

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

SUPPLEMENTAL REPORTS

FOR THE FISCAL YEAR ENDED
JUNE 30, 2009

CATHERINE BULGRIN, TREASURER



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Stow-Munroe Falls City School District, Summit County, prepared by Julian & Grube, Inc., for the audit period July 1, 2008 through June 30, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

February 25, 2010

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

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Julian & Grube, Inc.

Serving Ohio Local Governments

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

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

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

We have audited the financial statements of the governmental activities, its major fund and the aggregate remaining fund information of Stow-Munroe Falls City School District, Summit County, Ohio, as of and for the fiscal year ended June 30, 2009, and have issued our report thereon dated December 18, 2009. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Stow-Munroe Falls City School District's basic financial statements. The accompanying schedule of receipts and expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

Julian & Grube, Inc.
December 18, 2009

STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(G) PASS-THROUGH GRANT NUMBER	(D) CASH FEDERAL RECEIPTS	(D) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION				
(B) National School Lunch Program - Food Distribution	10.555	2009	\$ 63,658	\$ 63,658
(C) National School Lunch Program	10.555	2009	321,856	321,856
Total National School Lunch Program			<u>385,514</u>	<u>385,514</u>
Total U.S. Department of Agriculture			<u>385,514</u>	<u>385,514</u>
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION				
(F) Title I Grants to Local Educational Agencies:	84.010	2008	38,167	24,958
(F) Title I Grants to Local Educational Agencies:	84.010	2009	325,966	328,561
Total Title I Grants to Local Educational Agencies			<u>364,133</u>	<u>353,519</u>
Special Education Grant Cluster:				
(A),(F) Special Education _Grants to States	84.027	2008	231,247	139,317
(A),(F) Special Education _Grants to States	84.027	2009	732,354	953,028
Total Special Education _Grants to States			<u>963,601</u>	<u>1,092,345</u>
(A) Special Education _Preschool Grants	84.173	2008	327	735
(A) Special Education _Preschool Grants	84.173	2009	12,062	11,404
Total Special Education _Preschool Grants			<u>12,389</u>	<u>12,139</u>
Total Special Education Grant Cluste			<u>975,990</u>	<u>1,104,484</u>
(F) Safe and Drug-Free Schools and Communities State Grants	84.186	2008	7,765	2,255
(F) Safe and Drug-Free Schools and Communities State Grants	84.186	2009	10,426	12,858
Total Safe and Drug-Free School and Communities State Grants			<u>18,191</u>	<u>15,113</u>
(F) State Grants for Innovative Programs	84.298	2008	9,568	1,528
(F) State Grants for Innovative Programs	84.298	2009	501	3,991
Total State Grants for Innovative Programs			<u>10,069</u>	<u>5,519</u>
Education Technology State Grants	84.318	2008	3,918	3,599
Education Technology State Grants	84.318	2009	416	-
Total Education Technology State Grant:			<u>4,334</u>	<u>3,599</u>
English Language Acquisition Grants	84.365	2008	2,142	230
English Language Acquisition Grants	84.365	2009	370	3,696
English Language Acquisition Grants	84.365	2009	1,266	11,235
Total English Language Acquisition Grants			<u>3,778</u>	<u>15,161</u>
Improving Teacher Quality State Grants	84.367	2008	52,720	23,505
Improving Teacher Quality State Grants	84.367	2009	94,543	124,931
Total Improving Teacher Quality State Grant:			<u>147,263</u>	<u>148,436</u>
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE SIX DISTRICT EDUCATIONAL COMPACT				
(E) Federal Perkins Loan Program _Federal Capital Contributions	84.038	2008	-	681
(E) Federal Perkins Loan Program _Federal Capital Contributions	84.038	2009	39,000	39,000
Total Federal Perkins Loan Program			<u>39,000</u>	<u>39,681</u>
Total U.S. Department of Education			<u>1,562,758</u>	<u>1,685,512</u>
Total Federal Financial Assistance			<u>\$ 1,948,272</u>	<u>\$ 2,071,026</u>

-continued

**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

- (A) Included as part of "Special Education Grant Cluster" in determining major programs.
- (B) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are valued at entitlement values.
- (C) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis.
- (D) This schedule was prepared on the cash basis of accounting.
- (E) Passed through the Six District Educational Compact.
- (F) The District generally must spend Federal assistance within 15 months of receipt (funds must be obligated by June 30th and spent by September 30th). However, with Ohio Department of Education ("ODE")'s approval, a District can transfer unspent Federal assistance to the succeeding year, thus allowing the District a total of 27 months to spend the assistance. Schools can document this by using special cost centers for each year's activity, and transferring the amounts ODE approves between the cost centers. During fiscal year 2009, the ODE authorized the following transfers:

CFDA Number	Program Title	Grant Year	Transfer Out	Transfer In
84.027	Special Education Grants to States	2008	\$ 87,679	
84.027	Special Education Grants to States	2009		\$ 87,679
84.010	Title I Grants to Local Education Agc	2008	30,815	
84.010	Title I Grants to Local Education Agc	2009		30,815
84.186	Safe and Drug-Free Schools and Con	2008	99	
84.186	Safe and Drug-Free Schools and Con	2009		99
84.298	State Grants for Innovative Programs	2008	324	
84.298	State Grants for Innovative Programs	2009		324
Total			<u>\$ 118,917</u>	<u>\$ 118,917</u>

- (G) OAKS did not assigned pass-through numbers for fiscal year 2009.



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

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

We have audited the financial statements of the governmental activities, its major fund, and the aggregate remaining fund information of Stow-Munroe Falls City School District, Summit County, Ohio, as of and for the fiscal year ended June 30, 2009, which collectively comprise Stow-Munroe Falls City School District's basic financial statements and have issued our report thereon dated December 18, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

Board of Education
Stow-Munroe Falls City School District

Compliance and Other Matters

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

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

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
December 18, 2009



Julian & Grube, Inc.

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

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

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

Compliance

We have audited the compliance of Stow-Munroe Falls City School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the fiscal year ended June 30, 2009. Stow-Munroe Falls City School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Stow-Munroe Falls City School District's management. Our responsibility is to express an opinion on Stow-Munroe Falls City School District's compliance based on our audit.

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

In our opinion, Stow-Munroe Falls City School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the fiscal year ended June 30, 2009.

Board of Education
Stow-Munroe Falls City School District

Internal Control Over Compliance

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

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

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

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

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



Julian & Grube, Inc.
December 18, 2009

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2009**

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unqualified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unqualified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under §.510?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (listed):</i>	Title I - Grants to Local Educational Agencies CFDA #84.010; National School Lunch Program CFDA #10.555
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

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Independent Accountant's Report on Applying Agreed-Upon Procedures

Stow Munroe Falls City School District
Summit County
4350 Allen Road
Stow, Ohio 44224

To the Board of Education:

Ohio Revised Code Section 117.53 states “the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Ohio Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school”.

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether Stow Munroe Falls City School District (the District) has adopted an anti-harassment policy in accordance with Ohio Revised Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board adopted an anti-harassment policy at its meeting on February 25, 2009.
2. We read the policy, noting it included the following requirements from Ohio Revised Code Section 3313.666(B):
 - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
 - (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Revised Code Section 3313.666;
 - (3) A procedure for reporting prohibited incidents;

- (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
- (5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Ohio Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
- (6) A procedure for documenting any prohibited incident that is reported;
- (7) A procedure for responding to and investigating any reported incident;
- (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- (9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States.
- (10) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Education of Stow Munroe Falls City School District and is not intended to be and should not be used by anyone other than this specified party.



Julian & Grube, Inc.
December 18, 2009

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF THE

STOW-MUNROE FALLS CITY
SCHOOL DISTRICT

SUMMIT COUNTY, OHIO

FOR THE

FISCAL YEAR ENDED JUNE 30, 2009

PREPARED BY
TREASURER'S DEPARTMENT
CATHERINE BULGRIN, TREASURER

4350 ALLEN ROAD

STOW, OHIO 44224

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2009**

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INTRODUCTORY SECTION

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STOW-MUNROE FALLS CITY SCHOOLS

Administrative Offices
4350 Allen Road
Stow, OH 44224-1082

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



December 31, 2009

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

The Comprehensive Annual Financial Report (CAFR) of the Stow-Munroe Falls City School District (the "District") for the fiscal year ended June 30, 2009 is hereby submitted. This CAFR includes financial statements and other financial and statistical data and conforms to accounting principles generally accepted in the United States of America (GAAP) as they apply to governmental entities. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

State statute requires an annual audit by independent auditors. The firm of Julian & Grube, Inc. conducted the audit for fiscal year 2009. The audit has been conducted in accordance with generally accepted auditing standards, generally accepted government auditing standards, and include a review of internal controls and tests of compliance with federal and State laws and regulations. The Independent Auditor's Report is included in this CAFR.

In addition to the financial audit, a single audit was performed as required by the Single Audit Act Amendments of 1996 and the provisions of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". The single audit report is not included in the CAFR.

As a part of the District's independent audit, tests are made to determine the adequacy of the internal controls, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the District's independent audit for the fiscal year ended June 30, 2009 provided no instances of material weaknesses in internal controls.

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

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

PROFILE OF STOW-MUNROE FALLS CITY SCHOOL DISTRICT

The District ranks as the 55th largest by total enrollment among the 922 public school districts and community schools in the State of Ohio. As of the current school year (2008-09), the average daily membership (ADM) was 5,517 students attending nine schools.

The District has 617 full and part-time employees (not including supplemental positions). The District employs 372 certificated staff and 245 classified staff members. Included in these totals are the 30 administrators employed by the District.

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

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

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

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

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

The District's academic performance index score has increased each year on the State-generated local report card. This rising index score has resulted in the State of Ohio Department of Education rating the District as "Excellent with Distinction." This rating is the highest rating a District can receive from the State. Only 116 of the 612 public school districts in the State of Ohio earned this acknowledgment.

The District's buildings had the following accomplishments during the 2008-2009 school year:

Stow Munroe Falls High School: Mary Ruehr was chosen for the 2009 Summit County All-teaching Team, the Girls Volleyball team qualified for the state tournament, while Katie Betts finished 10th in the State Cross Country Championships in November, earning All-Ohio status. In Business Competition, Hannah Cottrill, Erin Corbitt and Deamma Reiheld placed 1st in KSU's Annual Business Competition for high school students. The group received a \$1,000 award in December. Neelam Bhatia was awarded a grant for ILEP (International Research and Exchanges Board). Mrs. Bhatia will be traveling to a host school in Serpong, Indonesia in March 2010 for two weeks where she will co-teach and share teaching practices.

Indian Trail Elementary School: Received the highest rating for the third consecutive year from the Ohio Department of Education.

Highland Elementary School: Janice Schelein and Jane McIntyre received Martha Holden Jennings Scholarships. Highland also received the "Healthy Ohio Buckeye Best Healthy School" bronze award. They also presented "Rocking Through Nature" at the OSBA State Conference in Columbus.

Fishcreek Elementary School: Emily Vidd (Art Teacher at Fishcreek, Riverview and Highland) became the Summit County Rookie of the Year, while the 3rd grade teachers received two \$5,000 grants from Kent State RCET.

Riverview Elementary School: Teachers did a Critical Reading Presentation at the OSBA State Conference in Columbus.

Kimpton Middle School: Jill Merz became Nationally Board Certified in Career Tech Education (Family Consumer Science), while Jana Martin's article entitled "Best Practices" was published in *Future Focus* magazine.

Employees

A statewide public employee bargaining law applies generally to public employee relations and collective bargaining. The starting salary (2008-09 school year) for a teacher with a bachelor's degree is \$34,629, and the maximum salary for a teacher with a master's degree plus 15 graduate hours and 27 years of experience is \$73,379.

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

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

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

The Reporting Entity

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

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

Budgetary Controls

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

Unencumbered amounts lapse at year-end. A complete description of the District's budgetary process can be found in Note 2.E. to the basic financial statements. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The general fund balance was \$10,507,177 at June 30, 2009 as can be seen on the budgetary statement on page 33.

ECONOMIC CONDITION

Local Economy

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

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

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

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

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

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

The District's residents are within easy driving time of medical facilities, colleges and universities, recreational facilities, including national, state and local parks, shopping malls and professional athletic facilities.

Long-Term Financial Planning

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

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

Major Initiatives for the Year

The District has implemented the Ohio Improvement Process (OIP.) and is currently incorporating the OIP in all nine buildings. This date-driven initiative is intended to continue the academic achievement for all students.

The Five-Year Strategic Plan continues with Year Four objectives. Summary of the first three years of the Five-Year Strategic Plan can be found on the District's website at www.smfschools.org.

Kimpton Middle School is in the State of Ohio "Schools to Watch" recognition program.

A new District website has been launched which includes a Superintendent's Blog, on-line videos, survey capability and individual building pages.

Indian Trail Elementary School is in the application phase to become a Primary Years Program of the International Baccalaureate Organization.

The District has reduced \$3.24 million from the budget in the last three years and has instituted a comprehensive community engagement process to involve the community in considering additional areas of cost reductions.

Major Initiatives for the Future

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

The District will continue with Year Four initiatives indicated in its Five-Year Strategic Plan. These initiatives continue the classroom focus of instructional alignment.

The District will continue to implement a public engagement outreach program to continue to stretch the resources available. The community input will be used to make additional cost savings.

The District will pursue International Baccalaureate status for one of the K-4 buildings through the use of ARRA Stimulus funds. This Ohio Improvement Process will be implemented in all nine district buildings.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the District due to the phasing out of the tax. In calendar years 2008-2010, the District was to be fully reimbursed for the lost revenue and begin phasing out in calendar years 2011-2017. The District will continue to pursue new money levy options to meet the rising costs of the District and supplement the effects that House Bill No. 66 had on Tangible Property Tax revenue and the State funding formula.

INDEPENDENT AUDIT

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

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

AWARDS

GFOA Certificate of Achievement - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Stow-Munroe Falls City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report that conforms to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA.

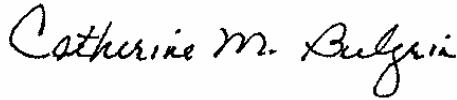
ASBO Certificate - The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2008, to the Stow-Munroe Falls City School District. This award certifies that the Comprehensive Annual Financial Report substantially conformed to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing business officials. Management believes that the Comprehensive Annual Financial Report submitted for the fiscal year ended June 30, 2009, will conform to ASBO's principles and standards.

ACKNOWLEDGEMENTS

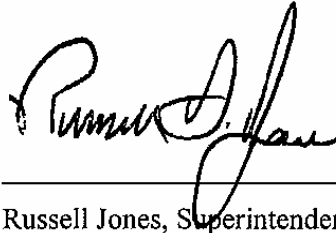
The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated services of the Treasurer's Office staff. In addition, we acknowledge the outstanding services of our data processing department in meeting the vast informational requirements. Our consultant,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

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

Sincerely,



Catherine Bulgrin, Treasurer/CFO



Russell Jones, Superintendent

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

PRINCIPAL OFFICERS
JUNE 30, 2009

Board of Education

Richard Spangler - President

Karen Wright - Vice President

Dennis Mariola

Karen Powers

Patricia Matthews

Superintendent

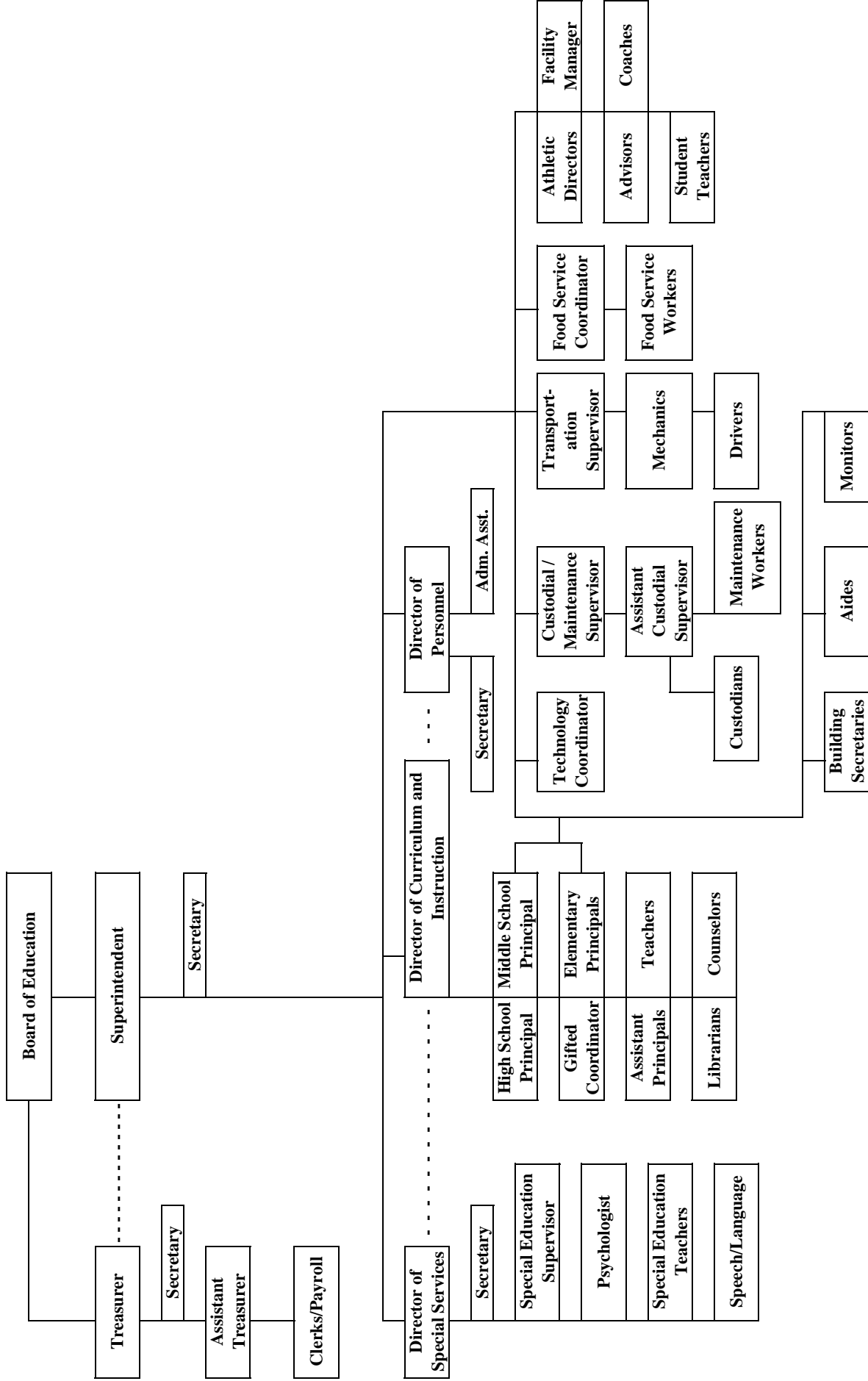
Dr. Russell Jones

Treasurer/CFO

Catherine Bulgrin

STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Stow-Munroe Falls
City School District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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



