-	2,894	344,021
Intergovernmental payable	571,637	132,267	19,192	337,191	1,060,287
Deferred revenue	1,673,575	237,569	246,069	516,966	2,674,179
Unearned revenue	5,071,646	1,767,391	-	461,060	7,300,097
Accrued interest payable	-	1,310	9,167	-	10,477
Notes payable	-	100,000	700,000	-	800,000
Matured bonds payable.	-	-	-	90,484	90,484
Total liabilities	<u>7,868,144</u>	<u>2,269,939</u>	<u>994,632</u>	<u>1,733,594</u>	<u>12,866,309</u>
Fund balances:					
Reserved for encumbrances	396,633	2,216	603,478	220,238	1,222,565
Reserved for materials and supplies	168,131	-	-	557,338	725,469
Reserved for loans	150,000	-	-	-	150,000
Unreserved:					
Designated for budget stabilization	1,000,000	-	-	-	1,000,000
Undesignated, reported in:					
General fund.	2,967,433	-	-	-	2,967,433
Special revenue funds	-	(258,047)	-	3,235,747	2,977,700
Capital projects funds	-	-	2,083,262	-	2,083,262
Total fund balances (deficit)	<u>4,682,197</u>	<u>(255,831)</u>	<u>2,686,740</u>	<u>4,013,323</u>	<u>11,126,429</u>
Total liabilities and fund balances	<u>\$ 12,550,341</u>	<u>\$ 2,014,108</u>	<u>\$ 3,681,372</u>	<u>\$ 5,746,917</u>	<u>\$ 23,992,738</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2010*

Total governmental fund balances		\$ 11,126,429
<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.		65,745,586
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Delinquent property taxes receivable	\$ 336,431	
Municipal income taxes receivable	615,172	
Intergovernmental receivable	1,666,912	
Special assessments receivable	968	
Accrued interest receivable	54,696	
Total		2,674,179
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The long-term liabilities are as follows:		
Compensated absences	(4,729,823)	
Capital lease obligation	(1,167,369)	
General obligation bonds payable	(15,490,265)	
Construction notes payable	(7,125,000)	
Total		(28,512,457)
In the statement of net assets interest is accrued on outstanding bonds and notes payable, whereas in governmental funds, interest is accrued when due.		(147,520)
Bond issuance costs reported as an expenditure in the funds are allocated as an expense over the life of the debt on a full accrual basis.		285,355
Unamortized premiums on bond issuance are not recognized in the funds.		(204,367)
Unamortized deferred charges on refundings are not recognized in the funds.		263,601
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		1,225,701
An internal balance is recorded in governmental activities to reflect overpayments to the internal service fund by the business-type activities.		(60,170)
Net assets of governmental activities		\$ 52,396,337

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>General</u>	<u>EMS/Fire Tax Levy</u>	<u>General Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property and other taxes	\$ 5,038,563	\$ 1,755,863	\$ -	\$ 645,688	\$ 7,440,114
Income taxes	8,627,611	-	757,503	2,217,627	11,602,741
Special assessments	7,553	-	24,250	48,088	79,891
Charges for services	330,497	-	-	658,817	989,314
Licenses and permits	757,871	-	-	-	757,871
Fines and forfeitures	2,278,581	-	-	1,012,330	3,290,911
Intergovernmental	3,493,906	344,998	4,507,535	2,440,773	10,787,212
Investment income	61,498	-	-	10,170	71,668
Rent	188,879	-	-	90,161	279,040
Contributions and donations	12,540	-	-	39,002	51,542
Other	599,603	5,624	186,829	99,728	891,784
Total revenues	<u>21,397,102</u>	<u>2,106,485</u>	<u>5,476,117</u>	<u>7,262,384</u>	<u>36,242,088</u>
Expenditures:					
Current:					
General government	7,887,304	-	-	502,772	8,390,076
Security of persons and property	9,631,014	2,247,879	-	1,470,280	13,349,173
Public health	368,408	-	-	62,256	430,664
Leisure time activities	1,592,541	-	-	96,328	1,688,869
Community and economic development	1,100,164	-	-	26,964	1,127,128
Transportation	580,561	-	-	2,741,157	3,321,718
Capital outlay	-	4,013	4,497,905	594,401	5,096,319
Debt service:					
Principal retirement	-	20,725	220,301	626,251	867,277
Interest and fiscal charges	-	9,545	433,907	490,727	934,179
Note issuance costs	-	-	6,907	-	6,907
Total expenditures	<u>21,159,992</u>	<u>2,282,162</u>	<u>5,159,020</u>	<u>6,611,136</u>	<u>35,212,310</u>
Excess (deficiency) of revenues over (under) expenditures	<u>237,110</u>	<u>(175,677)</u>	<u>317,097</u>	<u>651,248</u>	<u>1,029,778</u>
Other financing sources (uses):					
Sale of notes	-	475,000	6,650,000	-	7,125,000
Refunding of notes	-	(350,000)	(7,350,000)	(225,000)	(7,925,000)
Premium on notes	-	7,952	101,651	-	109,603
Transfers in	550,000	-	500,000	781,835	1,831,835
Transfers out	(566,923)	-	-	(1,264,912)	(1,831,835)
Total other financing sources (uses)	<u>(16,923)</u>	<u>132,952</u>	<u>(98,349)</u>	<u>(708,077)</u>	<u>(690,397)</u>
Net change in fund balances	220,187	(42,725)	218,748	(56,829)	339,381
Fund balances (deficit) at beginning of year	<u>4,462,010</u>	<u>(213,106)</u>	<u>2,467,992</u>	<u>4,070,152</u>	<u>10,787,048</u>
Fund balances (deficit) at end of year	<u>\$ 4,682,197</u>	<u>\$ (255,831)</u>	<u>\$ 2,686,740</u>	<u>\$ 4,013,323</u>	<u>\$ 11,126,429</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010*

Net change in fund balances - total governmental funds	\$	339,381
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital asset additions	\$ 4,332,436	
Current year depreciation	<u>(2,829,948)</u>	
Total		1,502,488
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(16,254)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property taxes	93,572	
Intergovernmental	7,312	
Municipal income taxes	(29,028)	
Special assessments	(28,191)	
Interest	<u>30,826</u>	
Total		74,491
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement net assets.		
		867,277
Refunding of notes is an other financing use in the governmental funds, but the payment reduces long-term liabilities in the statement net assets.		
		7,925,000
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.		
Accrued interest	(14,656)	
Unamortized charges	(32,950)	
Bond premium	8,735	
Bond issuance costs	<u>(18,858)</u>	
Total		(57,729)
The issuance of notes is recorded as revenue in the funds, however, in the statement of activities, notes are not reported as other financing sources as they increase liabilities on the statement of net assets.		
		(7,125,000)
Some expenses, such as compensated absences, reported in the statement of activities do not require the use of financial resources and therefore are not reported as expenditures in governmental funds.		
		(109,605)
Internal service funds used by management to charge the cost of insurance, to individual funds is not reported in the expenditures and related internal service fund revenues are eliminated. The net revenue of the internal service funds is allocated among the governmental activities.		
		<u>710,145</u>
Change in net assets of governmental activities	\$	<u>4,110,194</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other taxes	\$ 5,061,587	\$ 5,061,587	\$ 5,038,563	\$ (23,024)
Income taxes	13,501,103	13,501,103	8,431,290	(5,069,813)
Special assessments	-	-	7,553	7,553
Charges for services	243,000	243,000	331,507	88,507
Licenses and permits.	587,757	587,757	663,389	75,632
Fines and forfeitures.	2,026,207	2,026,207	2,277,502	251,295
Intergovernmental	3,065,475	3,065,475	3,479,019	413,544
Investment income	68,135	68,135	66,234	(1,901)
Rent	188,800	188,800	188,879	79
Contributions and donations.	15,000	15,000	12,540	(2,460)
Other	199,733	199,733	606,665	406,932
Total revenues	<u>24,956,797</u>	<u>24,956,797</u>	<u>21,103,141</u>	<u>(3,853,656)</u>
Expenditures:				
Current:				
General government	9,805,974	9,805,974	8,153,730	1,652,244
Security of persons and property.	9,855,278	9,855,278	9,720,022	135,256
Public health	368,160	368,160	367,568	592
Leisure time activities.	1,750,634	1,750,634	1,668,908	81,726
Community and economic environment	1,140,393	1,140,393	1,115,531	24,862
Transportation	607,775	607,775	607,008	767
Total expenditures	<u>23,528,214</u>	<u>23,528,214</u>	<u>21,632,767</u>	<u>1,895,447</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,428,583</u>	<u>1,428,583</u>	<u>(529,626)</u>	<u>(1,958,209)</u>
Other financing sources (uses):				
Transfers in	124,060	124,060	550,000	425,940
Transfers out	(617,139)	(617,139)	(566,923)	50,216
Total other financing sources (uses).	<u>(493,079)</u>	<u>(493,079)</u>	<u>(16,923)</u>	<u>476,156</u>
Net change in fund balance	935,504	935,504	(546,549)	(1,482,053)
Fund balance at beginning of year	3,641,398	3,641,398	3,641,398	-
Prior year encumbrances appropriated.	445,232	445,232	445,232	-
Fund balance at end of year	<u>\$ 5,022,134</u>	<u>\$ 5,022,134</u>	<u>\$ 3,540,081</u>	<u>\$ (1,482,053)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMS/FIRE TAX LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other taxes.	\$ 1,665,494	\$ 1,665,494	\$ 1,755,863	\$ 90,369
Intergovernmental.	574,907	574,907	361,711	(213,196)
Other	<u>5,000</u>	<u>5,000</u>	<u>5,624</u>	<u>624</u>
Total revenues.	<u>2,245,401</u>	<u>2,245,401</u>	<u>2,123,198</u>	<u>(122,203)</u>
Expenditures:				
Current:				
Security of persons and property.	2,169,235	2,369,235	2,283,855	85,380
Capital outlay.	<u>6,814</u>	<u>6,814</u>	<u>4,106</u>	<u>2,708</u>
Total expenditures	<u>2,176,049</u>	<u>2,376,049</u>	<u>2,287,961</u>	<u>88,088</u>
Excess (deficiency) of revenues over (under) expenditures	<u>69,352</u>	<u>(130,648)</u>	<u>(164,763)</u>	<u>(34,115)</u>
Other financing sources (uses):				
Sale of notes.	1,161,105	1,161,105	575,000	(586,105)
Refunding of notes	(685,125)	(685,125)	(450,000)	235,125
Premium on notes.	16,058	16,058	7,952	(8,106)
Transfers in	<u>24,000</u>	<u>24,000</u>	<u>-</u>	<u>(24,000)</u>
Total other financing sources (uses).	<u>516,038</u>	<u>516,038</u>	<u>132,952</u>	<u>(383,086)</u>
Net change in fund balance	585,390	385,390	(31,811)	(417,201)
Fund balance at beginning of year	17,759	17,759	17,759	-
Prior year encumbrances appropriated.	<u>18,758</u>	<u>18,758</u>	<u>18,758</u>	<u>-</u>
Fund balance at end of year	<u>\$ 621,907</u>	<u>\$ 421,907</u>	<u>\$ 4,706</u>	<u>\$ (417,201)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2010

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Golf	Storm Water Utility	Total	
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents.	\$ 4,583,337	\$ 14,384	\$ 675,619	\$ 5,273,340	\$ 1,533,042
Receivables:					
Accounts	376,908	1,031	81,990	459,929	1,886
Intergovernmental.	216,000	-	-	216,000	-
Materials and supplies inventory.	169,211	17,384	-	186,595	-
Total current assets	<u>5,345,456</u>	<u>32,799</u>	<u>757,609</u>	<u>6,135,864</u>	<u>1,534,928</u>
Noncurrent assets:					
Deferred charges.	9,283	74,948	-	84,231	-
Capital assets:					
Nondepreciable capital assets	2,090,037	5,115,365	-	7,205,402	-
Depreciable capital assets, net.	19,385,631	144,880	6,642,135	26,172,646	-
Total capital assets, net.	<u>21,475,668</u>	<u>5,260,245</u>	<u>6,642,135</u>	<u>33,378,048</u>	<u>-</u>
Total noncurrent assets	<u>21,484,951</u>	<u>5,335,193</u>	<u>6,642,135</u>	<u>33,462,279</u>	<u>-</u>
Total assets	<u>26,830,407</u>	<u>5,367,992</u>	<u>7,399,744</u>	<u>39,598,143</u>	<u>1,534,928</u>
Liabilities:					
Current liabilities:					
Accounts payable.	25,567	20,046	3,363	48,976	-
Accrued wages and benefits	20,220	937	7,261	28,418	-
Intergovernmental	423,771	12,728	8,763	445,262	-
Accrued interest payable	12,221	18,018	-	30,239	-
Claims payable	-	-	-	-	309,227
Notes payable	200,000	-	-	200,000	-
Current portion of general obligation bonds.	14,010	150,000	-	164,010	-
Current portion of OPWC loan	11,584	-	-	11,584	-
Current portion of capital lease obligation. .	-	-	43,689	43,689	-
Current portion of compensated absences . .	21,163	-	3,675	24,838	-
Total current liabilities	<u>728,536</u>	<u>201,729</u>	<u>66,751</u>	<u>997,016</u>	<u>309,227</u>
Long-term liabilities:					
Compensated absences payable	148,193	-	19,093	167,286	-
Loans from other funds	150,000	-	-	150,000	-
Notes payable.	600,000	-	-	600,000	-
General obligation bonds	515,008	5,124,948	-	5,639,956	-
OPWC loan	162,184	-	-	162,184	-
Capital lease obligation	-	-	273,704	273,704	-
Total long-term liabilities	<u>1,575,385</u>	<u>5,124,948</u>	<u>292,797</u>	<u>6,993,130</u>	<u>-</u>
Total liabilities	<u>2,303,921</u>	<u>5,326,677</u>	<u>359,548</u>	<u>7,990,146</u>	<u>309,227</u>
Net assets:					
Invested in capital assets, net of related debt. .	19,972,882	(14,703)	6,324,742	26,282,921	-
Unrestricted	4,553,604	56,018	715,454	5,325,076	1,225,701
Total net assets	<u>\$ 24,526,486</u>	<u>\$ 41,315</u>	<u>\$ 7,040,196</u>	<u>31,607,997</u>	<u>\$ 1,225,701</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				60,170	
Net assets of business-type activities				<u>\$ 31,668,167</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010*

	Business-type Activities - Enterprise Funds				Governmental
	Water	Golf	Storm Water Utility	Total	Activities - Internal Service Funds
Operating revenues:					
Charges for services	\$ 4,912,772	\$ 750,361	\$ 798,187	\$ 6,461,320	\$ 3,224,127
Tap-in fees.	12,495	-	-	12,495	-
Other	1,841	124,039	2,542	128,422	9,248
Total operating revenues.	4,927,108	874,400	800,729	6,602,237	3,233,375
Operating expenses:					
Personal services	1,049,818	465,452	302,607	1,817,877	-
Contract services.	1,441,187	46,320	52,620	1,540,127	180,042
Materials and supplies.	98,425	416,234	107,639	622,298	-
Claims	-	-	-	-	2,243,691
Depreciation.	352,428	5,003	273,747	631,178	-
Total operating expenses.	2,941,858	933,009	736,613	4,611,480	2,423,733
Operating income (loss)	1,985,250	(58,609)	64,116	1,990,757	809,642
Nonoperating revenues (expenses):					
Income taxes.	-	361,828	-	361,828	-
Special assessments	8,747	-	20,171	28,918	-
Interest and fiscal charges	(26,939)	(226,586)	(15,308)	(268,833)	-
Total nonoperating revenues (expenses)	(18,192)	135,242	4,863	121,913	-
Income before capital contributions	1,967,058	76,633	68,979	2,112,670	809,642
Capital contributions.	216,000	-	215,278	431,278	-
Change in net assets	2,183,058	76,633	284,257	2,543,948	809,642
Net assets (deficit) at beginning of year (restated)	22,343,428	(35,318)	6,755,939		416,059
Net assets at end of year	\$ 24,526,486	\$ 41,315	\$ 7,040,196		\$ 1,225,701
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.				99,497	
Change in net assets of business-type activities.				\$ 2,643,445	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Golf	Storm Water Utility	Total	
Cash flows from operating activities:					
Cash received from customers	\$ 4,907,230	\$ 750,361	\$ 797,935	\$ 6,455,526	\$ 3,224,127
Cash received from tap-in fees	12,495	-	-	12,495	-
Cash received from other operations	1,841	123,008	2,542	127,391	101,912
Cash payments for personal services	(1,069,617)	(471,324)	(398,554)	(1,939,495)	-
Cash payments for contract services	(1,409,858)	(70,133)	(50,704)	(1,530,695)	(180,042)
Cash payments for materials and supplies	(162,646)	(370,682)	(58,072)	(591,400)	-
Cash payments for claims	-	-	-	-	(2,641,664)
Net cash provided by (used in) operating activities	<u>2,279,445</u>	<u>(38,770)</u>	<u>293,147</u>	<u>2,533,822</u>	<u>504,333</u>
Cash flows from noncapital financing activities:					
Income taxes	-	361,828	-	361,828	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>361,828</u>	<u>-</u>	<u>361,828</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(1,461,913)	-	-	(1,461,913)	-
Principal retirement	(1,031,049)	(145,000)	(41,887)	(1,217,936)	-
Special assessments	8,747	-	20,171	28,918	-
Note issuance	800,000	-	-	800,000	-
Premium on notes	11,064	-	-	11,064	-
Note issue costs	(752)	-	-	(752)	-
Interest and fiscal charges	(36,591)	(227,211)	(15,308)	(279,110)	-
Net cash used in capital and related financing activities	<u>(1,710,494)</u>	<u>(372,211)</u>	<u>(37,024)</u>	<u>(2,119,729)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	568,951	(49,153)	256,123	775,921	504,333
Cash and cash equivalents at beginning of year . . .	<u>4,014,386</u>	<u>63,537</u>	<u>419,496</u>	<u>4,497,419</u>	<u>1,028,709</u>
Cash and cash equivalents at end of year	<u>\$ 4,583,337</u>	<u>\$ 14,384</u>	<u>\$ 675,619</u>	<u>\$ 5,273,340</u>	<u>\$ 1,533,042</u>

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CITY OF STOW, OHIO

*STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2010*

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Golf	Storm Water Utility	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 1,985,250	\$ (58,609)	\$ 64,116	\$ 1,990,757	\$ 809,642
Adjustments:					
Depreciation.	352,428	5,003	273,747	631,178	-
Changes in assets and liabilities:					
(Increase) decrease in materials and supplies inventory.	(66,061)	38,768	-	(27,293)	-
(Increase) decrease in accounts receivable.	(5,542)	(1,031)	(252)	(6,825)	92,664
Increase (decrease) in accounts payable	5,494	(17,029)	(26,810)	(38,345)	-
Increase (decrease) in accrued wages and benefits	3,499	(260)	1,110	4,349	-
Increase (decrease) in intergovernmental payable	15,179	(5,612)	(979)	8,588	-
(Decrease) in compensated absences	(10,802)	-	(17,785)	(28,587)	-
(Decrease) in claims payable	-	-	-	-	(397,973)
Net cash provided by (used in) operating activities	<u>\$ 2,279,445</u>	<u>\$ (38,770)</u>	<u>\$ 293,147</u>	<u>\$ 2,533,822</u>	<u>\$ 504,333</u>

Non-Cash Transactions:

During 2009, the Water and Storm Water Utility funds purchased \$60,655 and \$172 of capital assets on account. The Storm Water Utility fund received \$215,278 in capital contributions from governmental activities during 2010.

A receivable in the amount of \$216,000 has been recorded for capital grants in 2010 in the Water fund.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2010*

	<u>Private Purpose Trust</u>	<u>Agency</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 1,286	\$ 585,646
Cash in segregated accounts.	-	505,957
Receivables:		
Accounts	-	66
Intergovernmental.	-	541
	<hr/>	<hr/>
Total assets	1,286	\$ 1,092,210
	<hr/>	<hr/>
Liabilities:		
Accounts payable	-	\$ 285
Intergovernmental payable.	-	229,715
Deposits held and due to others	-	36,437
Undistributed monies	-	825,773
	<hr/>	<hr/>
Total liabilities.	-	\$ 1,092,210
	<hr/>	<hr/>
Net assets:		
Held in trust.	1,286	
	<hr/>	
Total net assets.	\$ 1,286	
	<hr/>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Private Purpose Trust</u>
Net assets at beginning of year	<u>\$ 1,286</u>
Net assets at end of year	<u><u>\$ 1,286</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 1 - DESCRIPTION OF THE CITY

The City of Stow, Ohio, (the "City") is a home rule municipal corporation which was established under the laws of the State of Ohio and operates under its own charter. The current charter, which provides for a Mayor/Council form of government, was adopted in 1958 and became effective January 2, 1960. Amendments to the charter have been approved by the electorate in 1965, 1968, 1970, 1972, 1975, 1980, 1985, 1990, 1991, 1997, 1998, 2000, 2002, 2005 and 2010.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's Governing Board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; (3) the City is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to, the organization; (4) or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary governments financial statements incomplete or misleading. The City has one component unit.

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

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

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

The Board of Trustees consists of nineteen members, which include the Mayor, Director of Planning and Development, Director of Finance, Law Director, City Council President, City Council Finance Committee Chairperson, Stow-Munroe Falls School District Treasurer or Designee, and City Council Chairperson. Trustees also include at least one representative of each of the following categories: private citizens, small business, commerce, industry, civic organizations, and financial institution. The City is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to the CIC and is therefore presented as a component unit of the City. Financial statements can be obtained from the Director of Finance, Stow Community Improvement Corporation, 3760 Darrow Road, Stow, Ohio 44224. Information relative to the component unit is presented in Note 20.

B. Basis of Presentation - Fund Accounting

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

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activities of the internal service funds are eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

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

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

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

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

C. Fund Accounting

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

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

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

D. Measurement Focus

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

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

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

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

E. Basis of Accounting

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

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

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

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

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

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2010, but which were levied to finance year 2011 operations, and other revenues received in advance of the fiscal year for which they were intended to finance, have been recorded as unearned revenue. Income taxes and special assessments not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at December 31, 2010, are recorded as deferred revenue in the governmental funds.

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

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

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

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

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

F. Budgetary Process

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

Estimated Resources - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate of estimated resources may be further amended during the year if the Finance Director determines and the Budget Commission agrees that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the original and final amended official certificate of estimated resources issued during 2010.

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

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

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

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

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

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

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

G. Cash, Cash Equivalents and Investments

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

During 2010, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), repurchase agreements, and federal agency securities.

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

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on December 31, 2010.

Following Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during 2010 amounted to \$61,498 of which \$44,587 was assigned from other City funds.

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

H. Interfund Balances

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

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

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

I. Inventory

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

J. Capital Assets

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

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

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

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

K. Compensated Absences

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

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

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

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

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

L. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, long-term notes and capital leases are recognized as a liability on the governmental fund financial statements when due.

M. Fund Balance Reserves and Designations

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditures. Fund balance reserves have been established for encumbrances, materials and supplies and loans. Designations represent tentative plans for future use of financial resources. The City has begun accumulating resources for budget stabilization and a portion of the general fund balance has been designated for budget stabilization.

N. Net Assets

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

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

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

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

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

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

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

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

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

P. Operating Revenues and Expenses

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

Q. Contributions of Capital

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

R. Interfund Activity

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

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither item occurred during 2010.

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

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

T. Estimates

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2010, the City has implemented GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets", GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", and GASB Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

GASB Statement No. 51 addresses accounting and financial reporting standards for intangible assets, which are assets that lack physical substance, are nonfinancial in nature, and have an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, water rights, computer software, patents, and trademarks. GASB Statement No. 51 improves the quality of financial reporting by creating consistency in the recognition, initial measurement, and amortization of intangible assets. The implementation GASB Statement No. 51 did not have an effect on the financial statements of the City.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are financial arrangements used by governments to manage specific risks or to make investments. Common types of derivative instruments include interest rate and commodity swaps, interest rate locks, options, swaptions, forward contracts, and futures contracts. The implementation of GASB Statement No. 53 did not have an effect on the financial statements of the City.

GASB Statement No. 58 establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. GASB Statement No. 58 requires governments to remeasure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms a new payment plan. The implementation of GASB Statement No. 58 did not have an effect on the financial statements of the City.

