

STOW-MUNROE FALLS CITY SCHOOL DISTRICT

SUMMIT COUNTY, OHIO



Stow-Munroe Falls High School

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2014



Dave Yost • 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, 2013 through June 30, 2014. 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.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

February 9, 2015

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF THE

STOW-MUNROE FALLS CITY
SCHOOL DISTRICT

SUMMIT COUNTY, OHIO

FOR THE

FISCAL YEAR ENDED JUNE 30, 2014

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 FISCAL YEAR ENDED JUNE 30, 2014**

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INTRODUCTORY SECTION

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Stow-Munroe Falls City Schools

4350 Allen Road, Stow, Ohio 44224 | 330.689.5445 | FAX 330.688.1629 | www.smfschools.org

December 29, 2014

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, 2014 is hereby submitted. This CAFR includes financial statements and other financial and statistical data that 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 2014. The audit has been conducted in accordance with generally accepted auditing standards, generally accepted government auditing standards, and includes 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, 2014 provided no instances of material weaknesses in internal controls.

This transmittal letter is designed to provide historical information about the District, as well as complement 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 Accountants' Report. This transmittal letter should be read in conjunction with the MD&A, which can be found beginning on page 17.

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 second largest school district in Summit County, Ohio. As of the end of the fiscal year, the average daily membership (ADM) was 5,336 students attending nine schools. Enrollment is expected to remain consistent for the near future.

The District has 613 full and part-time employees (not including supplemental positions). The District employs 341 certificated employees, 20 certificated and 7 non-certificated administrators and 245 non-certificated staff members.

The District's instructional buildings range in age from 25 years to 74 years. Detailed information about the District's buildings is presented in the statistical section of the CAFR.

The District offers a wide variety of educational programs for all segments of the community. Stow-Munroe Falls High School (SMFHS) is part of the Six District Educational Compact which offers 25 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, Aviation Career 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 in the elementary grades. All District schools have libraries and special purpose rooms.

An active Council of Parent Teacher Associations (PTA) 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 or medical assistants for most of the school day, five days a week.

The District's buildings had the following accomplishments during the 2013-14 school year:

Stow Munroe Falls High School (SMFHS):

A SMFHS social studies teacher and a team of staff members and student mentors prepared an incredible freshman orientation program aimed at welcoming new freshmen and their parents.

Three SMFHS Spanish teachers were selected to present at the 45th annual Central States Conference on the teaching of foreign languages held in Columbus.

The high school principal was selected to present at the Ohio Association of Secondary School Administrators (OASSA) conference in Columbus as part of the curriculum development team.

The Stow-Munroe Falls High School Marching Band performed at The Ohio State University on October 12th. Dr. Jonathan Walters, former OSU Band Director, commented that our band, "sounded like a high-quality, college-level band." The accolades surrounding our high school program continue to impress at the highest levels.

One high school student represented SMFHS at the OHSAA State Golf Tournament. This student is a four-time state qualifier and finished in 10th place to earn all-state honors for the fourth consecutive year. We are proud of his accomplishments. As a tribute, the high school held a brief "send-off" ceremony for Ian and his family prior to his leaving for the tournament in Columbus.

The SMFHS staff participated in gatekeeper training on records day Friday, January 17th. The training, provided by professionals from Child Guidance and Family Solutions, is a suicide prevention program. Participants are trained to recognize warning signs-behaviors and characteristics that might indicate elevated risk for suicide behavior-and how to intervene with a person they think might be at risk for suicide. The positive feedback was received from staff members.

The SMFHS International Business and Marketing Academy (IBMA) students recently entered a design contest to create a new logo for the Summit County Historical Society. The purpose of the logo contest is to communicate how the society demonstrates its ties to the community, as well as its relevance to today's young professionals. One SMFHS IBMA senior's logo was chosen. The SMFHS students' involvement with the surrounding business communities has created excitement.

SMFHS DECA (marketing and entrepreneurial) students recently competed at the district competition with schools from five surrounding counties. SMFHS team managed to secure 30 spots to participate in the state tournament in March.

The SMFHS Music Department competed in large group band and choir sectionals at Revere High School. The choir received a superior rating in class A, the Maroon Symphonic Band received a superior rating in class B, and the wind ensemble received a superior rating in class AA. SMFHS was one of the most decorated schools to compete.