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

President

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

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

STOW-MUNROE FALLS CITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2008

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

Angela Peteman

President

John H. Mueser

Executive Director



Julian & Grube, Inc.
Serving Ohio Local Governments

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

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, its major fund and the aggregate remaining fund information of Stow-Munroe Falls City School District, Summit County, Ohio, as of and for the fiscal year ended June 30, 2009, which collectively comprise Stow-Munroe Falls City School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Stow-Munroe Falls City School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, its major fund, and the aggregate remaining fund information of Stow-Munroe Falls City School District, Summit County, Ohio, as of June 30, 2009, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2009, on our consideration of Stow-Munroe Falls City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

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



Julian & Grube, Inc.
December 18, 2009

FINANCIAL SECTION

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED

The management's discussion and analysis of the Stow-Munroe Falls City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2009. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2009 are as follows:

- In total, net assets of governmental activities increased \$2,183,865, which represents an 12.02% increase from 2008.
- General revenues accounted for \$50,090,543 in revenue or 87.64% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$7,060,670 or 12.36% of total revenues of \$57,151,213.
- The District had \$54,967,348 in expenses related to governmental activities; \$7,060,670 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$50,090,543 were adequate to provide for these programs.
- The District's only major governmental fund is the general fund. The general fund had \$52,287,593 in revenues and \$49,195,676 in expenditures and other financing uses. During fiscal year 2009, the general fund's fund balance increased \$3,091,917 from \$6,013,310 to \$9,105,227.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2009?" The statement of net assets and the statement of activities answer this question. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED

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

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Reporting the District's Fiduciary Responsibilities

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

Notes to the Basic Financial Statements

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED

The District as a Whole

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

The table below provides a summary of the District's net assets for 2009 and 2008.

	Net Assets	
	Governmental Activities 2009	Governmental Activities 2008
<u>Assets</u>		
Current and other assets	\$ 43,068,998	\$ 42,166,274
Capital assets, net	<u>17,101,039</u>	<u>18,003,782</u>
Total assets	<u>60,170,037</u>	<u>60,170,056</u>
<u>Liabilities</u>		
Current liabilities	32,166,633	34,083,273
Long-term liabilities	<u>7,638,250</u>	<u>7,905,494</u>
Total liabilities	<u>39,804,883</u>	<u>41,988,767</u>
<u>Net assets</u>		
Invested in capital assets, net of related debt	13,665,567	14,413,341
Restricted	1,408,917	977,417
Unrestricted	<u>5,290,670</u>	<u>2,790,531</u>
Total net assets	<u>\$ 20,365,154</u>	<u>\$ 18,181,289</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2009, the District's assets exceeded liabilities by \$20,365,154. Of this total, \$1,408,917 is restricted in use.

At year-end, capital assets represented 28.43% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2009, were \$13,665,567. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

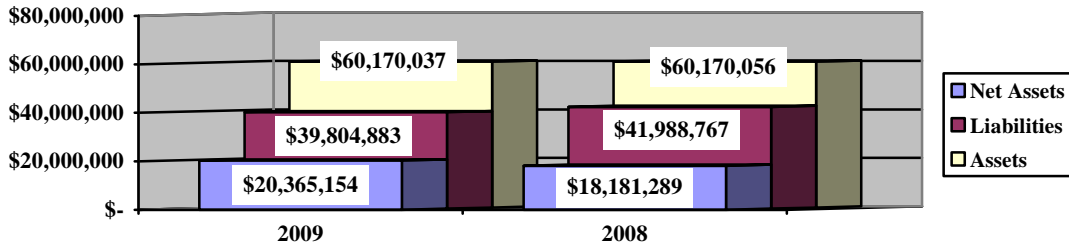
A portion of the District's net assets, \$1,408,917, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets is \$5,290,670.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED

The graph below illustrates the District assets, liabilities and net assets at June 30, 2009 and 2008:

Governmental Activities



The table below shows the change in net assets for fiscal year 2009 and 2008. Intergovernmental pass-through expenses for 2008 have been reclassified to operations of non-instructional services expenses to conform to 2009 presentation.

Change in Net Assets

	Governmental Activities 2009	Governmental Activities 2008
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 3,076,223	\$ 3,014,346
Operating grants and contributions	3,919,343	3,559,651
Capital grants and contributions	65,104	139,968
General revenues:		
Property taxes	30,183,489	29,616,627
Payments in lieu of taxes	125,406	-
Grants and entitlements	19,385,420	18,755,169
Investment earnings	261,203	640,953
Other	135,025	58,749
Total revenues	<u>57,151,213</u>	<u>55,785,463</u>

-- continued

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED

	Change in Net Assets (Continued)	
	Governmental Activities <u>2009</u>	Governmental Activities <u>2008</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	\$ 25,179,398	\$ 24,485,458
Special	4,852,659	4,473,031
Vocational	1,596,146	1,715,572
Adult/continuing	4,031	14,550
Other	320,688	299,228
Support services:		
Pupil	3,053,622	3,127,951
Instructional staff	2,507,581	2,552,978
Board of education	422,215	460,799
Administration	2,818,083	2,775,102
Fiscal	1,320,751	1,172,084
Business	468,037	552,982
Operations and maintenance	5,557,031	5,130,426
Pupil transportation	3,283,900	3,117,758
Central	610,594	843,101
Operations of non-instructional services	422,399	470,651
Food service operations	1,241,668	1,296,565
Extracurricular activities	1,149,187	1,236,766
Interest and fiscal charges	<u>159,358</u>	<u>243,867</u>
Total expenses	<u>54,967,348</u>	<u>53,968,869</u>
Change in net assets	2,183,865	1,816,594
Net assets at beginning of year	<u>18,181,289</u>	<u>16,364,695</u>
Net assets at end of year	<u>\$ 20,365,154</u>	<u>\$ 18,181,289</u>

Governmental Activities

Net assets of the District's governmental activities increased \$2,183,865. Total governmental expenses of \$54,967,348 were offset by program revenues of \$7,060,670 and general revenues of \$50,090,543. Program revenues supported 12.84% of the total governmental expenses.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED

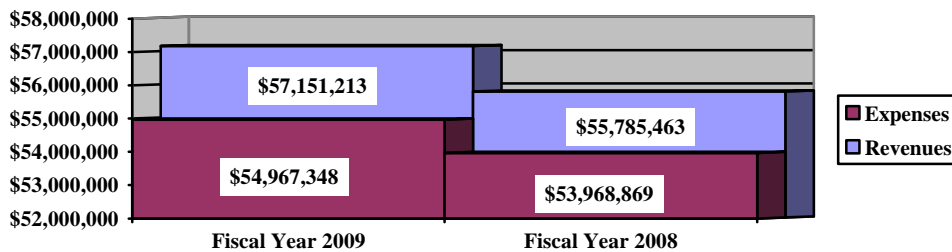
The primary sources of revenue for governmental activities are derived from property taxes and unrestricted grants and entitlements. These revenue sources represent 86.74% of total governmental revenue

In fiscal 2009, the operating grants and contributions program revenue category increased approximately \$360,000. This is due to the District receiving more federal grants, particularly Title VI-B grants, during the fiscal year. Interest earnings decreased approximately \$380,000 due to decreased interest rates on investments in 2009. Additionally, tax revenue increased approximately \$567,000 primarily due to the District having more taxes available as an advance from the County Auditor when compared to the prior fiscal year. Unrestricted grants and entitlements increased due to increased property tax reimbursements received from the State.

The largest expense of the District is for instructional programs. Instruction expenses totaled \$31,952,922 or 58.13% of total governmental expenses for fiscal 2009. All expenditures were comparable to the prior year.

The graph below presents the District's governmental activities revenue and expenses for fiscal year 2009 and 2008.

Governmental Activities - Revenues and Expenses



As can be seen in the chart above, revenues increase by a greater amount than expenses increased when compared to the prior fiscal year. Revenues increased by 2.45% while expenses increased 1.85%. As a result, net assets increased \$2,183,865 during fiscal year 2009.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. Intergovernmental pass-through expenses for 2008 have been reclassified to operations of non-instructional services expenses to conform to 2009 presentation.

Governmental Activities

	Total Cost of Services <u>2009</u>	Net Cost of Services <u>2009</u>	Total Cost of Services <u>2008</u>	Net Cost of Services <u>2008</u>
Program expenses				
Instruction:				
Regular	\$ 25,179,398	\$ 23,188,261	\$ 24,485,458	\$ 22,807,670
Special	4,852,659	3,411,364	4,473,031	2,901,200
Vocational	1,596,146	1,318,301	1,715,572	1,515,940
Adult/continuing	4,031	4,031	14,550	14,550
Other	320,688	283,251	299,228	299,228
Support services:				
Pupil	3,053,622	2,419,616	3,127,951	2,604,256
Instructional staff	2,507,581	2,437,205	2,552,978	2,407,717
Board of education	422,215	422,215	460,799	460,799
Administration	2,818,083	2,589,631	2,775,102	2,607,089
Fiscal	1,320,751	1,320,751	1,172,084	1,172,084
Business	468,037	468,037	552,982	552,982
Operations and maintenance	5,557,031	5,521,593	5,130,426	5,056,596
Pupil transportation	3,283,900	3,096,719	3,117,758	2,904,007
Central	610,594	576,554	843,101	816,101
Operations of non-instructional services	422,399	(2,937)	470,651	(58,023)
Food service operations	1,241,668	(9,988)	1,296,565	46,493
Extracurricular activities	1,149,187	702,716	1,236,766	902,348
Interest and fiscal charges	159,358	159,358	243,867	243,867
Total expenses	<u>\$ 54,967,348</u>	<u>\$ 47,906,678</u>	<u>\$ 53,968,869</u>	<u>\$ 47,254,904</u>

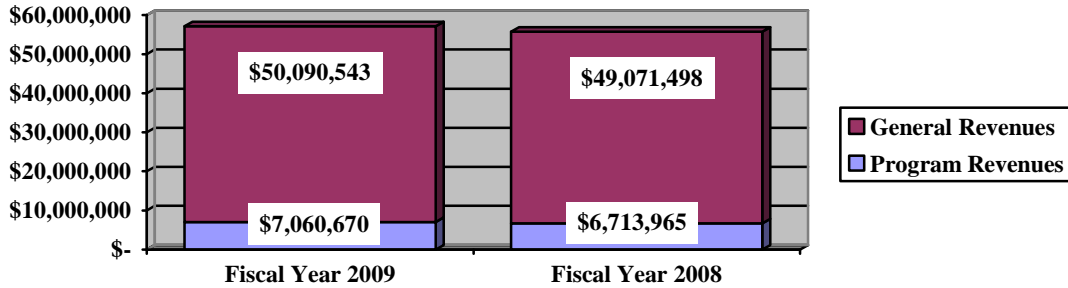
The dependence upon tax and other general revenues for governmental activities is apparent, 88.28% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 87.16%. The District's taxpayers and unrestricted grants and entitlements from the State of Ohio, as a whole, are by far the primary support for District's students.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED

The graph below presents the District's governmental activities revenue for fiscal year 2009 and 2008.

Governmental Activities - General and Program Revenues



General revenues increased \$1,019,045 or 2.08% from fiscal 2008 to 2009 and program revenues increased \$346,705 or 5.17% from 2008 to 2009. The increase in governmental activities revenues is discussed on page 17.

The District's Funds

The District's governmental funds reported a combined fund balance of \$9,810,801, which is more than last year's total of \$7,043,334. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2009 and 2008.

	Fund Balance <u>June 30, 2009</u>	Fund Balance <u>June 30, 2008</u>	Increase <u>(Decrease)</u>	Percentage <u>Change</u>
General	\$ 9,105,227	\$ 6,013,310	\$ 3,091,917	51.42 %
Other Governmental	<u>705,574</u>	<u>1,030,024</u>	<u>(324,450)</u>	(31.50) %
Total	<u>\$ 9,810,801</u>	<u>\$ 7,043,334</u>	<u>\$ 2,767,467</u>	39.29 %

General Fund

The District's general fund balance increased \$3,091,917. Revenues increased from the prior year by \$1,965,113, or 3.91%, while expenditures increased \$278,635, or 0.57%, over the prior year. An analysis of the general fund's revenues and expenditures is provided below.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED

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

	<u>2009</u> <u>Amount</u>	<u>2008</u> <u>Amount</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>				
Taxes	\$ 29,624,284	\$ 28,377,768	\$ 1,246,516	4.39 %
Earnings on investments	270,564	630,417	(359,853)	(57.08) %
Intergovernmental	20,586,876	19,899,703	687,173	3.45 %
Other revenues	<u>1,805,869</u>	<u>1,414,592</u>	<u>391,277</u>	27.66 %
Total	<u>\$ 52,287,593</u>	<u>\$ 50,322,480</u>	<u>\$ 1,965,113</u>	3.91 %
<u>Expenditures</u>				
Instruction	\$ 29,801,569	\$ 29,360,359	\$ 441,210	1.50 %
Support services	18,329,517	18,582,441	(252,924)	(1.36) %
Non-instructional services	27	-	27	100.00 %
Extracurricular activities	872,595	797,140	75,455	9.47 %
Facilities acquisition and construction	33,537	72,330	(38,793)	(53.63) %
Debt service	<u>141,856</u>	<u>88,196</u>	<u>53,660</u>	60.84 %
Total	<u>\$ 49,179,101</u>	<u>\$ 48,900,466</u>	<u>\$ 278,635</u>	0.57 %

During fiscal year 2009, interest rates decreased from those present in fiscal year 2008. As a result, the District's return on investments decreased when compared to the prior fiscal year. Tax revenue increased due a greater amount of taxes available for advance by the County Auditor when compared to the prior year. Under generally accepted accounting principles, the amount of taxes available for advance is recorded as revenue. The phase-out of the tangible personal property tax, for which the District is currently being fully reimbursed by the State, is the main reason intergovernmental revenue increased when compared to the prior fiscal year. The increase in "other revenues" was due to an increase in open enrollment revenue and pay to play fees during fiscal year 2009.

The increase in instruction expenditures is the result of normal and customary wage and benefit increases from the prior year. The decrease in support services is due to the District's cost control policy on support service expenditures. Instruction and support service expenditures totaled \$48,131,086 or 97.87% of total general fund expenditures for fiscal year 2009.

General Fund Budgeting Highlights

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

During the course of fiscal 2009, the District amended its general fund budget several times. For the general fund, original budgeted revenues and other financing sources were \$51,598,379 and final budgeted revenues and other financing sources were \$51,754,067. Actual revenues and other financing sources for fiscal 2009 was \$52,211,304. This was \$457,237 greater than the final budgeted revenues. The District conservatively budgets revenues as can be seen with actual revenues being larger than in the original and final budget. There were no major budget variances between the original budget, final budget and actual revenues.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED

General fund original appropriations (appropriated expenditures including other financing uses) of \$61,365,008 were increased to \$61,520,696 in the final appropriations. The actual budget basis expenditures and other financing uses for fiscal year 2009 totaled \$51,470,756, which was \$10,049,940 less than the final budgeted appropriations. The District conservatively budgets appropriations as can be seen with actual expenditures being less than in the original and final budget.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2009, the District had \$17,101,039 invested in land, land improvements, buildings and improvements, furniture and equipment and vehicles. This entire amount is reported in governmental activities. The following table shows fiscal 2009 balances compared to 2008:

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

	Governmental Activities	
	2009	2008
Land	\$ 563,915	\$ 563,915
Land improvements	1,121,641	1,113,416
Building and improvements	12,547,638	13,294,731
Furniture and equipment	623,141	704,982
Vehicles	2,244,704	2,326,738
Total	\$ 17,101,039	\$ 18,003,782

The overall decrease in capital assets of \$902,743 is due to depreciation expense of \$1,310,721 exceeding capital outlays of \$407,978 in the fiscal year.