B. Deficit Fund Balances

Fund balances/net assets, at December 31, 2010 included the following individual fund deficits:

<u>Major governmental fund</u>	<u>Deficit</u>
EMS/fire tax levy	\$ 255,831
<u>Nonmajor governmental funds</u>	
Police pension and disability	155,346
Fire pension and disability	144,501

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

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

C. Restatement of Net Assets

The City's net assets have been restated at December 31, 2009 for adjustments to capital assets due to errors and omissions. The adjustment of the City's capital assets had the following effect on net assets as previously reported by the governmental activities and business-type activities:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Net assets, December 31, 2009	\$ 51,281,159	\$ 27,793,255
Adjustment to capital assets	<u>(2,995,016)</u>	<u>1,231,467</u>
Restated net assets, December 31, 2009	<u>\$ 48,286,143</u>	<u>\$ 29,024,722</u>

The adjustment of the City's capital assets had the following effect on net assets as previously reported by the enterprise funds:

	<u>Water</u>	<u>Golf</u>	<u>Storm Water Utility</u>
Net assets, December 31, 2009	\$ 21,853,508	\$ (4,371)	\$ 5,983,445
Adjustment to capital assets	<u>489,920</u>	<u>(30,947)</u>	<u>772,494</u>
Restated net assets, December 31, 2009	<u>\$ 22,343,428</u>	<u>\$ (35,318)</u>	<u>\$ 6,755,939</u>

See Note 9 for the effect of the change on capital asset balances as previously reported by the City at December 31, 2009.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

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

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

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash with Escrow Agent and Cash in Segregated Accounts

Cash with Escrow Agent: At year end, the City had \$90,484 on deposit with a financial institution for bond and coupon payments. This amount is included in the City's depository balance below.

Cash in Segregated Accounts: At year end, the City had \$490,077 and \$15,880 deposited with a financial institution for monies related to the Stow Municipal Court agency fund and flexible spending plan agency fund, respectively. These amounts are included in the City's depository balance below.

B. Deposits with Financial Institutions

At December 31, 2010, the carrying amount of all City deposits was \$9,737,830 exclusive of the \$4,025,000 repurchase agreement included in investments below. As of December 31, 2010, the City's bank balance was \$10,053,025, of which \$3,991,137 was exposed to custodial risk as discussed below, while \$6,061,888 was covered by the FDIC.

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

C. Investments

As of December 31, 2010, the City had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment 6 months or less</u>
FHLB	\$ 1,500,000	\$ 1,500,000
STAR Ohio	3,319,686	3,319,686
Repurchase agreement	<u>4,025,000</u>	<u>4,025,000</u>
Total	<u>\$ 8,844,686</u>	<u>\$ 8,844,686</u>

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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 rating service. The City's investments in federal agency securities, and the federal agency securities that underlie the repurchase agreement, were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The City's investment policy does not specifically address credit risk beyond requiring the City to only invest in securities authorized by State statute.

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

The following table includes the percentage of each investment type held by the City at December 31, 2010:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FHLB	\$ 1,500,000	16.96
STAR Ohio	3,319,686	37.53
Repurchase agreement	<u>4,025,000</u>	<u>45.51</u>
Total	<u>\$ 8,844,686</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets as of December 31, 2010:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 9,737,830
Investments	<u>8,844,686</u>
Total	<u>\$ 18,582,516</u>

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

<u>Equity in pooled cash and investments per statement of net assets</u>	
Governmental activities	\$ 12,216,287
Business type activities	5,273,340
Private purpose trust funds	1,286
Agency funds	<u>1,091,603</u>
Total	<u>\$ 18,582,516</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. Long-term loans to/from other funds at December 31, 2010, consist of the following:

	<u>Receivable</u> <u>Fund</u>
<u>Payable fund</u>	<u>General</u>
Water	<u>\$ 150,000</u>

Loan balances between governmental funds are eliminated for reporting on the government-wide statement of net assets. The loan is scheduled to be repaid by fiscal year 2013. Loan balances between governmental activities and business-type activities are reported as a component of the "internal balances" reported on the statement of net assets.

B. Interfund transfers for the year ended December 31, 2010, consisted of the following:

	<u>Transfers From</u>	
<u>Transfer To</u>	<u>General</u>	<u>Nonmajor Governmental</u>
General	\$ -	\$ 550,000
General capital improvements	-	500,000
Nonmajor governmental	566,923	214,912

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

Transfers out from the court special projects, probation, indigent drivers, and IDIA monitoring nonmajor special revenue funds in the amount of \$960,000, \$90,000, \$100,000, and \$114,912, respectively, were court ordered to provide for reimbursement from one court fund to another for expenses, and to supplement, or cover the deficit, of the overall general fund court operating budget.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 6 - RECEIVABLES

Receivables at December 31, 2010, consisted primarily of taxes, accounts (billings for user charged services, rents and royalties), special assessments, accrued interest, loans receivable and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are deemed collectible in full. All receivables, other than loans, are expected to be collected within the subsequent year.

NOTE 7 - PROPERTY TAXES

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2010 public utility property taxes became a lien December 31, 2009, are levied after October 1, 2010, and are collected in 2011 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

Tangible personal property tax revenues received in calendar year 2010 (other than public utility property) represent the collection of calendar year 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

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

The Summit County Fiscal Officer collects property taxes on behalf of all taxing districts in the County, including the City of Stow. The Summit County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, tangible personal property taxes and outstanding delinquencies which are measurable as of December 31, 2010 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by unearned revenue since the current taxes were not levied to finance 2010 operations and the collection of delinquent taxes has been offset by deferred revenue since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 7 - PROPERTY TAXES - (Continued)

The full tax rate for all City operations for the year ended December 31, 2010 was \$9.50 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2010 property tax receipts were based are as follows:

<u>Real Property</u>	
Residential/Agricultural	\$ 654,110,960
Commercial/Industrial/Mineral	202,725,330
Tangible Personal Property	824,295
<u>Public Utility</u>	
Real	14,790
Personal	<u>7,716,670</u>
Total Assessed Value	<u><u>\$ 865,392,045</u></u>

NOTE 8 - INCOME TAX

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

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

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 9 - CAPITAL ASSETS

- A. Capital assets of the governmental activities have been restated due to errors and omissions of the City's capital assets. Construction in progress has been restated to remove costs reported in the prior year that will not be capitalized due to the assets belonging to another governmental entity. The change had the following effect on the governmental activities capital asset balances as previously reported:

	Balance		Restated
<u>Governmental activities:</u>	<u>12/31/09</u>	<u>Adjustments</u>	<u>Balance</u>
			<u>12/31/09</u>
<i>Capital assets, not being depreciated:</i>			
Land	\$ 11,327,515	\$ (125,308)	\$ 11,202,207
Construction in progress	<u>13,237,375</u>	<u>(5,439,224)</u>	<u>7,798,151</u>
Total capital assets, not being depreciated	<u>24,564,890</u>	<u>(5,564,532)</u>	<u>19,000,358</u>
<i>Capital assets, being depreciated:</i>			
Buildings and building improvements	32,164,011	125,308	32,289,319
Vehicles	8,584,168	(1,362,145)	7,222,023
Equipment, furniture and fixtures	5,832,597	(68,695)	5,763,902
Infrastructure	<u>22,711,591</u>	<u>(1,710,365)</u>	<u>21,001,226</u>
Total capital assets, being depreciated	<u>69,292,367</u>	<u>(3,015,897)</u>	<u>66,276,470</u>
<i>Less: accumulated depreciation:</i>			
Buildings and building improvements	(7,892,581)	2,096,985	(5,795,596)
Vehicles	(5,455,575)	2,283,039	(3,172,536)
Equipment, furniture and fixtures	(4,342,096)	1,253,021	(3,089,075)
Infrastructure	<u>(8,912,637)</u>	<u>(47,632)</u>	<u>(8,960,269)</u>
Total accumulated depreciation	<u>(26,602,889)</u>	<u>5,585,413</u>	<u>(21,017,476)</u>
Total capital assets, being depreciated, net	<u>42,689,478</u>	<u>2,569,516</u>	<u>45,258,994</u>
Governmental activities capital assets, net	<u>\$ 67,254,368</u>	<u>\$ (2,995,016)</u>	<u>\$ 64,259,352</u>

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 9 - CAPITAL ASSETS - (Continued)

Capital asset activity for the year ended December 31, 2010, was as follows:

<u>Governmental activities:</u>	Restated Balance <u>12/31/09</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>12/31/10</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 11,202,207	\$ -	\$ -	\$ 11,202,207
Construction in progress	<u>7,798,151</u>	<u>3,974,502</u>	<u>(10,010,981)</u>	<u>1,761,672</u>
Total capital assets, not being depreciated	<u>19,000,358</u>	<u>3,974,502</u>	<u>(10,010,981)</u>	<u>12,963,879</u>
<i>Capital assets, being depreciated:</i>				
Buildings and building improvements	32,289,319	45,826	-	32,335,145
Vehicles	7,222,023	30,269	(23,786)	7,228,506
Equipment, furniture and fixtures	5,763,902	281,839	-	6,045,741
Infrastructure	<u>21,001,226</u>	<u>10,010,981</u>	<u>-</u>	<u>31,012,207</u>
Total capital assets, being depreciated	<u>66,276,470</u>	<u>10,368,915</u>	<u>(23,786)</u>	<u>76,621,599</u>
<i>Less: accumulated depreciation:</i>				
Buildings and building improvements	(5,795,596)	(782,139)	-	(6,577,735)
Vehicles	(3,172,536)	(422,289)	7,532	(3,587,293)
Equipment, furniture and fixtures	(3,089,075)	(354,330)	-	(3,443,405)
Infrastructure	<u>(8,960,269)</u>	<u>(1,271,190)</u>	<u>-</u>	<u>(10,231,459)</u>
Total accumulated depreciation	<u>(21,017,476)</u>	<u>(2,829,948)</u>	<u>7,532</u>	<u>(23,839,892)</u>
Total capital assets, being depreciated, net	<u>45,258,994</u>	<u>7,538,967</u>	<u>(16,254)</u>	<u>52,781,707</u>
Governmental activities capital assets, net	<u>\$ 64,259,352</u>	<u>\$ 11,513,469</u>	<u>\$ (10,027,235)</u>	<u>\$ 65,745,586</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 455,898
Security of persons and property	771,769
Public health	6,487
Leisure time activities	211,235
Community and economic development	30,064
Transportation	<u>1,354,495</u>
Total depreciation expense	<u>\$ 2,829,948</u>

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 9 - CAPITAL ASSETS - (Continued)

- B.** Capital assets of the business-type activities have been restated due to errors and omissions of the City's capital assets. The change had the following effect on the business-type activities capital asset balances as previously reported:

	<u>Balance</u>	<u>Adjustment</u>	<u>Restated</u>
<u>Business-type activities:</u>	<u>12/31/09</u>	<u>12/31/09</u>	<u>Balance</u>
	<u>12/31/09</u>	<u>12/31/09</u>	<u>12/31/09</u>
<i>Capital assets, not being depreciated:</i>			
Land	\$ 5,377,376	\$ -	\$ 5,377,376
Construction in progress	<u>1,423,288</u>	<u>-</u>	<u>1,423,288</u>
Total capital assets, not being depreciated	<u>6,800,664</u>	<u>-</u>	<u>6,800,664</u>
<i>Capital assets, being depreciated:</i>			
Buildings and building improvements	3,415,519	-	3,415,519
Vehicles	846,190	(55,627)	790,563
Equipment, furniture and fixtures	361,879	(15,000)	346,879
Infrastructure	<u>26,450,949</u>	<u>(310,807)</u>	<u>26,140,142</u>
Total capital assets, being depreciated	<u>31,074,537</u>	<u>(381,434)</u>	<u>30,693,103</u>
<i>Less: accumulated depreciation:</i>			
Buildings and building improvements	(666,985)	97,711	(569,274)
Vehicles	(232,403)	80,889	(151,514)
Equipment, furniture and fixtures	(319,102)	136,561	(182,541)
Infrastructure	<u>(5,495,488)</u>	<u>1,297,740</u>	<u>(4,197,748)</u>
Total accumulated depreciation	<u>(6,713,978)</u>	<u>1,612,901</u>	<u>(5,101,077)</u>
Total capital assets, being depreciated, net	<u>24,360,559</u>	<u>1,231,467</u>	<u>25,592,026</u>
Business-type activities capital assets, net	<u>\$ 31,161,223</u>	<u>\$ 1,231,467</u>	<u>\$ 32,392,690</u>

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 9 - CAPITAL ASSETS - (Continued)

	Restated Balance 12/31/09	Additions	Deductions	Balance 12/31/10
<u>Business-type activities:</u>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 5,377,376	\$ -	\$ -	\$ 5,377,376
Construction in progress	<u>1,423,288</u>	<u>987,701</u>	<u>(582,963)</u>	<u>1,828,026</u>
Total capital assets, not being depreciated	<u>6,800,664</u>	<u>987,701</u>	<u>(582,963)</u>	<u>7,205,402</u>
<i>Capital assets, being depreciated:</i>				
Buildings and building improvements	3,415,519	-	-	3,415,519
Vehicles	790,563	-	-	790,563
Equipment, furniture and fixtures	346,879	-	-	346,879
Infrastructure	<u>26,140,142</u>	<u>1,211,798</u>	<u>-</u>	<u>27,351,940</u>
Total capital assets, being depreciated	<u>30,693,103</u>	<u>1,211,798</u>	<u>-</u>	<u>31,904,901</u>
<i>Less: accumulated depreciation:</i>				
Buildings and building improvements	(569,274)	(75,316)	-	(644,590)
Vehicles	(151,514)	(52,704)	-	(204,218)
Equipment, furniture and fixtures	(182,541)	(27,220)	-	(209,761)
Infrastructure	<u>(4,197,748)</u>	<u>(475,938)</u>	<u>-</u>	<u>(4,673,686)</u>
Total accumulated depreciation	<u>(5,101,077)</u>	<u>(631,178)</u>	<u>-</u>	<u>(5,732,255)</u>
Total capital assets, being depreciated, net	<u>25,592,026</u>	<u>580,620</u>	<u>-</u>	<u>26,172,646</u>
Business-type activities capital assets, net	<u>\$ 32,392,690</u>	<u>\$ 1,568,321</u>	<u>\$ (582,963)</u>	<u>\$ 33,378,048</u>

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

Water	\$ 352,428
Golf	5,003
Storm water utility	<u>273,747</u>
Total depreciation expense	<u>\$ 631,178</u>

NOTE 10 - LEASES

A. Capital Leases - Lessee Disclosure

In prior years, the City entered into capital lease agreements for courthouse furnishings, brine equipment, a bus, a leaf machine, two road rescue/EMS vehicles, a vactor truck, dispatch consoles and cabinetry. Principal and interest payments for the courthouse furnishings, brine equipment, bus, road rescue/EMS vehicles, dispatch consoles and cabinetry will be paid from the governmental funds and the principal and interest payments for the leaf machine and vactor truck will be paid from the storm water utility enterprise fund.

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 10 - LEASES - (Continued)

The lease agreements meet the criteria of a capital lease as defined by FASB Statement No. 13, “Accounting for Leases”, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments in governmental funds have been reclassified and are reflected as debt service expenditures in the combined BFS and are reported as function expenditures on the budgetary statements. In the enterprise fund a liability has been recorded.

Capital assets have been capitalized in the statement of net assets in the amount of \$1,413,327 in governmental activities. This amount represents the present value of the minimum lease payments at the time of acquisition. A liability of \$1,167,369 is reported on the statement of net assets at year end, which represents the amount of principal payments the EMS/fire levy fund and the capital projects fund will be making. Principal and interest payments in 2010 totaled \$170,950 and \$56,408, respectively.

Capital assets have been capitalized in the storm water utility enterprise fund in the amount of \$383,367. The amount of \$317,393 represents the present value of the future minimum lease payments and has been recorded as a liability in the storm water utility fund. Principal and interest payments in 2010 totaled \$41,887 and \$15,287, respectively.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Assets:		
Equipment	\$ 1,063,556	\$ -
Vehicles	<u>349,771</u>	<u>383,367</u>
Less: accumulated depreciation	<u>(201,848)</u>	<u>(49,672)</u>
Total	<u>\$ 1,211,479</u>	<u>\$ 333,695</u>

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2010.

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2011	\$ 227,357	\$ 57,175
2012	225,085	56,444
2013	227,359	57,174
2014	227,360	57,175
2015	112,869	36,243
2016 - 2018	<u>338,609</u>	<u>108,731</u>
Total	1,358,639	372,942
Less: amount representing interest	<u>(191,270)</u>	<u>(55,549)</u>
Present value of net minimum lease payments	<u>\$ 1,167,369</u>	<u>\$ 317,393</u>

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 10 - LEASES - (Continued)

B. Operating Leases - Lessee Disclosure

In February 2006, the City acquired a golf course and the City assumed an existing operating lease agreement with George and Patricia Hanson to use their premises to operate a driving range. The City renewed the operating lease for a period commencing April 1, 2009 through April 11, 2012. Monthly lease payments have been established at \$2,000 per month for thirty-six consecutive months. The amount of the future lease payments required under the operating lease at December 31, 2010 are:

<u>Year Ending December 31,</u>	<u>Amount</u>
2011	\$ 24,000
2012	<u>6,000</u>
Total payments	<u>\$ 30,000</u>

The City entered into an operating lease agreement on April 18, 2008, with South East Golf Car Company to lease fifty eight golf cars for use on the Fox Den golf course. The lease is for a period of five years, commencing April 1, 2008, and ending on April 1, 2013. The lease payments are \$900 per car per year, or \$52,200 per year with payments due in five equal monthly installments of \$10,440 due on the tenth day of the months of May through September for each year of the agreement. The amount of the future lease payments required under the operating lease at December 31, 2010 are:

<u>Year Ending December 31,</u>	<u>Amount</u>
2011	\$ 52,200
2012	<u>52,200</u>
Total payments	<u>\$ 104,400</u>

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 11 - SHORT-TERM NOTES PAYABLE

Changes in the City's short-term note activity for the year ended December 31, 2010, was as follows:

	<u>Balance</u>				<u>Balance</u>
	<u>12/31/2009</u>	<u>Issued</u>	<u>Retired</u>		<u>12/31/2010</u>
<u>Governmental fund notes</u>					
Fire rescue vehicles - 1.50%	\$ 100,000	\$ -	\$ (100,000)		\$ -
Municipal courthouse construction - 1.50%	100,000	-	(100,000)		-
Rt. 8/Seasons Road interchange - 1.50%	350,000	-	(350,000)		-
Steel Corners upgrade - 1.50%	100,000	-	(100,000)		-
Fire rescue vehicles - 2.00%	-	100,000	-		100,000
Municipal courthouse construction - 2.00%	-	100,000	-		100,000
Rt. 8/Seasons Road interchange - 2.00%	-	500,000	-		500,000
Steel Corners upgrade - 2.00%	-	100,000	-		100,000
	<u> </u>	<u> </u>	<u> </u>		<u> </u>
Total governmental fund notes	<u>\$ 650,000</u>	<u>\$ 800,000</u>	<u>\$ (650,000)</u>		<u>\$ 800,000</u>
	<u>Balance</u>				<u>Balance</u>
	<u>12/31/2009</u>	<u>Issued</u>	<u>Retired</u>		<u>12/31/2010</u>
<u>Enterprise fund notes</u>					
Automated water reading system - 1.50%	\$ 200,000	\$ -	\$ (200,000)		\$ -
Automated water reading system - 2.00%	-	200,000	-		200,000
	<u> </u>	<u> </u>	<u> </u>		<u> </u>
Total enterprise fund notes	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ (200,000)</u>		<u>\$ 200,000</u>

The short-term notes outstanding at December 31, 2010 were issued on May 6, 2010 and represent the portion of the 2010 note issues that will be retired when the notes are refinanced on May 5, 2011 (see Note 21 for detail).

All short-term notes were backed by the full faith and credit of the City and mature within one year. The short-term note liability is reflected in the fund which received the proceeds. The short-term notes were issued in anticipation of long-term bond financing and will be refinanced until such funds are issued.

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 12 - LONG-TERM OBLIGATIONS

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

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
Business-type activities:			
OPWC Lillian Road waterline improvement	0.00%	\$ 231,688	7/1/2025
Golf course general obligation bonds	4.25%-5.25%	5,500,000	12/1/2032
Service center general obligation bonds	3.25%-6.25%	546,068	12/1/2033
2010 Water meter reading system notes	2.00%	600,000	5/5/2011
Governmental activities:			
Safety center construction general obligation bond	2.00%-4.05%	6,440,000	12/1/2018
Courthouse general obligation bonds	4.25%-5.25%	4,200,000	12/1/2035
Service center general obligation bonds	3.25%-6.25%	5,923,932	12/1/2033
Fire station general obligation bonds	3.25%-6.25%	2,150,000	12/1/2033
2010 Fire rescue vehicles note	2.00%	475,000	5/5/2011
2010 Municipal court construction note	2.00%	4,800,000	5/5/2011
2010 Rt. 8/Seasons Rd. interchange note	2.00%	1,150,000	5/5/2011
2010 Steels Corners upgrade note	2.00%	700,000	5/5/2011

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

Long-term obligations activity for the year ended December 31, 2010 was as follows:

Governmental activities:	<u>Balance</u> <u>12/31/2009</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>12/31/2010</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
<u>General obligation bonds:</u>					
Safety center construction					
general obligation bonds	\$ 4,190,000	\$ -	\$ (405,000)	\$ 3,785,000	\$ 415,000
Less: deferred unamortized charges	(296,551)	-	32,950	(263,601)	-
Add: Unamortized premium					
Service center construction					
general obligation bonds	5,786,592	-	(148,327)	5,638,265	151,990
Add: unamortized premium	116,520	-	(4,872)	111,648	-
Fire station construction					
general obligation bonds	2,100,000	-	(53,000)	2,047,000	54,000
Add: unamortized premium	42,143	-	(1,762)	40,381	-
Municipal court general					
obligation bonds	4,110,000	-	(90,000)	4,020,000	95,000
Add: unamortized premium	54,439	-	(2,101)	52,338	-
Total general obligation bonds	<u>16,103,143</u>	<u>-</u>	<u>(672,112)</u>	<u>15,431,031</u>	<u>715,990</u>
<u>Long-term notes:</u>					
2009 Fire rescue vehicles note	575,000	-	(575,000)	-	-
2009 Municipal court construction note	4,900,000	-	(4,900,000)	-	-
2009 Rt. 8/Seasons Rd. interchange note	1,650,000	-	(1,650,000)	-	-
2009 Steels Corners upgrade note	800,000	-	(800,000)	-	-
2010 Fire rescue vehicles note	-	475,000	-	475,000	-
2010 Municipal court construction note	-	4,800,000	-	4,800,000	-
2010 Rt. 8/Seasons Rd. interchange note	-	1,150,000	-	1,150,000	-
2010 Steels Corners upgrade note	-	700,000	-	700,000	-
Total long-term notes	<u>7,925,000</u>	<u>7,125,000</u>	<u>(7,925,000)</u>	<u>7,125,000</u>	<u>-</u>
<u>Other debt:</u>					
Capital lease obligation	1,338,319	-	(170,950)	1,167,369	178,187
Compensated absences	4,692,528	1,208,088	(1,170,793)	4,729,823	1,120,107
Total other debt	<u>6,030,847</u>	<u>1,208,088</u>	<u>(1,341,743)</u>	<u>5,897,192</u>	<u>1,298,294</u>
Total governmental activities	<u>\$ 30,058,990</u>	<u>\$ 8,333,088</u>	<u>\$ (9,938,855)</u>	<u>\$ 28,453,223</u>	<u>\$ 2,014,284</u>

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

Business-type activities:	<u>Balance</u> <u>12/31/2009</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>12/31/2010</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
<u>General obligation bonds:</u>					
Golf course general obligation bonds	\$ 5,345,000	\$ -	\$ (145,000)	\$ 5,200,000	\$ 150,000
Add: unamortized premium	78,368	-	(3,420)	74,948	-
Service center general obligation bonds	533,408	-	(13,673)	519,735	14,010
Add: unamortized premium	9,688	-	(405)	9,283	-
 Total general obligation bonds	 <u>5,966,464</u>	 <u>-</u>	 <u>(162,498)</u>	 <u>5,803,966</u>	 <u>164,010</u>
<u>Long-term notes:</u>					
2009 Automated water reading system	800,000	-	(800,000)	-	-
2010 Automated water reading system	-	600,000	-	600,000	-
 Total long-term notes	 <u>800,000</u>	 <u>600,000</u>	 <u>(800,000)</u>	 <u>600,000</u>	 <u>-</u>
<u>Other debt:</u>					
OPWC Lillian Road water line Improvement	191,144	-	(17,376)	173,768	11,584
Capital lease obligation	359,280	-	(41,887)	317,393	43,689
Compensated absences	220,711	4,804	(33,391)	192,124	24,838
 Total other debt	 <u>771,135</u>	 <u>4,804</u>	 <u>(92,654)</u>	 <u>683,285</u>	 <u>80,111</u>
 Total business-type activities	 <u>\$ 7,537,599</u>	 <u>\$ 604,804</u>	 <u>\$ (1,055,152)</u>	 <u>\$ 7,087,251</u>	 <u>\$ 244,121</u>

General Obligation Bonds

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

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

Loans Payable

The OPWC loan will be repaid with operating revenue from the water fund.