In April, approximately 250 grade 12 volunteers participated in the first annual Bulldogs Serving Bulldogs program. SMFHS senior students volunteered for a day of service in the community. Site placement included SMF elementary buildings, Stow Parks and Recreation Department, Stow Fire Department, and Stow Police Department.

Ten SMFHS staff members accompanied approximately 100 students for the annual SMFHS Leadership Retreat held at Camp Carl for two days in April. Students participated in various activities to encourage and develop leadership skills that help to create a more positive school culture. SMFHS students are expected to promote these skills and attributes in the daily school setting.

Approximately 70 members of the SMFHS Student Council partnered with the Stow Parks and Recreation Department to provide community service to area senior citizens. Students travelled in groups to assist with yard preparation and clean up. In total, the groups worked to clean over 30 homes in the communities of Stow and Munroe Falls. The area seniors complimented SMFHS students on their hard work and respectful attitudes.

Over 50 members of our current 11th grade class were inducted into National Honor Society (NHS) during a ceremony held in the SMFHS Auditorium. Their commitment to scholarship and service instills pride within the high school and community. NHS members annually assist with peer tutoring in our library/media center while also completing service hours in the community.

Kimpton Middle School:

Stow-Munroe Falls City Schools have collaborated with Kent State University on an International Leaders in Education Program, which is a professional partnership hosting teachers from third world countries to co-teach for 15 days during the second semester. Over the course of the semester, two Kimpton Middle School teachers hosted two international teachers; one from Senegal and one from India. The hosted teachers were a delight whose experiences benefited Kimpton staff.

Kimpton Middle School String Orchestra performed for the "Holiday Tree Festival" to benefit Children's Hospital. They continue to receive top ratings and awards for performances at the "Music in the Park" Festival in Sandusky and at the District solo & ensemble contest.

Kimpton Middle School Student Council coordinated an annual holiday charity food drive to support a local organization called Good Neighbors. Students donated over 10,000 items to support people in need.

Kimpton Middle School students raised funds for The American Heart Association during an Annual Hoops 4 Heart event in March.

Kimpton Middle School students participated in the Third Annual Kimpton May Day Two-Mile Run promoting fitness and a sense of community.

Kimpton Middle School staff members took 100 American History students to Philadelphia in October, which provided an opportunity for students to see the history they are learning about in class.

Kimpton Middle School student Team 8-3 raised funds to participate in a field trip to Cincinnati and the National Underground Railroad Freedom Center to facilitate an understanding of the harsh impact of slavery.

Kimpton Middle School is collaborating with Kent State University in researching the development of technology used to support student learning.

Kimpton Middle School's gifted program airs the morning announcements every day, which is very well received by the whole school community and is no small feat for the students to develop.

Echo Hills Elementary School:

The staff of Echo Hills is committed to the continuous improvement of our students and ourselves as education professionals. Teams of educators meet regularly to examine student progress to identify strengths and areas in need of intervention. Echo Hills employs a host of research-based intervention and enrichment techniques to address student needs.

Echo Hills staff is dedicated to meeting the needs of today's learner embracing all forms of literacy and numeracy including traditional text based learning and engaging technology tools. Every learning space in our building includes an interactive whiteboard, document camera, and projector using building-wide Wi-Fi connectivity and every teaching staff member has a laptop for use in lesson preparation. A cart of iPads were made available for use throughout the building due to the generous support of the Echo Hills PTA. The intermediate grade teachers employ "bring your own" device strategies in the classroom. Each grade level has its own mobile lab of Chromebook computers for use in instruction and assessment throughout the school year.

Echo Hills PTA recently implemented an innovative approach to fundraising that fosters student fitness through work toward a shared fundraising goal. The Little Dawg Dash allowed students to solicit pledges and earn contributions through their participation in a school-wide fun walk/run. This was tremendously successful and well received by members of our community who indicated they favored this type of activity over traditional product-based fundraisers. Proceeds from the initial Little Dawg Dash were used to purchase a cart of iPads and a cart for their protection.

Echo Hills was the first District elementary building to boast a chartered K-Kids chapter. K-Kids is a program sponsored by Kiwanis International that teaches the value of community service to our youngest students. In addition to active K-Kids organization, students are provided leadership through our student council and safety patrol programs.

Fishcreek Elementary School:

Fishcreek Elementary has a very active and involved PTA that host an annual community-supported event the Fishcreek Raccoon Run fundraiser which netted nearly \$27,000 this year.