See Note 8 to the basic financial statements for additional information on the District's capital assets.

Debt Administration

At June 30, 2009, the District had \$3,355,000 in general obligation bonds outstanding. Of this total, \$235,000 is due within one year and \$3,120,000 is due in greater than one year. The following table summarizes the bond obligations outstanding.

Outstanding Bonds, at Year End

	Governmental Activities	Governmental Activities
	2009	2008
General obligation bonds	\$ 3,355,000	\$ 4,005,000
Total	\$ 3,355,000	\$ 4,005,000

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED

Current Financial Related Activities

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

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

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

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

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

Contacting the District's Financial Management

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

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**BASIC
FINANCIAL STATEMENTS**

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

STATEMENT OF NET ASSETS
JUNE 30, 2009

	Governmental Activities
Assets:	
Equity in pooled cash and investments	\$ 12,781,509
Receivables:	
Taxes	29,482,276
Accounts	13,844
Intergovernmental	583,913
Accrued interest	50,011
Materials and supplies inventory	91,263
Unamortized bond issue costs	66,182
Capital assets:	
Land	563,915
Depreciable capital assets, net	16,537,124
Total capital assets, net	17,101,039
 Total assets	 60,170,037
 Liabilities:	
Accounts payable	276,272
Accrued wages and benefits	4,519,840
Pension obligation payable	1,343,486
Intergovernmental payable	184,332
Unearned revenue	25,830,520
Accrued interest payable	12,183
Long-term liabilities:	
Due within one year	672,478
Due in more than one year	6,965,772
Total long-term liabilities	7,638,250
 Total liabilities	 39,804,883
 Net assets:	
Invested in capital assets, net of related debt	13,665,567
Restricted for:	
Capital projects	369,344
Locally funded programs	6,919
State funded programs	89,491
Federally funded programs	6,616
Student activities	84,609
Textbooks/instructional materials	510,498
Other purposes	341,440
Unrestricted	5,290,670
 Total net assets	 \$ 20,365,154

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
Governmental activities:					
Instruction:					
Regular	\$ 25,179,398	\$ 1,365,821	\$ 625,316	\$ -	\$ (23,188,261)
Special	4,852,659	96,972	1,344,323	-	(3,411,364)
Vocational	1,596,146	57,737	220,108	-	(1,318,301)
Adult/continuing.	4,031	-	-	-	(4,031)
Other	320,688	-	37,437	-	(283,251)
Support services:					
Pupil.	3,053,622	189,973	444,033	-	(2,419,616)
Instructional staff	2,507,581	1,369	69,007	-	(2,437,205)
Board of education	422,215	-	-	-	(422,215)
Administration.	2,818,083	27,639	200,813	-	(2,589,631)
Fiscal.	1,320,751	-	-	-	(1,320,751)
Business.	468,037	-	-	-	(468,037)
Operations and maintenance	5,557,031	33,745	1,693	-	(5,521,593)
Pupil transportation.	3,283,900	-	122,077	65,104	(3,096,719)
Central	610,594	-	34,040	-	(576,554)
Operation of non-instructional services	422,399	-	425,336	-	2,937
Food service operations.	1,241,668	858,272	393,384	-	9,988
Extracurricular activities.	1,149,187	444,695	1,776	-	(702,716)
Interest and fiscal charges	159,358	-	-	-	(159,358)
Total governmental activities	\$ 54,967,348	\$ 3,076,223	\$ 3,919,343	\$ 65,104	(47,906,678)
General revenues:					
Property taxes levied for:					
General purposes					29,435,567
Debt service.					153,580
Capital outlay.					594,342
Payments in lieu of taxes.					125,406
Grants and entitlements not restricted to specific programs					19,385,420
Investment earnings					261,203
Miscellaneous					135,025
Total general revenues					50,090,543
Change in net assets					2,183,865
Net assets at beginning of year					18,181,289
Net assets at end of year					\$ 20,365,154

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and investments	\$ 10,580,330	\$ 1,690,681	\$ 12,271,011
Receivables:			
Taxes	28,895,710	586,566	29,482,276
Accounts	12,740	1,104	13,844
Intergovernmental	-	583,913	583,913
Accrued interest	50,011	-	50,011
Interfund	1,142,213	-	1,142,213
Materials and supplies inventory	42,444	48,819	91,263
Restricted assets:			
Equity in pooled cash and cash investments	510,498	-	510,498
Total assets	\$ 41,233,946	\$ 2,911,083	\$ 44,145,029
Liabilities:			
Accounts payable	\$ 176,207	\$ 100,065	\$ 276,272
Accrued wages and benefits	4,357,508	162,332	4,519,840
Compensated absences payable	221,351	10,087	231,438
Pension obligation payable	1,262,736	80,750	1,343,486
Intergovernmental payable	174,759	9,573	184,332
Interfund payable	-	1,142,213	1,142,213
Deferred revenue	620,247	185,880	806,127
Unearned revenue	25,315,911	514,609	25,830,520
Total liabilities	32,128,719	2,205,509	34,334,228
Fund balances:			
Reserved for encumbrances	386,686	363,275	749,961
Reserved for materials and supplies inventory	42,444	48,819	91,263
Reserved for textbooks/instructional materials	510,498	-	510,498
Reserved for unclaimed monies	12,128	-	12,128
Reserved for property tax unavailable for appropriation	2,996,084	61,201	3,057,285
Unreserved, undesignated, reported in:			
General fund	5,157,387	-	5,157,387
Special revenue funds	-	65,836	65,836
Capital projects funds	-	166,443	166,443
Total fund balances	9,105,227	705,574	9,810,801
Total liabilities and fund balances	\$ 41,233,946	\$ 2,911,083	\$ 44,145,029

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2009

Total governmental fund balances		\$	9,810,801
<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.			17,101,039
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Taxes	\$	594,471	
Interest		36,532	
Intergovernmental		175,124	
Total			806,127
Unamortized premiums are not recognized in the funds.			(80,472)
Unamortized bond issuance costs are not recognized in the funds.			66,182
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(12,183)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General obligation bonds		(3,355,000)	
Compensated absences		(3,971,340)	
Total			(7,326,340)
Net assets of governmental activities		\$	20,365,154

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
From local sources:			
Taxes	\$ 29,624,284	\$ 759,804	\$ 30,384,088
Tuition	1,267,229	-	1,267,229
Earnings on investments	270,564	2,629	273,193
Charges for services	-	858,272	858,272
Extracurricular	233,832	377,752	611,584
Classroom materials and fees	-	183,904	183,904
Other local revenues	304,808	118,158	422,966
Intergovernmental - Intermediate	24,395	353	24,748
Intergovernmental - State	20,523,481	635,551	21,159,032
Intergovernmental - Federal	39,000	1,981,049	2,020,049
Total revenue	<u>52,287,593</u>	<u>4,917,472</u>	<u>57,205,065</u>
Expenditures:			
Current:			
Instruction:			
Regular	23,534,277	898,113	24,432,390
Special	4,385,358	391,168	4,776,526
Vocational	1,588,369	47,622	1,635,991
Adult/continuing	4,031	-	4,031
Other	289,534	36,978	326,512
Support services:			
Pupil	2,414,888	621,309	3,036,197
Instructional staff	2,411,506	79,342	2,490,848
Board of education	421,217	998	422,215
Administration	2,610,751	170,533	2,781,284
Fiscal	1,251,508	46,379	1,297,887
Business	447,888	41,604	489,492
Operations and maintenance	5,132,914	2,300	5,135,214
Pupil transportation	3,100,653	-	3,100,653
Central	538,192	55,482	593,674
Operation of non-instructional services	27	423,539	423,566
Food service operations	-	1,229,437	1,229,437
Extracurricular activities	872,595	241,801	1,114,396
Facilities acquisition and construction	33,537	301,538	335,075
Debt service:			
Principal retirement	80,000	570,000	650,000
Interest and fiscal charges	61,856	100,354	162,210
Total expenditures	<u>49,179,101</u>	<u>5,258,497</u>	<u>54,437,598</u>
Excess of revenues over (under) expenditures	<u>3,108,492</u>	<u>(341,025)</u>	<u>2,767,467</u>
Other financing sources (uses):			
Transfers in	-	16,575	16,575
Transfers (out)	(16,575)	-	(16,575)
Total other financing sources (uses)	<u>(16,575)</u>	<u>16,575</u>	<u>-</u>
Net change in fund balances	3,091,917	(324,450)	2,767,467
Fund balances at beginning of year	<u>6,013,310</u>	<u>1,030,024</u>	<u>7,043,334</u>
Fund balances at end of year	<u>\$ 9,105,227</u>	<u>\$ 705,574</u>	<u>\$ 9,810,801</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Net change in fund balances - total governmental funds \$ 2,767,467

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

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

Capital asset additions	\$ 407,978	
Current year depreciation	(1,310,721)	
Total		(902,743)

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

Decrease in accrued interest payable	1,701	
Amortization of bond premium	6,481	
Amortization of bond issue costs	(5,330)	
Total		2,852

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

Taxes	(200,599)	
Interest	(9,361)	
Intergovernmental	156,108	
Total		(53,852)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets. 650,000

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (279,859)

Change in net assets of governmental activities \$ 2,183,865

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
From local sources:				
Taxes	\$ 28,134,171	\$ 28,219,060	\$ 28,468,370	\$ 249,310
Tuition.	1,272,531	1,276,371	1,287,647	11,276
Earnings on investments.	274,031	274,858	277,286	2,428
Extracurricular.	231,087	231,784	233,832	2,048
Other local revenues.	299,211	300,114	302,765	2,651
Intergovernmental - Intermediate	24,108	24,181	24,395	214
Intergovernmental - State	20,282,550	20,343,748	20,523,481	179,733
Intergovernmental - Federal	38,542	38,658	39,000	342
Total revenue	<u>50,556,231</u>	<u>50,708,774</u>	<u>51,156,776</u>	<u>448,002</u>
Expenditures:				
Current:				
Instruction:				
Regular	28,447,633	28,519,808	23,860,850	4,658,958
Special.	5,305,862	5,319,323	4,450,365	868,958
Vocational.	1,934,589	1,939,497	1,622,663	316,834
Adult/continuing	4,806	4,818	4,031	787
Other.	320,970	321,784	269,218	52,566
Support services:				
Pupil.	2,917,673	2,925,075	2,447,239	477,836
Instructional staff	3,086,942	3,094,774	2,589,216	505,558
Board of education	607,628	609,170	509,657	99,513
Administration.	3,297,547	3,305,913	2,765,863	540,050
Fiscal	1,413,374	1,416,960	1,185,487	231,473
Business	591,898	593,400	496,463	96,937
Operations and maintenance.	6,135,330	6,150,896	5,146,094	1,004,802
Pupil transportation	3,795,383	3,805,012	3,183,430	621,582
Central.	657,507	659,175	551,493	107,682
Operation of non-instructional services	68,996	69,171	57,871	11,300
Extracurricular activities.	1,066,335	1,069,040	894,403	174,637
Facilities acquisition and construction.	50,899	51,028	42,692	8,336
Debt service:				
Principal retirement	95,378	95,620	80,000	15,620
Interest and fiscal charges	73,747	73,934	61,856	12,078
Total expenditures	<u>59,872,497</u>	<u>60,024,398</u>	<u>50,218,891</u>	<u>9,805,507</u>
Excess of revenues over/(under) expenditures.	<u>(9,316,266)</u>	<u>(9,315,624)</u>	<u>937,885</u>	<u>10,253,509</u>
Other financing sources (uses):				
Refund of prior year expenditure	61,445	61,630	62,174	544
Refund of prior year (receipt).	(110,969)	(111,251)	(93,077)	18,174
Insurance recoveries.	9,791	9,821	9,908	87
Transfers (out)	(19,761)	(19,811)	(16,575)	3,236
Advances in.	970,252	973,180	981,778	8,598
Advances (out)	(1,361,781)	(1,365,236)	(1,142,213)	223,023
Sale of assets.	660	662	668	6
Total other financing sources (uses)	<u>(450,363)</u>	<u>(451,005)</u>	<u>(197,337)</u>	<u>253,668</u>
Net change in fund balance	(9,766,629)	(9,766,629)	740,548	10,507,177
Fund balance at beginning of year	8,954,546	8,954,546	8,954,546	-
Prior year encumbrances appropriated	812,083	812,083	812,083	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,507,177</u>	<u>\$ 10,507,177</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2009

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and investments	\$ 126,405	\$ 113,069
Receivables:		
Accounts	-	650
	126,405	113,719
Total assets	126,405	\$ 113,719
Liabilities:		
Accounts payable	-	\$ 275
Due to students	-	113,444
	-	113,719
Total liabilities	-	\$ 113,719
Net assets:		
Held in trust for scholarships	126,405	
Total net assets	\$ 126,405	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Private-Purpose Trust
	Scholarship
Additions:	
Interest	\$ 2,086
Gifts and contributions.	12,066
Total additions.	14,152
Deductions:	
Payments in accordance with trust agreements	9,893
Change in net assets	4,259
Net assets at beginning of year.	122,146
Net assets at end of year	\$ 126,405

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Stow-Munroe Falls City School District (the "District") operates under a locally-elected, five-member Board form of government and provides educational services as authorized or mandated by State and/or Federal agencies. This Board controls the District's nine instructional/support facilities staffed by 245 full-time and part-time non-certified employees and 372 certified teaching personnel. Included in these totals are 30 administrators employed by the District. The District provides services to 5,517 students and other community members.

The District is the 55th largest among the 922 public school districts and community schools in the State of Ohio.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

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

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

RELATED ORGANIZATION

Stow-Munroe Falls Public Library

The Stow-Munroe Falls Public Library (the "Library") is a related organization to the District. The District's Board of Education is responsible for appointing all the trustees of the Library; however, the District's Board of Education cannot influence the Library's operation nor does the Library represent a potential financial benefit or burden to the District. Although the District serves as the taxing authority and may issue tax related debt on behalf of the Library, including the determination of the rate and duration, the District must place the levy on the ballot. The Library may issue debt and determines its own budget. The Library did not receive any funding from the District during the fiscal year 2009.

JOINTLY GOVERNED ORGANIZATIONS

Northeast Ohio Network for Educational Technology (NEOnet)

Northeast Ohio Network for Educational Technology (NEOnet) is the computer service organization or Data Acquisition Site (DAS) used by the District. NEOnet is an association of public school districts in a geographic area determined by the Ohio Department of Education. The Summit County Educational Service Center acts as the fiscal agent for NEOnet. The purpose of NEOnet is to develop and employ a computer system efficiently and effectively for the needs of the member Boards of Education. All districts in NEOnet are required to pay fees, charges, and assessments as charges. NEOnet is governed by a board made up of superintendents from all of the participating districts. An elected Executive Board consisting of five members of the governing board is the managerial body of NEOnet and meets on a monthly basis. The District does not maintain an ongoing financial interest or an ongoing financial responsibility. Payments to NEOnet are made from the general fund. During fiscal year 2009, the District contributed \$211,509 to NEOnet. Financial information can be obtained by contacting the Treasurer at the Summit County Educational Service Center, who serves as the fiscal agent, at 420 Washington Ave., Suite 200, Cuyahoga Falls, Ohio 44221.

Six District Educational Compact

The Six District Educational Compact is a jointly governed organization to provide for the vocational and special education needs of the students of six participating school districts. The six member board consists of the superintendent from each of the participating school districts. Students may attend any vocational or special education class offered by any of the six districts. If a student elects to attend a class offered by a school district other than the school district in which the student resides, the school district of residence pays an instructional fee to the school district that offered the class. Hudson City School District serves as the fiscal agent for this agreement, collecting and distributing payments. All revenues are generated from charges for services. The District paid \$345,357 to the Six District Educational Compact for services during fiscal year 2009.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

Ohio Schools Council Association

The Ohio Schools Council Association (Council) is a jointly governed organization comprised of one hundred and twenty one member districts. The mission of the Council is to identify, plan and provide services to member districts that can be more effectively achieved by cooperative endeavors of member districts than by an individual district operating on its own. Each district supports the Council by paying an annual participation fee. The Council's Board consists of nine superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2009, the District paid \$793,022 to the Council. Financial information can be obtained by contacting David Cottrell, the Executive Director of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The District participates in the Council's Energy for Education Program. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating in the program for an extended period of time. The current, three year contract expires in December 2011. The participants make monthly payments based upon estimated usage. At the end of each fiscal year, these estimated payments are compared to actual usage for the year and additional billings are made or refunds are issued accordingly.

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

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

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

PUBLIC ENTITY RISK POOL

Stark County Schools Council of Government Health Benefits Program

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

Ohio School Boards Association Workers' Compensation Group Rating Program

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

B. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The District does not have proprietary funds.

GOVERNMENTAL FUNDS

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

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

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

FIDUCIARY FUNDS

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

C. Basis of Presentation and Measurement Focus

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District.

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

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

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

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

D. Basis of Accounting

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

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

Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, interest, tuition, grants, student fees and rentals.

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

Property taxes for which there is an enforceable legal claim as of June 30, 2009, but which were levied to finance fiscal year 2010 operations, and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met are recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period, including delinquent property taxes due at June 30, 2009, are recorded as deferred revenue.

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

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

E. Budgets

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

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

F. Cash and Investments

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

During fiscal year 2009, investments were limited to federal agency securities, U.S. Treasury money market funds, a repurchase agreement, negotiable certificates of deposit and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as repurchase agreements, are reported at cost.