Long-Term Notes Payable

The City issued various long-term notes payable on May 6, 2010. The notes bear an interest rate of 2.00% and mature on May 5, 2011. The \$475,000 long-term note in governmental activities is being used to finance the purchase of fire/rescue vehicles and is accounted for in the EMS/fire levy fund. The City reissued \$4,800,000 in municipal courthouse construction notes during 2010. The City also reissued long-term notes in the amounts of \$1,150,000 and \$700,000 in 2010 to finance the Rt.8/Seasons Rd. interchange and Steels Corners upgrade. The \$600,000 long-term note in the water fund is being used to finance the installation of the automated water meter reading system.

Notes that were refinanced prior to the issuance of the financial statements and have a new maturity beyond the end of the year in which the report is issued have been reported in the government-wide statements as a long-term liability. The portion of the 2010 note issues that will be retired on May 5, 2011 (see Note 21 for detail) have been reported as short-term notes payable in Note 11. The notes are backed by the full faith of the City.

Compensated Absences

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

Capital Lease Obligations

See Note 10 for detail on the City's capital lease obligations.

Legal Debt Margin

As of December 31, 2010, the City's overall legal debt margin (the ability to issue additional amounts of general obligation debt) was \$66,931,165 and the unvoted legal debt margin was \$47,551,226.

The annual requirements to amortize all long-term debt outstanding as of December 31, 2010 are as follows:

Year Ended	Governmental Activities			Business-Type Activities		
	General Obligation		Bonds Payable	General Obligation		Bonds Payable
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ 715,990	\$ 625,024	\$ 1,341,014	\$ 164,010	\$ 240,431	\$ 404,441
2012	750,146	599,854	1,350,000	174,854	232,101	406,955
2013	779,470	572,615	1,352,085	180,530	223,218	403,748
2014	808,880	543,400	1,352,280	186,120	214,050	400,170
2015	833,542	506,642	1,340,184	191,458	204,198	395,656
2016 - 2020	3,561,654	1,988,614	5,550,268	1,088,346	889,839	1,978,185
2021 - 2025	2,456,060	1,447,491	3,903,551	1,328,940	661,607	1,990,547
2026 - 2030	2,991,500	916,702	3,908,202	1,623,500	372,759	1,996,259
2031 - 2035	2,593,023	271,195	2,864,218	781,977	52,044	834,021
Total	<u>\$ 15,490,265</u>	<u>\$ 7,471,537</u>	<u>\$ 22,961,802</u>	<u>\$ 5,719,735</u>	<u>\$ 3,090,247</u>	<u>\$ 8,809,982</u>

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

Year Ended	Business-Type Activities OPWC Loan Payable		
	Principal	Interest	Total
2011	\$ 11,584	\$ -	\$ 11,584
2012	11,584	-	11,584
2013	11,584	-	11,584
2014	11,584	-	11,584
2015	11,584	-	11,584
2016 - 2020	57,923	-	57,923
2021 - 2025	57,925	-	57,925
Total	<u>\$ 173,768</u>	<u>\$ -</u>	<u>\$ 173,768</u>

NOTE 13 - RISK MANAGEMENT

A. Liability Insurance

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

B. Fidelity Bond

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

C. Workers' Compensation

The City pays the State Workers' Compensation System, an insurance purchasing pool, a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The City participates in a group rating plan to help control workers' compensation premium costs.

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 13 - RISK MANAGEMENT - (Continued)

D. Employee Health Insurance

The City has elected to provide employee medical, prescription and dental benefits through a self-insurance program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risk of loss in this program. This 2010 plan provides a medical plan with a \$700.00 family and \$350.00 single deductible and a dental plan with a \$75.00 family and \$25.00 single deductible. A third party administrator, Medical Mutual of Ohio (MMO), reviews all medical and dental claims which are then paid by the City. The City has purchased stop-loss coverage of \$150,000 per employee and for claims in excess of \$2,896,608 in the aggregate from Medical Mutual of Ohio. The City pays into the self-insurance internal service fund \$1,076.96 per month for each employee with family medical coverage and \$344.89 per month for each employee with individual medical coverage. Premiums for dental coverage are \$119.67 monthly for each employee with family coverage and \$38.31 monthly for each employee with individual coverage. All premiums are paid by the fund that pays the salary for the employee.

The claims liability of \$309,227 reported in the self-insurance internal service fund at December 31, 2010 is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Services", which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The claims liability is based on an estimate supplied by the City's third party administrator. The claims liability is expected to be paid within one year.

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

	<u>Balance at Beginning of Year</u>	<u>Current Claims</u>	<u>Claims Payment</u>	<u>Balance at End of Year</u>
2010	\$ 707,200	\$ 2,243,691	\$ (2,641,664)	\$ 309,227
2009	505,000	3,610,692	(3,408,492)	707,200

NOTE 14 - PENSION PLANS

A. Ohio Public Employees Retirement System

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

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 14 - PENSION PLANS - (Continued)

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

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2010, member and contribution rates were consistent across all three plans. While members in the State and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan. The 2010 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 10.5% and 11.1%, respectively. The City's contribution rate for 2010 was 14.00%, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.87% of covered payroll.

The City's contribution rate for pension benefits for members in the Traditional Plan for 2010 was 8.50% from January 1 through February 28, 2010 and 9.00% from March 1 through December 31, 2010. The City's contribution rate for pension benefits for members in the Combined Plan for 2010 was 9.27% from January 1 through February 28, 2010 and 9.77% from March 1 through December 31, 2010. For those plan members in law enforcement and public safety pension contributions were 12.37% from January 1 through February 28, 2010 and 12.87% from March 1 through December 31, 2010. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2010, 2009, and 2008 were \$880,009, \$872,531, and \$660,607, respectively; 91.36% has been contributed for 2010 and 100% has been contributed for 2009 and 2008. The remaining contributions due are reflected in intergovernmental payable. Contributions to the member-directed plan for 2010 were \$11,879 made by the City and \$8,485 made by the plan members.

B. Ohio Police and Fire Pension Fund

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

Funding Policy - Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute. For 2010, the portion of the City's contributions to fund pension obligations was 12.75% for police officers and 17.25% for firefighters. The City's required contributions for pension obligations to OP&F for police officers and firefighters were \$371,980 and \$614,776 for the year ended December 31, 2010, \$382,592 and \$617,398 for the year ended December 31, 2009, and \$384,500, \$609,637, for the year ended December 31, 2008. The full amount has been contributed for 2009 and 2008. 72.68% has been contributed for police and 72.94% has been contributed for firefighters for 2010. The remaining contributions due are reflected in intergovernmental payable.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 15 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

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

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2010, local government employers contributed 14.00% of covered payroll (17.87% for public safety and law enforcement). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan for 2010 was 5.50% from January 1 through February 28, 2010 and 5.00% from March 1 through December 31, 2010. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for 2010 was 4.73% from January 1 through February 28, 2010 and 4.23% from March 1 through December 31, 2010.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2010, 2009, and 2008 were \$497,876, \$631,408, and \$660,607, respectively; 91.36% has been contributed for 2010 and 100% has been contributed for 2009 and 2008. The remaining contributions due are reflected in intergovernmental payable.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 15 - POSTRETIREMENT BENEFIT PLANS - (Continued)

B. Ohio Police and Fire Pension Fund

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

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

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

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

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an Internal Revenue Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2010, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$196,930 and \$240,564 for the year ended December 31, 2010, \$202,548 and \$241,590 for the year ended December 31, 2009, and \$203,559 and \$238,554, for the year ended December 31, 2008. The full amount has been contributed for 2009 and 2008. 72.68% has been contributed for police and 72.94% has been contributed for firefighters for 2010. The remaining contributions due are reflected in intergovernmental payable.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 16 - COMPENSATED ABSENCES

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

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

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

As of December 31, 2010, the liability for compensated absences was \$4,921,947 for the entire City.

NOTE 17 - JOINT ECONOMIC DEVELOPMENT ZONE AGREEMENT

The City of Stow and the City of Akron entered into a Joint Economic Development Zone Agreement (JEDZ Agreement). The revenue sharing agreement was established to facilitate economic development, to create or preserve jobs and employment opportunities, and to improve the economic welfare in the region. The agreement became effective November 6, 2001 and will continue for a period of ninety-nine years, unless modified, supplemented, rescinded, or canceled by mutual agreement.

The JEDZ Agreement establishes three joint economic development zones and details how income tax revenues will be collected and shared within each zone between the City of Stow and the City of Akron. The City made payments of \$219,115, which includes \$47,981 in accounts payable, during 2010 to the City of Akron as a result of this agreement.

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

Net Change in Fund Balance

	<u>General</u>	<u>EMS/Fire Tax Levy</u>
Budget basis	\$ (546,549)	\$ (31,811)
Net adjustment for revenue accruals	293,961	(16,713)
Net adjustment for expenditure accruals	(36,798)	2,138
Adjustment for encumbrances	<u>509,573</u>	<u>3,661</u>
GAAP basis	<u>\$ 220,187</u>	<u>\$ (42,725)</u>

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 19 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the reporting units included herein or on the overall financial position of the City at December 31, 2010.

B. Litigation

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

NOTE 20 - STOW COMMUNITY IMPROVEMENT CORPORATION

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

The City of Stow (the "City") is a charter municipal corporation incorporated under the laws of the State of Ohio. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, the City's financial statements include all organizations, activities and functions which comprise the primary government and those legally separate entities for which the City is financially accountable. The City is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to the CIC and is therefore presented as a component unit of the City. The CIC does not include any other units in its presentation.

Summary of Significant Accounting Policies

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

The CIC's significant accounting policies are described below.

A. Basis of Accounting

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

B. Federal Income Tax

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

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 20 - STOW COMMUNITY IMPROVEMENT CORPORATION - (Continued)

C. Cash

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

D. Net Assets

Net assets represent the difference between assets and liabilities.

E. Estimates

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

NOTE 21 - SIGNIFICANT SUBSEQUENT EVENTS

The following notes were due and refinanced in 2011:

- The \$575,000 2010 fire/rescue vehicles notes were retired and \$475,000 was refinanced on May 5, 2011.
- The \$4,900,000 2010 municipal courthouse construction notes were retired and \$4,800,000 was refinanced on May 5, 2011.
- The \$800,000 2010 water meter notes were retired and \$600,000 was refinanced on May 5, 2011.
- The \$1,650,000 2010 Rt. 8/Seasons Rd. interchange notes were retired and \$1,150,000 was refinanced on May 5, 2011.
- The \$800,000 2010 Steels Corners upgrade notes were retired and \$700,000 was refinanced on May 5, 2011.

The City also issued the following notes in 2011:

- \$750,000 in notes on May 5, 2011 to finance the Hudson Drive construction project.

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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CITY OF STOW, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

Major Special Revenue Fund

EMS/Fire Tax Levy Fund

This fund accounts for proceeds of levy money that is legally restricted to expenditures to provide EMS and fire protection services.

Nonmajor Special Revenue Funds

Street Construction Fund

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

State Highway Improvement Fund

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

Police Pension and Disability Fund

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

Fire Pension and Disability Fund

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

Motor Vehicle License Tax Fund

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

ODNR Litter Prevention Grant Fund

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

EMS Transport Fees Fund

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

Police Enforcement and Education Fund

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

CITY OF STOW, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

Nonmajor Special Revenue Funds (Continued)

Special Assessment Improvements Fund

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

Tree Trust Fund

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

Communications Tower Fund

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

Cemetery Trust Fund

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

Park Improvements Fund

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

Other Nonmajor Special Revenue Funds

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

NONMAJOR DEBT SERVICE FUND

General Obligation Bond Retirement Fund

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

MAJOR CAPITAL PROJECTS FUND

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

General Capital Improvements Fund

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

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other taxes	\$ 5,061,587	\$ 5,061,587	\$ 5,038,563	\$ (23,024)
Income taxes	13,501,103	13,501,103	8,431,290	(5,069,813)
Special assessments	-	-	7,553	7,553
Charges for services	243,000	243,000	331,507	88,507
Licenses and permits.	587,757	587,757	663,389	75,632
Fines and forfeitures.	2,026,207	2,026,207	2,277,502	251,295
Intergovernmental	3,065,475	3,065,475	3,479,019	413,544
Investment income	68,135	68,135	66,234	(1,901)
Rental income	188,800	188,800	188,879	79
Contributions and donations.	15,000	15,000	12,540	(2,460)
Other	199,733	199,733	606,665	406,932
Total revenues	<u>24,956,797</u>	<u>24,956,797</u>	<u>21,103,141</u>	<u>(3,853,656)</u>
Expenditures:				
Current:				
General government				
City Council				
Personal services	271,775	271,775	271,734	41
Other	12,395	12,395	12,222	173
Mayor's Office				
Personal services	193,127	193,127	193,125	2
Other	13,829	13,829	12,913	916
Finance Department				
Personal services	376,107	376,107	376,102	5
Other	55,348	55,348	55,268	80
Law Department				
Personal services	338,943	338,943	338,939	4
Other	19,932	19,932	19,652	280
Civil Service Commission				
Other	835	835	741	94
Computer Services				
Personal services	320,877	320,877	317,510	3,367
Other	50,791	50,791	42,428	8,363
Service-Administration				
Personal services	382,143	382,143	382,141	2
Other	26,620	26,620	24,929	1,691
Service-Engineer				
Personal services	551,270	551,270	551,266	4
Other	45,013	45,013	42,255	2,758
Service-City Hall				
Personal services	406,016	406,016	406,013	3
Other	236,892	236,892	217,876	19,016
Service-Office				
Personal services	289,393	289,393	286,892	2,501
Other	45,669	45,669	8,544	37,125
Income Tax				
Personal services	361,190	361,190	361,188	2
Other	639,114	639,114	637,588	1,526
Human Resources				
Personal services	30,247	30,247	30,245	2
Other	6,296	6,296	4,760	1,536

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CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND - (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Public Defender				
Other	\$ 6,080	\$ 6,080	\$ 6,080	\$ -
SC Emergency Management - Subsidy				
Other	14,463	14,463	14,463	-
Municipal Court - Judges				
Personal services	1,276,733	1,276,733	1,276,729	4
Other	235,066	235,066	208,159	26,907
Clerk of Courts				
Personal services	1,204,406	1,204,406	1,185,427	18,979
Other	170,943	170,943	161,034	9,909
County and State Fees				
Other	185,868	185,868	185,865	3
Miscellaneous				
Other	2,038,593	2,038,593	521,642	1,516,951
Total general government.	<u>9,805,974</u>	<u>9,805,974</u>	<u>8,153,730</u>	<u>1,652,244</u>
Security of persons and property				
Police				
Personal services	4,498,962	4,498,962	4,498,509	453
Other	714,222	714,222	678,171	36,051
Fire				
Personal services	2,960,904	2,960,904	2,960,898	6
Other	423,232	423,232	375,176	48,056
Police/Fire Communications				
Personal services	1,021,877	1,021,877	977,209	44,668
Other	137,081	137,081	131,369	5,712
Public Safety Service				
Other	99,000	99,000	98,690	310
Total security of persons and property.	<u>9,855,278</u>	<u>9,855,278</u>	<u>9,720,022</u>	<u>135,256</u>
Public health				
Service - Cemetery				
Personal services	74,272	74,272	74,269	3
Other	877	877	288	589
County Health - Subsidy				
Other	293,011	293,011	293,011	-
Total public health.	<u>368,160</u>	<u>368,160</u>	<u>367,568</u>	<u>592</u>
Leisure time activities				
Parks and Recreation - Administration				
Personal services	344,076	344,076	344,073	3
Other	25,855	25,855	23,397	2,458
Parks and Recreation - Recreation				
Personal services	308,186	308,186	287,954	20,232
Other	186,649	186,649	176,679	9,970
Parks and Recreation - Facility				
Other	8,212	8,212	7,703	509

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CITY OF STOW, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND - (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Parks and Recreation - Service				
Personal services	\$ 607,451	\$ 607,451	\$ 607,450	\$ 1
Other	270,205	270,205	221,652	48,553
Total leisure time activities	<u>1,750,634</u>	<u>1,750,634</u>	<u>1,668,908</u>	<u>81,726</u>
Community and economic environment				
Planning and Development				
Personal services	368,884	368,884	368,882	2
Other	33,318	33,318	28,918	4,400
Service - Urban Forestry				
Personal services	252,808	252,808	252,804	4
Other	45,261	45,261	39,231	6,030
Service - Building Inspection				
Personal services	418,294	418,294	404,774	13,520
Other	21,828	21,828	20,922	906
Total community and economic development	<u>1,140,393</u>	<u>1,140,393</u>	<u>1,115,531</u>	<u>24,862</u>
Transportation				
Street Repair				
Personal services	467,836	467,836	467,833	3
Other	134,344	134,344	133,580	764
AMATS - Subsidy				
Other	5,595	5,595	5,595	-
Total transportation	<u>607,775</u>	<u>607,775</u>	<u>607,008</u>	<u>767</u>
Total expenditures	<u>23,528,214</u>	<u>23,528,214</u>	<u>21,632,767</u>	<u>1,895,447</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,428,583</u>	<u>1,428,583</u>	<u>(529,626)</u>	<u>(1,958,209)</u>
Other financing sources (uses):				
Transfers in	124,060	124,060	550,000	425,940
Transfers out	(617,139)	(617,139)	(566,923)	50,216
Total other financing sources (uses)	<u>(493,079)</u>	<u>(493,079)</u>	<u>(16,923)</u>	<u>476,156</u>
Net change in fund balance	935,504	935,504	(546,549)	(1,482,053)
Fund balance at beginning of year	3,641,398	3,641,398	3,641,398	-
Prior year encumbrances appropriated.	<u>445,232</u>	<u>445,232</u>	<u>445,232</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,022,134</u>	<u>\$ 5,022,134</u>	<u>\$ 3,540,081</u>	<u>\$ (1,482,053)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMS/FIRE TAX LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other local taxes	\$ 1,665,494	\$ 1,665,494	\$ 1,755,863	\$ 90,369
Intergovernmental.	574,907	574,907	361,711	(213,196)
Other	5,000	5,000	5,624	624
Total revenues.	<u>2,245,401</u>	<u>2,245,401</u>	<u>2,123,198</u>	<u>(122,203)</u>
Expenditures:				
Current:				
Security of persons and property				
Personal services	2,093,439	2,293,439	2,233,961	59,478
Other.	75,796	75,796	49,894	25,902
Capital outlay				
Other	6,814	6,814	4,106	2,708
Total expenditures.	<u>2,176,049</u>	<u>2,376,049</u>	<u>2,287,961</u>	<u>88,088</u>
Excess (deficiency) of revenues over (under) expenditures	<u>69,352</u>	<u>(130,648)</u>	<u>(164,763)</u>	<u>(34,115)</u>
Other financing sources (uses):				
Sale of notes	1,161,105	1,161,105	575,000	(586,105)
Refunding of notes	(685,125)	(685,125)	(450,000)	235,125
Premium on sale of notes.	16,058	16,058	7,952	(8,106)
Transfers in.	24,000	24,000	-	(24,000)
Total other financing sources (uses).	<u>516,038</u>	<u>516,038</u>	<u>132,952</u>	<u>(383,086)</u>
Net change in fund balance	585,390	385,390	(31,811)	(417,201)
Fund balance at beginning of year	17,759	17,759	17,759	-
Prior year encumbrances appropriated. . .	<u>18,758</u>	<u>18,758</u>	<u>18,758</u>	<u>-</u>
Fund balance at end of year	<u>\$ 621,907</u>	<u>\$ 421,907</u>	<u>\$ 4,706</u>	<u>\$ (417,201)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL CAPITAL IMPROVEMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues:				
Income taxes	\$ 644,856	\$ 644,856	\$ 626,622	\$ (18,234)
Intergovernmental.	24,006,101	24,006,101	4,816,308	(19,189,793)
Special assessments	25,000	25,000	24,250	(750)
Other	1,133,948	1,133,948	179,060	(954,888)
Total revenues.	<u>25,809,905</u>	<u>25,809,905</u>	<u>5,646,240</u>	<u>(20,163,665)</u>
Expenditures:				
Capital outlay				
Other	25,314,337	25,314,337	5,567,556	19,746,781
Debt service:				
Principal retirement.	90,000	90,000	90,000	-
Interest and fiscal charges.	388,739	388,739	387,829	910
Note issue costs.	41,090	41,090	6,907	34,183
Total expenditures	<u>25,834,166</u>	<u>25,834,166</u>	<u>6,052,292</u>	<u>19,781,874</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(24,261)</u>	<u>(24,261)</u>	<u>(406,052)</u>	<u>(381,791)</u>
Other financing sources (uses):				
Sale of notes	7,350,000	7,350,000	7,350,000	-
Refunding of notes	(7,900,000)	(7,900,000)	(7,900,000)	-
Premium on notes.	50,000	50,000	101,651	51,651
Transfers in.	4,500,000	500,000	500,000	-
Total other financing sources (uses)	<u>4,000,000</u>	<u>-</u>	<u>51,651</u>	<u>51,651</u>
Net change in fund balance.	3,975,739	(24,261)	(354,401)	(330,140)
Fund balance at beginning of year	1,971,913	1,971,913	1,971,913	-
Prior year encumbrances appropriated	<u>645,960</u>	<u>645,960</u>	<u>645,960</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 6,593,612</u>	<u>\$ 2,593,612</u>	<u>\$ 2,263,472</u>	<u>\$ (330,140)</u>

CITY OF STOW, OHIO

*BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2010*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 3,662,887	\$ -	\$ 3,662,887
Cash held with escrow agents	-	90,484	90,484
Receivables:			
Property taxes.	524,396	-	524,396
Accounts	102	-	102
Intergovernmental.	910,742	-	910,742
Special assessments	968	-	968
Materials and supplies	<u>557,338</u>	<u>-</u>	<u>557,338</u>
 Total assets	 <u>\$ 5,656,433</u>	 <u>\$ 90,484</u>	 <u>\$ 5,746,917</u>
Liabilities:			
Accounts payable	\$ 324,999	\$ -	\$ 324,999
Accrued wages and benefits	2,894	-	2,894
Intergovernmental payable.	337,191	-	337,191
Deferred revenue	516,966	-	516,966
Unearned revenue	461,060	-	461,060
Matured bonds payable	<u>-</u>	<u>90,484</u>	<u>90,484</u>
 Total liabilities	 <u>1,643,110</u>	 <u>90,484</u>	 <u>1,733,594</u>
Fund Balances:			
Reserved for encumbrances.	220,238	-	220,238
Reserved for materials and supplies.	557,338	-	557,338
Unreserved, undesignated, reported in:			
Special revenue funds	<u>3,235,747</u>	<u>-</u>	<u>3,235,747</u>
 Total fund balances	 <u>4,013,323</u>	 <u>-</u>	 <u>4,013,323</u>
 Total liabilities and fund balance	 <u>\$ 5,656,433</u>	 <u>\$ 90,484</u>	 <u>\$ 5,746,917</u>

CITY OF STOW, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Revenues:			
Property and other taxes	\$ 645,688	\$ -	\$ 645,688
Income taxes	1,275,000	942,627	2,217,627
Special assessments	48,088	-	48,088
Charges for services	658,817	-	658,817
Fines and forfeitures	1,012,330	-	1,012,330
Intergovernmental	2,440,773	-	2,440,773
Investment income	10,170	-	10,170
Rent	90,161	-	90,161
Contributions and donations	39,002	-	39,002
Other	99,728	-	99,728
Total revenues	<u>6,319,757</u>	<u>942,627</u>	<u>7,262,384</u>
Expenditures:			
Current:			
General government	502,772	-	502,772
Security of persons and property	1,470,280	-	1,470,280
Public health	62,256	-	62,256
Leisure time activities	96,328	-	96,328
Community and economic development	26,964	-	26,964
Transportation	2,741,157	-	2,741,157
Capital outlay	594,401	-	594,401
Debt service:			
Principal retirement	72,924	553,327	626,251
Interest and fiscal charges	101,427	389,300	490,727
Total expenditures	<u>5,668,509</u>	<u>942,627</u>	<u>6,611,136</u>
Excess of revenues over expenditures	<u>651,248</u>	<u>-</u>	<u>651,248</u>
Other financing sources (uses):			
Refunding of notes	(225,000)	-	(225,000)
Transfers in	781,835	-	781,835
Transfers out	(1,264,912)	-	(1,264,912)
Total other financing sources (uses)	<u>(708,077)</u>	<u>-</u>	<u>(708,077)</u>
Net change in fund balances	(56,829)	-	(56,829)
Fund balances at beginning of year	<u>4,070,152</u>	<u>-</u>	<u>4,070,152</u>
Fund balances at end of year	<u>\$ 4,013,323</u>	<u>\$ -</u>	<u>\$ 4,013,323</u>