Fishcreek Elementary students participate in Junior Achievement, where professionals from the community share lessons and experiences with our students. Students reach out regularly to local organizations and coordinate charitable campaigns to help those in need.

One first grade teacher was recognized by the Office Max 'A Day Made Better' 2013-2014 campaign.

Fishcreek Elementary teachers volunteer as coaches for a character-building and fitness program for girls in grades 3 and 4 Girls on the Run. Fishcreek Elementary students participate in the Kiwanis International Organization's sponsored elementary level service group, The K-Kids. Fishcreek elementary students in grades 1-4 participate in a lunchtime walking club, Noon Movers, which is supervised and run by parent volunteers.

Fishcreek Elementary has an efficient Response to Intervention Team (RIT) that reviews student data monthly from each grade to ensure that individual students are making sufficient growth on their tiered interventions.

Highland Elementary School:

Highland Elementary was rated "Excellent" by the Ohio Department of Education for the 2013-2014 school year.

Highland Elementary second, third and fourth grade students participated in our book club program that is run jointly by our library and the PTA. This was our most successful year with the most books read and the most participants.

The Highland Elementary Singing Eagle fourth grade choir performed at several local events throughout the year.

Highland Elementary second graders continued their tradition of outreach activities to our local nursing homes. In addition, the entire student body did an outreach project for Briarwood with decorated placemats for them to use on the Fourth of July.

Highland Elementary students participate in the Kiwanis International Organization's sponsored elementary level service group, The K-Kids, and work on various service projects and attend monthly meetings.

The Highland Elementary Student Council participated in the homecoming parade, sponsored several fun days, organized the "Show Your Love" canned food drive, and served the school in various duties such as our classroom recycling program.

The Highland Elementary Safety Patrol, made up of fourth grade students, manned posts during dismissal and took care of the flag.

The Highland second graders hosted a group of local professionals that taught them about dental health and eye health and safety. The eye health program was assisted by the Stow Lions Club.

The Highland Elementary PTA has sponsored a second field trip this year for each grade level. Highland Elementary students donated to the Clothes Closet, food drives, basket raffle, pennies for pies, and book drive.

Highland Elementary hosted the Children's Concert Society Performers in the fall.

Highland Elementary third graders participated in a week long disability awareness program presented in partnership with The ARC of Summit and Portage Counties.

Indian Trail Elementary School:

Indian Trail is one of 3,747 International Baccalaureate World Schools.

Indian Trail received a grant for \$25,000 from the Martha Holden Jennings Foundation for teacher professional development.

Indian Trail PTA successfully raised \$82,000 towards a new playground including a \$66,000 donation from an alumnus at Indian Trail.

Indian Trail Elementary School students participated in several leadership service projects including the following: Pint Size Heroes Program (American Red Cross), Pop Tab Collection Campaign for children in the dialysis unit (Akron Children's Hospital), food drive (Akron Haven of Rest Homeless Shelter), and Community Closet Clothing Drive (City of Stow).

Indian Trail Elementary students performed in musical concerts and displayed artwork throughout the year including at the annual art show and ice cream social.

The Indian Trail Elementary School community volunteered over 5,500 hours and the PTA sponsored several enrichment activities including fieldtrips, book fairs, literacy night and the school carnival.

Woodland Elementary School:

Woodland OAA preliminary data shows that 100% of third graders passed both the reading and math portions of the test, and 100% of fourth graders passed the reading portion of the test. 98% of fourth graders passed the math portion of the test.

Phase II of the new playground was installed in the Fall of 2013. This phase includes climbing structures such as a rock wall, jungle gym, and side stepper. Fundraising for Phase III has been completed, with installation slated for late summer.

Twenty Woodland students participated in Girls on the Run, an international program that focuses on the physical, mental and emotional well-being of girls.

The Woodland PTA purchased 17 Chromebooks for student use.

Over 125 Woodland students participated in the book club, where their accomplishments are recognized at the end of the year at the awards assemblies.

Twenty-four Woodland students were nominated for the annual Stolion awards, sponsored by the Stow-Munroe Falls Lions Club. The awards recognize students for responsibility, respect, honesty, fairness, work ethic, and dependability.

The Woodland Singing Cardinals participated in several concerts, including singing the national anthem at Canal Park in downtown Akron.