The District has invested funds in STAR Ohio during fiscal year 2009. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on June 30, 2009.

Under existing Ohio statutes, all investment earnings are assigned to the general fund except those specifically related to certain trust funds, unless the Board of Education specifically directs interest to be recorded in other funds. Interest revenue credited to the general fund during fiscal year 2009 amounted to \$270,564 which includes \$40,755 assigned from other District funds.

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

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

G. Inventory

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

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

H. Capital Assets

General capital assets are those related to government activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintained a capitalization threshold of \$5,000 for its general capital assets during fiscal year 2009. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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

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

I. Interfund Balances

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

J. Compensated Absences

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

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

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2009 and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

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

K. Accrued Liabilities and Long-Term Obligations

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

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

L. Estimates

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

M. Fund Balance Reserves

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

N. Net Assets

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

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

O. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the basic financial statements.

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

P. Extraordinary and Special Items

Extraordinary items are transactions of events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. During fiscal year 2009, the District did not incur any transactions that would be classified as an extraordinary item or special item.

Q. Unamortized Bond Issuance Costs and Bond Premiums

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2009, the District has implemented GASB Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations", GASB Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments", GASB Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", and GASB Statement No. 56 "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards".

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

GASB Statement No. 52 improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. The implementation of GASB Statement No. 52 did not have an effect on the financial statements of the District.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature. The implementation of GASB Statement No. 55 did not have an effect on the financial statements of the District.

GASB Statement No. 56 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' (AICPA) Statements on Auditing Standards. The implementation of GASB Statement No. 56 did not have an effect on the financial statements of the District.

B. Deficit Fund Balances

Fund balances at June 30, 2009 included the following individual fund deficits:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
Food service	\$ 65,146
Teacher development	6
Ohio reads	132,224
IDEA part B grants	12,346
Title III limited English proficiency	681
Title V innovative education program	697
Drug free school grant	1,154

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the District into three categories.

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

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

Interim deposits are deposits of interim monies. Interim 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 and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash on Hand

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

B. Deposits with Financial Institutions

At June 30, 2009, the carrying amount of all District deposits was \$740,166, exclusive of the \$4,940,000 repurchase agreement included in investments below. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2009, \$1,335,388 of the District's bank balance of \$1,601,624 was exposed to custodial risk as discussed below, while \$266,236 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Investments

As of June 30, 2009, the District had the following investments and maturities:

Investment type	Fair value	Investment maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater Than 24 months
FHLB	\$ 610,267	\$ -	\$ 249,782	\$ 104,438	\$ 100,938	\$ 155,109
FFCB	204,844	-	-	-	-	204,844
FHLB DN	832,340	99,950	732,390	-	-	-
FHLMC	1,654,012	-	-	580,576	770,369	303,067
FHLMC DN	214,183	-	214,183	-	-	-
FNMA	861,344	-	177,329	481,858	-	202,157
Negotiable CDs	977,672	977,672	-	-	-	-
Repurchase agreement	4,940,000	4,940,000	-	-	-	-
U.S. Treasury money markets	432,090	432,090	-	-	-	-
STAR Ohio	1,553,015	1,553,015	-	-	-	-
	<u>\$ 12,279,767</u>	<u>\$ 8,002,727</u>	<u>\$ 1,373,684</u>	<u>\$ 1,166,872</u>	<u>\$ 871,307</u>	<u>\$ 865,177</u>

The weighted average maturity of investments is .58 years.

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

Credit Risk: STAR Ohio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's investments in the federal agency securities, negotiable certificates of deposit, U.S. Treasury money markets and the federal agency securities that underlie the repurchase agreement, were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The District's investment policy does not specifically address credit risk beyond requiring the District to only invest in securities authorized by State statute.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The District's investment policy places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2009:

<u>Investment type</u>	<u>Fair value</u>	<u>% of Total</u>
FHLB	\$ 610,267	4.97
FFCB	204,844	1.67
FHLB DN	832,340	6.78
FHLMC	1,654,012	13.47
FHLMC DN	214,183	1.74
FNMA	861,344	7.01
Negotiable CDs	977,672	7.96
Repurchase agreement	4,940,000	40.23
U.S. Treasury money markets	432,090	3.52
STAR Ohio	<u>1,553,015</u>	<u>12.65</u>
	<u>\$ 12,279,767</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets as of June 30, 2009:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 740,166
Investments	12,279,767
Cash on hand	<u>1,050</u>
Total	<u>\$ 13,020,983</u>

<u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 12,781,509
Private-purpose trust fund	126,405
Agency fund	<u>113,069</u>
Total	<u>\$ 13,020,983</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 5 - INTERFUND TRANSACTIONS

- A.** Interfund balances at June 30, 2009 as reported on the fund statements, consist of the following individual interfund receivable and payable:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	<u>\$ 1,142,213</u>

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

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

- B.** Interfund transfers for the year ended June 30, 2009, consisted of the following, as reported on the fund financial statements:

Transfers to nonmajor governmental funds from:	<u>Amount</u>
General fund	<u>\$ 16,575</u>

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property, public utility property, and tangible personal (used in business) property located in the District. Real property tax revenues received in calendar year 2009 represent the collection of calendar year 2008 taxes. Real property taxes received in calendar year 2009 were levied after April 1, 2008, on the assessed values as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2009 represent the collection of calendar year 2008 taxes. Public utility real and tangible personal property taxes received in calendar year 2009 became a lien on December 31, 2007, were levied after April 1, 2008, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax revenues received in calendar year 2009 (other than public utility property) represent the collection of calendar year 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2009 were levied after October 1, 2008, on the value as of December 31, 2008. 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. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

The District receives property taxes from Summit and Portage Counties. The County Auditors periodically advance to the District their portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2009, are available to finance fiscal year 2009 operations. The amount available as an advance at June 30, 2009 was \$2,996,084 in the general fund and \$61,201 in the permanent improvement fund, a nonmajor governmental fund. These amounts are recorded as revenue. The amount available for advance at June 30, 2008 was \$1,840,170 in the general fund, \$24,875 in the bond retirement fund, a nonmajor governmental fund and \$37,312 in the permanent improvement fund, a nonmajor governmental fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2009 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to unearned revenue.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 6 - PROPERTY TAXES - (Continued)

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

The assessed values upon which the fiscal year 2009 taxes were collected are:

	2008 Second Half Collections		2009 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 935,897,171	97.59	\$ 968,320,290	98.95
Public utility personal	8,103,640	0.85	8,363,990	0.86
Tangible personal property	<u>15,028,968</u>	<u>1.56</u>	<u>1,912,955</u>	<u>0.19</u>
Total	<u>\$ 959,029,779</u>	<u>100.00</u>	<u>\$ 978,597,235</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$45.93		\$45.49	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2009 consisted of taxes, accounts (billings for user charged services and student fees), accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the receivables reported on the statement of net assets follows:

Governmental activities:

Taxes	\$ 29,482,276
Accounts	13,844
Intergovernmental	583,913
Accrued interest	<u>50,011</u>
Total	<u>\$ 30,130,044</u>

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2009, was as follows:

	<u>Balance</u> <u>06/30/08</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/09</u>
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 563,915	\$ -	\$ -	\$ 563,915
Total capital assets, not being depreciated	<u>563,915</u>	<u>-</u>	<u>-</u>	<u>563,915</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	3,237,778	117,780	-	3,355,558
Buildings and improvements	32,624,308	51,631	-	32,675,939
Furniture, fixtures and equipment	3,736,240	55,470	-	3,791,710
Vehicles	4,792,809	183,097	-	4,975,906
Total capital assets, being depreciated	<u>44,391,135</u>	<u>407,978</u>	<u>-</u>	<u>44,799,113</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(2,124,362)	(109,555)	-	(2,233,917)
Buildings and improvements	(19,329,577)	(798,724)	-	(20,128,301)
Furniture, fixtures and equipment	(3,031,258)	(137,311)	-	(3,168,569)
Vehicles	(2,466,071)	(265,131)	-	(2,731,202)
Total accumulated depreciation	<u>(26,951,268)</u>	<u>(1,310,721)</u>	<u>-</u>	<u>(28,261,989)</u>
Governmental activities capital assets, net	<u>\$ 18,003,782</u>	<u>\$ (902,743)</u>	<u>\$ -</u>	<u>\$ 17,101,039</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 615,386
Special	11,981
<u>Support services:</u>	
Pupil	2,640
Instructional staff	1,374
Administration	6,943
Fiscal	4,304
Business	1,332
Operations and maintenance	366,380
Pupil transportation	254,756
Extracurricular activities	33,347
Food service operations	<u>12,278</u>
Total depreciation expense	<u>\$ 1,310,721</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 9 - LONG-TERM OBLIGATIONS

- A. During the fiscal year 2009, the following changes occurred in the governmental activities long-term obligations.

	<u>Balance</u> <u>06/30/08</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/09</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
Governmental activities:					
<u>General obligation bonds</u>					
1996 public library, 5.33%	\$ 430,000	\$ -	\$ (430,000)	\$ -	\$ -
2006 bus acquisition/energy conservation, 4.00-5.00%	<u>3,575,000</u>	<u>-</u>	<u>(220,000)</u>	<u>3,355,000</u>	<u>235,000</u>
Total general obligation bonds	<u>4,005,000</u>	<u>-</u>	<u>(650,000)</u>	<u>3,355,000</u>	<u>235,000</u>
<u>Other obligations:</u>					
Compensated absences	<u>3,813,541</u>	<u>776,940</u>	<u>(387,703)</u>	<u>4,202,778</u>	<u>437,478</u>
Total other obligations	<u>3,813,541</u>	<u>776,940</u>	<u>(387,703)</u>	<u>4,202,778</u>	<u>437,478</u>
Total governmental activities long-term obligations	<u>\$ 7,818,541</u>	<u>\$ 776,940</u>	<u>\$ (1,037,703)</u>	<u>7,557,778</u>	<u>\$ 672,478</u>
Add: unamortized premium on bonds				<u>80,472</u>	
Total on statement of net assets				<u>\$ 7,638,250</u>	

Series 1996 Public Library Bonds

In fiscal year 1997, the District issued \$3,952,000 in general obligation bonds for the purpose of financing improvements to public library buildings. These bonds matured on December 1, 2008. During fiscal year 2009, principal payments on the general obligation bonds were made from the bond retirement fund, a nonmajor governmental fund, in the amount of \$430,000. The source of revenue to retire the bonds is derived from voted property tax levies recorded in the bond retirement fund, a nonmajor governmental fund.

Series 2006 Bus Acquisition/Energy Conservation Bonds

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

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

Fiscal Year Ending	General Obligation Bonds		
	Principal	Interest	Total
2010	\$ 235,000	\$ 141,500	\$ 376,500
2011	235,000	132,100	367,100
2012	250,000	122,400	372,400
2013	260,000	112,200	372,200
2014	265,000	101,370	366,370
2015 - 2019	1,345,000	306,542	1,651,542
2020 - 2022	<u>765,000</u>	<u>49,619</u>	<u>814,619</u>
Total	<u>\$ 3,355,000</u>	<u>\$ 965,731</u>	<u>\$ 4,320,731</u>

Compensated Absences

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

B. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2009, are a voted debt margin of \$84,543,539 and an unvoted debt margin of \$976,650.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 10 - RISK MANAGEMENT

A. Comprehensive

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no settlements paid in excess of insurance in the past three years nor has insurance coverage been significantly reduced from 2008.

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

The District has contracted with Stark County Schools Council of Government (the "Consortium") to provide medical/surgical, dental, life insurance and accidental death and dismemberment insurance for its employees and their covered dependents. The Consortium is a shared risk pool comprised of forty-two members. The members pay monthly contributions that are placed in a common fund from which eligible claims and expenses are paid for employees of participating entities and their covered dependents. Claims are paid for all participants regardless of claims flow. This plan contains a stop-loss provision of \$250,000 per participant and an aggregate stop-loss provision of \$131,604,819.

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

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

	<u>2009</u>	<u>2008</u>
Cash and investments	\$ 55,257,653	\$ 46,026,262
Actuarial liabilities	11,902,000	10,652,000

C. Workers' Compensation

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 11 - PENSION PLANS

A. School Employees Retirement System

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2009, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2009, 2008 and 2007 were \$743,521, \$755,451 and \$802,906, respectively; 42.04 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

B. State Teachers Retirement System of Ohio

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 11 - PENSION PLANS - (Continued)

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

Funding Policy - For fiscal year 2009, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2009, 2008 and 2007 were \$3,106,675, \$3,051,520 and \$3,157,539, respectively; 83.34 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007. Contributions to the DC and Combined Plans for fiscal year 2009 were \$40,268 made by the District and \$86,233 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2009, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

NOTE 12 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2009, 4.16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2009, the actuarially determined amount was \$35,800.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 12 - POSTEMPLOYMENT BENEFITS - (Continued)

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

The District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2009, 2008, and 2007 were \$504,242, \$505,200 and \$421,016, respectively; 42.04 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2009, this actuarially required allocation was 0.75 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2009, 2008, and 2007 were \$61,347, \$54,432 and \$54,598, respectively; 42.04 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

B. State Teachers Retirement System of Ohio

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2009, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were \$238,975, \$234,732 and \$242,888, respectively; 83.34 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

NOTE 13 - BUDGETARY BASIS OF ACCOUNTING

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

The statement of revenues, expenditures, and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 13 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

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

Net Change in Fund Balance

	<u>General Fund</u>
Budget basis	\$ 740,548
Net adjustment for revenue accruals	1,130,817
Net adjustment for expenditure accruals	476,293
Net adjustment for other sources/uses	180,762
Adjustment for encumbrances	<u>563,497</u>
GAAP basis	<u>\$ 3,091,917</u>

NOTE 14 - CONTINGENCIES

A. Grants

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

B. Litigation

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 15 - STATUTORY RESERVES

The District is required by State law to set-aside certain general fund revenue amounts, as defined by statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2009, the reserve activity was as follows:

	Textbooks/ Instructional <u>Materials</u>	Capital <u>Acquisition</u>
Set-aside balance as of June 30, 2008	\$ 175,062	\$ -
Current year set-aside requirement	933,611	933,611
Current year offsets	-	(573,433)
Qualifying disbursements	<u>(598,175)</u>	<u>(1,611,715)</u>
Total	<u>\$ 510,498</u>	<u>\$ (1,251,537)</u>
Balance carried forward to FY 2010	<u>\$ 510,498</u>	<u>\$ -</u>

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

A schedule of the governmental fund restricted assets at June 30, 2009 follows:

Amount restricted for instructional materials	<u>\$ 510,498</u>
Total restricted assets	<u>\$ 510,498</u>

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COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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

Nonmajor Special Revenue Funds

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

Food Service Fund Section 3313.81, Revised Code

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

Special Trust Fund Section 5705.09, Revised Code

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

Uniform School Supplies Fund Section 3313.81, Revised Code

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

Public School Support Fund Section 5705.12, Revised Code

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

Other Grants Fund Sections 5705.09 and 5705.13, Revised Code

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

District Managed Activity Fund Section 3313.062, Revised Code

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

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

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

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

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

Management Information Systems Fund Am. Sub. HB 111

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

Data Communication Fund Section 5705.09, Revised Code

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

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

Nonmajor Special Revenue Funds - (Continued)

SchoolNet Professional Development Fund

Section 5705.09, Revised Code

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

Ohio Reads Fund

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

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

Miscellaneous State Grants Fund

Section 5705.12, Revised Code

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

IDEA Part B Grants Fund

Education of the Handicapped Act, PL 91-230

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

Vocational Education Fund

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

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

Title III Limited English Proficiency

Catalog of Federal Domestic Assistance #81-041

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

Title I Disadvantaged Children Fund

PL 97-35; Title I EESA 1965

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

Title VI Innovative Education Program Fund

PL 97-35; EESA 1965

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

Drug Free School Grant Fund

Catalog of Federal Domestic Assistance #84-166

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

IDEA Preschool-Handicapped Fund

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

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

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

Nonmajor Special Revenue Funds - (Continued)

Improving Teacher Quality Fund

Catalog of Domestic Assistance #84-340

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

Miscellaneous Federal Grants Fund

Section 5705.12, Revised Code

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

Nonmajor Debt Service Fund

Bond Retirement Fund

Section 5705.09, Revised Code

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

Nonmajor Capital Projects Funds

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

Permanent Improvement Fund

Section 5705.10, Revised Code

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

Building Fund

Section 5705.09, Revised Code

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

SchoolNet Fund

Section 5705.09, Revised Code

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

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash investments.	\$ 1,381,111	\$ 309,570	\$ 1,690,681
Receivables:			
Taxes.	-	586,566	586,566
Accounts.	1,104	-	1,104
Intergovernmental	583,913	-	583,913
Materials and supplies inventory	48,819	-	48,819
Total assets.	\$ 2,014,947	\$ 896,136	\$ 2,911,083
Liabilities:			
Accounts payable.	\$ 100,065	\$ -	\$ 100,065
Accrued wages and benefits	162,332	-	162,332
Compensated absences payable	10,087	-	10,087
Pension obligation payable.	80,750	-	80,750
Intergovernmental payable	9,573	-	9,573
Interfund payable	1,142,213	-	1,142,213
Deferred revenue	175,124	10,756	185,880
Unearned revenue	-	514,609	514,609
Total liabilities	1,680,144	525,365	2,205,509
Fund balances:			
Reserved for encumbrances.	220,148	143,127	363,275
Reserved for materials and supplies inventory	48,819	-	48,819
Reserved for property tax unavailable for appropriation	-	61,201	61,201
Unreserved:			
Undesignated, reported in:			
Special revenue funds	65,836	-	65,836
Capital projects funds	-	166,443	166,443
Total fund balances	334,803	370,771	705,574
Total liabilities and fund balances.	\$ 2,014,947	\$ 896,136	\$ 2,911,083