CITY OF STOW, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2010*

	<u>Street Construction</u>	<u>State Highway Improvement</u>	<u>Police Pension and Disability</u>	<u>Fire Pension and Disability</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 467,182	\$ 8,989	\$ -	\$ -
Receivables:				
Property taxes.	-	-	241,155	241,155
Accounts	-	-	-	-
Intergovernmental.	657,349	98,519	20,657	20,657
Special assessments	-	-	-	-
Materials and supplies.	<u>557,338</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,681,869</u>	<u>\$ 107,508</u>	<u>\$ 261,812</u>	<u>\$ 261,812</u>
Liabilities:				
Accounts payable.	\$ 227,389	\$ 14,641	\$ -	\$ -
Accrued wages and benefits	-	-	-	-
Intergovernmental payable	27,412	923	155,448	144,603
Deferred revenue	379,868	73,770	31,180	31,180
Unearned revenue	<u>-</u>	<u>-</u>	<u>230,530</u>	<u>230,530</u>
Total liabilities.	<u>634,669</u>	<u>89,334</u>	<u>417,158</u>	<u>406,313</u>
Fund Balances:				
Reserved for encumbrances.	146,455	-	-	-
Reserved for materials and supplies.	557,338	-	-	-
Unreserved, undesignated (deficit), reported in:				
Special revenue funds.	<u>343,407</u>	<u>18,174</u>	<u>(155,346)</u>	<u>(144,501)</u>
Total fund balances.	<u>1,047,200</u>	<u>18,174</u>	<u>(155,346)</u>	<u>(144,501)</u>
Total liabilities and fund balance.	<u>\$ 1,681,869</u>	<u>\$ 107,508</u>	<u>\$ 261,812</u>	<u>\$ 261,812</u>

<u>Motor Vehicle License Tax</u>	<u>ODNR Litter Prevention Grant</u>	<u>EMS Transport Fees</u>	<u>Police Enforcement and Education</u>	<u>Special Assessment Improvements</u>	<u>Tree Trust</u>
\$ 411,192	\$ 82,172	\$ 92,999	\$ 2,446	\$ 5,362	\$ 94,083
-	-	-	-	-	-
-	-	-	-	-	-
18,649	-	-	255	-	-
-	-	-	-	968	-
-	-	-	-	-	-
<u>\$ 429,841</u>	<u>\$ 82,172</u>	<u>\$ 92,999</u>	<u>\$ 2,701</u>	<u>\$ 6,330</u>	<u>\$ 94,083</u>
\$ -	\$ -	\$ 22,887	\$ -	\$ 4,557	\$ -
-	-	-	-	-	-
-	265	-	-	212	-
-	-	-	-	968	-
-	-	-	-	-	-
<u>-</u>	<u>265</u>	<u>22,887</u>	<u>-</u>	<u>5,737</u>	<u>-</u>
-	5,730	7,811	-	-	-
-	-	-	-	-	-
<u>429,841</u>	<u>76,177</u>	<u>62,301</u>	<u>2,701</u>	<u>593</u>	<u>94,083</u>
<u>429,841</u>	<u>81,907</u>	<u>70,112</u>	<u>2,701</u>	<u>593</u>	<u>94,083</u>
<u>\$ 429,841</u>	<u>\$ 82,172</u>	<u>\$ 92,999</u>	<u>\$ 2,701</u>	<u>\$ 6,330</u>	<u>\$ 94,083</u>

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CITY OF STOW, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2010*

	<u>Communications Tower</u>	<u>Cemetery Trust</u>	<u>Park Improvements</u>	<u>Federal Law Enforcement Forfeited Fees</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 376,946	\$ 106,249	\$ 28,906	\$ 32,054
Receivables:				
Property taxes.	-	-	-	-
Accounts	-	-	-	-
Intergovernmental.	-	-	-	-
Special assessments	-	-	-	-
Materials and supplies.	-	-	-	-
Total assets	<u>\$ 376,946</u>	<u>\$ 106,249</u>	<u>\$ 28,906</u>	<u>\$ 32,054</u>
Liabilities:				
Accounts payable.	\$ -	\$ 194	\$ -	\$ 230
Accrued wages and benefits	-	-	-	-
Intergovernmental payable	-	-	-	-
Deferred revenue	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities.	<u>-</u>	<u>194</u>	<u>-</u>	<u>230</u>
Fund Balances:				
Reserved for encumbrances.	1,900	5,270	-	1,281
Reserved for materials and supplies.	-	-	-	-
Unreserved, undesignated (deficit), reported in:				
Special revenue funds.	<u>375,046</u>	<u>100,785</u>	<u>28,906</u>	<u>30,543</u>
Total fund balances.	<u>376,946</u>	<u>106,055</u>	<u>28,906</u>	<u>31,824</u>
Total liabilities and fund balance.	<u>\$ 376,946</u>	<u>\$ 106,249</u>	<u>\$ 28,906</u>	<u>\$ 32,054</u>

<u>Community Events</u>	<u>Safety Town</u>	<u>D.A.R.E. Program</u>	<u>Youth Division Donations</u>	<u>Fire Department Emergency Equipment</u>	<u>Parks Youth</u>
\$ 5,448	\$ 525	\$ 22,295	\$ 6,059	\$ 2,534	\$ 862
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 5,448</u>	<u>\$ 525</u>	<u>\$ 22,295</u>	<u>\$ 6,059</u>	<u>\$ 2,534</u>	<u>\$ 862</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,927	-	960	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,927</u>	<u>-</u>	<u>960</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	2,778	-	154	-
-	-	-	-	-	-
<u>3,521</u>	<u>525</u>	<u>18,557</u>	<u>6,059</u>	<u>2,380</u>	<u>862</u>
<u>3,521</u>	<u>525</u>	<u>21,335</u>	<u>6,059</u>	<u>2,534</u>	<u>862</u>
<u>\$ 5,448</u>	<u>\$ 525</u>	<u>\$ 22,295</u>	<u>\$ 6,059</u>	<u>\$ 2,534</u>	<u>\$ 862</u>

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CITY OF STOW, OHIO

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 DECEMBER 31, 2010

	Police Department Emergency Equipment	Youth Division Teen Center	Parks Lodge Improvement	Community Relations
Assets:				
Equity in pooled cash and cash equivalents.	\$ 2,592	\$ 214	\$ 43,844	\$ 6,829
Receivables:				
Property taxes.	-	-	-	-
Accounts	-	-	25	-
Intergovernmental.	-	-	-	-
Special assessments	-	-	-	-
Materials and supplies.	-	-	-	-
Total assets	<u>\$ 2,592</u>	<u>\$ 214</u>	<u>\$ 43,869</u>	<u>\$ 6,829</u>
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ 542	\$ -
Accrued wages and benefits	-	-	-	-
Intergovernmental payable	-	-	-	-
Deferred revenue	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities.	<u>-</u>	<u>-</u>	<u>542</u>	<u>-</u>
Fund Balances:				
Reserved for encumbrances.	-	86	174	1,651
Reserved for materials and supplies.	-	-	-	-
Unreserved, undesignated (deficit), reported in:				
Special revenue funds.	<u>2,592</u>	<u>128</u>	<u>43,153</u>	<u>5,178</u>
Total fund balances.	<u>2,592</u>	<u>214</u>	<u>43,327</u>	<u>6,829</u>
Total liabilities and fund balance.	<u>\$ 2,592</u>	<u>\$ 214</u>	<u>\$ 43,869</u>	<u>\$ 6,829</u>

<u>SS Ballfield Complex</u>	<u>Park and Recreation Scholarship</u>	<u>Business Assistance</u>	<u>City Lodging Tax</u>	<u>Residential Snow Removal</u>	<u>Enhanced 911 Wireless</u>
\$ 13,409	\$ 1,858	\$ 294	\$ 335,265	\$ 13,845	\$ 26,611
-	-	-	42,086	-	-
-	-	-	-	-	-
-	-	-	-	-	10,483
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 13,409</u>	<u>\$ 1,858</u>	<u>\$ 294</u>	<u>\$ 377,351</u>	<u>\$ 13,845</u>	<u>\$ 37,094</u>
\$ 2,288	\$ -	\$ -	\$ -	\$ 4,965	\$ 14,643
-	-	-	2,894	-	-
-	-	-	5,441	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,288</u>	<u>-</u>	<u>-</u>	<u>8,335</u>	<u>4,965</u>	<u>14,643</u>
2,945	-	-	-	5,479	7,071
-	-	-	-	-	-
<u>8,176</u>	<u>1,858</u>	<u>294</u>	<u>369,016</u>	<u>3,401</u>	<u>15,380</u>
<u>11,121</u>	<u>1,858</u>	<u>294</u>	<u>369,016</u>	<u>8,880</u>	<u>22,451</u>
<u>\$ 13,409</u>	<u>\$ 1,858</u>	<u>\$ 294</u>	<u>\$ 377,351</u>	<u>\$ 13,845</u>	<u>\$ 37,094</u>

-- Continued

CITY OF STOW, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2010*

	<u>Adopt a Tree/ Tree City</u>	<u>Police Officer Training</u>	<u>Court Special Projects</u>	<u>Probation</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 3,262	\$ 3,546	\$ 658,184	\$ 26,491
Receivables:				
Property taxes.	-	-	-	-
Accounts	-	-	77	-
Intergovernmental.	-	-	44,470	12,337
Special assessments	-	-	-	-
Materials and supplies.	-	-	-	-
Total assets	<u>\$ 3,262</u>	<u>\$ 3,546</u>	<u>\$ 702,731</u>	<u>\$ 38,828</u>
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ 7,351	\$ 9,419
Accrued wages and benefits	-	-	-	-
Intergovernmental payable	-	-	-	-
Deferred revenue	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities.	<u>-</u>	<u>-</u>	<u>7,351</u>	<u>9,419</u>
Fund Balances:				
Reserved for encumbrances.	-	-	12,154	-
Reserved for materials and supplies.	-	-	-	-
Unreserved, undesignated (deficit), reported in:				
Special revenue funds.	<u>3,262</u>	<u>3,546</u>	<u>683,226</u>	<u>29,409</u>
Total fund balances.	<u>3,262</u>	<u>3,546</u>	<u>695,380</u>	<u>29,409</u>
Total liabilities and fund balance.	<u>\$ 3,262</u>	<u>\$ 3,546</u>	<u>\$ 702,731</u>	<u>\$ 38,828</u>

<u>Indigent Drivers</u>	<u>Court Technology</u>	<u>Court Clerk Technology</u>	<u>IDIA Monitoring</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 667,594	\$ 53,361	\$ 13,637	\$ 45,748	\$ 3,662,887
-	-	-	-	524,396
-	-	-	-	102
17,331	3,119	3,122	3,794	910,742
-	-	-	-	968
-	-	-	-	557,338
<u>\$ 684,925</u>	<u>\$ 56,480</u>	<u>\$ 16,759</u>	<u>\$ 49,542</u>	<u>\$ 5,656,433</u>
\$ -	\$ 5,156	\$ 10,737	\$ -	\$ 324,999
-	-	-	-	2,894
-	-	-	-	337,191
-	-	-	-	516,966
-	-	-	-	461,060
<u>-</u>	<u>5,156</u>	<u>10,737</u>	<u>-</u>	<u>1,643,110</u>
-	19,299	-	-	220,238
-	-	-	-	557,338
<u>684,925</u>	<u>32,025</u>	<u>6,022</u>	<u>49,542</u>	<u>3,235,747</u>
<u>684,925</u>	<u>51,324</u>	<u>6,022</u>	<u>49,542</u>	<u>4,013,323</u>
<u>\$ 684,925</u>	<u>\$ 56,480</u>	<u>\$ 16,759</u>	<u>\$ 49,542</u>	<u>\$ 5,656,433</u>

CITY OF STOW, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010*

	Street Construction	State Highway Improvement	Police Pension and Disability	Fire Pension and Disability
Revenues:				
Property and other taxes	\$ -	\$ -	\$ 229,026	\$ 229,026
Income taxes	1,275,000	-	-	-
Special assessments	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	23,501	-	-	-
Intergovernmental	1,742,037	113,770	43,078	43,078
Investment income	1,685	60	-	-
Rent	-	-	-	-
Contributions and donations.	-	-	-	-
Other	10,846	411	-	-
Total revenues	3,053,069	114,241	272,104	272,104
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property.	-	-	572,917	534,499
Public health	-	-	-	-
Leisure time activities	-	-	-	-
Community and economic development	-	-	-	-
Transportation	2,609,801	131,356	-	-
Capital outlay.	402,490	-	-	-
Debt service:				
Principal retirement.	-	-	-	-
Interest and fiscal charges.	-	-	-	-
Total expenditures	3,012,291	131,356	572,917	534,499
Excess (deficiency) of revenues over (under) expenditures	40,778	(17,115)	(300,813)	(262,395)
Other financing sources (uses):				
Refunding of notes.	-	-	-	-
Transfers in	-	-	295,395	255,528
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	295,395	255,528
Net change in fund balances.	40,778	(17,115)	(5,418)	(6,867)
Fund balances (deficits) at beginning of year	1,006,422	35,289	(149,928)	(137,634)
Fund balances (deficits) at end of year	\$ 1,047,200	\$ 18,174	\$ (155,346)	\$ (144,501)

Motor Vehicle License Tax	ODNR Litter Prevention Grant	EMS Transport Fees	Police Enforcement and Education	Special Assessment Improvements	Tree Trust
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	48,088	-
-	-	635,029	-	-	-
-	-	-	2,444	-	-
241,929	31,903	-	-	-	-
1,262	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	316	-	-	21,728
<u>243,191</u>	<u>31,903</u>	<u>635,345</u>	<u>2,444</u>	<u>48,088</u>	<u>21,728</u>
-	-	-	-	-	-
-	-	211,524	-	58,697	-
-	9,065	-	-	-	-
-	-	-	-	-	44,703
-	-	-	-	-	-
-	-	11,238	-	-	-
-	-	53,000	-	-	-
-	-	96,079	-	-	-
<u>-</u>	<u>9,065</u>	<u>371,841</u>	<u>-</u>	<u>58,697</u>	<u>44,703</u>
<u>243,191</u>	<u>22,838</u>	<u>263,504</u>	<u>2,444</u>	<u>(10,609)</u>	<u>(22,975)</u>
-	-	(225,000)	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>(225,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>243,191</u>	<u>22,838</u>	<u>38,504</u>	<u>2,444</u>	<u>(10,609)</u>	<u>(22,975)</u>
<u>186,650</u>	<u>59,069</u>	<u>31,608</u>	<u>257</u>	<u>11,202</u>	<u>117,058</u>
<u>\$ 429,841</u>	<u>\$ 81,907</u>	<u>\$ 70,112</u>	<u>\$ 2,701</u>	<u>\$ 593</u>	<u>\$ 94,083</u>

- - Continued

CITY OF STOW, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2010*

	Communications Tower	Cemetery Trust	Park Improvements	Federal Law Enforcement Forfeited Fees
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-
Special assessments	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	53,420
Investment income	-	-	-	-
Rent	90,161	-	-	-
Contributions and donations.	6,895	-	-	-
Other	20,000	20,181	-	17,241
Total revenues	117,056	20,181	-	70,661
 Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property.	-	-	-	17,188
Public health	-	53,191	-	-
Leisure time activities	-	-	1,191	-
Community and economic development	26,363	-	-	-
Transportation	-	-	-	-
Capital outlay.	9,216	883	-	33,083
Debt service:				
Principal retirement.	19,924	-	-	-
Interest and fiscal charges.	5,348	-	-	-
Total expenditures	60,851	54,074	1,191	50,271
 Excess (deficiency) of revenues over (under) expenditures	 56,205	 (33,893)	 (1,191)	 20,390
 Other financing sources (uses):				
Refunding of notes.	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
 Net change in fund balances.	 56,205	 (33,893)	 (1,191)	 20,390
 Fund balances (deficits) at beginning of year	 320,741	 139,948	 30,097	 11,434
 Fund balances (deficits) at end of year	 \$ 376,946	 \$ 106,055	 \$ 28,906	 \$ 31,824

<u>Community Events</u>	<u>Safety Town</u>	<u>D.A.R.E. Program</u>	<u>Youth Division Donations</u>	<u>Fire Department Emergency Equipment</u>	<u>Parks Youth</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
8,911	-	-	-	-	-
-	-	-	-	-	-
-	-	52,511	-	-	-
-	-	-	-	-	-
22,847	6,530	-	-	1,258	-
3,981	-	-	-	-	-
<u>35,739</u>	<u>6,530</u>	<u>52,511</u>	<u>-</u>	<u>1,258</u>	<u>-</u>
-	-	-	-	-	-
-	6,005	37,147	-	746	-
-	-	-	-	-	-
32,218	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>32,218</u>	<u>6,005</u>	<u>37,147</u>	<u>-</u>	<u>746</u>	<u>-</u>
3,521	525	15,364	-	512	-
-	-	-	-	-	-
-	-	6,000	-	-	-
-	-	-	-	-	-
-	-	6,000	-	-	-
3,521	525	21,364	-	512	-
-	-	(29)	6,059	2,022	862
<u>\$ 3,521</u>	<u>\$ 525</u>	<u>\$ 21,335</u>	<u>\$ 6,059</u>	<u>\$ 2,534</u>	<u>\$ 862</u>

- - Continued

CITY OF STOW, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2010*

	Police Department Emergency Equipment	Youth Division Teen Center	Parks Lodge Improvement	Community Relations
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-
Special assessments	-	-	-	-
Charges for services	-	1,242	13,635	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	-
Investment income	-	-	-	-
Rent	-	-	-	-
Contributions and donations.	1,247	-	-	-
Other	-	-	-	-
Total revenues	1,247	1,242	13,635	-
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property.	200	-	542	-
Public health	-	-	-	-
Leisure time activities	-	2,309	5,875	-
Community and economic development	-	-	-	601
Transportation	-	-	-	-
Capital outlay.	-	-	-	-
Debt service:				
Principal retirement.	-	-	-	-
Interest and fiscal charges.	-	-	-	-
Total expenditures	200	2,309	6,417	601
Excess (deficiency) of revenues over (under) expenditures	1,047	(1,067)	7,218	(601)
Other financing sources (uses):				
Refunding of notes.	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances.	1,047	(1,067)	7,218	(601)
Fund balances (deficits) at beginning of year	1,545	1,281	36,109	7,430
Fund balances (deficits) at end of year	\$ 2,592	\$ 214	\$ 43,327	\$ 6,829

SS Ballfield Complex	Park and Recreation Scholarship	Business Assistance	City Lodging Tax	Residential Snow Removal	Enhanced 911 Wireless
\$ -	\$ -	\$ -	\$ 187,636	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	101,190
-	-	-	-	-	-
-	-	225	-	-	-
5,024	-	-	-	-	-
<u>5,024</u>	<u>-</u>	<u>225</u>	<u>187,636</u>	<u>-</u>	<u>101,190</u>
-	-	-	230,976	-	-
-	-	-	-	11,592	14,643
-	-	-	-	-	-
10,032	-	-	-	-	-
-	-	-	-	-	-
1,200	-	-	-	-	93,893
-	-	-	-	-	-
-	-	-	-	-	-
<u>11,232</u>	<u>-</u>	<u>-</u>	<u>230,976</u>	<u>11,592</u>	<u>108,536</u>
(6,208)	-	225	(43,340)	(11,592)	(7,346)
-	-	-	-	-	-
-	-	-	-	10,000	-
-	-	-	-	-	-
-	-	-	-	10,000	-
(6,208)	-	225	(43,340)	(1,592)	(7,346)
17,329	1,858	69	412,356	10,472	29,797
<u>\$ 11,121</u>	<u>\$ 1,858</u>	<u>\$ 294</u>	<u>\$ 369,016</u>	<u>\$ 8,880</u>	<u>\$ 22,451</u>

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CITY OF STOW, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2010*

	Adopt a Tree/ Tree City	Police Officer Training	Court Special Projects	Probation
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-
Special assessments	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	620,698	146,876
Intergovernmental	-	820	-	-
Investment income	-	-	7,163	-
Rent	-	-	-	-
Contributions and donations	-	-	-	-
Other	-	-	-	-
Total revenues	-	820	627,861	146,876
Expenditures:				
Current:				
General government	-	-	90,431	64,742
Security of persons and property	-	4,580	-	-
Public health	-	-	-	-
Leisure time activities	-	-	-	-
Community and economic development	-	-	-	-
Transportation	-	-	-	-
Capital outlay	-	-	14,554	5,560
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	4,580	104,985	70,302
Excess (deficiency) of revenues over (under) expenditures	-	(3,760)	522,876	76,574
Other financing sources (uses):				
Refunding of notes	-	-	-	-
Transfers in	-	-	114,912	-
Transfers out	-	-	(960,000)	(90,000)
Total other financing sources (uses)	-	-	(845,088)	(90,000)
Net change in fund balances	-	(3,760)	(322,212)	(13,426)
Fund balances (deficits) at beginning of year	3,262	7,306	1,017,592	42,835
Fund balances (deficits) at end of year	\$ 3,262	\$ 3,546	\$ 695,380	\$ 29,409