Employees

A statewide public employee bargaining law applies generally to public employee relations and collective bargaining. The starting salary (2013-14 school year) for a teacher with a bachelor's degree is \$36,703, and the maximum salary for a teacher with a master's degree plus 15 graduate hours and 27 years of experience is \$77,774.

The District's certificated employees, excluding administration, are members of the Stow Teachers Association (STA), a labor organization affiliated with the Ohio Education Association. The contract between the Board of Education and the STA expires June 30, 2017.

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 (SMFCEA), a labor organization affiliated with the Ohio Education Association. The SMFCEA contract expires June 30, 2017.

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 GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". 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 Worker's Compensation Group Rating Program. These organizations are presented in Note 1.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 fund level for all 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 1.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 \$24,010,388 at June 30, 2014 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 PNC 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 University, and Mount Union University.

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 7.84 mill, ten-year, emergency levy in 2012.

Major Initiatives for the Year

The Technology Advisory Team comprised of administrators and teachers continues to assess the current status and technology needs of the District. The focus of this committee is to provide teachers and administrators with the tools to provide our students with the best education possible in the 21st century. Ten of the team members have become Google Certified Trainers as the District converts to utilizing Google Apps for Education. A complete re-wiring of the District's buildings is underway.

The District Leadership Team continues to promote the vision and mission of the District. Building Leadership Teams (BLT's) are functioning in all District buildings.

The District continues to provide training for all staff to ensure compliance with ODE regulations. Training topics include Third Grade Reading Guarantee, Restraint/Seclusion policies, implementation of new operating standards for students with disabilities, and reduction of the achievement gap for sub-groups.

The District participated in International Leader in Education Program WKSU to bring six international teachers to our District.

The District continues to look for alternate funding sources through various grant opportunities. Numerous grants have been received at the District and building level.

The District hosted the thirteenth annual Stow-Munroe Falls Community Showcase.

Major Initiatives for the Future

The District will continue with the year-5 “action steps” for its 5-year strategic plan.

The District will reconfigure its six K-4 grade libraries.

The District will continue enhancing safety measures with the installation of security surveillance cameras and door entry access security devices.

The District will upgrade the High School Auditorium Sound System and the technology wiring in all buildings to support wireless access points.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated by calendar year 2009, and the tax on telephone and telecommunications property was 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 it out in calendar years 2011-2017. The District continues to evaluate meeting the rising costs of operations and supplementing the negative effects from the State funding formula and the impact of House Bill No. 66 on tangible property tax revenue.

INDEPENDENT AUDIT

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, 2013. 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.

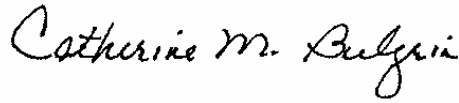
ASBO Certificate - The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2013, to the Stow-Munroe Falls City School District. This award certifies that the Comprehensive Annual Financial Report substantially 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, 2014, will conform to ASBO’s principles and standards.

ACKNOWLEDGEMENTS

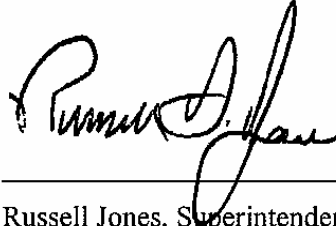
The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated services of the Treasurer’s Office staff. In addition, we acknowledge the outstanding services of our data processing department in meeting the vast informational requirements. Our consultant, Julian & Grube, Inc., provided us with expert technical assistance in all phases of preparing the report. The assistance of the Summit County Fiscal 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, 2014