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
From local sources:				
Taxes	\$ -	\$ 162,482	\$ 597,322	\$ 759,804
Earnings on investments	2,629	-	-	2,629
Charges for services	858,272	-	-	858,272
Extracurricular	377,752	-	-	377,752
Classroom materials and fees	183,904	-	-	183,904
Other local revenues	88,543	10,459	19,156	118,158
Intergovernmental - Intermediate	-	141	212	353
Intergovernmental - State	529,776	32,389	73,386	635,551
Intergovernmental - Federal	1,981,049	-	-	1,981,049
Total revenues	4,021,925	205,471	690,076	4,917,472
Expenditures:				
Current:				
Instruction:				
Regular	858,999	-	39,114	898,113
Special	391,168	-	-	391,168
Vocational	47,622	-	-	47,622
Other	36,978	-	-	36,978
Support services:				
Pupil	621,309	-	-	621,309
Instructional staff	79,342	-	-	79,342
Board of education	998	-	-	998
Administration	170,533	-	-	170,533
Fiscal	39,424	-	6,955	46,379
Business	-	-	41,604	41,604
Operations and maintenance	2,300	-	-	2,300
Central	55,482	-	-	55,482
Operation of non-instructional services	423,539	-	-	423,539
Food service operations	1,229,437	-	-	1,229,437
Extracurricular activities	241,801	-	-	241,801
Facilities acquisition and construction	20,012	-	281,526	301,538
Debt service:				
Principal retirement	-	430,000	140,000	570,000
Interest and fiscal charges	-	11,610	88,744	100,354
Total expenditures	4,218,944	441,610	597,943	5,258,497
Excess of revenues over (under) expenditures	(197,019)	(236,139)	92,133	(341,025)
Other financing sources:				
Transfers in	16,575	-	-	16,575
Total other financing sources	16,575	-	-	16,575
Net change in fund balances	(180,444)	(236,139)	92,133	(324,450)
Fund balances at beginning of year	515,247	236,139	278,638	1,030,024
Fund balances at end of year	\$ 334,803	\$ -	\$ 370,771	\$ 705,574

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2009

	<u>Food Service</u>	<u>Special Trust</u>	<u>Uniform School Supplies</u>	<u>Public School Support</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 53,446	\$ 46,547	\$ 71,598	\$ 188,795
Receivables:	-			
Accounts.	-	916	93	-
Intergovernmental	-	-	-	-
Materials and supplies inventory	20,551	-	28,268	-
Total assets.	<u>\$ 73,997</u>	<u>\$ 47,463</u>	<u>\$ 99,959</u>	<u>\$ 188,795</u>
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ 6,078	\$ 826
Accrued wages and benefits	75,985	-	-	-
Compensated absences payable	-	-	-	-
Pension obligation payable.	60,221	-	-	-
Intergovernmental payable	2,937	-	-	1
Interfund payable	-	-	-	-
Deferred revenue.	-	-	-	-
Total liabilities.	<u>139,143</u>	<u>-</u>	<u>6,078</u>	<u>827</u>
Fund balances (deficits):				
Reserved for encumbrances	86	1,009	6,709	5,926
Reserved for materials and supplies inventory	20,551	-	28,268	-
Unreserved-undesignated (deficit)	(85,783)	46,454	58,904	182,042
Total fund balances (deficits)	<u>(65,146)</u>	<u>47,463</u>	<u>93,881</u>	<u>187,968</u>
Total liabilities and fund balances.	<u>\$ 73,997</u>	<u>\$ 47,463</u>	<u>\$ 99,959</u>	<u>\$ 188,795</u>

Other Grants	District Managed Activity	Auxiliary Services	Teacher Development	Management Information Systems	SchoolNet Professional Development
\$ 7,099	\$ 86,842	\$ 157,785	\$ -	\$ 2,391	\$ 995
-	95	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 7,099</u>	<u>\$ 86,937</u>	<u>\$ 157,785</u>	<u>\$ -</u>	<u>\$ 2,391</u>	<u>\$ 995</u>
\$ 180	\$ 1,710	\$ 33,092	\$ -	\$ -	\$ -
-	-	15,093	-	-	-
-	-	-	-	-	-
-	-	4,528	-	49	-
-	618	295	6	16	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>180</u>	<u>2,328</u>	<u>53,008</u>	<u>6</u>	<u>65</u>	<u>-</u>
2,472	9,263	39,601	-	-	-
-	-	-	-	-	-
<u>4,447</u>	<u>75,346</u>	<u>65,176</u>	<u>(6)</u>	<u>2,326</u>	<u>995</u>
<u>6,919</u>	<u>84,609</u>	<u>104,777</u>	<u>(6)</u>	<u>2,326</u>	<u>995</u>
<u>\$ 7,099</u>	<u>\$ 86,937</u>	<u>\$ 157,785</u>	<u>\$ -</u>	<u>\$ 2,391</u>	<u>\$ 995</u>

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

COMBINING BALANCE SHEET (CONCLUDED)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2009

	Ohio Reads	Miscellaenous State Grants	IDEA Part B Grants	Title III Limited English Proficiency
Assets:				
Equity in pooled cash and cash equivalents.	\$ 6,285	\$ 4,125	\$ 585,711	\$ 1,425
Receivables:				
Accounts.	-	-	-	-
Intergovernmental	116,132	-	351,945	13,313
Materials and supplies inventory	-	-	-	-
Total assets.	\$ 122,417	\$ 4,125	\$ 937,656	\$ 14,738
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ 46,806	\$ 610
Accrued wages and benefits	19,545	-	28,283	-
Compensated absences payable	-	-	-	-
Pension obligation payable.	2,992	-	8,682	-
Intergovernmental payable	762	13	1,770	88
Interfund payable	115,210	-	806,385	14,721
Deferred revenue.	116,132	-	58,076	-
Total liabilities.	254,641	13	950,002	15,419
Fund balances (deficits):				
Reserved for encumbrances	-	866	126,692	-
Reserved for materials and supplies inventory	-	-	-	-
Unreserved-undesignated (deficit)	(132,224)	3,246	(139,038)	(681)
Total fund balances (deficits)	(132,224)	4,112	(12,346)	(681)
Total liabilities and fund balances.	\$ 122,417	\$ 4,125	\$ 937,656	\$ 14,738

Title I Disadvantaged Children	Title V Innovative Education Program	Drug Free School Grant	IDEA Preschool- Handicapped	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 141,606	\$ 1,018	\$ 918	\$ 3,369	\$ 20,740	\$ 416	\$ 1,381,111
-	-	-	-	-	-	1,104
50,799	4,044	2,431	271	44,978	-	583,913
-	-	-	-	-	-	48,819
<u>\$ 192,405</u>	<u>\$ 5,062</u>	<u>\$ 3,349</u>	<u>\$ 3,640</u>	<u>\$ 65,718</u>	<u>\$ 416</u>	<u>\$ 2,014,947</u>
\$ 9,725	\$ 878	\$ -	\$ 160	\$ -	\$ -	\$ 100,065
16,142	-	-	-	7,284	-	162,332
10,087	-	-	-	-	-	10,087
4,278	-	-	-	-	-	80,750
1,259	18	1,153	-	637	-	9,573
144,200	4,508	3,350	2,711	51,128	-	1,142,213
561	355	-	-	-	-	175,124
<u>186,252</u>	<u>5,759</u>	<u>4,503</u>	<u>2,871</u>	<u>59,049</u>	<u>-</u>	<u>1,680,144</u>
26,342	67	-	-	1,115	-	220,148
-	-	-	-	-	-	48,819
(20,189)	(764)	(1,154)	769	5,554	416	65,836
<u>6,153</u>	<u>(697)</u>	<u>(1,154)</u>	<u>769</u>	<u>6,669</u>	<u>416</u>	<u>334,803</u>
<u>\$ 192,405</u>	<u>\$ 5,062</u>	<u>\$ 3,349</u>	<u>\$ 3,640</u>	<u>\$ 65,718</u>	<u>\$ 416</u>	<u>\$ 2,014,947</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Food Service</u>	<u>Special Trust</u>	<u>Uniform School Supplies</u>	<u>Public School Support</u>
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ -
Charges for services	858,272	-	-	-
Extracurricular	-	4,810	-	147,137
Classroom materials and fees.	-	1,023	182,881	-
Other local revenues	-	43,454	-	30,373
Intergovernmental - State	7,870	-	-	-
Intergovernmental - Federal	385,514	-	-	-
Total revenues	<u>1,251,656</u>	<u>49,287</u>	<u>182,881</u>	<u>177,510</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	220,302	-
Special	-	-	-	-
Vocational	-	-	186	-
Other	-	-	-	-
Support services:				
Pupil	-	41,852	-	135,532
Instructional staff.	-	5,887	-	-
Board of education.	-	-	-	-
Administration	-	-	-	-
Fiscal.	-	-	-	-
Operations and maintenance	-	-	-	-
Central	-	106	-	-
Operation of non-instructional services.	-	-	-	-
Food service operations.	1,229,437	-	-	-
Extracurricular activities	-	-	-	11,693
Facilities acquisition and construction	-	27	-	-
Total expenditures	<u>1,229,437</u>	<u>47,872</u>	<u>220,488</u>	<u>147,225</u>
Excess of revenues over (under) expenditures	<u>22,219</u>	<u>1,415</u>	<u>(37,607)</u>	<u>30,285</u>
Other financing sources:				
Transfers in.	-	-	16,575	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>16,575</u>	<u>-</u>
Net change in fund balances.	22,219	1,415	(21,032)	30,285
Fund balances (deficits)				
at beginning of year	(87,365)	46,048	114,913	157,683
Fund balances (deficits) at end of year	<u>\$ (65,146)</u>	<u>\$ 47,463</u>	<u>\$ 93,881</u>	<u>\$ 187,968</u>

<u>Other Grants</u>	<u>District Managed Activity</u>	<u>Auxiliary Services</u>	<u>Teacher Development</u>	<u>Management Information Systems</u>	<u>Data Communication</u>
\$ -	\$ -	\$ 2,629	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	225,805	-	-	-	-
-	-	-	-	-	-
5,253	2,622	-	-	-	-
-	-	458,616	-	16,907	27,000
-	-	-	-	-	-
<u>5,253</u>	<u>228,427</u>	<u>461,245</u>	<u>-</u>	<u>16,907</u>	<u>27,000</u>
3,652	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,159	-	-
998	-	-	-	20,402	-
-	-	39,424	-	-	-
-	-	-	-	-	-
-	-	-	-	14,558	40,818
-	-	419,710	-	-	-
-	-	-	-	-	-
-	230,108	-	-	-	-
-	-	-	-	-	-
<u>4,650</u>	<u>230,108</u>	<u>459,134</u>	<u>1,159</u>	<u>34,960</u>	<u>40,818</u>
<u>603</u>	<u>(1,681)</u>	<u>2,111</u>	<u>(1,159)</u>	<u>(18,053)</u>	<u>(13,818)</u>
-	-	-	-	-	-
-	-	-	-	-	-
603	(1,681)	2,111	(1,159)	(18,053)	(13,818)
6,316	86,290	102,666	1,153	20,379	13,818
<u>\$ 6,919</u>	<u>\$ 84,609</u>	<u>\$ 104,777</u>	<u>\$ (6)</u>	<u>\$ 2,326</u>	<u>\$ -</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	SchoolNet Professional Development	Ohio Reads	Miscellaneous State Grants	IDEA Part B Grants
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Extracurricular	-	-	-	-
Classroom materials and fees	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - State	2,970	-	16,413	-
Intergovernmental - Federal	-	-	-	1,026,223
Total revenues	<u>2,970</u>	<u>-</u>	<u>16,413</u>	<u>1,026,223</u>
Expenditures:				
Current:				
Instruction:				
Regular	2,195	121,221	5,214	-
Special	-	-	-	388,399
Vocational	-	-	-	47,436
Other	-	-	-	36,978
Support services:				
Pupil	-	-	16,397	418,153
Instructional staff	-	-	233	31,582
Board of education	-	-	-	-
Administration	-	-	2,018	148,113
Fiscal	-	-	-	-
Operations and maintenance	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services	-	-	-	333
Food service operations	-	-	-	-
Extracurricular activities	-	-	-	-
Facilities acquisition and construction	-	-	-	19,985
Total expenditures	<u>2,195</u>	<u>121,221</u>	<u>23,862</u>	<u>1,090,979</u>
Excess of revenues over (under) expenditures	<u>775</u>	<u>(121,221)</u>	<u>(7,449)</u>	<u>(64,756)</u>
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	775	(121,221)	(7,449)	(64,756)
Fund balances (deficits)				
at beginning of year	220	(11,003)	11,561	52,410
Fund balances (deficits) at end of year	<u>\$ 995</u>	<u>\$ (132,224)</u>	<u>\$ 4,112</u>	<u>\$ (12,346)</u>

<u>Vocational Education</u>	<u>Title III Limited English Proficiency</u>	<u>Title I Disadvantaged Children</u>	<u>Title VI Innovative Education Program</u>	<u>Drug Free School Grant</u>	<u>IDEA Preschool- Handicapped</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,825	-	-	-	-	-
-	-	-	-	-	-
-	14,949	376,204	3,866	12,758	12,661
<u>6,825</u>	<u>14,949</u>	<u>376,204</u>	<u>3,866</u>	<u>12,758</u>	<u>12,661</u>
-	15,155	350,701	4,311	4,680	-
-	-	-	-	-	2,769
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	9,375
-	675	14,343	-	8,825	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,300	-
-	-	-	-	-	-
-	-	2,696	577	223	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>15,830</u>	<u>367,740</u>	<u>4,888</u>	<u>16,028</u>	<u>12,144</u>
<u>6,825</u>	<u>(881)</u>	<u>8,464</u>	<u>(1,022)</u>	<u>(3,270)</u>	<u>517</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>6,825</u>	<u>(881)</u>	<u>8,464</u>	<u>(1,022)</u>	<u>(3,270)</u>	<u>517</u>
<u>(6,825)</u>	<u>200</u>	<u>(2,311)</u>	<u>325</u>	<u>2,116</u>	<u>252</u>
<u>\$ -</u>	<u>\$ (681)</u>	<u>\$ 6,153</u>	<u>\$ (697)</u>	<u>\$ (1,154)</u>	<u>\$ 769</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR SPECIAL REVENUE FUNDS (CONCLUDED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Revenues:			
From local sources:			
Earnings on investments	\$ -	\$ -	\$ 2,629
Charges for services	-	-	858,272
Extracurricular	-	-	377,752
Classroom materials and fees.	-	-	183,904
Other local revenues	-	16	88,543
Intergovernmental - State	-	-	529,776
Intergovernmental - Federal	145,255	3,619	1,981,049
Total revenues	145,255	3,635	4,021,925
Expenditures:			
Current:			
Instruction:			
Regular.	131,568	-	858,999
Special	-	-	391,168
Vocational	-	-	47,622
Other	-	-	36,978
Support services:			
Pupil	-	-	621,309
Instructional staff.	16,638	-	79,342
Board of education.	-	-	998
Administration	-	-	170,533
Fiscal.	-	-	39,424
Operations and maintenance	-	-	2,300
Central	-	-	55,482
Operation of non-instructional services.	-	-	423,539
Food service operations.	-	-	1,229,437
Extracurricular activities	-	-	241,801
Facilities acquisition and construction	-	-	20,012
Total expenditures	148,206	-	4,218,944
Excess of revenues over (under) expenditures	(2,951)	3,635	(197,019)
Other financing sources:			
Transfers in.	-	-	16,575
Total other financing sources	-	-	16,575
Net change in fund balances.	(2,951)	3,635	(180,444)
Fund balances (deficits)			
at beginning of year	9,620	(3,219)	515,247
Fund balances (deficits) at end of year	\$ 6,669	\$ 416	\$ 334,803