<u>Indigent Drivers</u>	<u>Court Technology</u>	<u>Court Clerk Technology</u>	<u>IDIA Monitoring</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 645,688
-	-	-	-	1,275,000
-	-	-	-	48,088
-	-	-	-	658,817
56,553	54,669	52,082	55,507	1,012,330
17,037	-	-	-	2,440,773
-	-	-	-	10,170
-	-	-	-	90,161
-	-	-	-	39,002
-	-	-	-	99,728
<u>73,590</u>	<u>54,669</u>	<u>52,082</u>	<u>55,507</u>	<u>6,319,757</u>
-	64,001	52,622	-	502,772
-	-	-	-	1,470,280
-	-	-	-	62,256
-	-	-	-	96,328
-	-	-	-	26,964
-	-	-	-	2,741,157
-	2,194	5,090	15,000	594,401
-	-	-	-	72,924
-	-	-	-	101,427
<u>-</u>	<u>66,195</u>	<u>57,712</u>	<u>15,000</u>	<u>5,668,509</u>
<u>73,590</u>	<u>(11,526)</u>	<u>(5,630)</u>	<u>40,507</u>	<u>651,248</u>
-	-	-	-	(225,000)
-	-	-	100,000	781,835
<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>(114,912)</u>	<u>(1,264,912)</u>
<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>(14,912)</u>	<u>(708,077)</u>
(26,410)	(11,526)	(5,630)	25,595	(56,829)
<u>711,335</u>	<u>62,850</u>	<u>11,652</u>	<u>23,947</u>	<u>4,070,152</u>
<u>\$ 684,925</u>	<u>\$ 51,324</u>	<u>\$ 6,022</u>	<u>\$ 49,542</u>	<u>\$ 4,013,323</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET CONSTRUCTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Income taxes	\$ 1,159,500	\$ 1,159,500	\$ 1,275,000	\$ 115,500
Fines and forfeitures	37,000	37,000	23,879	(13,121)
Intergovernmental.	1,805,550	1,805,550	1,680,603	(124,947)
Investment income	2,500	2,500	1,685	(815)
Other	12,550	12,550	10,846	(1,704)
Total revenues.	<u>3,017,100</u>	<u>3,017,100</u>	<u>2,992,013</u>	<u>(25,087)</u>
Expenditures:				
Current:				
Transportation				
Personal services	1,307,915	1,432,915	1,220,702	212,213
Other	1,307,560	1,307,560	1,204,374	103,186
Capital outlay				
Other	576,511	576,511	563,913	12,598
Total expenditures	<u>3,191,986</u>	<u>3,316,986</u>	<u>2,988,989</u>	<u>327,997</u>
 Net change in fund balance.	 (174,886)	 (299,886)	 3,024	 302,910
 Fund balance at beginning of year	 161,780	 161,780	 161,780	 -
Prior year encumbrances appropriated . . .	<u>140,955</u>	<u>140,955</u>	<u>140,955</u>	<u>-</u>
 Fund balance at end of year.	<u>\$ 127,849</u>	<u>\$ 2,849</u>	<u>\$ 305,759</u>	<u>\$ 302,910</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STATE HIGHWAY IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 152,213	\$ 152,213	\$ 106,455	\$ (45,758)
Investment income	700	700	60	(640)
Other	6,222	6,222	411	(5,811)
Total revenues.	<u>159,135</u>	<u>159,135</u>	<u>106,926</u>	<u>(52,209)</u>
Expenditures:				
Current:				
Transportation				
Personal services	34,800	34,800	34,736	64
Other	88,704	88,704	82,000	6,704
Total expenditures.	<u>123,504</u>	<u>123,504</u>	<u>116,736</u>	<u>6,768</u>
 Net change in fund balance	 35,631	 35,631	 (9,810)	 (45,441)
 Fund balance at beginning of year.	 <u>18,591</u>	 <u>18,591</u>	 <u>18,591</u>	 <u>-</u>
 Fund balance at end of year	 <u>\$ 54,222</u>	 <u>\$ 54,222</u>	 <u>\$ 8,781</u>	 <u>\$ (45,441)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE PENSION AND DISABILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other local taxes.	\$ 221,840	\$ 221,840	\$ 229,026	\$ 7,186
Intergovernmental.	51,644	51,644	43,074	(8,570)
Total revenues.	<u>273,484</u>	<u>273,484</u>	<u>272,100</u>	<u>(1,384)</u>
Expenditures:				
Current:				
Security of persons and property				
Personal services	563,483	563,483	563,483	-
Other	4,012	4,012	4,012	-
Total expenditures	<u>567,495</u>	<u>567,495</u>	<u>567,495</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(294,011)</u>	<u>(294,011)</u>	<u>(295,395)</u>	<u>(1,384)</u>
Other financing sources:				
Transfers in	344,793	344,793	295,395	(49,398)
Total other financing sources.	<u>344,793</u>	<u>344,793</u>	<u>295,395</u>	<u>(49,398)</u>
Net change in fund balance	50,782	50,782	-	(50,782)
Fund balance at beginning of year.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 50,782</u>	<u>\$ 50,782</u>	<u>\$ -</u>	<u>\$ (50,782)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE PENSION AND DISABILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other local taxes	\$ 221,840	\$ 221,840	\$ 229,026	\$ 7,186
Intergovernmental	51,644	51,644	43,074	(8,570)
Total revenues.	<u>273,484</u>	<u>273,484</u>	<u>272,100</u>	<u>(1,384)</u>
Expenditures:				
Current:				
Security of persons and property				
Personal services	524,021	524,021	523,615	406
Other	4,040	4,040	4,013	27
Total expenditures.	<u>528,061</u>	<u>528,061</u>	<u>527,628</u>	<u>433</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(254,577)</u>	<u>(254,577)</u>	<u>(255,528)</u>	<u>(951)</u>
Other financing sources:				
Transfers in.	610,018	610,018	255,528	(354,490)
Total other financing sources.	<u>610,018</u>	<u>610,018</u>	<u>255,528</u>	<u>(354,490)</u>
Net change in fund balance.	355,441	355,441	-	(355,441)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 355,441</u>	<u>\$ 355,441</u>	<u>\$ -</u>	<u>\$ (355,441)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MOTOR VEHICLE LICENSE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 317,100	\$ 317,100	\$ 242,127	\$ (74,973)
Investment income	2,000	2,000	1,262	(738)
Total revenues.	<u>319,100</u>	<u>319,100</u>	<u>243,389</u>	<u>(75,711)</u>
Expenditures:				
Capital outlay				
Other	<u>406,803</u>	<u>406,803</u>	-	406,803
Total expenditures	<u>406,803</u>	<u>406,803</u>	-	406,803
Net change in fund balance	(87,703)	(87,703)	243,389	331,092
Fund balance at beginning of year.	<u>167,803</u>	<u>167,803</u>	<u>167,803</u>	-
Fund balance at end of year	<u>\$ 80,100</u>	<u>\$ 80,100</u>	<u>\$ 411,192</u>	<u>\$ 331,092</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ODNR LITTER PREVENTION GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 39,300	\$ 39,300	\$ 31,903	\$ (7,397)
Total revenues.	<u>39,300</u>	<u>39,300</u>	<u>31,903</u>	<u>(7,397)</u>
Expenditures:				
Current:				
Public health				
Personal services	9,247	9,247	9,190	57
Other	<u>82,804</u>	<u>82,804</u>	<u>6,419</u>	<u>76,385</u>
Total expenditures	<u>92,051</u>	<u>92,051</u>	<u>15,609</u>	<u>76,442</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(52,751)</u>	<u>(52,751)</u>	<u>16,294</u>	<u>69,045</u>
Other financing sources:				
Transfers in.	<u>17,000</u>	<u>17,000</u>	<u>-</u>	<u>(17,000)</u>
Total other financing sources.	<u>17,000</u>	<u>17,000</u>	<u>-</u>	<u>(17,000)</u>
Net change in fund balance	(35,751)	(35,751)	16,294	52,045
Fund balance at beginning of year.	<u>60,148</u>	<u>60,148</u>	<u>60,148</u>	<u>-</u>
Fund balance at end of year	<u>\$ 24,397</u>	<u>\$ 24,397</u>	<u>\$ 76,442</u>	<u>\$ 52,045</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMS TRANSPORT FEES FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 822,000	\$ 822,000	\$ 635,029	\$ (186,971)
Other	200	200	316	116
Total revenues	<u>822,200</u>	<u>822,200</u>	<u>635,345</u>	<u>(186,855)</u>
Expenditures:				
Current:				
Security of persons and property				
Other	252,247	252,247	214,544	37,703
Capital outlay				
Other	11,238	11,238	11,238	-
Debt service:				
Principal retirement	53,000	53,000	53,000	-
Interest and fiscal charges	96,080	96,080	96,079	1
Total expenditures	<u>412,565</u>	<u>412,565</u>	<u>374,861</u>	<u>37,704</u>
Excess (deficiency) of revenues over (under) expenditures	<u>409,635</u>	<u>409,635</u>	<u>260,484</u>	<u>(224,559)</u>
Other financing uses:				
Refunding of notes	(225,000)	(225,000)	(225,000)	-
Total other financing uses	<u>(225,000)</u>	<u>(225,000)</u>	<u>(225,000)</u>	<u>-</u>
Net change in fund balance	184,635	184,635	35,484	(149,151)
Fund balance at beginning of year	19,931	19,931	19,931	-
Prior year encumbrances appropriated. . .	<u>17,634</u>	<u>17,634</u>	<u>17,634</u>	<u>-</u>
Fund balance at end of year	<u>\$ 222,200</u>	<u>\$ 222,200</u>	<u>\$ 73,049</u>	<u>\$ (149,151)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE ENFORCEMENT AND EDUCATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 43,700	\$ 5,700	\$ 2,384	\$ (3,316)
Total revenues.	<u>43,700</u>	<u>5,700</u>	<u>2,384</u>	<u>(3,316)</u>
Expenditures:				
Capital outlay				
Other.	1,762	1,762	-	1,762
Total expenditures	<u>1,762</u>	<u>1,762</u>	<u>-</u>	<u>1,762</u>
Net change in fund balance.	41,938	3,938	2,384	(1,554)
Fund balance at beginning of year	<u>62</u>	<u>62</u>	<u>62</u>	<u>-</u>
Fund balance at end of year	<u>\$ 42,000</u>	<u>\$ 4,000</u>	<u>\$ 2,446</u>	<u>\$ (1,554)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL ASSESSMENT IMPROVEMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special assessments.	\$ 145,850	\$ 145,850	\$ 48,088	\$ (97,762)
Total revenues.	<u>145,850</u>	<u>145,850</u>	<u>48,088</u>	<u>(97,762)</u>
Expenditures:				
Current:				
Security of persons and property				
Other	<u>66,412</u>	<u>66,412</u>	<u>54,297</u>	<u>12,115</u>
Total expenditures	<u>66,412</u>	<u>66,412</u>	<u>54,297</u>	<u>12,115</u>
Net change in fund balance.	79,438	79,438	(6,209)	(85,647)
Fund balance at beginning of year	10,957	10,957	10,957	-
Prior year encumbrances appropriated . .	<u>455</u>	<u>455</u>	<u>455</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 90,850</u>	<u>\$ 90,850</u>	<u>\$ 5,203</u>	<u>\$ (85,647)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TREE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 150,000	\$ 150,000	\$ 21,728	\$ (128,272)
Total revenues.	<u>150,000</u>	<u>150,000</u>	<u>21,728</u>	<u>(128,272)</u>
Expenditures:				
Current:				
Leisure time activities				
Other	150,000	150,000	44,703	105,297
Total expenditures	<u>150,000</u>	<u>150,000</u>	<u>44,703</u>	<u>105,297</u>
Net change in fund balance.	-	-	(22,975)	(22,975)
Fund balance at beginning of year	<u>117,058</u>	<u>117,058</u>	<u>117,058</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 117,058</u>	<u>\$ 117,058</u>	<u>\$ 94,083</u>	<u>\$ (22,975)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNICATIONS TOWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 10,000	\$ 10,000	\$ 20,000	\$ 10,000
Rental income	49,000	49,000	90,161	41,161
Contributions and donations	5,000	5,000	6,895	1,895
Total revenues.	<u>64,000</u>	<u>64,000</u>	<u>117,056</u>	<u>53,056</u>
Expenditures:				
Current:				
Economic development				
Other	82,200	82,200	28,285	53,915
Capital outlay				
Other	124,230	124,230	9,216	115,014
Debt service:				
Principal retirement.	30,000	30,000	19,924	10,076
Interest and fiscal charges.	10,000	10,000	5,348	4,652
Total expenditures	<u>246,430</u>	<u>246,430</u>	<u>62,773</u>	<u>183,657</u>
Net change in fund balance.	(182,430)	(182,430)	54,283	236,713
Fund balance at beginning of year	314,693	314,693	314,693	-
Prior year encumbrances appropriated	<u>6,070</u>	<u>6,070</u>	<u>6,070</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 138,333</u>	<u>\$ 138,333</u>	<u>\$ 375,046</u>	<u>\$ 236,713</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CEMETERY TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 106,000	\$ 106,000	\$ 20,181	\$ (85,819)
Total revenues.	<u>106,000</u>	<u>106,000</u>	<u>20,181</u>	<u>(85,819)</u>
Expenditures:				
Current:				
Public health				
Other	87,686	87,686	59,078	28,608
Capital outlay				
Other	<u>20,000</u>	<u>20,000</u>	<u>917</u>	<u>19,083</u>
Total expenditures	<u>107,686</u>	<u>107,686</u>	<u>59,995</u>	<u>47,691</u>
Net change in fund balance.	(1,686)	(1,686)	(39,814)	(38,128)
Fund balance at beginning of year	139,040	139,040	139,040	-
Prior year encumbrances appropriated . . .	<u>1,686</u>	<u>1,686</u>	<u>1,686</u>	<u>-</u>
Fund balance at end of year	<u>\$ 139,040</u>	<u>\$ 139,040</u>	<u>\$ 100,912</u>	<u>\$ (38,128)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARK IMPROVEMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Leisure time activities				
Other	\$ 2,000	\$ 2,000	\$ 1,191	\$ 809
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>1,191</u>	<u>809</u>
Net change in fund balance.	(2,000)	(2,000)	(1,191)	809
Fund balance at beginning of year	<u>30,097</u>	<u>30,097</u>	<u>30,097</u>	<u>-</u>
Fund balance at end of year	<u>\$ 28,097</u>	<u>\$ 28,097</u>	<u>\$ 28,906</u>	<u>\$ 809</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEDERAL LAW ENFORCEMENT FORFEITED FEES FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 55,000	\$ 55,000	\$ 53,420	\$ (1,580)
Other	15,000	15,000	17,241	2,241
Total revenues.	<u>70,000</u>	<u>70,000</u>	<u>70,661</u>	<u>661</u>
Expenditures:				
Current:				
Security of persons and property				
Other	37,130	37,130	22,054	15,076
Capital outlay				
Other	47,024	47,024	33,156	13,868
Total expenditures	<u>84,154</u>	<u>84,154</u>	<u>55,210</u>	<u>28,944</u>
Net change in fund balance.	(14,154)	(14,154)	15,451	29,605
Fund balance at beginning of year	10,946	10,946	10,946	-
Prior year encumbrances appropriated	<u>4,154</u>	<u>4,154</u>	<u>4,154</u>	<u>-</u>
Fund balance at end of year	<u>\$ 946</u>	<u>\$ 946</u>	<u>\$ 30,551</u>	<u>\$ 29,605</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY EVENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 10,000	\$ 10,000	\$ 8,911	\$ (1,089)
Contributions and donations.	39,250	39,250	22,847	(16,403)
Other	5,000	5,000	3,981	(1,019)
Total revenues.	<u>54,250</u>	<u>54,250</u>	<u>35,739</u>	<u>(18,511)</u>
Expenditures:				
Current:				
Leisure time activities				
Other	25,000	42,000	30,291	11,709
Total expenditures	<u>25,000</u>	<u>42,000</u>	<u>30,291</u>	<u>11,709</u>
Net change in fund balance.	29,250	12,250	5,448	(6,802)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 29,250</u>	<u>\$ 12,250</u>	<u>\$ 5,448</u>	<u>\$ (6,802)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SAFETY TOWN FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Contributions and donations.	\$ 8,865	\$ 8,865	\$ 6,530	\$ (2,335)
Total revenues.	<u>8,865</u>	<u>8,865</u>	<u>6,530</u>	<u>(2,335)</u>
Expenditures:				
Current:				
Security of persons and property				
Other.	7,000	7,000	6,005	995
Total expenditures	<u>7,000</u>	<u>7,000</u>	<u>6,005</u>	<u>995</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>1,865</u>	<u>1,865</u>	<u>525</u>	<u>(1,340)</u>
Other financing sources:				
Transfers in.	1,300	1,300	-	(1,300)
Total other financing sources.	<u>1,300</u>	<u>1,300</u>	<u>-</u>	<u>(1,300)</u>
Net change in fund balance.	3,165	3,165	525	(2,640)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,165</u>	<u>\$ 3,165</u>	<u>\$ 525</u>	<u>\$ (2,640)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
D.A.R.E PROGRAM FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 72,300	\$ 72,300	\$ 52,511	\$ (19,789)
Total revenues.	<u>72,300</u>	<u>72,300</u>	<u>52,511</u>	<u>(19,789)</u>
Expenditures:				
Current:				
Security of persons and property				
Personal services.	35,855	35,855	35,855	-
Other.	<u>10,495</u>	<u>10,495</u>	<u>6,683</u>	<u>3,812</u>
Total expenditures	<u>46,350</u>	<u>46,350</u>	<u>42,538</u>	<u>3,812</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>25,950</u>	<u>25,950</u>	<u>9,973</u>	<u>(15,977)</u>
Other financing sources:				
Transfers in.	<u>7,000</u>	<u>7,000</u>	<u>6,000</u>	<u>(1,000)</u>
Total other financing sources.	<u>7,000</u>	<u>7,000</u>	<u>6,000</u>	<u>(1,000)</u>
Net change in fund balance.	32,950	32,950	15,973	(16,977)
Fund balance at beginning of year	219	219	219	-
Prior year encumbrances appropriated . . .	<u>3,325</u>	<u>3,325</u>	<u>3,325</u>	<u>-</u>
Fund balance at end of year	<u>\$ 36,494</u>	<u>\$ 36,494</u>	<u>\$ 19,517</u>	<u>\$ (16,977)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
YOUTH DIVISION DONATIONS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010*

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

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE DEPARTMENT EMERGENCY EQUIPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Contributions and donations.	\$ 10,000	\$ 10,000	\$ 1,258	\$ (8,742)
Total revenues.	<u>10,000</u>	<u>10,000</u>	<u>1,258</u>	<u>(8,742)</u>
Expenditures:				
Current:				
Security of persons and property				
Other	10,100	10,100	900	9,200
Total expenditures	<u>10,100</u>	<u>10,100</u>	<u>900</u>	<u>9,200</u>
Net change in fund balance.	(100)	(100)	358	458
Fund balance at beginning of year	1,922	1,922	1,922	-
Prior year encumbrances appropriated . . .	<u>100</u>	<u>100</u>	<u>100</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,922</u>	<u>\$ 1,922</u>	<u>\$ 2,380</u>	<u>\$ 458</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARKS YOUTH FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010*

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

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE DEPARTMENT EMERGENCY EQUIPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Contributions and donations.	\$ 10,000	\$ 10,000	\$ 1,247	\$ (8,753)
Total revenues.	<u>10,000</u>	<u>10,000</u>	<u>1,247</u>	<u>(8,753)</u>
Expenditures:				
Current:				
Security of persons and property				
Other	10,000	10,000	200	9,800
Total expenditures.	<u>10,000</u>	<u>10,000</u>	<u>200</u>	<u>9,800</u>
Net change in fund balance.	-	-	1,047	1,047
Fund balance at beginning of year	<u>1,545</u>	<u>1,545</u>	<u>1,545</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,545</u>	<u>\$ 1,545</u>	<u>\$ 2,592</u>	<u>\$ 1,047</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
YOUTH DIVISION TEEN CENTER FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 24,650	\$ 4,650	\$ 1,242	\$ (3,408)
Other	5,350	5,350	-	(5,350)
Total revenues.	<u>30,000</u>	<u>10,000</u>	<u>1,242</u>	<u>(8,758)</u>
Expenditures:				
Current:				
Leisure time activities				
Other	6,001	6,001	2,395	3,606
Total expenditures	<u>6,001</u>	<u>6,001</u>	<u>2,395</u>	<u>3,606</u>
Net change in fund balance.	23,999	3,999	(1,153)	(5,152)
Fund balance at beginning of year	1,231	1,231	1,231	-
Prior year encumbrances appropriated . . .	<u>50</u>	<u>50</u>	<u>50</u>	<u>-</u>
Fund balance at end of year	<u>\$ 25,280</u>	<u>\$ 5,280</u>	<u>\$ 128</u>	<u>\$ (5,152)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARKS LODGE IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 30,000	\$ 30,000	\$ 13,710	\$ (16,290)
Other	2,009,645	2,009,645	-	(2,009,645)
Total revenues.	<u>2,039,645</u>	<u>2,039,645</u>	<u>13,710</u>	<u>(2,025,935)</u>
Expenditures:				
Current:				
Leisure time activities				
Other	1,070,000	1,070,000	6,049	1,063,951
Capital outlay				
Other	<u>1,000,000</u>	<u>1,000,000</u>	-	<u>1,000,000</u>
Total expenditures	<u>2,070,000</u>	<u>2,070,000</u>	<u>6,049</u>	<u>2,063,951</u>
Net change in fund balance.	(30,355)	(30,355)	7,661	38,016
Fund balance at beginning of year	<u>36,009</u>	<u>36,009</u>	<u>36,009</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,654</u>	<u>\$ 5,654</u>	<u>\$ 43,670</u>	<u>\$ 38,016</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY RELATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 2,500	\$ 2,500	\$ -	\$ (2,500)
Total revenues.	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>(2,500)</u>
Expenditures:				
Current:				
Community development				
Other	9,750	9,750	2,347	7,403
Total expenditures.	<u>9,750</u>	<u>9,750</u>	<u>2,347</u>	<u>7,403</u>
Net change in fund balance.	(7,250)	(7,250)	(2,347)	4,903
Fund balance at beginning of year	5,775	5,775	5,775	-
Prior year encumbrances appropriated . . .	<u>1,750</u>	<u>1,750</u>	<u>1,750</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 275</u>	<u>\$ 275</u>	<u>\$ 5,178</u>	<u>\$ 4,903</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SS BALLFIELD COMPLEX FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 15,000	\$ 15,000	\$ 5,024	\$ (9,976)
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>5,024</u>	<u>(9,976)</u>
Expenditures:				
Current:				
Leisure time activities				
Other	16,150	16,150	10,689	5,461
Capital outlay				
Other	<u>15,000</u>	<u>15,000</u>	<u>1,200</u>	<u>13,800</u>
Total expenditures	<u>31,150</u>	<u>31,150</u>	<u>11,889</u>	<u>19,261</u>
Net change in fund balance	(16,150)	(16,150)	(6,865)	9,285
Fund balance at beginning of year	<u>17,329</u>	<u>17,329</u>	<u>17,329</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,179</u>	<u>\$ 1,179</u>	<u>\$ 10,464</u>	<u>\$ 9,285</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARK AND RECREATION SCHOLARSHIP FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fund balance at beginning of year	\$ 1,858	\$ 1,858	\$ 1,858	\$ -
Fund balance at end of year.	<u>\$ 1,858</u>	<u>\$ 1,858</u>	<u>\$ 1,858</u>	<u>\$ -</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY DEVELOPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 83,000	\$ 83,000	\$ -	\$ (83,000)
Total revenues.	<u>83,000</u>	<u>83,000</u>	<u>-</u>	<u>(83,000)</u>
Expenditures:				
Capital outlay				
Other	45,000	45,000	-	45,000
Total expenditures	<u>45,000</u>	<u>45,000</u>	<u>-</u>	<u>45,000</u>
Net change in fund balance.	38,000	38,000	-	(38,000)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 38,000</u>	<u>\$ 38,000</u>	<u>\$ -</u>	<u>\$ (38,000)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEMA FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 20,600	\$ 20,600	\$ -	\$ (20,600)
Total revenues.	<u>20,600</u>	<u>20,600</u>	<u>-</u>	<u>(20,600)</u>
Expenditures:				
Capital outlay				
Other	10,000	10,000	-	10,000
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net change in fund balance.	10,600	10,600	-	(10,600)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 10,600</u>	<u>\$ 10,600</u>	<u>\$ -</u>	<u>\$ (10,600)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BUSINESS ASSISTANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Contributions and donations.	\$ -	\$ -	\$ 225	\$ 225
Total revenues.	-	-	225	225
Net change in fund balance.	-	-	225	225
Fund balance at beginning of year	<u>69</u>	<u>69</u>	<u>69</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 69</u>	<u>\$ 69</u>	<u>\$ 294</u>	<u>\$ 225</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY LODGING TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other local taxes	\$ 175,000	\$ 175,000	\$ 185,230	\$ 10,230
Total revenues.	<u>175,000</u>	<u>175,000</u>	<u>185,230</u>	<u>10,230</u>
Expenditures:				
Current:				
General government				
Personal services	205,759	205,759	174,207	31,552
Other	50,000	50,000	50,000	-
Capital outlay				
Other	288,482	288,482	-	288,482
Total expenditures	<u>544,241</u>	<u>544,241</u>	<u>224,207</u>	<u>320,034</u>
Net change in fund balance.	(369,241)	(369,241)	(38,977)	330,264
Fund balance at beginning of year	<u>374,242</u>	<u>374,242</u>	<u>374,242</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 5,001</u>	<u>\$ 5,001</u>	<u>\$ 335,265</u>	<u>\$ 330,264</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RESIDENTIAL SNOW REMOVAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Security of persons and property				
Other	\$ 20,472	\$ 20,472	\$ 17,071	\$ 3,401
Total expenditures	<u>20,472</u>	<u>20,472</u>	<u>17,071</u>	<u>3,401</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,472)</u>	<u>(20,472)</u>	<u>(17,071)</u>	<u>3,401</u>
Other financing sources:				
Transfers in	<u>16,650</u>	<u>16,650</u>	<u>10,000</u>	<u>(6,650)</u>
Total other financing sources.	<u>16,650</u>	<u>16,650</u>	<u>10,000</u>	<u>(6,650)</u>
Net change in fund balance.	(3,822)	(3,822)	(7,071)	(3,249)
Fund balance at beginning of year	<u>10,472</u>	<u>10,472</u>	<u>10,472</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 6,650</u>	<u>\$ 6,650</u>	<u>\$ 3,401</u>	<u>\$ (3,249)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENHANCED 911 WIRELESS FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 248,000	\$ 248,000	\$ 112,856	\$ (135,144)
Total revenues.	<u>248,000</u>	<u>248,000</u>	<u>112,856</u>	<u>(135,144)</u>
Expenditures:				
Current:				
Security of persons and property				
Other	178,000	178,000	32,071	145,929
Capital outlay				
Other	<u>211,360</u>	<u>211,360</u>	<u>203,522</u>	<u>7,838</u>
Total expenditures	<u>389,360</u>	<u>389,360</u>	<u>235,593</u>	<u>153,767</u>
Net change in fund balance.	(141,360)	(141,360)	(122,737)	18,623
Fund balance at beginning of year	917	917	917	-
Prior year encumbrances appropriated . .	<u>141,360</u>	<u>141,360</u>	<u>141,360</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 917</u>	<u>\$ 917</u>	<u>\$ 19,540</u>	<u>\$ 18,623</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ADOPT A TREE/TREE CITY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fund balance at beginning of year	\$ 3,262	\$ 3,262	\$ 3,262	\$ -
Fund balance at end of year.	<u>\$ 3,262</u>	<u>\$ 3,262</u>	<u>\$ 3,262</u>	<u>\$ -</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE OFFICER TRAINING FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 5,000	\$ 5,000	\$ 1,680	\$ (3,320)
Total revenues.	<u>5,000</u>	<u>5,000</u>	<u>1,680</u>	<u>(3,320)</u>
Expenditures:				
Current:				
Security of persons and property				
Other	10,000	10,000	4,580	5,420
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>4,580</u>	<u>5,420</u>
Net change in fund balance.	(5,000)	(5,000)	(2,900)	2,100
Fund balance at beginning of year	<u>6,446</u>	<u>6,446</u>	<u>6,446</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1,446</u>	<u>\$ 1,446</u>	<u>\$ 3,546</u>	<u>\$ 2,100</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COURT SPECIAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Fines and forfeitures	\$ 600,000	\$ 600,000	\$ 614,152	\$ 14,152
Investment income	6,000	6,000	7,150	1,150
Total revenues.	<u>606,000</u>	<u>606,000</u>	<u>621,302</u>	<u>15,302</u>
Expenditures:				
Current:				
General government				
Other	571,050	571,050	100,955	470,095
Capital outlay				
Other.	14,554	14,554	14,554	-
Total expenditures	<u>585,604</u>	<u>585,604</u>	<u>115,509</u>	<u>470,095</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>20,396</u>	<u>20,396</u>	<u>505,793</u>	<u>485,397</u>
Other financing sources (uses):				
Transfers in	94,000	94,000	114,912	20,912
Transfers out.	(1,000,000)	(1,000,000)	(960,000)	40,000
Total other financing sources (uses)	<u>(906,000)</u>	<u>(906,000)</u>	<u>(845,088)</u>	<u>60,912</u>
Net change in fund balance.	(885,604)	(885,604)	(339,295)	546,309
Fund balance at beginning of year	<u>979,604</u>	<u>979,604</u>	<u>979,604</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 94,000</u>	<u>\$ 94,000</u>	<u>\$ 640,309</u>	<u>\$ 546,309</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PROBATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 163,500	\$ 163,500	\$ 143,700	\$ (19,800)
Total revenues.	<u>163,500</u>	<u>163,500</u>	<u>143,700</u>	<u>(19,800)</u>
Expenditures:				
Current:				
General government				
Other	70,725	95,725	64,561	31,164
Capital outlay				
Other.	<u>5,898</u>	<u>5,898</u>	<u>5,560</u>	<u>338</u>
Total expenditures	<u>76,623</u>	<u>101,623</u>	<u>70,121</u>	<u>31,502</u>
Excess (deficiency) of revenues over (under) expenditures	<u>86,877</u>	<u>61,877</u>	<u>73,579</u>	<u>11,702</u>
Other financing (uses):				
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(90,000)</u>	<u>10,000</u>
Total other financing (uses).	<u>(100,000)</u>	<u>(100,000)</u>	<u>(90,000)</u>	<u>10,000</u>
Net change in fund balance.	(13,123)	(38,123)	(16,421)	21,702
Fund balance at beginning of year	2,522	2,522	2,522	-
Prior year encumbrances appropriated . .	<u>36,101</u>	<u>36,101</u>	<u>36,101</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 25,500</u>	<u>\$ 500</u>	<u>\$ 22,202</u>	<u>\$ 21,702</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INDIGENT DRIVERS FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 77,000	\$ 77,000	\$ 56,159	\$ (20,841)
Intergovernmental	-	-	17,037	17,037
Total revenues.	<u>77,000</u>	<u>77,000</u>	<u>73,196</u>	<u>(3,804)</u>
Expenditures:				
Current:				
General government				
Other	615,398	615,398	-	615,398
Total expenditures	<u>615,398</u>	<u>615,398</u>	<u>-</u>	<u>615,398</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(538,398)</u>	<u>(538,398)</u>	<u>73,196</u>	<u>611,594</u>
Other financing (uses):				
Transfers out	(100,000)	(100,000)	(100,000)	-
Total other financing (uses).	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net change in fund balance.	(638,398)	(638,398)	(26,804)	611,594
Fund balance at beginning of year	<u>694,398</u>	<u>694,398</u>	<u>694,398</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 56,000</u>	<u>\$ 56,000</u>	<u>\$ 667,594</u>	<u>\$ 611,594</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COURT TECHNOLOGY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 75,000	\$ 75,000	\$ 52,672	\$ (22,328)
Total revenues.	<u>75,000</u>	<u>75,000</u>	<u>52,672</u>	<u>(22,328)</u>
Expenditures:				
Current:				
General government				
Other	107,857	107,857	79,998	27,859
Capital outlay				
Other.	<u>2,194</u>	<u>2,194</u>	<u>2,194</u>	<u>-</u>
Total expenditures	<u>110,051</u>	<u>110,051</u>	<u>82,192</u>	<u>27,859</u>
Net change in fund balance.	(35,051)	(35,051)	(29,520)	5,531
Fund balance at beginning of year	61,728	61,728	61,728	-
Prior year encumbrances appropriated . .	<u>323</u>	<u>323</u>	<u>323</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 27,000</u>	<u>\$ 27,000</u>	<u>\$ 32,531</u>	<u>\$ 5,531</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COURT CLERK TECHNOLOGY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 75,000	\$ 75,000	\$ 52,684	\$ (22,316)
Intergovernmental	-	-	-	-
Investment income	-	-	-	-
Total revenues.	<u>75,000</u>	<u>75,000</u>	<u>52,684</u>	<u>(22,316)</u>
Expenditures:				
Current:				
General government				
Other	51,144	51,144	42,191	8,953
Capital outlay				
Other	5,090	5,090	5,090	-
Total expenditures.	<u>56,234</u>	<u>56,234</u>	<u>47,281</u>	<u>8,953</u>
Net change in fund balance.	18,766	18,766	5,403	(13,363)
Fund balance at beginning of year	6,694	6,694	6,694	-
Prior year encumbrances appropriated	<u>1,540</u>	<u>1,540</u>	<u>1,540</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 27,000</u>	<u>\$ 27,000</u>	<u>\$ 13,637</u>	<u>\$ (13,363)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
IDA MONITORING FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 40,000	\$ 40,000	\$ 51,713	\$ 11,713
Total revenues.	<u>40,000</u>	<u>40,000</u>	<u>51,713</u>	<u>11,713</u>
Expenditures:				
Capital outlay				
Other	15,000	15,000	15,000	-
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,000</u>	<u>25,000</u>	<u>36,713</u>	<u>11,713</u>
Other financing sources (uses):				
Transfers in	-	100,000	100,000	-
Transfers out	(43,947)	(133,947)	(114,912)	19,035
Total other financing sources (uses)	<u>(43,947)</u>	<u>(33,947)</u>	<u>(14,912)</u>	<u>19,035</u>
Net change in fund balance.	(18,947)	(8,947)	21,801	30,748
Fund balance at beginning of year	<u>23,947</u>	<u>23,947</u>	<u>23,947</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 5,000</u>	<u>\$ 15,000</u>	<u>\$ 45,748</u>	<u>\$ 30,748</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL OBLIGATION BOND RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Income taxes.	\$ 1,196,199	\$ 1,196,199	\$ 942,627	\$ (253,572)
Total revenues.	<u>1,196,199</u>	<u>1,196,199</u>	<u>942,627</u>	<u>(253,572)</u>
Expenditures:				
Debt service:				
Principal retirement.	553,327	553,327	553,327	-
Interest and fiscal charges.	<u>389,878</u>	<u>389,878</u>	<u>389,300</u>	<u>578</u>
Total expenditures	<u>943,205</u>	<u>943,205</u>	<u>942,627</u>	<u>578</u>
Net change in fund balance.	252,994	252,994	-	(252,994)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 252,994</u>	<u>\$ 252,994</u>	<u>\$ -</u>	<u>\$ (252,994)</u>