Board of Education

Fred Bonacci - President

Karen S. Powers - Vice President

Pat Matthews

Gerry Bettio

Rodney Armstrong

Superintendent

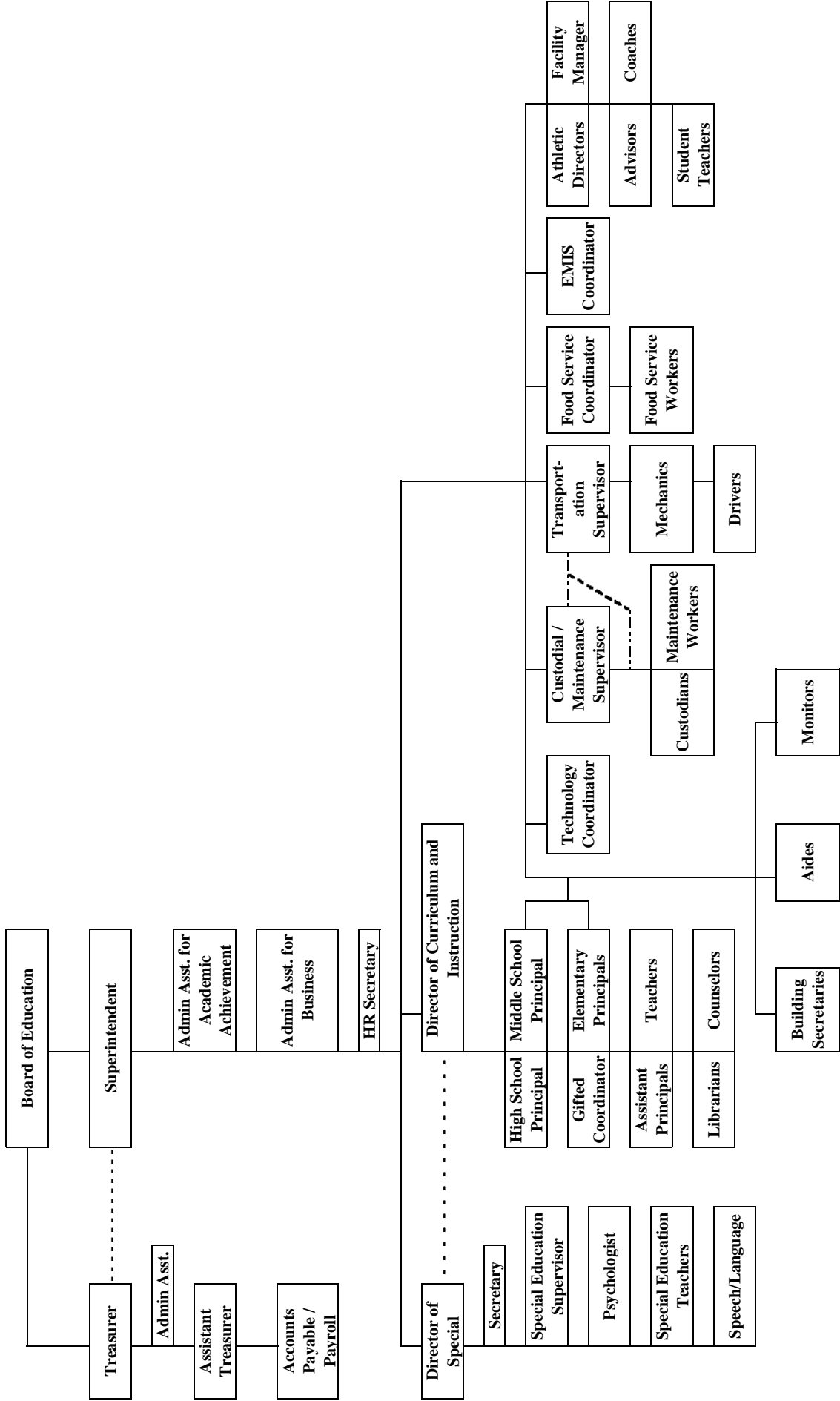
Dr. Russell Jones

Treasurer/CFO

Catherine Bulgrin

STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

ORGANIZATIONAL CHART





Government Finance Officers Association

**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, 2013

Executive Director/CEO

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Stow-Munroe Falls City School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2013*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading "Terrie S. Simmons".

Terrie S. Simmons, RSBA, CSBO
President

A handwritten signature in black ink, reading "John D. Musso".

John D. Musso, CAE, RSBA
Executive Director

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FINANCIAL SECTION

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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

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

To the Board of Education:

Report on the Financial Statements

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, 2014, and the related notes to the financial statements, which collectively comprise Stow-Munroe Falls City School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to Stow-Munroe Falls City School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of Stow-Munroe Falls City School District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

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, Lorain County, Ohio, as of June 30, 2014, and the respective changes in financial position thereof and the budgetary comparison for the General fund thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Board of Education
Stow-Munroe Falls City School District

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on Stow-Munroe Falls City School District's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2014, on our consideration of Stow-Munroe Falls City School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Stow-Munroe Falls City School District's internal control over financial reporting and compliance.