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<u>Food Service Fund</u>			
Total revenues and other financing sources	\$ 1,266,821	\$ 1,187,998	\$ (78,823)
Total expenditures and other financing uses	<u>1,297,887</u>	<u>1,165,704</u>	<u>132,183</u>
Net change in fund balance	(31,066)	22,294	53,360
Fund balance at beginning of year	23,870	23,870	-
Prior year encumbrances appropriated	<u>7,196</u>	<u>7,196</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 53,360</u>	<u>\$ 53,360</u>
<u>Special Trust Fund</u>			
Total revenues and other financing sources	\$ 66,472	\$ 48,431	\$ (18,041)
Total expenditures and other financing uses	<u>112,963</u>	<u>49,384</u>	<u>63,579</u>
Net change in fund balance	(46,491)	(953)	45,538
Fund balance at beginning of year	39,460	39,460	-
Prior year encumbrances appropriated	<u>7,031</u>	<u>7,031</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 45,538</u>	<u>\$ 45,538</u>
<u>Uniform School Supplies Fund</u>			
Total revenues and other financing sources	\$ 187,595	\$ 199,363	\$ 11,768
Total expenditures and other financing uses	<u>279,007</u>	<u>231,964</u>	<u>47,043</u>
Net change in fund balance	(91,412)	(32,601)	58,811
Fund balance at beginning of year	84,412	84,412	-
Prior year encumbrances appropriated	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 58,811</u>	<u>\$ 58,811</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<u>Public School Support Fund</u>			
Total revenues and other financing sources	\$ 179,936	\$ 177,510	\$ (2,426)
Total expenditures and other financing uses	<u>347,612</u>	<u>163,143</u>	<u>184,469</u>
Net change in fund balance	(167,676)	14,367	182,043
Fund balance at beginning of year	150,961	150,961	-
Prior year encumbrances appropriated	<u>16,715</u>	<u>16,715</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 182,043</u>	<u>\$ 182,043</u>
<u>Other Grants Fund</u>			
Total revenues and other financing sources	\$ 7,455	\$ 5,253	\$ (2,202)
Total expenditures and other financing uses	<u>13,795</u>	<u>7,146</u>	<u>6,649</u>
Net change in fund balance	(6,340)	(1,893)	4,447
Fund balance at beginning of year	6,191	6,191	-
Prior year encumbrances appropriated	<u>149</u>	<u>149</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 4,447</u>	<u>\$ 4,447</u>
<u>District Managed Activity Fund</u>			
Total revenues and other financing sources	\$ 295,625	\$ 228,796	\$ (66,829)
Total expenditures and other financing uses	<u>383,148</u>	<u>241,010</u>	<u>142,138</u>
Net change in fund balance	(87,523)	(12,214)	75,309
Fund balance at beginning of year	78,892	78,892	-
Prior year encumbrances appropriated	<u>8,631</u>	<u>8,631</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 75,309</u>	<u>\$ 75,309</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<u>Auxiliary Services Fund</u>			
Total revenues and other financing sources	\$ 444,274	\$ 461,245	\$ 16,971
Total expenditures and other financing uses	<u>577,837</u>	<u>509,716</u>	<u>68,121</u>
Net change in fund balance	(133,563)	(48,471)	85,092
Fund balance at beginning of year	65,443	65,443	-
Prior year encumbrances appropriated	<u>68,120</u>	<u>68,120</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 85,092</u></u>	<u><u>\$ 85,092</u></u>
<u>Teacher Development Fund</u>			
Total expenditures and other financing uses	<u>\$ 1,881</u>	<u>\$ 1,881</u>	<u>\$ -</u>
Net change in fund balance	(1,881)	(1,881)	-
Fund balance at beginning of year	<u>1,881</u>	<u>1,881</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<u>Management Information Systems Fund</u>			
Total revenues and other financing sources	\$ 14,517	\$ 16,907	\$ 2,390
Total expenditures and other financing uses	<u>34,896</u>	<u>34,895</u>	<u>1</u>
Net change in fund balance	(20,379)	(17,988)	2,391
Fund balance at beginning of year	<u>20,379</u>	<u>20,379</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 2,391</u></u>	<u><u>\$ 2,391</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<u>Data Communication Fund</u>			
Total revenues and other financing sources	\$ 27,000	\$ 27,000	\$ -
Total expenditures and other financing uses	<u>42,406</u>	<u>42,406</u>	<u>-</u>
Net change in fund balance	(15,406)	(15,406)	-
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	<u>15,406</u>	<u>15,406</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>SchoolNet Professional Development Fund</u>			
Total revenues and other financing sources	\$ 2,970	\$ 2,970	\$ -
Total expenditures and other financing uses	<u>3,190</u>	<u>2,195</u>	<u>995</u>
Net change in fund balance	(220)	775	995
Fund balance at beginning of year	<u>220</u>	<u>220</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 995</u>	<u>\$ 995</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<u>Ohio Reads Fund</u>			
Total revenues and other financing sources	\$ 203,972	\$ 126,351	\$ (77,621)
Total expenditures and other financing uses	<u>192,144</u>	<u>135,224</u>	<u>56,920</u>
Net change in fund balance	11,828	(8,873)	(20,701)
Fund balance at beginning of year	14,305	14,305	-
Prior year encumbrances appropriated	<u>853</u>	<u>853</u>	<u>-</u>
Fund balance at end of year	<u>\$ 26,986</u>	<u>\$ 6,285</u>	<u>\$ (20,701)</u>
<u>Miscellaneous State Grants Fund</u>			
Total revenues and other financing sources	\$ 39,693	\$ 30,258	\$ (9,435)
Total expenditures and other financing uses	<u>37,574</u>	<u>36,880</u>	<u>694</u>
Net change in fund balance	2,119	(6,622)	(8,741)
Fund balance at beginning of year	3,062	3,062	-
Prior year encumbrances appropriated	<u>6,819</u>	<u>6,819</u>	<u>-</u>
Fund balance at end of year	<u>\$ 12,000</u>	<u>\$ 3,259</u>	<u>\$ (8,741)</u>
<u>IDEA Part B Grants Fund</u>			
Total revenues and other financing sources	\$ 2,555,942	\$ 1,769,986	\$ (785,956)
Total expenditures and other financing uses	<u>2,464,012</u>	<u>2,051,989</u>	<u>412,023</u>
Net change in fund balance	91,930	(282,003)	(373,933)
Fund balance at beginning of year	543,137	543,137	-
Prior year encumbrances appropriated	<u>150,889</u>	<u>150,889</u>	<u>-</u>
Fund balance at end of year	<u>\$ 785,956</u>	<u>\$ 412,023</u>	<u>\$ (373,933)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<u>Vocational Education Fund</u>			
Total expenditures and other financing uses	\$ 681	\$ 681	\$ -
Net change in fund balance	(681)	(681)	-
Fund balance at beginning of year	672	672	-
Prior year encumbrances appropriated	<u>9</u>	<u>9</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Title III Limited English Proficiency Fund</u>			
Total revenues and other financing sources	\$ 20,846	\$ 18,499	\$ (2,347)
Total expenditures and other financing uses	<u>18,934</u>	<u>18,013</u>	<u>921</u>
Net change in fund balance	1,912	486	(1,426)
Fund balance at beginning of year	65	65	-
Prior year encumbrances appropriated	<u>325</u>	<u>325</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,302</u>	<u>\$ 876</u>	<u>\$ (1,426)</u>
<u>Title I Disadvantaged Children Fund</u>			
Total revenues and other financing sources	\$ 579,118	\$ 508,333	\$ (70,785)
Total expenditures and other financing uses	<u>565,909</u>	<u>460,367</u>	<u>105,542</u>
Net change in fund balance	13,209	47,966	34,757
Fund balance at beginning of year	30,241	30,241	-
Prior year encumbrances appropriated	<u>27,332</u>	<u>27,332</u>	<u>-</u>
Fund balance at end of year	<u>\$ 70,782</u>	<u>\$ 105,539</u>	<u>\$ 34,757</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<u>Title V Innovative Education Program Fund</u>			
Total revenues and other financing sources	\$ 24,471	\$ 14,578	\$ (9,893)
Total expenditures and other financing uses	<u>16,431</u>	<u>16,358</u>	<u>73</u>
Net change in fund balance	8,040	(1,780)	(9,820)
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	<u>1,853</u>	<u>1,853</u>	<u>-</u>
Fund balance at end of year	<u>\$ 9,893</u>	<u>\$ 73</u>	<u>\$ (9,820)</u>
<u>Drug Free School Grant Fund</u>			
Total revenues and other financing sources	\$ 30,370	\$ 21,542	\$ (8,828)
Total expenditures and other financing uses	<u>24,859</u>	<u>23,942</u>	<u>917</u>
Net change in fund balance	5,511	(2,400)	(7,911)
Fund balance at beginning of year	1	1	-
Prior year encumbrances appropriated	<u>3,317</u>	<u>3,317</u>	<u>-</u>
Fund balance at end of year	<u>\$ 8,829</u>	<u>\$ 918</u>	<u>\$ (7,911)</u>
<u>IDEA Preschool-Handicapped Fund</u>			
Total revenues and other financing sources	\$ 15,531	\$ 15,101	\$ (430)
Total expenditures and other financing uses	<u>15,939</u>	<u>12,663</u>	<u>3,276</u>
Net change in fund balance	(408)	2,438	2,846
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	<u>883</u>	<u>883</u>	<u>-</u>
Fund balance at end of year	<u>\$ 475</u>	<u>\$ 3,321</u>	<u>\$ 2,846</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<u>Improving Teacher Quality Fund</u>			
Total revenues and other financing sources	\$ 258,954	\$ 198,391	\$ (60,563)
Total expenditures and other financing uses	<u>229,738</u>	<u>210,136</u>	<u>19,602</u>
Net change in fund balance	29,216	(11,745)	(40,961)
Fund balance at beginning of year	14,268	14,268	-
Prior year encumbrances appropriated	<u>17,102</u>	<u>17,102</u>	<u>-</u>
Fund balance at end of year	<u>\$ 60,586</u>	<u>\$ 19,625</u>	<u>\$ (40,961)</u>
<u>Miscellaneous Federal Grants Fund</u>			
Total revenues and other financing sources	\$ 12,044	\$ 4,334	\$ (7,710)
Total expenditures and other financing uses	<u>11,725</u>	<u>7,567</u>	<u>4,158</u>
Net change in fund balance	319	(3,233)	(3,552)
Fund balance at beginning of year	4	4	-
Prior year encumbrances appropriated	<u>3,645</u>	<u>3,645</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,968</u>	<u>\$ 416</u>	<u>\$ (3,552)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<u>Bond Retirement Fund</u>			
Total revenues and other financing sources	\$ 245,964	\$ 219,887	\$ (26,077)
Total expenditures and other financing uses	<u>457,228</u>	<u>431,151</u>	<u>26,077</u>
Net change in fund balance	(211,264)	(211,264)	-
Fund balance at beginning of year	<u>211,264</u>	<u>211,264</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2009

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
Assets:			
Equity in pooled cash and cash equivalents.	\$ 251,974	\$ 57,596	\$ 309,570
Receivables:			
Taxes	586,566	-	586,566
Total assets.	\$ 838,540	\$ 57,596	\$ 896,136
Liabilities:			
Deferred revenue.	\$ 10,756	\$ -	\$ 10,756
Unearned revenue	514,609	-	514,609
Total liabilities.	525,365	-	525,365
Fund balances:			
Reserved for encumbrances	89,441	53,686	143,127
Reserved for property tax unavailable for appropriation	61,201	-	61,201
Unreserved-undesignated	162,533	3,910	166,443
Total fund balances	313,175	57,596	370,771
Total liabilities and fund balances	\$ 838,540	\$ 57,596	\$ 896,136

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Permanent Improvement	Building	SchoolNet	Total Nonmajor Capital Projects Funds
Revenues:				
From local sources:				
Taxes	\$ 597,322	\$ -	\$ -	\$ 597,322
Other local revenues	19,156	-	-	19,156
Intergovernmental - Intermediate	212	-	-	212
Intergovernmental - State	73,386	-	-	73,386
Total revenues	<u>690,076</u>	<u>-</u>	<u>-</u>	<u>690,076</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	39,114	39,114
Support services:				
Fiscal	6,955	-	-	6,955
Business	41,604	-	-	41,604
Facilities acquisition and construction	259,376	22,150	-	281,526
Debt service:				
Principal retirement	140,000	-	-	140,000
Interest and fiscal charges	88,744	-	-	88,744
Total expenditures	<u>536,679</u>	<u>22,150</u>	<u>39,114</u>	<u>597,943</u>
Net change in fund balances	153,397	(22,150)	(39,114)	92,133
Fund balances at beginning of year	<u>159,778</u>	<u>79,746</u>	<u>39,114</u>	<u>278,638</u>
Fund balances at end of year	<u>\$ 313,175</u>	<u>\$ 57,596</u>	<u>\$ -</u>	<u>\$ 370,771</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<u>Permanent Improvement Fund</u>			
Total revenues and other financing sources	\$ 675,631	\$ 666,187	\$ (9,444)
Total expenditures and other financing uses	<u>802,872</u>	<u>630,895</u>	<u>171,977</u>
Net change in fund balance	(127,241)	35,292	162,533
Fund balance at beginning of year	111,066	111,066	-
Prior year encumbrances appropriated	<u>16,175</u>	<u>16,175</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 162,533</u>	<u>\$ 162,533</u>
<u>Building Fund</u>			
Total expenditures and other financing uses	<u>\$ 79,746</u>	<u>\$ 75,836</u>	<u>\$ 3,910</u>
Net change in fund balance	(79,746)	(75,836)	3,910
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	<u>79,746</u>	<u>79,746</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 3,910</u>	<u>\$ 3,910</u>
<u>SchoolNet Equipment/Infrastructure Fund</u>			
Total revenues and other financing sources	\$ 39,114	\$ -	\$ (39,114)
Total expenditures and other financing uses	<u>78,228</u>	<u>39,114</u>	<u>39,114</u>
Net change in fund balance	(39,114)	(39,114)	-
Fund balance at beginning of year	2	2	-
Prior year encumbrances appropriated	<u>39,112</u>	<u>39,112</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<u>Scholarship</u>			
Total revenues and other financing sources	\$ 14,152	\$ 14,152	\$ -
Total expenditures and other financing uses	<u>136,798</u>	<u>10,778</u>	<u>126,020</u>
Net change in fund balance	(122,646)	3,374	126,020
Fund balance at beginning of year	<u>122,646</u>	<u>122,646</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 126,020</u>	<u>\$ 126,020</u>

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

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Beginning Balance July 1, 2008	Additions	Deletions	Ending Balance June 30, 2009
<u>Student Managed Activities</u>				
Assets:				
Equity in pooled cash and investments.	\$ 125,520	\$ 186,980	\$ 199,431	\$ 113,069
Receivables				
Accounts	648	650	648	650
Total assets	<u>\$ 126,168</u>	<u>\$ 187,630</u>	<u>\$ 200,079</u>	<u>\$ 113,719</u>
Liabilities:				
Accounts payable	\$ 4,434	\$ 275	\$ 4,434	\$ 275
Due to students	121,734	187,355	195,645	113,444
Total liabilities.	<u>\$ 126,168</u>	<u>\$ 187,630</u>	<u>\$ 200,079</u>	<u>\$ 113,719</u>

STATISTICAL SECTION

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

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	96-109
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	110-115
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	116-119
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	120-121
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	122-134

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

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

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 13,665,567	\$ 14,413,341	\$ 14,594,908	\$ 13,822,667
Restricted	1,408,917	977,417	1,261,715	1,071,897
Unrestricted (deficit)	<u>5,290,670</u>	<u>2,790,531</u>	<u>508,072</u>	<u>(1,014,787)</u>
Total governmental activities net assets	<u>\$ 20,365,154</u>	<u>\$ 18,181,289</u>	<u>\$ 16,364,695</u>	<u>\$ 13,879,777</u>

Source: School District financial records.

<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 13,475,011	\$ 13,566,347	\$ 13,399,505
909,159	1,097,917	1,453,640
(2,357,564)	(1,303,353)	(1,333,184)
<u>\$ 12,026,606</u>	<u>\$ 13,360,911</u>	<u>\$ 13,519,961</u>

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

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Expenses					
Governmental activities:					
Instruction:					
Regular	\$ 25,179,398	\$ 24,485,458	\$ 23,550,656	\$ 23,764,903	\$ 25,450,276
Special	4,852,659	4,473,031	4,427,824	3,989,858	4,313,470
Vocational	1,596,146	1,715,572	1,458,317	1,541,980	1,847,273
Adult/continuing	4,031	14,550	-	-	-
Other instructional	320,688	299,228	902,031	940,423	737,074
Support services:					
Pupil	3,053,622	3,127,951	3,332,745	3,080,777	3,166,707
Instructional staff	2,507,581	2,552,978	2,829,699	2,624,390	2,985,883
Board of education	422,215	460,799	310,104	368,110	289,971
Administration	2,818,083	2,775,102	2,815,201	2,992,001	3,191,741
Fiscal	1,320,751	1,172,084	1,098,441	1,019,822	1,050,449
Business	468,037	552,982	536,163	588,952	445,583
Operations and maintenance	5,557,031	5,130,426	5,282,427	5,019,556	4,438,153
Pupil transportation	3,283,900	3,117,758	2,995,031	2,922,388	2,960,741
Central	610,594	843,101	762,104	422,118	505,640
Operation of non-instructional services:					
Other non-instructional services	422,399	470,651	619,682	619,092	675,461
Food service operations	1,241,668	1,296,565	1,343,765	1,403,937	1,386,922
Extracurricular activities	1,149,187	1,236,766	1,374,551	1,351,955	1,302,681
Interest and fiscal charges	159,358	243,867	172,551	210,613	278,866
Total governmental activities expenses	<u>54,967,348</u>	<u>53,968,869</u>	<u>53,811,292</u>	<u>52,860,875</u>	<u>55,026,891</u>

<u>2004</u>	<u>2003</u>
\$ 23,103,681	\$ 21,278,031
3,835,287	3,592,459
1,297,268	1,254,799
250	989
936,811	1,048,792
2,776,546	2,657,613
2,650,470	2,269,340
269,601	331,060
2,945,966	2,628,576
1,014,760	841,874
488,385	378,808
4,880,797	3,816,579
2,894,856	2,462,800
584,798	464,589
501,165	459,466
1,444,664	1,275,325
1,214,993	948,190
298,510	499,049
51,138,808	46,208,339