CITY OF STOW, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - PROPRIETARY FUNDS*

ENTERPRISE FUNDS

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

Major Enterprise Funds

Water Fund

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

Golf Fund

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

Storm Water Utility Fund

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

INTERNAL SERVICE FUNDS

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

Nonmajor Internal Service Funds

Administrative Insurance Fund

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

Self-Insurance Fund

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

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 6,146,000	\$ 5,146,000	\$ 4,907,230	\$ (238,770)
Tap-in fees	10,000	10,000	12,495	2,495
Other	11,000	11,000	1,841	(9,159)
Total revenues	<u>6,167,000</u>	<u>5,167,000</u>	<u>4,921,566</u>	<u>(245,434)</u>
Operating expenses:				
Personal services	1,069,620	1,069,620	1,069,617	3
Materials and supplies	208,123	208,123	182,675	25,448
Contractual services	2,836,052	2,836,052	2,799,456	36,596
Capital outlay	4,371,024	4,371,024	1,212,453	3,158,571
Total expenses	<u>8,484,819</u>	<u>8,484,819</u>	<u>5,264,201</u>	<u>3,220,618</u>
Operating income (loss)	<u>(2,317,819)</u>	<u>(3,317,819)</u>	<u>(342,635)</u>	<u>2,975,184</u>
Nonoperating revenues (expenses):				
Intergovernmental	220,000	220,000	-	(220,000)
Special assessments	475,000	475,000	8,747	(466,253)
Notes issued	880,000	880,000	800,000	(80,000)
Premium on notes issued	-	-	11,064	11,064
Transfers in	1,000,000	1,000,000	-	(1,000,000)
Debt service:				
Principal retirement	(1,216,406)	(1,216,406)	(1,031,049)	185,357
Interest and fiscal charges	(51,660)	(51,660)	(36,591)	15,069
Note issuance costs	(1,500)	(1,500)	(752)	748
Total nonoperating revenues (expenses)	<u>1,305,434</u>	<u>1,305,434</u>	<u>(248,581)</u>	<u>(1,554,015)</u>
Net change in fund equity	(1,012,385)	(2,012,385)	(591,216)	1,421,169
Fund equity at beginning of year	2,832,345	2,832,345	2,832,345	-
Prior year encumbrances appropriated	<u>1,182,041</u>	<u>1,182,041</u>	<u>1,182,041</u>	<u>-</u>
Fund equity at end of year	<u>\$ 3,002,001</u>	<u>\$ 2,002,001</u>	<u>\$ 3,423,170</u>	<u>\$ 1,421,169</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GOLF FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 900,000	\$ 900,000	\$ 750,361	\$ (149,639)
Other.	178,000	178,000	123,008	(54,992)
Total revenues.	<u>1,078,000</u>	<u>1,078,000</u>	<u>873,369</u>	<u>(204,631)</u>
Operating expenses:				
Personal services.	471,998	471,998	471,324	674
Materials and supplies	383,454	383,454	348,359	35,095
Contractual services	83,376	83,376	72,325	11,051
Capital outlay	37,192	37,192	27,903	9,289
Total expenses	<u>976,020</u>	<u>976,020</u>	<u>919,911</u>	<u>56,109</u>
Operating income (loss)	<u>101,980</u>	<u>101,980</u>	<u>(46,542)</u>	<u>(148,522)</u>
Nonoperating revenues (expenses):				
Income taxes.	919,500	919,500	361,828	(557,672)
Debt service:				
Principal retirement	(145,000)	(145,000)	(145,000)	-
Interest and fiscal charges.	(227,211)	(227,211)	(227,211)	-
Total nonoperating revenues (expenses)	<u>547,289</u>	<u>547,289</u>	<u>(10,383)</u>	<u>(557,672)</u>
Net change in fund equity	649,269	649,269	(56,925)	(706,194)
Fund equity at beginning of year.	15,113	15,113	15,113	-
Prior year encumbrances appropriated	<u>48,424</u>	<u>48,424</u>	<u>48,424</u>	<u>-</u>
Fund equity at end of year	<u>\$ 712,806</u>	<u>\$ 712,806</u>	<u>\$ 6,612</u>	<u>\$ (706,194)</u>

CITY OF STOW, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STORM WATER UTILITY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 1,348,000	\$ 1,348,000	\$ 797,935	\$ (550,065)
Other.	1,000	1,000	2,542	1,542
Total revenues.	<u>1,349,000</u>	<u>1,349,000</u>	<u>800,477</u>	<u>(548,523)</u>
Operating expenses:				
Personal services.	358,603	358,603	356,028	2,575
Materials and supplies	142,580	142,580	127,369	15,211
Contractual services	101,450	101,450	89,186	12,264
Capital outlay	533,416	533,416	-	533,416
Total expenses	<u>1,136,049</u>	<u>1,136,049</u>	<u>572,583</u>	<u>563,466</u>
Operating income (loss)	<u>212,951</u>	<u>212,951</u>	<u>227,894</u>	<u>14,943</u>
Nonoperating revenues (expenses):				
Special assessments	20,000	20,000	20,171	171
Debt service:				
Principal retirement	(36,250)	(36,250)	(41,887)	(5,637)
Interest and fiscal charges.	(57,196)	(57,196)	(15,308)	41,888
Total nonoperating revenues (expenses)	<u>(73,446)</u>	<u>(73,446)</u>	<u>(37,024)</u>	<u>36,422</u>
Net change in fund equity	139,505	139,505	190,870	51,365
Fund equity at beginning of year.	371,764	371,764	371,764	-
Prior year encumbrances appropriated	<u>47,732</u>	<u>47,732</u>	<u>47,732</u>	<u>-</u>
Fund equity at end of year	<u>\$ 559,001</u>	<u>\$ 559,001</u>	<u>\$ 610,366</u>	<u>\$ 51,365</u>

CITY OF STOW, OHIO

*COMBINING STATEMENT OF NET ASSETS
NONMAJOR INTERNAL SERVICE FUNDS
DECEMBER 31, 2010*

	<u>Administrative Insurance</u>	<u>Self-Insurance</u>	<u>Total Nonmajor Internal Service Funds</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents . . .	\$ 1,180	\$ 1,531,862	\$ 1,533,042
Receivables (net of allowance for uncollectibles):			
Accounts	-	1,886	1,886
Total assets	<u>1,180</u>	<u>1,533,748</u>	<u>1,534,928</u>
Liabilities:			
Current liabilities:			
Claims payable.	-	309,227	309,227
Total liabilities	<u>-</u>	<u>309,227</u>	<u>309,227</u>
Net assets:			
Unrestricted	1,180	1,224,521	1,225,701
Total net assets	<u>\$ 1,180</u>	<u>\$ 1,224,521</u>	<u>\$ 1,225,701</u>

CITY OF STOW, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
NONMAJOR INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010*

	Administrative Insurance	Self-Insurance	Total Nonmajor Internal Service Funds
Operating revenues:			
Charges for services	\$ 179,420	\$ 3,044,707	\$ 3,224,127
Other	-	9,248	9,248
Total operating revenues	<u>179,420</u>	<u>3,053,955</u>	<u>3,233,375</u>
Operating expenses:			
Contract services	180,042	-	180,042
Claims	-	2,243,691	2,243,691
Total operating expenses	<u>180,042</u>	<u>2,243,691</u>	<u>2,423,733</u>
Operating income (loss)/changes in net assets . .	(622)	810,264	809,642
Net assets at beginning of year	<u>1,802</u>	<u>414,257</u>	<u>416,059</u>
Net assets at end of year	<u>\$ 1,180</u>	<u>\$ 1,224,521</u>	<u>\$ 1,225,701</u>

CITY OF STOW, OHIO

*COMBINING STATEMENT OF CASH FLOWS
NONMAJOR INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010*

	Administrative Insurance	Self-Insurance	Total Nonmajor Internal Service Funds
Cash flows from operating activities:			
Cash received from customers	\$ 179,420	\$ 3,044,707	\$ 3,224,127
Cash received from other operations	-	101,912	101,912
Cash payments for contract services	(180,042)	-	(180,042)
Cash payments for claims.	-	(2,641,664)	(2,641,664)
Net cash provided by (used in) operating activities	<u>(622)</u>	<u>504,955</u>	<u>504,333</u>
Net increase (decrease) in cash and cash equivalents.	(622)	504,955	504,333
Cash and cash equivalents at beginning of year	<u>1,802</u>	<u>1,026,907</u>	<u>1,028,709</u>
Cash and cash equivalents at end of year	<u><u>\$ 1,180</u></u>	<u><u>\$ 1,531,862</u></u>	<u><u>\$ 1,533,042</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss).	\$ (622)	\$ 810,264	\$ 809,642
Changes in assets and liabilities:			
Decrease in accounts receivable	-	92,664	92,664
Decrease in claims payable	-	(397,973)	(397,973)
Net cash provided by (used in) operating activities	<u><u>\$ (622)</u></u>	<u><u>\$ 504,955</u></u>	<u><u>\$ 504,333</u></u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ADMINISTRATIVE INSURANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 478,790	\$ 178,790	\$ 179,420	\$ 630
Total revenues	<u>478,790</u>	<u>178,790</u>	<u>179,420</u>	<u>630</u>
Operating expenses:				
Contractual services	<u>190,592</u>	<u>190,592</u>	<u>180,042</u>	<u>10,550</u>
Total expenses	<u>190,592</u>	<u>190,592</u>	<u>180,042</u>	<u>10,550</u>
Operating income (loss)	<u>288,198</u>	<u>(11,802)</u>	<u>(622)</u>	<u>11,180</u>
Nonoperating revenues:				
Transfers in	<u>87,710</u>	<u>87,710</u>	<u>-</u>	<u>(87,710)</u>
Total nonoperating revenues.	<u>87,710</u>	<u>87,710</u>	<u>-</u>	<u>(87,710)</u>
Operating income (loss)/net change in fund equity	375,908	75,908	(622)	(76,530)
Fund equity at beginning of year.	<u>1,802</u>	<u>1,802</u>	<u>1,802</u>	<u>-</u>
Fund equity at end of year	<u>\$ 377,710</u>	<u>\$ 77,710</u>	<u>\$ 1,180</u>	<u>\$ (76,530)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SELF-INSURANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 3,070,352	\$ 3,070,352	\$ 3,044,707	\$ (25,645)
Other	162,148	162,148	101,912	(60,236)
Total revenues	<u>3,232,500</u>	<u>3,232,500</u>	<u>3,146,619</u>	<u>(85,881)</u>
Operating expenses:				
Claims	<u>4,221,258</u>	<u>4,221,258</u>	<u>2,641,664</u>	<u>1,579,594</u>
Total expenses	<u>4,221,258</u>	<u>4,221,258</u>	<u>2,641,664</u>	<u>1,579,594</u>
Operating income (loss)/net change in fund equity	(988,758)	(988,758)	504,955	1,493,713
Fund equity at beginning of year	1,021,907	1,021,907	1,021,907	-
Prior year encumbrances appropriated . . .	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Fund equity at end of year	<u>\$ 38,149</u>	<u>\$ 38,149</u>	<u>\$ 1,531,862</u>	<u>\$ 1,493,713</u>

CITY OF STOW, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - FIDUCIARY FUNDS*

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

Private Purpose Trust Funds

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

Stutler Scholarship Fund

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

Wells Perkins Cemetery Fund

To account for funds bequeathed to the City for the perpetual care of the urn on the Wells-Perkins cemetery plot.

Stow Seniors Commision Fund

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

Agency Fund

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

Road Construction Bonds Fund

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

Allotment Deposits Fund

To account for deposits from subdivision developers for engineering oversight.

Miscellaneous Service Deposits Fund

To account for various service department non-recurring deposits.

Bond Forfeitures Fund

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

Park and Recreation Deposits Fund

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

Municipal Court Fund

To account for fines and fees collected by the Stow Municipal Court, which are required to be disbursed to various parties.

Other Agency Funds

Payroll Advance Rotary	Ohio BBS 3% Surcharge
Deferred Compensation Rotary	Unclaimed Money
Well Performance Bond	Fire Bond Insurance
Police Forfeited Cash	Unclaimed Court Bonds
Police Drug Forfeiture Cash	Flexible Spending Plan

CITY OF STOW, OHIO

*COMBINING STATEMENT OF NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
DECEMBER 31, 2010*

	<u>Stutler Scholarship Fund</u>	<u>Wells Perkins Cemetery</u>	<u>Stow Seniors Commission</u>	<u>Total Private Purpose Trust</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 450	\$ 500	\$ 336	\$ 1,286
Total assets.	<u>450</u>	<u>500</u>	<u>336</u>	<u>1,286</u>
Net assets:				
Held in trust.	<u>450</u>	<u>500</u>	<u>336</u>	<u>1,286</u>
Total net assets.	<u><u>\$ 450</u></u>	<u><u>\$ 500</u></u>	<u><u>\$ 336</u></u>	<u><u>\$ 1,286</u></u>

CITY OF STOW, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCES
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Stutler Scholarship Fund</u>	<u>Wells Perkins Cemetery</u>	<u>Stow Seniors Commission</u>	<u>Totals</u>
Net assets at beginning of year.	\$ 500	\$ 450	\$ 336	\$ 1,286
Net assets at end of year	<u>\$ 500</u>	<u>\$ 450</u>	<u>\$ 336</u>	<u>\$ 1,286</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STUTLER SCHOLARSHIP FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

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

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WELLS PERKINS CEMETERY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

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

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STOW SENIORS COMMISSION FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fund equity at beginning of year	<u>\$ 336</u>	<u>\$ 336</u>	<u>\$ 336</u>	<u>\$ -</u>
Fund equity at end of year.	<u><u>\$ 336</u></u>	<u><u>\$ 336</u></u>	<u><u>\$ 336</u></u>	<u><u>\$ -</u></u>

CITY OF STOW, OHIO

*STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010*

	Beginning Balance 12/31/2009	Additions	Reductions	Ending Balance 12/31/2010
Road Construction Bonds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 321,967	\$ 4,500	\$ 9,708	\$ 316,759
Total assets	<u>\$ 321,967</u>	<u>\$ 4,500</u>	<u>\$ 9,708</u>	<u>\$ 316,759</u>
Liabilities:				
Undistributed monies	\$ 321,967	\$ 4,500	\$ 9,708	\$ 316,759
Total liabilities	<u>\$ 321,967</u>	<u>\$ 4,500</u>	<u>\$ 9,708</u>	<u>\$ 316,759</u>
Allotment Deposits				
Assets:				
Equity in pooled cash and cash equivalents	\$ 66,512	\$ -	\$ 2,000	\$ 64,512
Total assets	<u>\$ 66,512</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 64,512</u>
Liabilities:				
Undistributed monies	\$ 66,512	\$ -	\$ 2,000	\$ 64,512
Total liabilities	<u>\$ 66,512</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 64,512</u>
Miscellaneous Service Deposits				
Assets:				
Equity in pooled cash and cash equivalents	\$ 9,298	\$ 1,830	\$ -	\$ 11,128
Total assets	<u>\$ 9,298</u>	<u>\$ 1,830</u>	<u>\$ -</u>	<u>\$ 11,128</u>
Liabilities:				
Undistributed monies	\$ 9,298	\$ 1,830	\$ -	\$ 11,128
Total liabilities	<u>\$ 9,298</u>	<u>\$ 1,830</u>	<u>\$ -</u>	<u>\$ 11,128</u>
Bond Forfeitures				
Assets:				
Equity in pooled cash and cash equivalents	\$ 20,557	\$ -	\$ -	\$ 20,557
Total assets	<u>\$ 20,557</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,557</u>
Liabilities:				
Deposits held and due to others	\$ 20,557	\$ -	\$ -	\$ 20,557
Total liabilities	<u>\$ 20,557</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,557</u>

-- Continued

CITY OF STOW, OHIO

*STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2010*

	Beginning Balance 12/31/2009	Additions	Reductions	Ending Balance 12/31/2010
Park and Recreation Deposits				
Assets:				
Equity in pooled cash and cash equivalents	\$ 39,587	\$ 276,166	\$ 248,772	\$ 66,981
Receivables:				
Accounts	372	66	372	66
Total assets	<u>\$ 39,959</u>	<u>\$ 276,232</u>	<u>\$ 249,144</u>	<u>\$ 67,047</u>
Liabilities:				
Undistributed monies	\$ 39,959	\$ 276,232	\$ 249,144	\$ 67,047
Total liabilities	<u>\$ 39,959</u>	<u>\$ 276,232</u>	<u>\$ 249,144</u>	<u>\$ 67,047</u>
 Municipal Court Fund				
Assets:				
Cash in segregated accounts	\$ 510,030	\$ 8,031,430	\$ 8,051,383	\$ 490,077
Total assets	<u>\$ 510,030</u>	<u>\$ 8,031,430</u>	<u>\$ 8,051,383</u>	<u>\$ 490,077</u>
Liabilities:				
Intergovernmental payable.	\$ 220,513	\$ 229,715	\$ 220,513	\$ 229,715
Undistributed monies	289,517	7,801,715	7,830,870	260,362
Total liabilities	<u>\$ 510,030</u>	<u>\$ 8,031,430</u>	<u>\$ 8,051,383</u>	<u>\$ 490,077</u>
 Deferred Compensation Rotary				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 65	\$ 65	\$ -
Total assets	<u>\$ -</u>	<u>\$ 65</u>	<u>\$ 65</u>	<u>\$ -</u>
Liabilities:				
Undistributed monies	\$ -	\$ 65	\$ 65	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 65</u>	<u>\$ 65</u>	<u>\$ -</u>
 Well Performance Bond				
Assets:				
Equity in pooled cash and cash equivalents	\$ 40,000	\$ -	\$ -	\$ 40,000
Total assets	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,000</u>
Liabilities:				
Undistributed monies	\$ 40,000	\$ -	\$ -	\$ 40,000
Total liabilities	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,000</u>

- - Continued

CITY OF STOW, OHIO

*STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2010*

	Beginning Balance 12/31/2009	Additions	Reductions	Ending Balance 12/31/2010
Police Forfeited Cash				
Assets:				
Equity in pooled cash and cash equivalents	\$ 929	\$ -	\$ -	\$ 929
Total assets	<u>\$ 929</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 929</u>
Liabilities:				
Undistributed monies	\$ 929	\$ -	\$ -	\$ 929
Total liabilities	<u>\$ 929</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 929</u>
Police Drug Forfeiture Cash				
Assets:				
Equity in pooled cash and cash equivalents	\$ 21,908	\$ 4,227	\$ 14,811	\$ 11,324
Receivables:				
Intergovernmental	150	524	150	524
Total assets	<u>\$ 22,058</u>	<u>\$ 4,751</u>	<u>\$ 14,961</u>	<u>\$ 11,848</u>
Liabilities:				
Accounts payable.	\$ -	\$ 285	\$ -	\$ 285
Undistributed monies	22,058	4,466	14,961	11,563
Total liabilities	<u>\$ 22,058</u>	<u>\$ 4,751</u>	<u>\$ 14,961</u>	<u>\$ 11,848</u>
Ohio BBS 3% Surcharge				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 2,474	\$ 2,429	\$ 45
Receivables:				
Intergovernmental	6	17	6	17
Total assets	<u>\$ 6</u>	<u>\$ 2,491</u>	<u>\$ 2,435</u>	<u>\$ 62</u>
Liabilities:				
Undistributed monies	\$ 6	\$ 2,491	\$ 2,435	\$ 62
Total liabilities	<u>\$ 6</u>	<u>\$ 2,491</u>	<u>\$ 2,435</u>	<u>\$ 62</u>
Unclaimed Money				
Assets:				
Equity in pooled cash and cash equivalents	\$ 36,645	\$ 5,280	\$ 466	\$ 41,459
Total assets	<u>\$ 36,645</u>	<u>\$ 5,280</u>	<u>\$ 466</u>	<u>\$ 41,459</u>
Liabilities:				
Undistributed monies	\$ 36,645	\$ 5,280	\$ 466	\$ 41,459
Total liabilities	<u>\$ 36,645</u>	<u>\$ 5,280</u>	<u>\$ 466</u>	<u>\$ 41,459</u>

- - Continued

CITY OF STOW, OHIO

*STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2010*

	Beginning Balance 12/31/2009	Additions	Reductions	Ending Balance 12/31/2010
Fire Bond Insurance				
Assets:				
Equity in pooled cash and cash equivalents	\$ 8,315	\$ -	\$ 8,315	\$ -
Total assets	<u>\$ 8,315</u>	<u>\$ -</u>	<u>\$ 8,315</u>	<u>\$ -</u>
Liabilities:				
Undistributed monies	\$ 8,315	\$ -	\$ 8,315	\$ -
Total liabilities	<u>\$ 8,315</u>	<u>\$ -</u>	<u>\$ 8,315</u>	<u>\$ -</u>
Unclaimed Court Bonds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 6,536	\$ 5,628	\$ 212	\$ 11,952
Total assets	<u>\$ 6,536</u>	<u>\$ 5,628</u>	<u>\$ 212</u>	<u>\$ 11,952</u>
Liabilities:				
Undistributed monies	\$ 6,536	\$ 5,628	\$ 212	\$ 11,952
Total liabilities	<u>\$ 6,536</u>	<u>\$ 5,628</u>	<u>\$ 212</u>	<u>\$ 11,952</u>
Flexible Spending Plan				
Assets:				
Cash in segregated accounts	\$ -	\$ 15,880	\$ -	\$ 15,880
Total assets	<u>\$ -</u>	<u>\$ 15,880</u>	<u>\$ -</u>	<u>\$ 15,880</u>
Liabilities:				
Deposits held and due to others	\$ -	\$ 15,880	\$ -	\$ 15,880
Total liabilities	<u>\$ -</u>	<u>\$ 15,880</u>	<u>\$ -</u>	<u>\$ 15,880</u>
Total Agency				
Assets:				
Equity in pooled cash and cash equivalents	\$ 572,254	\$ 300,170	\$ 286,778	\$ 585,646
Cash in segregated accounts	510,030	8,047,310	8,051,383	505,957
Receivables:				
Accounts	372	66	372	66
Intergovernmental	156	541	156	541
Total assets	<u>\$ 1,082,812</u>	<u>\$ 8,348,087</u>	<u>\$ 8,338,689</u>	<u>\$ 1,092,210</u>
Liabilities:				
Accounts payable.	\$ -	\$ 285	\$ -	\$ 285
Intergovernmental payable.	220,513	229,715	220,513	229,715
Deposits held and due to others	20,557	15,880	-	36,437
Undistributed monies	841,742	8,102,207	8,118,176	825,773
Total liabilities	<u>\$ 1,082,812</u>	<u>\$ 8,348,087</u>	<u>\$ 8,338,689</u>	<u>\$ 1,092,210</u>

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STATISTICAL SECTION

CITY OF STOW, OHIO
STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	159
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the income tax and property tax.	171
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	178
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	185
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	189

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

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FINANCIAL TRENDS

CITY OF STOW, OHIO

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

	Fiscal Year			
	2010	(Restated) 2009	2008	2007
Governmental activities				
Invested in capital assets, net of related debt	\$ 41,222,186	\$ 38,242,890	\$ 34,733,562	\$ 32,776,346
Restricted	7,658,087	7,561,593	11,437,818	7,217,515
Unrestricted	3,516,064	2,481,660	2,893,903	3,145,164
Total governmental activities net assets	<u>\$ 52,396,337</u>	<u>\$ 48,286,143</u>	<u>\$ 49,065,283</u>	<u>\$ 43,139,025</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 26,282,921	\$ 24,875,802	\$ 23,018,961	\$ 21,095,746
Unrestricted	5,385,246	4,148,920	2,800,179	3,288,345
Total business-type activities net assets	<u>\$ 31,668,167</u>	<u>\$ 29,024,722</u>	<u>\$ 25,819,140</u>	<u>\$ 24,384,091</u>
Primary government				
Invested in capital assets, net of related debt	\$ 67,505,107	\$ 63,118,692	\$ 57,752,523	\$ 53,872,092
Restricted	7,658,087	7,561,593	11,437,818	7,217,515
Unrestricted	8,901,310	6,630,580	5,694,082	6,433,509
Total primary government net assets	<u>\$ 84,064,504</u>	<u>\$ 77,310,865</u>	<u>\$ 74,884,423</u>	<u>\$ 67,523,116</u>

Source: City of Stow, Financial Records

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

2006	2005	2004	2003
\$ 29,534,790	\$ 27,553,492	\$ 25,216,608	\$ 20,570,820
8,857,474	7,001,862	7,635,153	9,036,658
4,086,986	7,739,333	7,163,602	7,685,369
<u>\$ 42,479,250</u>	<u>\$ 42,294,687</u>	<u>\$ 40,015,363</u>	<u>\$ 37,292,847</u>
\$ 18,074,614	\$ 18,532,258	\$ 17,251,673	\$ 15,839,601
4,966,486	3,654,574	2,548,005	1,425,497
<u>\$ 23,041,100</u>	<u>\$ 22,186,832</u>	<u>\$ 19,799,678</u>	<u>\$ 17,265,098</u>
\$ 47,609,404	\$ 46,085,750	\$ 42,468,281	\$ 36,410,421
8,857,474	7,001,862	7,635,153	9,036,658
9,053,472	11,393,907	9,711,607	9,110,866
<u>\$ 65,520,350</u>	<u>\$ 64,481,519</u>	<u>\$ 59,815,041</u>	<u>\$ 54,557,945</u>

CITY OF STOW, OHIO

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

	Fiscal Year			
	2010	2009	2008	2007
Expenses				
Governmental activities:				
General government	\$ 8,737,033	\$ 10,154,101	\$ 6,147,957	\$ 6,578,566
Security of persons and property	14,199,929	14,418,225	13,327,278	14,252,725
Public health	445,503	421,832	425,367	434,833
Leisure time activities	1,867,648	2,286,945	2,044,492	2,208,765
Community and economic development	686,144	1,380,821	1,420,185	1,527,660
Transportation	5,165,638	4,429,498	3,574,568	5,164,464
Interest and fiscal charges	889,212	1,074,985	859,793	831,442
Depreciation - (Unallocated)	-	-	-	-
Total governmental activities expenses	<u>31,991,107</u>	<u>34,166,407</u>	<u>27,799,640</u>	<u>30,998,455</u>
Business-type activities:				
Water	2,913,323	3,555,964	4,073,731	4,404,703
Golf	1,130,238	1,194,315	1,328,960	1,304,665
Storm Water Utility	737,255	752,345	1,037,405	907,519
Total business-type activities expenses	<u>4,780,816</u>	<u>5,502,624</u>	<u>6,440,096</u>	<u>6,616,887</u>
Total primary government expenses	<u>\$ 36,771,923</u>	<u>\$ 39,669,031</u>	<u>\$ 34,239,736</u>	<u>\$ 37,615,342</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 4,156,491	\$ 3,778,715	\$ 1,175,185	\$ 857,393
Security of persons and property	643,889	551,960	602,385	708,292
Public health	58,851	47,841	42,465	47,869
Leisure time activities	295,434	294,675	363,040	295,613
Community and economic development	165,268	166,893	235,657	243,228
Transportation	66,156	81,544	43,775	20,248
Operating grants and contributions				
General government	100	44,497	1,002,209	170,986
Security of persons and property	240,066	159,580	412,760	61,514
Public health	52,084	41,912	34,590	34,394
Leisure time activities	53,580	74,462	149,192	3,550
Community and economic development	26,895	109,625	4,547	219,517
Transportation	2,107,461	1,645,161	1,949,031	1,818,004
Capital grants and contributions				
General Government	137,134	464,326	831,888	1,000,000
Security of persons and property	-	-	-	-
Leisure time activities	-	552	365,276	-
Transportation	4,557,230	3,922,217	2,150,731	406,531
Total governmental program revenues	<u>12,560,639</u>	<u>11,383,960</u>	<u>9,362,731</u>	<u>5,887,139</u>
Business-type activities:				
Charges for services:				
Water	4,934,014	4,824,385	4,937,932	5,167,026
Golf	750,361	890,927	888,706	961,526
Storm Water Utility	818,358	815,747	785,235	788,270
Operating grants and contributions				
Capital grants and contributions	216,000	-	734,860	414,871
Total business-type activities program revenues	<u>6,718,733</u>	<u>6,531,059</u>	<u>7,346,733</u>	<u>7,331,693</u>
Total primary government program revenue	<u>\$ 19,279,372</u>	<u>\$ 17,915,019</u>	<u>\$ 16,709,464</u>	<u>\$ 13,218,832</u>

	2006	2005	2004	2003
\$	6,918,887	\$ 6,090,778	\$ 5,432,973	\$ 4,868,501
	15,284,191	12,048,393	11,853,463	12,358,496
	478,870	440,074	492,311	472,916
	2,362,474	1,951,619	2,078,775	1,734,052
	1,723,424	1,545,734	1,529,252	1,242,741
	3,466,779	3,779,144	3,815,181	2,008,079
	594,333	694,127	350,575	889,842
	-	-	7,428	672,634
	<u>30,828,958</u>	<u>26,549,869</u>	<u>25,559,958</u>	<u>24,247,261</u>
	3,980,833	3,614,891	3,647,156	3,712,059
	1,361,329	-	-	-
	803,296	642,835	-	-
	<u>6,145,458</u>	<u>4,257,726</u>	<u>3,647,156</u>	<u>3,712,059</u>
\$	<u>36,974,416</u>	<u>30,807,595</u>	<u>29,207,114</u>	<u>27,959,320</u>
\$	878,026	\$ 809,517	\$ 393,667	\$ 367,955
	564,625	611,180	1,258,830	1,308,313
	50,759	56,361	29,730	27,104
	272,149	351,952	152,107	145,037
	252,718	250,583	237,401	94,760
	-	-	61,887	64,972
	-	-	18,831	51,518
	413,210	522,180	109,192	115,821
	5,000	-	10,922	21,795
	-	-	6,229	16,584
	-	-	23,026	124,114
	1,592,073	1,404,271	2,960	9,096
	-	-	-	-
	-	-	64,810	-
	-	-	-	-
	<u>550,997</u>	<u>1,444,831</u>	<u>431,525</u>	<u>903,400</u>
	<u>4,579,557</u>	<u>5,450,875</u>	<u>2,801,117</u>	<u>3,250,469</u>
	4,905,336	4,929,505	4,441,491	4,099,615
	936,183	-	-	-
	774,892	725,359	-	-
	177,876	106,378	-	-
	-	856,697	958,467	83,675
	<u>6,794,287</u>	<u>6,617,939</u>	<u>5,399,958</u>	<u>4,183,290</u>
\$	<u>11,373,844</u>	<u>12,068,814</u>	<u>8,201,075</u>	<u>7,433,759</u>

CITY OF STOW, OHIO

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

	Fiscal Year			
	2010	2009	2008	2007
Net (Expense)/Revenue				
Governmental activities	\$ (19,430,468)	\$ (22,782,447)	\$ (18,436,909)	\$ (25,111,316)
Business-type activities	1,937,917	1,028,435	906,637	714,806
Total primary government net expense	<u>\$ (17,492,551)</u>	<u>\$ (21,754,012)</u>	<u>\$ (17,530,272)</u>	<u>\$ (24,396,510)</u>
General Revenues, Special Items, and Transfers				
Governmental activities:				
Taxes				
Property taxes	\$ 7,533,686	\$ 7,414,664	\$ 7,052,140	\$ 7,639,945
Income taxes	11,573,713	11,415,940	12,504,118	12,642,876
Grants and entitlements not restricted to specific programs	3,933,904	3,881,534	3,942,230	3,890,054
Investment earnings	102,494	192,603	470,727	1,293,813
Other	612,143	660,823	321,544	414,403
Premium on debt issued	-	-	-	-
Special item - Municipal Court	-	1,778,978	-	-
Transfers	(215,278)	(346,219)	72,408	(110,000)
Total governmental activities	<u>23,540,662</u>	<u>24,998,323</u>	<u>24,363,167</u>	<u>25,771,091</u>
Business-type activities:				
Municipal income taxes	361,828	354,440	300,000	197,571
Investment earnings	-	-	-	-
Other	128,422	245,021	300,820	320,614
Premium on debt issued	-	-	-	-
Transfers	215,278	346,219	(72,408)	110,000
Total business-type activities	<u>705,528</u>	<u>945,680</u>	<u>528,412</u>	<u>628,185</u>
Total primary government	<u>\$ 24,246,190</u>	<u>\$ 25,944,003</u>	<u>\$ 24,891,579</u>	<u>\$ 26,399,276</u>
Change in Net Assets				
Governmental activities	\$ 4,110,194	\$ 2,215,876	\$ 5,926,258	\$ 659,775
Business-type activities	2,643,445	1,974,115	1,435,049	1,342,991
Total primary government	<u>\$ 6,753,639</u>	<u>\$ 4,189,991</u>	<u>\$ 7,361,307</u>	<u>\$ 2,002,766</u>

Source: City of Stow, Financial Records

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

2006	2005	2004	2003
\$ (26,249,401)	\$ (21,098,994)	\$ (22,758,841)	\$ (20,996,792)
648,829	2,360,213	1,752,802	471,231
<u>\$ (25,600,572)</u>	<u>\$ (18,738,781)</u>	<u>\$ (21,006,039)</u>	<u>\$ (20,525,561)</u>
\$ 7,871,452	\$ 7,459,294	\$ 6,844,640	\$ 6,797,865
11,579,104	11,209,387	11,422,047	11,167,214
3,814,628	3,354,221	4,655,070	4,092,246
894,418	471,060	219,668	290,877
2,274,362	884,356	416,504	519,809
-	-	146,083	78,919
-	-	-	34,474
-	-	753,480	88,196
<u>26,433,964</u>	<u>23,378,318</u>	<u>24,457,492</u>	<u>23,069,600</u>
-	-	-	-
-	-	4,963	9,133
205,439	26,941	100,622	63,272
-	-	20,470	11,398
-	-	(753,480)	(88,196)
<u>205,439</u>	<u>26,941</u>	<u>(627,425)</u>	<u>(4,393)</u>
<u>\$ 26,639,403</u>	<u>\$ 23,405,259</u>	<u>\$ 23,830,067</u>	<u>\$ 23,065,207</u>
\$ 184,563	\$ 2,279,324	\$ 1,698,651	\$ 2,072,808
854,268	2,387,154	1,125,377	466,838
<u>\$ 1,038,831</u>	<u>\$ 4,666,478</u>	<u>\$ 2,824,028</u>	<u>\$ 2,539,646</u>

CITY OF STOW, OHIO

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund				
Reserved	\$ 714,764	\$ 605,178	\$ 493,673	\$ 648,662
Unreserved:				
Designated	1,000,000	1,000,000	-	-
Undesignated	2,967,433	2,856,832	5,140,973	5,234,108
Total general fund	<u>\$ 4,682,197</u>	<u>\$ 4,462,010</u>	<u>\$ 5,634,646</u>	<u>\$ 5,882,770</u>
All Other Governmental Funds				
Reserved	\$ 1,383,270	\$ 1,340,169	\$ 1,979,695	\$ 7,444,910
Unreserved, undesignated reported in:				
Special revenue funds	2,977,700	3,142,525	2,221,047	1,553,319
Capital projects funds	2,083,262	1,842,344	6,255,297	4,694,850
Total all other governmental funds	<u>\$ 6,444,232</u>	<u>\$ 6,325,038</u>	<u>\$ 10,456,039</u>	<u>\$ 13,693,079</u>

Source: City of Stow, Financial Records

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 1,003,425	\$ 734,620	\$ 570,919	\$ 640,154	\$ 1,803,014	\$ 2,078,401
-	-	-	-	-	-
<u>5,275,404</u>	<u>4,795,925</u>	<u>5,226,327</u>	<u>5,117,349</u>	<u>4,549,300</u>	<u>3,764,897</u>
<u>\$ 6,278,829</u>	<u>\$ 5,530,545</u>	<u>\$ 5,797,246</u>	<u>\$ 5,757,503</u>	<u>\$ 6,352,314</u>	<u>\$ 5,843,298</u>
\$ 2,239,930	\$ 1,300,045	\$ 1,138,739	\$ 3,712,841	\$ 9,310,570	\$ 2,324,308
1,779,727	1,554,666	2,129,062	2,030,952	(1,480,404)	1,807,376
<u>4,193,828</u>	<u>3,896,066</u>	<u>3,730,693</u>	<u>4,836,697</u>	<u>(4,155,417)</u>	<u>4,351,113</u>
<u>\$ 8,213,485</u>	<u>\$ 6,750,777</u>	<u>\$ 6,998,494</u>	<u>\$ 10,580,490</u>	<u>\$ 3,674,749</u>	<u>\$ 8,482,797</u>

CITY OF STOW, OHIO

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Revenues				
Property and other taxes	\$ 7,440,114	\$ 7,433,923	\$ 7,233,714	\$ 7,429,309
Income taxes	11,602,741	10,878,906	12,785,284	12,595,578
Special assessments	79,891	87,235	80,553	72,689
Charges for services	989,314	891,690	998,218	913,908
Licenses and permits	757,871	745,026	646,657	674,105
Fines and forfeitures	3,290,911	2,931,853	467,519	159,063
Intergovernmental	10,787,212	7,551,001	9,298,787	6,910,284
Investment income	71,668	198,896	465,201	1,309,078
Rent	279,040	283,061	295,768	280,274
Contributions and donations	51,542	538,048	206,791	53,714
Other	891,784	3,092,860	1,169,349	587,069
Total revenues	<u>36,242,088</u>	<u>34,632,499</u>	<u>33,647,841</u>	<u>30,985,071</u>
Expenditures				
Current:				
General government	8,390,076	9,327,006	6,178,362	5,682,480
Security of persons and property	13,349,173	13,342,694	12,821,027	12,211,360
Public health	430,664	423,408	461,549	402,885
Leisure time activities	1,688,869	2,057,269	1,963,730	1,967,626
Community and economic development	1,127,128	1,321,055	1,443,280	1,357,699
Transportation	3,321,718	2,561,137	3,068,690	3,479,526
Capital outlay	5,096,319	9,866,073	13,514,969	8,040,397
Other	-	-	-	-
Debt service:				
Principal retirement	867,277	742,348	14,955,172	10,808,200
Interest and fiscal charges	934,179	1,059,124	1,234,812	652,997
Bond and note issuance costs	6,907	48,478	176,146	60,040
Total expenditures	<u>35,212,310</u>	<u>40,748,592</u>	<u>55,817,737</u>	<u>44,663,210</u>
Excess of revenues over (under) expenditures	1,029,778	(6,116,093)	(22,169,896)	(13,678,139)
Other Financing Sources (Uses)				
Notes issued	7,125,000	7,925,000	9,475,000	14,565,172
Premium on notes	109,603	77,882	228,069	106,502
Refunding bonds issued	-	-	8,073,932	4,200,000
Accrued interest received on debt issuance	-	-	-	-
Refunding of notes	(7,925,000)	(9,475,000)	-	-
Payment to refunded bond escrow agent	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Capital lease transaction	-	505,596	907,731	-
Loss on sale of common stock	-	-	-	-
Transfers in	1,831,835	1,771,307	734,445	850,341
Transfers out	(1,831,835)	(1,771,307)	(734,445)	(960,341)
Total other financing sources	<u>(690,397)</u>	<u>(966,522)</u>	<u>18,684,732</u>	<u>18,761,674</u>
Special item - Municipal Court	-	1,778,978	-	-
Net change in fund balances	<u>\$ 339,381</u>	<u>\$ (5,303,637)</u>	<u>\$ (3,485,164)</u>	<u>\$ 5,083,535</u>
Capital expenditures	4,332,436	8,883,818	15,435,962	6,927,367
Debt service as a percentage of noncapital expenditures	5.83%	5.65%	40.09%	30.37%