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

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Program revenues					
Governmental activities:					
Charges for services:					
Instruction:					
Regular	\$ 1,365,821	\$ 1,087,083	\$ 839,577	\$ 809,107	\$ 699,094
Special	96,972	348,941	20,500	-	-
Vocational	57,737	53,723	22,046	26,770	40,409
Adult/continuing	-	-	-	-	-
Support services:					
Pupil	189,973	214,314	232,209	189,464	152,916
Instructional staff	1,369	775	9,335	14,068	24,033
Board of education	-	-	-	-	-
Administration	27,639	-	-	-	-
Fiscal	-	-	-	-	-
Operations and maintenance	33,745	73,830	61,247	5,342	58,547
Pupil transportation	-	-	-	-	55,710
Central	-	-	21	-	-
Operation of non-instructional services:					
Food service operations	858,272	901,262	911,688	985,430	982,914
Extracurricular activities	444,695	334,418	230,786	315,281	273,388
Operating grants and contributions:					
Instruction:					
Regular	625,316	537,366	425,668	447,749	548,770
Special	1,344,323	1,222,890	1,675,276	485,548	538,298
Vocational	220,108	145,909	201,025	1,709	9,324
Other	37,437	-	-	-	-
Support services:					
Pupil	444,033	309,381	345,341	309,623	215,783
Instructional staff	69,007	144,486	160,467	103,585	71,929
Board of education	-	-	8,009	3,294	5,322
Administration	200,813	168,013	185,361	177,466	161,481
Fiscal	-	-	-	-	25,195
Business	-	-	932	-	-
Operations and maintenance	1,693	-	-	-	-
Pupil transportation	122,077	127,122	163,999	-	141,555
Central	34,040	27,000	27,000	27,000	30,782
Operation of non-instructional services:					
Other non-instructional services	425,336	528,674	554,006	600,229	583,559
Food service operations	393,384	348,810	318,072	330,886	308,308
Extracurricular activities	1,776	-	115,792	12,943	9,420
Capital grants and contributions:					
Instruction:					
Regular	-	53,339	-	-	49,350
Support services:					
Pupil transportation	65,104	86,629	60,033	-	-
Total governmental program revenues	<u>7,060,670</u>	<u>6,713,965</u>	<u>6,568,390</u>	<u>4,845,494</u>	<u>4,986,087</u>
Net (expense)/revenue					
Governmental activities	<u>\$ (47,906,678)</u>	<u>\$ (47,254,904)</u>	<u>\$ (47,242,902)</u>	<u>\$ (48,015,381)</u>	<u>\$ (50,040,804)</u>

<u>2004</u>	<u>2003</u>
\$ 317,194	\$ 292,803
52,079	273,559
30,588	30,651
594	594
173,344	107,049
15,606	91
1,475	1,850
-	4,482
2,676	-
-	-
-	12,776
-	-
1,002,911	954,481
411,133	244,005
601,497	211,116
357,782	403,185
18,499	30,500
-	-
120,346	208,502
74,433	47,056
4,607	3,877
186,115	135,723
-	-
-	-
-	-
-	-
27,000	28,000
496,796	461,135
242,925	213,206
11,009	6,890
-	92,933
17,438	67,958
<u>4,166,047</u>	<u>3,832,422</u>
<u>\$ (46,972,761)</u>	<u>\$ (42,375,917)</u>

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

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General revenues and other changes in net assets					
Governmental activities:					
Property taxes levied for:					
General purposes	\$ 29,435,567	\$ 28,667,429	\$ 29,939,799	\$ 29,113,425	\$ 28,523,107
Debt service	153,580	378,895	634,047	1,065,835	1,157,845
Capital outlay	594,342	570,303	346,716	-	-
Payments in lieu of taxes	125,406	-	-	-	-
Grants and entitlements not restricted to specific programs	19,385,420	18,755,169	17,957,172	19,088,996	18,713,795
Investment earnings	261,203	640,953	734,831	489,912	263,326
Miscellaneous	135,025	58,749	115,255	110,384	48,426
Total governmental activities	<u>50,090,543</u>	<u>49,071,498</u>	<u>49,727,820</u>	<u>49,868,552</u>	<u>48,706,499</u>
Change in net assets					
Governmental activities	<u>\$ 2,183,865</u>	<u>\$ 1,816,594</u>	<u>\$ 2,484,918</u>	<u>\$ 1,853,171</u>	<u>\$ (1,334,305)</u>

Source: School District financial records.

<u>2004</u>	<u>2003</u>
\$ 26,143,723	\$ 26,032,094
1,025,310	1,117,393
-	-
-	-
19,347,434	18,695,113
115,986	138,041
181,258	427,354
46,813,711	46,409,995
\$ (159,050)	\$ 4,034,078

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

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General fund:					
Reserved	\$ 3,947,840	\$ 2,731,642	\$ 3,021,818	\$ 1,963,826	\$ 1,776,600
Unreserved	5,157,387	3,281,668	1,611,392	307,654	(1,146,189)
Total general fund	<u>\$ 9,105,227</u>	<u>\$ 6,013,310</u>	<u>\$ 4,633,210</u>	<u>\$ 2,271,480</u>	<u>\$ 630,411</u>
All other governmental funds:					
Reserved	\$ 473,295	\$ 714,893	\$ 803,864	\$ 846,476	\$ 742,648
Unreserved, reported in:					
Special revenue funds	65,836	204,163	355,740	271,861	209,024
Capital projects funds	166,443	110,968	210,285	92,339	70,094
Debt service funds	-	-	-	-	-
Total all other governmental funds	<u>\$ 705,574</u>	<u>\$ 1,030,024</u>	<u>\$ 1,369,889</u>	<u>\$ 1,210,676</u>	<u>\$ 1,021,766</u>

Source: School District financial records.

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

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

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Revenues				
From local sources:				
Taxes	\$ 30,384,088	\$ 29,317,400	\$ 30,875,950	\$ 30,165,879
Tuition	1,267,229	1,249,518	685,399	589,338
Earnings on investments	273,193	651,284	716,891	491,407
Charges for services	858,272	901,262	911,688	985,430
Extracurricular	611,584	406,752	425,574	379,140
Classroom materials and fees	183,904	183,795	172,174	162,876
Other local revenues	422,966	331,768	386,297	382,040
Intergovernmental - Intermediate	24,748	28,578	-	-
Intergovernmental - State	21,159,032	20,654,799	20,049,641	19,692,736
Intergovernmental - Federal	2,020,049	1,747,793	2,005,425	1,837,816
Total revenues	<u>57,205,065</u>	<u>55,472,949</u>	<u>56,229,039</u>	<u>54,686,662</u>
Expenditures				
Current:				
Instruction:				
Regular	24,432,390	23,988,547	22,768,780	22,883,452
Special	4,776,526	4,463,939	4,384,329	3,996,276
Vocational	1,635,991	1,705,596	1,467,657	1,538,598
Adult/continuing	4,031	14,550	-	-
Other	326,512	296,984	900,478	928,589
Current:				
Pupil	3,036,197	3,161,162	3,317,294	3,050,080
Instructional staff	2,490,848	2,592,951	2,815,881	2,601,998
Board of education	422,215	460,799	310,104	368,110
Administration	2,781,284	2,831,147	2,808,089	2,910,525
Fiscal	1,297,887	1,142,634	1,105,427	1,020,454
Business	489,492	552,632	548,016	577,389
Operations and maintenance	5,135,214	5,059,450	4,858,766	4,668,455
Pupil transportation	3,100,653	3,255,461	2,869,203	3,694,489
Central	593,674	838,344	759,073	437,537
Operation of non-instructional services:				
Other non-instructional services	423,566	467,385	622,949	616,974
Food service operations	1,229,437	1,275,691	1,338,914	1,381,034
Extracurricular activities	1,114,396	1,095,834	1,211,090	1,164,548
Facilities acquisitions and construction	335,075	341,507	1,602,885	382,551
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	650,000	640,000	5,992,000	3,045,000
Interest and fiscal charges	162,210	258,452	196,329	200,324
Bond issuance costs	-	-	79,507	-
Total expenditures	<u>54,437,598</u>	<u>54,443,065</u>	<u>59,956,771</u>	<u>55,466,383</u>
Excess of revenues over (under) expenditures	\$ 2,767,467	\$ 1,029,884	\$ (3,727,732)	\$ (779,721)

	2005	2004	2003	2002	2001	2000
\$	29,702,046	\$ 27,048,879	\$ 27,423,545	\$ 23,393,218	\$ 23,943,910	\$ 22,594,354
	508,996	631,116	314,206	212,566	301,621	262,135
	251,929	118,392	139,306	224,224	682,807	756,840
	982,914	1,006,187	959,054	-	-	-
	487,552	471,428	383,344	317,148	454,641	503,744
	156,784	-	-	-	-	-
	215,829	377,775	510,143	203,932	338,407	296,766
	-	-	-	-	-	-
	19,534,663	21,552,374	20,399,767	18,889,960	17,838,087	15,867,742
	1,857,907	-	-	-	-	-
	<u>53,698,620</u>	<u>51,206,151</u>	<u>50,129,365</u>	<u>43,241,048</u>	<u>43,559,473</u>	<u>40,281,581</u>
	24,700,303	22,295,969	20,547,614	22,021,235	23,207,596	22,507,794
	4,297,974	3,805,316	3,602,048	3,001,700	2,649,974	2,305,927
	1,862,192	1,295,383	1,228,066	1,092,600	1,012,059	958,123
	-	250	989	-	870	6,551
	737,074	936,811	1,048,792	551,454	-	-
	3,151,380	2,738,814	2,654,942	2,479,132	2,126,346	1,909,775
	3,000,488	2,632,278	2,285,101	2,464,966	1,792,995	1,542,288
	289,971	303,015	297,815	187,969	136,392	135,278
	3,095,215	2,892,625	2,514,907	2,347,729	2,064,912	1,925,364
	1,049,369	1,016,790	881,642	811,215	548,862	341,936
	435,379	509,438	368,961	419,944	444,877	430,697
	4,410,011	4,605,046	3,669,549	3,298,239	3,559,343	2,738,035
	3,706,834	2,872,125	2,316,596	1,797,336	2,193,374	2,059,104
	509,889	568,325	498,893	516,893	337,510	347,186
	663,072	500,743	466,145	485,176	373,632	322,350
	1,362,198	1,383,232	1,146,741	-	-	-
	1,096,598	1,136,442	873,341	732,197	853,519	677,521
	1,997,407	-	-	-	-	-
	-	434,633	-	1,313,963	2,351,553	1,523,813
	3,789,000	2,522,000	3,080,941	1,030,510	1,110,409	3,721,585
	271,518	339,331	446,099	577,659	654,207	740,027
	-	-	-	-	-	-
	<u>60,425,872</u>	<u>52,788,566</u>	<u>47,929,182</u>	<u>45,129,917</u>	<u>45,418,430</u>	<u>44,193,354</u>
\$	(6,727,252)	\$ (1,582,415)	\$ 2,200,183	\$ (1,888,869)	\$ (1,858,957)	\$ (3,911,773)

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

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Other financing sources (uses)				
Transfers in	\$ 16,575	\$ 52,265	\$ 93,967	\$ 80,096
Transfers (out)	(16,575)	(52,265)	(93,967)	(80,096)
Refund of prior year expenditure	-	-	-	-
Sale of assets	-	10,351	-	9,700
Issuance of bonds	-	-	3,805,000	-
Premium on bonds sold	-	-	96,675	-
Issuance of notes	-	-	2,347,000	2,600,000
Total other financing sources (uses)	<u>-</u>	<u>10,351</u>	<u>6,248,675</u>	<u>2,609,700</u>
Net change in fund balances	<u>\$ 2,767,467</u>	<u>\$ 1,040,235</u>	<u>\$ 2,520,943</u>	<u>\$ 1,829,979</u>
Debt service as a percentage of noncapital expenditures (1)	1.49%	1.65%	10.45%	5.49%

Source: School District financial records.

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

2005	2004	2003	2002	2001	2000
\$ 109,324	\$ 202,300	\$ 46,410	\$ 136,235	\$ 43,256	\$ 9,391
(109,324)	(202,300)	(46,410)	(142,497)	(46,042)	(12,291)
-	-	-	(6,130)	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,750,000	1,059,000	1,542,000	-	-	2,512,000
<u>3,750,000</u>	<u>1,059,000</u>	<u>1,542,000</u>	<u>(12,392)</u>	<u>(2,786)</u>	<u>2,509,100</u>
<u>\$ (2,977,252)</u>	<u>\$ (523,415)</u>	<u>\$ 3,742,183</u>	<u>\$ (1,901,261)</u>	<u>\$ (1,861,743)</u>	<u>\$ (1,402,673)</u>
6.27%	4.82%	6.43%	2.35%	2.58%	8.72%

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

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

Collection Year	Real Property (a)		Tangible Personal Property (b)		Public Utility (c)	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2009	\$ 968,320,290	\$2,766,629,400	\$ 1,912,955	\$ 7,651,820	\$ 8,363,990	\$ 23,897,114
2008	935,897,171	2,673,991,917	15,028,968	60,115,872	8,103,640	23,153,257
2007	914,974,050	2,614,211,571	38,891,955	155,567,820	11,754,660	33,584,743
2006	911,792,170	2,605,120,486	38,613,915	154,455,660	11,718,780	33,482,229
2005	838,347,610	2,395,278,886	52,633,230	210,532,920	13,080,400	37,372,571
2004	816,206,050	2,332,017,286	56,950,308	227,801,232	12,819,450	36,627,000
2003	799,925,210	2,285,500,600	60,365,970	241,463,880	13,556,590	38,733,114
2002	708,833,710	2,025,239,171	60,132,970	240,531,880	12,646,960	36,134,171
2001	684,911,940	1,956,891,257	59,824,252	239,297,008	15,231,380	43,518,229
2000	662,844,300	1,893,840,857	58,904,694	235,618,776	17,087,380	48,821,086

Source: Summit County Fiscal Office

(a) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the State Tax Commissioner.

(b) The rate at which tangible personal property used in business is assessed for purposes ad valorem property taxation decreased one percent each year from 35% in 1983 until it reached 25% in 1993.

(c) Assumes public utilities are assessed at true value which is 35%.

Total			
Assessed Value	Estimated Actual Value	%	Total Direct Tax Rate
\$ 978,597,235	\$ 2,798,178,334	34.97%	45.49
959,029,779	2,757,261,046	34.78%	45.93
965,620,665	2,803,364,134	34.45%	45.62
962,124,865	2,793,058,374	34.45%	48.73
904,061,240	2,643,184,377	34.20%	47.88
885,975,808	2,596,445,518	34.12%	47.93
873,847,770	2,565,697,594	34.06%	48.32
781,613,640	2,301,905,223	33.96%	45.74
759,967,572	2,239,706,494	33.93%	46.44
738,836,374	2,178,280,719	33.92%	46.44

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

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

Tax Year/ Collection Year	Overlapping Rates		Direct Rates			
	County	City	Voted		Unvoted	Total
			General	Bond		
2008/2009	14.16	9.50	40.09	-	5.40	45.49
2007/2008	14.26	9.50	40.09	0.44	5.40	45.93
2006/2007	14.57	9.50	39.80	0.42	5.40	45.62
2005/2006	13.07	9.50	42.20	1.13	5.40	48.73
2004/2005	13.07	9.50	41.08	1.40	5.40	47.88
2003/2004	13.07	9.50	41.13	1.40	5.40	47.93
2002/2003	13.07	9.50	41.57	1.35	5.40	48.32
2001/2002	13.07	9.50	38.76	1.58	5.40	45.74
2000/2001	13.07	9.50	39.14	1.90	5.40	46.44
1999/2000	12.27	7.20	39.24	1.80	5.40	46.44

Source: Summit County Fiscal Office

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

PRINCIPAL PROPERTY TAX PAYERS
DECEMBER 31, 2008 AND DECEMBER 31, 2000

December 31, 2008			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Heron Springs Associates LLC	\$ 8,597,890	1	0.89%
United Telephone	8,363,990	2	0.86%
Wyndham Ridge LTD	8,142,390	3	0.84%
DDR Ohio Opportunity II LLC	7,030,720	4	0.73%
Ohio Edison	6,498,420	5	0.67%
JVM Hidden Lake Apartments LLC	5,876,200	6	0.61%
Stow-Glen Properties LLC	4,894,380	7	0.51%
Morgan Adhesive Co.	4,550,320	8	0.47%
SFC Enterprises LTD	4,485,470	9	0.46%
Steels Corners Apartment Co. LTD	3,915,990	10	0.40%
Total	<u>\$ 62,355,770</u>		<u>\$ 968,320,290</u>

December 31, 2000			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Ohio Edison	\$ 7,435,610	1	0.98%
DDR Ohio Opportunity II LLC	6,482,360	2	0.85%
Stow-Glen Properties LLC	4,098,190	3	0.54%
Morgan Adhesive Co.	3,680,600	4	0.48%
Stow Associates	3,588,120	5	0.47%
Aetna Life Insurance Co.	3,475,530	6	0.46%
Ohio Bell Telephone	3,284,010	7	0.43%
Steels Corners Apartment Co. LTD	2,992,420	8	0.39%
East Ohio Gas	2,605,190	9	0.34%
Stow Falls Retail Limited Partnership	2,332,920	10	0.31%
Total	<u>\$ 39,974,950</u>		<u>759,967,572</u>

Source: Summit County Fiscal Office

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

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

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

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected
2008/2009	\$ 32,592,041	\$ 925,526	\$ 33,517,567	\$ 31,666,516	97.16%
2007/2008	32,843,109	933,518	33,776,627	31,909,592	97.16%
2006/2007	33,277,434	776,598	34,054,032	32,500,835	97.67%
2005/2006	33,283,700	451,231	33,734,931	32,832,469	98.64%
2004/2005	29,823,368	725,697	30,549,065	29,097,672	97.57%
2003/2004	31,794,416	873,524	32,667,940	30,920,892	97.25%
2002/2003	31,861,265	1,055,847	32,917,112	30,850,154	96.83%
2001/2002	26,615,496	693,246	27,308,742	25,922,250	97.40%
2000/2001	26,510,502	746,175	27,256,677	25,764,327	97.19%
1999/2000	25,611,727	693,930	26,305,657	24,917,797	97.29%

Source: Summit County Fiscal Office

	Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy
\$	1,137,363	\$ 32,803,879	97.87%
	730,891	32,640,483	96.64%
	449,506	32,950,341	96.76%
	404,077	33,236,546	98.52%
	858,085	29,955,757	98.06%
	802,139	31,723,031	97.11%
	753,795	31,603,949	96.01%
	760,037	26,682,287	97.71%
	699,923	26,464,250	97.09%
	485,166	25,402,963	96.57%

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

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			(a) Total Primary Government	(b) Per Capita	(b) Percentage of Personal Income	(b) Per ADM
	General Obligation Bonds	Bond Anticipation Notes	Capital Leases				
2009	\$ 3,355,000	\$ -	\$ -	\$ 3,355,000	\$ 99	0.259%	\$ 608
2008	4,005,000	-	-	4,005,000	116	0.317%	713
2007	4,645,000	-	-	4,645,000	135	0.393%	784
2006	1,885,000	2,600,000	-	4,485,000	130	0.402%	754
2005	2,910,000	2,020,000	-	4,930,000	143	0.462%	830
2004	3,910,000	1,059,000	-	4,969,000	144	0.482%	833
2003	4,890,000	1,542,000	-	6,432,000	188	0.638%	1,103
2002	5,850,000	2,025,000	95,941	7,970,941	236	0.798%	1,377
2001	6,790,000	2,073,000	96,623	8,959,623	267	0.954%	1,551
2000	7,715,000	2,179,000	282,032	10,176,032	317	1.168%	1,753

Sources:

- (a) See notes to the financial statements regarding the District's outstanding debt information.
- (b) See schedule " Demographic and Economic Statistic, Last Ten Years" for personal income, population and enrollment information.