Source: City of Stow, Financial Records

2006	2005	2004	2003	2002	2001
\$ 7,416,170	\$ 6,830,535	\$ 6,847,919	\$ 6,675,497	\$ 6,133,362	\$ 5,984,321
12,013,125	11,832,911	11,422,047	11,167,214	11,281,810	11,221,994
51,417	61,809	57,600	53,454	52,917	55,319
829,301	965,041	1,062,425	977,307	1,043,272	837,868
812,172	760,506	823,125	878,235	615,963	599,729
143,822	115,118	152,428	96,039	77,000	86,298
6,480,588	6,447,556	5,212,987	5,274,336	4,425,388	6,602,441
873,755	451,530	215,183	285,379	457,090	574,944
264,570	189,731	95,644	-	-	-
12,593	1,338	5,697	-	-	-
2,178,764	883,018	422,376	520,129	718,788	493,111
<u>31,076,277</u>	<u>28,539,093</u>	<u>26,317,431</u>	<u>25,927,590</u>	<u>24,805,590</u>	<u>26,456,025</u>
5,126,246	4,980,022	4,662,459	4,337,419	4,038,069	3,787,262
11,668,726	10,720,669	10,613,717	10,107,920	8,874,918	8,732,322
400,521	384,994	405,931	435,598	469,082	462,594
1,843,051	1,756,686	1,712,128	1,646,323	1,486,482	1,492,171
1,368,784	1,329,499	1,293,809	1,163,616	1,132,509	1,096,685
2,500,585	2,922,095	2,856,791	2,542,914	2,352,871	2,217,758
4,220,049	4,976,831	7,333,364	12,567,939	10,434,356	5,548,763
-	-	-	3,863	6,389	23,224
11,656,000	12,511,858	14,134,662	15,627,361	180,000	315,000
586,369	499,341	475,179	735,296	382,395	402,683
-	-	141,726	-	-	-
<u>39,370,331</u>	<u>40,081,995</u>	<u>43,629,766</u>	<u>49,168,249</u>	<u>29,357,071</u>	<u>24,078,462</u>
(8,294,054)	(11,542,902)	(17,312,335)	(23,240,659)	(4,551,481)	2,377,563
10,423,200	11,281,000	12,141,858	13,923,919	59,694	-
81,846	74,300	95,745	-	-	-
-	-	6,440,000	-	-	-
-	-	16,203	-	-	-
-	-	(6,281,301)	-	-	-
-	-	-	34,474	-	61,222
-	-	-	-	-	-
-	-	-	-	(6,122)	-
569,879	571,188	1,413,421	684,228	6,894,637	11,149,059
(569,879)	(571,188)	(659,941)	(596,032)	(6,894,637)	(11,652,208)
<u>10,505,046</u>	<u>11,355,300</u>	<u>13,165,985</u>	<u>14,046,589</u>	<u>53,572</u>	<u>(441,927)</u>
-	-	-	-	-	-
<u>\$ 2,210,992</u>	<u>\$ (187,602)</u>	<u>\$ (4,146,350)</u>	<u>\$ (9,194,070)</u>	<u>\$ (4,497,909)</u>	<u>\$ 1,935,636</u>
2,722,203	3,199,104	5,823,962	12,101,292	10,434,356	5,548,763
33.41%	35.28%	38.64%	44.14%	2.97%	3.87%

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REVENUE CAPACITY

CITY OF STOW, OHIO

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

Collection Year	Real Property (1)		Public Utility Property (2)		Tangible Personal Property (3)	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2010	\$ 856,851,080	\$ 2,448,145,943	\$ 7,716,670	\$ 30,866,680	\$ 824,295	\$ 13,188,720
2009	849,550,200	2,427,286,286	7,155,660	28,622,640	1,772,229	28,355,664
2008	818,636,300	2,338,960,857	6,903,620	27,614,480	13,619,113	217,905,808
2007	807,864,530	2,308,184,371	11,680,280	46,721,120	24,319,941	194,559,528
2006	785,872,830	2,245,350,943	10,062,490	40,249,960	35,360,828	188,591,083
2005	726,040,350	2,074,401,000	11,035,980	44,143,920	35,360,828	141,443,312
2004	705,710,080	2,016,314,514	10,855,300	43,421,200	47,772,680	160,005,088
2003	693,300,320	1,980,858,057	11,361,260	45,445,040	51,014,864	171,524,939
2002	611,933,190	1,748,380,543	10,647,060	42,588,240	54,307,489	186,740,648
2001	588,277,820	1,680,793,771	13,019,160	52,076,640	53,892,421	178,287,544

Source: Summit County Fiscal Office

- (1) Real property is assessed at 35% of actual value. Real property taxes collected in a calendar year are levied as of January 1 of that year based on assessed values as of January 1 of the preceding year.
- (2) Public utility is assessed at 25% of actual value. Public utility real and tangible property taxes collected in a calendar year are levied in the preceding calendar year based on assessed values determined as of December 31 of the second preceding year.
- (3) For 2005 and prior, tangible personal is assessed at 25% of true value for capital assets and 23% percent of true value for inventory. For 2006, tangible personal personal property tax is assessed at 18.75% of property value, including inventory. For 2007, tangible personal personal property tax is assessed at 12.50% of property value, including inventory. For 2008, tangible personal personal property tax is assessed at 6.25% of property value, including inventory. For 2009, tangible personal personal property tax is assessed at 0.00% of property value, including inventory, except for telephone tangible personal property which is assessed at 10% of property value, including inventory. In 2009 and 2010 telephone tangible is the only taxable tangible personal property.

Total			
Assessed Value	Estimated Actual Value	Total Direct Rate	Ratio
\$ 865,392,045	\$ 2,492,201,343	9.50	34.72%
858,478,089	2,484,264,590	9.50	34.56%
839,159,033	2,584,481,145	9.50	32.47%
843,864,751	2,549,465,019	9.50	33.10%
831,296,148	2,474,191,986	9.50	33.60%
772,437,158	2,259,988,232	9.50	34.18%
764,338,060	2,219,740,802	9.50	34.43%
755,676,444	2,197,828,036	9.50	34.38%
676,887,739	1,977,709,431	9.50	34.23%
655,189,401	1,911,157,955	9.50	34.28%

CITY OF STOW, OHIO

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

Collection Year	City Direct Rates					Overlapping Rates		
	General Operating	Police Pension	Fire Pension	EMS	Total Direct	Stow City School District	Summit County	Stow-Munroe Falls Public Library
2010	6.60	0.30	0.30	2.30	9.50	45.15	14.16	1.00
2009	6.60	0.30	0.30	2.30	9.50	45.25	14.16	1.00
2008	6.60	0.30	0.30	2.30	9.50	45.93	14.26	1.00
2007	6.60	0.30	0.30	2.30	9.50	45.62	14.57	1.00
2006	6.60	0.30	0.30	2.30	9.50	46.73	13.07	1.00
2005	6.60	0.30	0.30	2.30	9.50	47.88	13.07	-
2004	6.60	0.30	0.30	2.30	9.50	47.93	13.07	-
2003	6.60	0.30	0.30	2.30	9.50	48.32	13.07	-
2002	6.60	0.30	0.30	2.30	9.50	45.74	13.07	-
2001	6.60	0.30	0.30	2.30	9.50	46.44	13.07	-

Source: Summit County Fiscal Officer

CITY OF STOW, OHIO

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

<u>Collection Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections to Current Tax Levy</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Current Tax Levy</u>
2010	\$ 8,213,417	\$ 7,951,169	96.81%	\$ 262,248	\$ 8,213,417	100.00%
2009	8,138,730	7,896,204	97.02%	232,571	8,128,775	99.88%
2008	7,846,181	7,632,381	97.28%	232,412	7,864,793	100.24%
2007	7,785,698	7,567,654	97.20%	169,539	7,737,193	99.38%
2006	7,636,480	7,449,227	97.55%	178,019	7,627,246	99.88%
2005	7,002,463	6,829,291	97.53%	170,235	6,999,526	99.96%
2004	6,817,956	6,644,645	97.46%	165,073	6,809,718	99.88%
2003	6,694,114	6,499,566	97.09%	160,251	6,659,817	99.49%
2002	6,102,629	5,791,916	94.91%	144,724	5,936,640	97.28%
2001	5,898,640	5,580,204	94.60%	127,890	5,708,094	96.77%

Source: Summit County Fiscal Officer

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

CITY OF STOW, OHIO

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

December 31, 2010			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Wyndham Ridge, LTD	\$ 8,748,620	1	1.01%
DDR Ohio Opportunity II, LLC	8,917,250	2	1.03%
Heron Springs Associates, LLC	7,832,080	3	0.91%
JVM Hidden Lake Apartments, LLC	5,876,200	4	0.68%
Stow Glen Properties, LLC	5,168,020	5	0.60%
Morgan Adhesive Co.	4,664,320	6	0.54%
SFC Enterprises, LTD	4,485,470	7	0.52%
Steels Corners Apartment Co, LTD	3,915,990	8	0.45%
Stow Associates	3,870,010	9	0.45%
NHF RE 2, LLC	3,600,770	10	0.42%
Total	\$ 57,078,730		6.60%
 Total Assessed Value of Property	 \$ 865,392,045		

December 31, 2001			
Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	
Morgan Adhesives	\$ 7,885,040	1	1.20%
Audio-Technica US Inc.	2,384,690	2	0.36%
Akrochem Corporation	2,055,750	3	0.31%
Ron Marhofer Chevrolet	1,450,700	4	0.22%
Tamarkin Company	1,156,820	5	0.18%
Saint Gobain Norpro Corporation	1,152,250	6	0.18%
Goodyear Tire	1,103,440	7	0.17%
Esterle Mold & Machine	1,074,220	8	0.16%
Ferry Industries, Inc.	957,790	9	0.15%
Time Warner Entertainment Company	908,890	10	0.14%
Total	\$ 20,129,590		3.07%
 Total Assessed Value of Property	 \$ 655,189,401		

Source: Summit County Fiscal Office

CITY OF STOW, OHIO

INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS

<u>Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected (1)</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes from Individuals</u>	<u>Percentage of Taxes from Individuals</u>
2010	2.00%	\$ 11,614,488	\$ 8,351,420	71.91%	\$ 1,137,763 (2)	9.80%	\$ 2,125,305	18.30%
2009	2.00%	11,952,908	8,275,950	69.24%	1,399,666 (2)	11.71%	2,277,292	19.05%
2008	2.00%	12,936,136	8,733,340	67.51%	1,672,184 (2)	12.93%	2,530,611	19.56%
2007	2.00%	12,739,604	8,630,468	67.75%	1,572,191 (2)	12.34%	2,536,945	19.91%
2006	2.00%	11,886,629	8,102,987	68.17%	1,395,119 (2)	11.74%	2,388,523	20.09%
2005	2.00%	12,054,635	7,833,216	64.98%	1,487,884 (2)	12.34%	2,733,535	22.68%
2004	2.00%	11,463,637	7,745,451	67.57%	997,939 (2)	8.71%	2,720,247	23.73%
2003	2.00%	11,378,531	7,596,252	66.76%	1,132,905 (2)	9.96%	2,649,374	23.28%
2002	2.00%	11,340,627	7,605,139	67.06%	928,622 (2)	8.19%	2,806,866	24.75%
2001	2.00%	11,050,292	7,506,138	67.93%	841,297	7.61%	2,702,857	24.46%

Source: City of Stow, Income Tax Department

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

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

DEBT CAPACITY

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CITY OF STOW, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

Fiscal Year	Governmental Activities			Business-Type Activities		
	General Obligation Bonds	Notes	Capital Lease	OWDA Loans	OPWC Loans	General Obligation Bonds
2010	\$ 15,490,265	\$ 7,925,000	\$ 1,167,369	\$ -	\$ 173,768	\$ 5,719,735
2009	16,186,592	8,575,000	1,338,319	-	191,144	5,878,408
2008	16,853,932	9,475,000	907,731	-	196,936	6,036,068
2007	9,170,000	14,565,172	-	25,984	208,520	5,500,000
2006	5,355,000	10,423,200	-	51,516	220,104	-
2005	5,730,000	11,281,000	-	76,635	231,688	-
2004	6,100,000	12,141,858	-	99,879	195,353	-
2003	5,820,000	13,845,000	-	121,389	-	-
2002	6,015,000	15,505,000	-	141,294	-	-
2001	6,195,000	-	-	168,274	-	-

Source: City of Stow, Financial Records

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

(1) Population and personal income data is presented on page 187.

Business-Type Activities

Notes	Capital Lease	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
\$ 800,000	\$ 317,393	\$ 31,593,530	2.98%	1,038
1,000,000	359,280	33,528,743	2.50%	1,039
1,200,000	291,483	34,961,150	2.66%	919
2,579,828	-	32,049,504	2.53%	876
9,021,800	-	25,071,620	2.12%	729
2,064,000	-	19,383,323	1.74%	597
2,503,142	-	21,040,232	1.98%	678
2,000,000	-	21,786,389	2.12%	726
2,300,000	-	23,961,294	2.41%	813
2,300,000	-	8,663,274	0.87%	293

CITY OF STOW, OHIO

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS

Fiscal Year	General Bonded Debt Outstanding		Percentage of Estimated Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Total		
2010	\$ 21,210,000	\$ 21,210,000	0.85%	\$ 609
2009	22,065,000	22,065,000	0.89%	651
2008	22,890,000	22,890,000	0.89%	672
2007	9,170,000	9,170,000	0.36%	265
2006	5,355,000	5,355,000	0.22%	156
2005	5,730,000	5,730,000	0.25%	167
2004	6,100,000	6,100,000	0.27%	178
2003	5,820,000	5,820,000	0.26%	170
2002	6,015,000	21,520,000	1.09%	637
2001	6,195,000	6,195,000	0.32%	185

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

Source: City of Stow, Financial Records

CITY OF STOW, OHIO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2010

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
City of Stow	\$ 23,415,265	100.00%	\$ 23,415,265
Overlapping Debt:			
Summit County	55,840,000	6.89%	3,847,376
Stow-Munroe Falls City School District	3,120,000	87.41%	2,727,192
Akron Metro Regional Transit Authority	395,000	6.89%	27,216
Subtotal, overlapping debt			<u>6,601,784</u>
Total direct and overlapping debt			<u><u>\$ 30,017,049</u></u>

Source: Ohio Municipal Advisory Council

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

Note: The percentage of debt outstanding applicable to the City was determined by dividing each jurisdiction's assessed valuation within the City by the jurisdiction's total assessed valuation.

CITY OF STOW, OHIO

LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS

Fiscal Year	Debt Limit - Voted	Debt Limit - Unvoted	Net Debt Applicable to Limit	Legal Debt Margin - Voted	Legal Debt Margin - Unvoted	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2010 (a)	\$ 90,866,165	\$ 47,551,226	\$ 23,935,000	\$ 66,931,165	\$ 47,551,226	26.34%
2009 (a)	90,013,021	47,149,678	22,065,000	67,948,021	47,149,678	24.51%
2008 (a)	86,681,692	45,404,696	22,890,000	63,791,692	45,404,696	26.41%
2007 (a)	85,546,487	44,810,065	9,170,000	76,376,487	44,810,065	10.72%
2006	87,286,096	45,721,288	5,355,000	81,931,096	45,721,288	6.13%
2005	81,105,902	42,484,044	5,730,000	75,375,902	42,484,044	7.06%
2004	80,255,496	42,038,593	6,100,000	74,155,496	42,038,593	7.60%
2003	79,346,027	41,562,204	5,820,000	73,526,027	41,562,204	7.33%
2002	71,073,213	37,228,826	6,015,000	65,058,213	37,228,826	8.46%
2001	68,794,887	36,035,417	6,195,000	62,599,887	36,035,417	9.01%

Source: City of Stow, Financial Records

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

Note: Ohio Bond Law sets a limit of 10.5% for voted debt and 5.5% for unvoted debt.

DEMOGRAPHIC AND ECONOMIC INFORMATION

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CITY OF STOW, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (2) & (4)</u>	<u>School Enrollment</u>	<u>Unemployment Rate (3)</u>
2010	34,837 (est.)	\$1,060,473,117 (est.)	\$30,441 (est.)	5,554	8.5%
2009	33,873 (est.)	1,093,217,202 (est.)	32,274 (est.)	5,517	8.5%
2008	34,051 (est.)	1,295,981,060 (est.)	38,060 (est.)	5,688	5.3%
2007	34,550 (est.)	1,264,391,800 (est.)	36,596 (est.)	5,927	4.5%
2006	34,335	1,180,952,325	34,395	6,000	4.3%
2005	34,397	1,116,595,414	32,462	6,080	5.8%
2004	34,343	1,065,216,831	31,017	6,076	6.1%
2003	34,206	1,026,145,794	29,999	6,001	5.7%
2002	33,771	994,758,576	29,456	5,836	6.1%
2001	33,565	993,188,350	29,590	6,018	4.3%

Sources:

(1) U.S. Census Estimates

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

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

(4) ESRI & Info USA

CITY OF STOW, OHIO

PRINCIPAL EMPLOYERS
CURRENT YEAR AND EIGHT YEARS AGO

	<u>2010</u>	
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>
Stow-Munroe Falls City Schools	675	1
MACTac - Morgan Adhesives	323	2
Akron General Health & Wellness Center	250	3
City of Stow	242	4
Matco Tools Corporation	235	5
Wrayco Industries, Inc.	161	6
J.D. Clunk & Associates	142	7
Audio Technica U.S. Corporation	100	8
Spectrum Surgical	93	9
Centimark Corporation	<u>92</u>	10
Total	<u><u>2,313</u></u>	

	<u>2002</u>	
	<u>Employees</u>	<u>Rank</u>
Stow-Munroe Falls City Schools	639	1
MacTac - Morgan Adhesives	400	2
Goodyear Stow Mold Plant	230	3
Oak Technical Inc.	223	4
City of Stow	207	5
Matco Tools Corp.	170	6
Eagle Plastics Division - Plastics Components, In	150	7
Saint Gobain Norpro Corporation	130	8
Wrayco Industries, Inc.	115	9
Audio Technica U.S. Corporation	<u>114</u>	10
Total	<u><u>2,378</u></u>	

Source: City of Stow, Department of Planning & Development

Note: Information prior to 2002 is not available.

OPERATING INFORMATION

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CITY OF STOW, OHIO

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

Full-time Equivalent Employees as of December 31

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General government										
Management service	23	29	31	30	33	33	31	29	29	29
Finance	9	13	13	13	13	13	13	13	13	11
Planning	6	6	6	6	6	7	7	7	6	5
Building	4	6	6	6	6	7	7	7	7	7
Other - Public Utilities	9	13	14	14	10	10	9	8	8	7
Municipal court personnel (a)	35	33	-	-	-	-	-	-	-	-
Security of persons and property										
Officers	40	40	44	43	38	38	34	34	33	35
Civilians	80	81	83	75	74	74	73	73	73	72
Public health and welfare	1	1	1	1	1	1	1	1	1	1
Transportation	17	22	22	21	23	22	22	21	20	21
Community environment	3	3	3	3	3	3	3	3	3	3
Leisure time activity	15	14	14	14	18	14	13	13	14	13
Total	242	261	237	226	225	222	213	209	207	204

Source: City of Stow Finance Office

(a) The City of Stow assumed operations of the Municipal Court effective January 1, 2009.

CITY OF STOW, OHIO

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS**

Function/Program	2010	2009	2008	2007
General Government				
Council				
Number of Ordinances & resolutions	201	280	268	250
Court				
Number of court cases	19,631	18,826	4,135	4,423
Number of tickets	11,292	10,661	7,026	7,855
Number of court appearances	3,339	3,436	1,073	1,040
Finance				
Checks issued	5,680	6,277	6,262	6,215
Purchase orders issued	2,459	2,987	3,310	3,274
Number of W-2 forms issued	478	511	459	460
City W-2 Wages	\$ 16,824,239	\$ 17,590,450	\$ 15,606,792	\$ 15,048,694
Security of persons and property				
Police				
Physical arrests	868	885	1,826	1,222
Parking violations	152	201	457	444
Traffic citations	669	2,950	7,026	6,511
Traffic accidents	662	697	621	655
Marked patrol units	19	20	20	21
Unmarked patrol units	9	9	9	7
Calls for service answered	12,087	12,060	12,226	12,456
Fire				
Fire engines	4	4	4	4
Calls answered	3,311	3,352	3,433	3,387
Number of inspections by Fire Prevention Bureau	1,125	1,437	1,439	1,689
Transportation				
Number of bridges	13	13	13	13
Number of street lights	1,247	1,246	1,246	1,246
Number of signalized intersections	47	47	47	47
Community Environment				
Building				
Building permits issued	490	542	596	672
Inspections performed	1,522	1,024	1,288	1,006
Estimated value of construction	\$ 11,675,618	\$ 13,998,794	\$ 30,356,224	\$ 59,582,633
Number of plans examined	85	94	61	78
Public Health and Welfare				
Cemetery (plots sold)	64	49	40	60
Water				
Miles of water mains	165	152	152	152
Number of water tanks	1	1	1	1
Maximum holding capacity of water tank in gallons	2,500,000	2,500,000	2,500,000	2,500,000
Number of service connections	12,000	12,000	12,000	12,000
Number of fire hydrants	2,500	2,225	2,225	2,225
Daily average consumption in gallons	3,000,000	3,100,000	3,200,000	3,000,000

Source: City of Stow, various departments

2006	2005	2004	2003	2002	2001
205	226	292	195	247	245
4,717	4,073	5,014	4,271	4,041	3,854
7,678	7,171	8,546	7,450	6,898	6,817
1,050	1,000	1,200	1,025	950	950
6,311	6,407	6,424	6,749	6,496	6,460
3,270	2,839	3,118	3,376	3,580	N/A
443	426	415	413	408	418
\$ 14,093,448	\$ 13,262,323	\$ 13,144,667	\$ 12,098,984	\$ 11,130,679	\$ 10,440,764
1,399	1,294	1,317	1,354	1,543	1,535
150	139	303	247	389	924
7,528	7,032	8,243	7,203	6,509	5,893
841	970	1,015	1,031	1,109	1,191
19	N/A	N/A	N/A	N/A	N/A
5	5	5	5	5	5
21,411	21,267	22,183	21,102	22,439	21,381
4	4	4	4	3	3
3,354	3,531	3,305	3,350	3,404	3,424
1,219	938	846	762	724	859
13	13	13	13	13	13
1,239	1,210	1,112	1,074	1,074	N/A
47	47	46	46	46	44
672	730	877	902	821	1,007
1,415	1,908	2,366	2,231	2,058	2,628
\$ 41,431,980	\$ 28,390,400	\$ 55,325,891	\$ 43,094,062	\$ 52,600,342	\$ 38,522,473
63	69	65	61	57	65
56	68	52	62	103	148
151	151	151	151	151	151
1	1	1	1	1	1
2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
11,900	11,800	11,600	11,500	10,900	10,500
2,100	2,100	2,100	2,100	2,100	2,100
3,000,000	2,950,000	2,900,000	2,800,000	2,700,000	N/A

CITY OF STOW, OHIO

**CAPITAL ASSET INDICATORS
LAST TEN YEARS**

Function/Program	2010	2009	2008	2007
Public Safety				
Police:				
Stations	1.00	1.00	1.00	1.00
Fire:				
Stations	3.00	3.00	3.00	3.00
Leisure Time Activities				
City Parks	4.00	4.00	4.00	4.00
Neighborhood Parks	6.00	6.00	6.00	6.00
Park Acreage	407.75	407.75	407.75	407.75
Lodges	3.00	3.00	3.00	3.00
Ballfields	15.00	15.00	15.00	15.00
Tennis Courts	4.00	4.00	4.00	4.00
Volleyball Courts	-	-	-	-
Camp Sites	27.00	27.00	27.00	27.00
Transportation				
City Lanes (Paved Miles)	293.00	293.00	293.00	293.00
State Highways (Paved Miles)	48.00	48.00	48.00	48.00

Source: City of Stow, various departments

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
1.00	1.00	1.00	1.00	1.00	1.00
3.00	3.00	3.00	3.00	2.00	2.00
4.00	4.00	4.00	4.00	4.00	4.00
6.00	6.00	6.00	6.00	6.00	6.00
407.75	407.75	407.75	407.75	407.75	407.75
4.00	4.00	4.00	4.00	4.00	4.00
7.00	13.00	7.00	7.00	10.00	10.00
4.00	4.00	4.00	4.00	4.00	4.00
3.00	1.00	3.00	3.00	4.00	4.00
27.00	27.00	27.00	27.00	27.00	27.00
293.00	293.00	283.00	283.00	343.00	340.00
48.00	48.00	47.00	47.00	44.00	44.00

CITY OF STOW, OHIO

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Land	\$ 11,202,207	\$ 11,202,207	\$ 11,327,515	\$ 11,315,360
Construction in progress	1,761,672	7,798,151	15,820,309	3,108,666
Buildings and building improvements	25,757,410	26,493,723	15,875,007	16,517,663
Vehicles	3,641,213	4,049,487	3,897,629	3,912,139
Equipment, furniture and fixtures	2,602,336	2,674,827	1,495,720	1,003,053
Infrastructure	<u>20,780,748</u>	<u>12,040,957</u>	<u>13,123,310</u>	<u>12,743,822</u>
Total Capital Assets, Net	<u>\$ 65,745,586</u>	<u>\$ 64,259,352</u>	<u>\$ 61,539,490</u>	<u>\$ 48,600,703</u>

Source: City of Stow, Financial Records

2006	2005	2004	2003
\$ 10,127,855	\$ 10,157,855	\$ 10,076,005	\$ 9,937,445
1,071,785	2,755,424	3,526,044	12,102,100
17,088,395	17,793,185	16,446,238	5,273,199
2,931,700	2,931,661	3,372,545	3,096,774
1,280,437	1,183,759	1,025,582	641,600
12,295,937	9,742,608	9,652,052	9,184,702
<u>\$ 44,796,109</u>	<u>\$ 44,564,492</u>	<u>\$ 44,098,466</u>	<u>\$ 40,235,820</u>

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Dave Yost • Auditor of State

CITY OF STOW

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 5, 2011**