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

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

Fiscal Year	General Bonded Debt Outstanding		Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Total		
2009	\$ 3,355,000	\$ 3,355,000	0.34%	\$ 99
2008	4,005,000	4,005,000	0.15%	116
2007	4,645,000	4,645,000	0.17%	135
2006	1,885,000	1,885,000	0.07%	55
2005	2,910,000	2,910,000	0.11%	85
2004	3,910,000	3,910,000	0.15%	114
2003	4,890,000	4,890,000	0.19%	143
2002	5,850,000	5,850,000	0.25%	173
2001	6,790,000	6,790,000	0.30%	202
2000	7,715,000	7,715,000	0.35%	240

Source: District financial records.

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

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

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2009

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Stow-Munroe City School District	\$ 3,355,000	100.00%	\$ 3,355,000
Overlapping debt:			
Summit County	38,420,000	7.77%	2,985,234
Portage County	18,645,320	0.10%	18,645
Akron Metro Regional Transit Authority	570,000	7.77%	44,289
City of Cuyahoga Falls	17,964,000	0.15%	26,946
City of Hudson	35,693,671	0.31%	110,650
City of Tallmadge	11,165,034	0.03%	3,350
City of Stow	33,465,000	100.00%	33,465,000
City of Munroe Falls	<u>1,775,000</u>	99.34%	<u>1,763,285</u>
Total direct and overlapping debt	<u>\$ 161,053,025</u>		<u>\$ 41,772,399</u>

Source: Ohio Municipal Advisory Council

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

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

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	Voted Debt Limit	Total Debt Applicable to Limit	Debt Service Available Balance	Net Debt Applicable to Limit	Voted Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2009	\$ 87,898,539	\$ 3,355,000	\$ -	\$ 3,355,000	\$ 84,543,539	3.82%
2008	84,952,077	4,005,000	236,139	3,768,861	81,183,216	4.44%
2007	86,905,860	4,645,000	346,911	4,298,089	82,607,771	4.95%
2006	86,591,238	1,885,000	692,278	1,192,722	85,398,516	1.38%
2005	81,365,512	2,910,000	612,306	2,297,694	79,067,818	2.82%
2004	79,737,823	3,910,000	505,149	3,404,851	76,332,972	4.27%
2003	78,646,299	4,890,000	594,179	4,295,821	74,350,478	5.46%
2002	70,345,228	5,850,000	626,013	5,223,987	65,121,241	7.43%
2001	68,397,081	6,790,000	636,539	6,153,461	62,243,620	9.00%
2000	66,495,274	7,715,000	647,378	7,067,622	59,427,652	10.63%

Source: Summit County Fiscal Office and District financial records

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

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

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

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

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (4)</u>	<u>Total Personal Income</u>	<u>Median Age (5)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rates (3)</u>		
						<u>Summit County</u>	<u>Ohio</u>	<u>United States</u>
2009	34,051	\$ 38,060	\$ 1,295,981,060	36.9	5,517	10.5%	11.2%	9.7%
2008	34,550	36,596	1,264,391,800	36.9	5,617	6.2%	6.6%	5.9%
2007	34,335	34,395	1,180,952,325	36.9	5,927	5.1%	5.9%	4.7%
2006	34,404	32,462	1,116,822,648	36.9	5,949	4.6%	5.1%	4.4%
2005	34,394	31,017	1,066,798,698	36.9	5,937	5.4%	5.9%	5.0%
2004	34,394	29,999	1,031,785,606	36.9	5,966	6.1%	5.7%	5.1%
2003	34,222	29,456	1,008,043,232	36.9	5,830	6.2%	5.5%	5.7%
2002	33,771	29,590	999,283,890	36.9	5,787	6.0%	5.3%	6.0%
2001	33,554	28,003	939,612,662	36.9	5,779	4.6%	4.8%	5.8%
2000	32,139	27,101	870,999,039	36.9	5,804	4.2%	3.9%	4.0%

Sources:

- (1) U. S. Census Bureau
- (2) District records
- (3) Civilian Labor Force Estimates, Ohio Department of Job and Family Services.
- (4) State Department of Labor
- (5) State Department of Commerce

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

PRINCIPAL EMPLOYERS
CURRENT YEAR AND SEVEN YEARS AGO

December 31, 2008		
Employer	Employees	Rank
Stow-Munroe Falls City Schools	617	1
MACTAC	300	2
City of Stow	237	3
National Machine Company	228	4
Matco Tools	215	5
Wrayco Industries Inc	145	6
Centimark Corporation	130	7
Akron General Health & Wellness Center	110	8
Audio Technica	104	9
Saint-Gobain Norpro Corporation	78	10
Total	2,164	

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

Source: City of Stow

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

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

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

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

<u>Type</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Professional staff:							
Teaching staff:							
Elementary	116	122	120	139	154	148	147
Intermediate	47	60	48	57	58	58	49
Middle	55	54	55	58	62	64	59
High	106	138	100	120	130	121	120
Tutors	12	18	17	18	19	17	20
Librarians	4	8	4	4	5	5	5
Others	2	2	1	1	2	2	2
Administration:							
District	28	28	30	35	38	35	32
Board members	5	5	5	5	5	5	5
Auxiliary positions:							
Counselors	9	11	10	11	11	10	9
Speech	5	6	5	5	7	7	7
Mental health specialists	5	5	5	16	7	6	6
Support staff:							
Secretarial	38	41	41	41	40	39	48
Aides	50	56	57	57	60	63	63
Hall monitor/security	18	20	18	19	17	17	23
Cooks	27	19	18	20	20	19	21
Custodial	37	41	37	38	36	37	38
Maintenance	8	13	14	12	11	10	11
Bus driver	39	35	36	36	37	36	38
Mechanics	5	4	4	5	4	5	5
Extracurricular	268	262	287	239	207	196	191
Total	884	948	912	936	930	900	899

<u>2002</u>	<u>2001</u>	<u>2000</u>
144	135	134
46	45	43
56	50	54
119	106	104
24	31	28
6	6	6
-	2	5
33	52	32
5	5	5
10	11	12
6	6	6
5	5	3
43	47	38
63	74	56
18	21	15
20	24	21
28	37	33
9	9	10
41	50	33
4	4	4
<u>174</u>	<u>190</u>	<u>186</u>
<u>854</u>	<u>910</u>	<u>828</u>

- - Continued

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

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

<u>Function</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Instruction:							
Regular	252	298	229	269	275	271	269
Special	75	84	39	46	37	39	40
Vocational	18	17	14	13	19	17	19
Other	14	-	39	62	88	75	79
Support services:							
Pupil	37	39	43	35	33	31	30
Instructional staff	65	64	112	115	114	118	114
Administration	49	50	35	40	43	40	38
Fiscal	8	8	5	6	6	6	6
Business	3	3	-	-	-	-	-
Operations and maintenance	45	55	69	70	67	66	70
Pupil transportation	50	40	40	41	41	41	43
Extracurricular activities	268	290	287	239	207	196	191
Total governmental activities	<u>884</u>	<u>948</u>	<u>912</u>	<u>936</u>	<u>930</u>	<u>900</u>	<u>899</u>

Source: School District records

<u>2002</u>	<u>2001</u>	<u>2000</u>
267	268	274
33	34	28
20	21	18
66	76	73
37	42	34
111	92	71
38	57	37
6	6	5
-	-	1
57	70	64
45	54	37
<u>174</u>	<u>190</u>	<u>186</u>
<u><u>854</u></u>	<u><u>910</u></u>	<u><u>828</u></u>

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

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

Function	2009	2008	2007	2006	2005	2004	2003
Instruction:							
Regular and special							
Enrollment (students)	5,517	5,617	5,927	5,949	5,937	5,966	5,830
Graduates	456	466	460	463	480	447	431
Support services:							
Board of education							
Regular meetings per year	20	24	20	20	20	20	19
Special meetings per year	10	29	52	54	56	43	17
Administration							
Student attendance rate	95.4	95.5	96.1	95.3	95.0	95.4	94.8
Fiscal							
Nonpayroll checks issued	6,052	5,654	7,196	6,504	6,328	5,899	6,163
Operations and maintenance							
Work orders completed	3,005	3,010	3,000	3,100	3,000	2,800	2,600
Square footage maintained	760,409	760,409	760,409	760,409	760,409	760,409	760,409
Pupil transportation							
Avg. students transported daily	4,005	4,005	4,344	4,161	4,573	4,367	2,372
Food service operations:							
Meals served to students	317,884	113,654	320,200	284,036	267,880	N/A	N/A
Percentage of students receiving reduced cost or free lunches	16.6%	14.5%	12.2%	11.2%	N/A	N/A	N/A

Source: District records

N/A = information not available.

<u>2002</u>	<u>2001</u>	<u>2000</u>
5,787	5,779	5,804
420	446	500
20	20	19
20	14	14
94.8	94.5	94.4
5,938	6,252	6,197
2,500	2,300	2,200
760,409	760,409	760,409
4,585	4,543	4,814
N/A	N/A	N/A
N/A	N/A	N/A

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

CAPITAL ASSET STATISTICS
LAST SEVEN FISCAL YEARS

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental activities:					
Land	\$ 563,915	\$ 563,915	\$ 563,915	\$ 563,915	\$ 563,915
Land improvements	1,121,641	1,113,416	849,451	938,762	898,026
Buildings and improvements	12,547,638	13,294,731	12,473,045	13,248,043	13,884,899
Furniture, fixtures and equipment	623,141	704,982	844,283	992,038	1,123,191
Vehicles	2,244,704	2,326,738	2,304,370	2,564,909	1,934,980
Construction in progress	-	-	1,381,436	-	-
Total governmental activities capital assets, net	<u>\$ 17,101,039</u>	<u>\$ 18,003,782</u>	<u>\$ 18,416,500</u>	<u>\$ 18,307,667</u>	<u>\$ 18,405,011</u>

Source: School District financial records.

Note: Amounts above are presented net of accumulated depreciation.

<u>2004</u>	<u>2003</u>
\$ 563,915	\$ 563,915
911,288	1,029,337
12,742,746	13,369,991
1,142,721	1,334,209
1,224,677	1,249,053
-	-
<u>\$ 16,585,347</u>	<u>\$ 17,546,505</u>

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

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Echo Hills Elementary (1963)						
Square feet	38,285	38,285	38,285	38,285	38,285	38,285
Capacity (students)	550	550	550	550	550	550
Enrollment	354	364	408	407	377	382
Fishcreek Elementary (1960)						
Square feet	32,153	32,153	32,153	32,153	32,153	32,153
Capacity (students)	500	500	500	500	500	500
Enrollment	357	377	386	389	310	296
Highland Elementary (1938)						
Square feet	33,324	33,324	33,324	33,324	33,324	33,324
Capacity (students)	500	500	500	500	500	500
Enrollment	351	347	358	360	323	335
Indian Trail Elementary (1969)						
Square feet	41,600	41,600	41,600	41,600	41,600	41,600
Capacity (students)	500	500	500	500	500	500
Enrollment	302	292	381	383	323	299
Riverview Elementary (1954)						
Square feet	23,277	23,277	23,277	23,277	23,277	23,277
Capacity (students)	575	575	575	575	575	575
Enrollment	273	266	286	290	301	319
Woodland Elementary (1954)						
Square feet	23,277	23,277	23,277	23,277	23,277	23,277
Capacity (students)	525	525	525	525	525	525
Enrollment	284	285	322	333	320	306
Lakeview Intermediate (1959)						
Square feet	178,882	178,882	178,882	178,882	178,882	178,882
Capacity (students)	1,050	1,050	1,050	1,050	1,050	1,050
Enrollment	841	843	864	867	917	941
Kimpton Middle School (1970)						
Square feet	117,500	117,500	117,500	117,500	117,500	117,500
Capacity (students)	1,125	1,125	1,125	1,125	1,125	1,125
Enrollment	879	904	913	918	973	955
High School (1987)						
Square feet	254,514	254,514	254,514	254,514	254,514	254,514
Capacity (students)	2,050	2,050	2,050	2,050	2,050	2,050
Enrollment	1,876	1,938	1,999	2,002	1,985	1,987
Central office (1996)						
Square feet	11,000	11,000	11,000	11,000	11,000	11,000
Transportation and warehouse (1987)						
Square feet	6,597	6,597	6,597	6,597	6,597	6,597

Source: District records

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

2003	2002	2001	2000
38,285	38,285	38,285	38,285
550	550	550	550
378	367	359	379
32,153	32,153	32,153	32,153
500	500	500	500
321	305	321	309
33,324	33,324	33,324	33,324
500	500	500	500
330	314	305	330
41,600	41,600	41,600	41,600
500	500	500	500
309	347	357	363
23,277	23,277	23,277	23,277
575	575	575	575
305	331	321	320
23,277	23,277	23,277	23,277
525	525	525	525
297	305	304	282
178,882	178,882	178,882	178,882
1,050	1,050	1,050	1,050
932	932	933	943
117,500	117,500	117,500	117,500
1,125	1,125	1,125	1,125
940	954	978	973
254,514	254,514	254,514	254,514
2,050	2,050	2,050	2,050
1,916	1,892	1,873	1,906
11,000	11,000	11,000	11,000
6,597	6,597	6,597	6,597

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

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	General Government		Governmental Activities (2)		Enrollment
	Expenses (1)	Cost per pupil	Expenses (1)	Cost per pupil	
2009	\$ 53,625,388	\$ 9,720	\$ 54,807,990	\$ 9,934	5,517
2008	53,544,613	9,533	53,725,002	9,565	5,617
2007	53,688,935	9,058	53,638,741	9,050	5,927
2006	52,221,059	8,778	52,650,262	8,850	5,949
2005	56,365,354	9,494	54,748,025	9,221	5,937
2004	49,927,235	8,368	50,840,298	8,521	5,966
2003	44,402,142	7,616	45,709,290	7,841	5,830
2002	43,521,748	7,521	N/A	N/A	5,787
2001	43,653,814	7,555	N/A	N/A	5,779
2000	39,731,742	6,845	N/A	N/A	5,804

Source: District records

(1) Debt service totals have been excluded.

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

Percent Change	Teaching Staff	Pupil/Teacher Ratio	Student Attendance Percentage
-1.78%	379	14.56	95.40%
-5.23%	383	14.67	95.50%
-0.37%	344	17.23	96.10%
0.20%	380	15.66	95.30%
-0.49%	396	14.99	95.00%
2.35%	393	15.18	95.40%
0.75%	322	18.10	94.80%
0.14%	349	16.58	94.80%
-0.44%	342	16.90	94.50%
0.00%	302	19.22	94.40%

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

TEACHER STATISTICS
JUNE 30, 2009

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	239	63.06%
Master's Degree	140	36.94%
	<u>379</u>	<u>100.00%</u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	75	19.79%
6 - 10	96	25.33%
11 and over	208	54.88%
	<u>379</u>	<u>100.00%</u>

Source: School District Personnel Records



Mary Taylor, CPA
Auditor of State

STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MARCH 9, 2010