Julian & Grube, Inc.
December 29, 2014

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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, 2014. 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 2014 are as follows:

- In total, net position of governmental activities increased \$8,715,270, which represents a 30.58% increase from 2013 net position.
- General revenues accounted for \$55,786,957 in revenue or 86.45% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$8,740,668 or 13.55% of total revenues of \$64,527,625.
- The District had \$55,812,355 in expenses related to governmental activities; \$8,740,668 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 \$55,786,957 were adequate to provide for these programs.
- The District's only major governmental fund is the general fund. The general fund had \$60,514,492 in revenues and other financing sources and \$52,219,652 in expenditures and other financing uses. During fiscal year 2014, the general fund's fund balance increased \$8,294,840 from a balance of \$18,058,906 to \$26,353,746.

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 position 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 Position 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 2014?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows, liabilities, deferred inflows, 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, 2014**

These two statements report the District's net position and changes in that position. This change in net position 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 position 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 position 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 23. 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 position 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 position and changes in fiduciary net position 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 37-66 of this report.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

The District as a Whole

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

The table below provides a summary of the District's net position for 2014 and 2013.

	Net Position	
	Governmental Activities 2014	Governmental Activities 2013
<u>Assets</u>		
Current and other assets	\$ 62,555,833	\$ 58,164,020
Capital assets, net	<u>16,402,412</u>	<u>15,611,957</u>
Total assets	<u>78,958,245</u>	<u>73,775,977</u>
<u>Liabilities</u>		
Current liabilities	5,560,260	6,422,777
Long-term liabilities	<u>6,967,211</u>	<u>6,274,974</u>
Total liabilities	<u>12,527,471</u>	<u>12,697,751</u>
<u>Deferred inflows</u>	<u>29,218,589</u>	<u>32,581,311</u>
<u>Net position</u>		
Net investment in capital assets	13,694,422	13,010,519
Restricted	217,986	116,936
Unrestricted	<u>23,299,777</u>	<u>15,369,460</u>
Total net position	<u>\$ 37,212,185</u>	<u>\$ 28,496,915</u>

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2014, the District's assets exceeded liabilities and deferred inflows by \$37,212,185. Of this total, \$217,986 is restricted in use.

At year-end, capital assets represented 20.77% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. Net investment in capital assets at June 30, 2014, was \$13,694,422. 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.

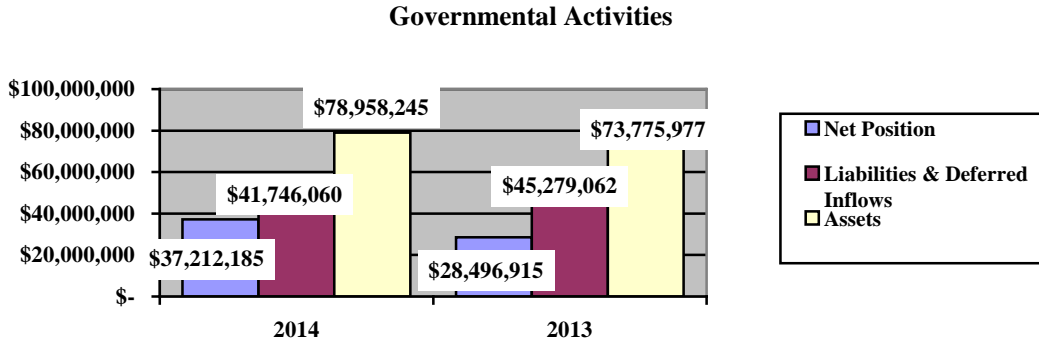
Current assets increased mainly due to an increase in cash and investments during fiscal year 2014. Current liabilities decreased because of an insurance premium holiday which decreased accrued wages and benefits.

A portion of the District's net position, \$217,986, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is \$23,299,777.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

The graph below illustrates the District assets, liabilities and net position at June 30, 2014 and 2013:



The table below shows the changes in net position for fiscal year 2014 and 2013.

Change in Net Position

	Governmental Activities 2014	Governmental Activities 2013
Revenues		
Program revenues:		
Charges for services and sales	\$ 3,892,223	\$ 3,801,611
Operating grants and contributions	4,248,445	3,671,429
Capital grants and contributions	600,000	-
General revenues:		
Property taxes	37,900,302	31,900,891
Payments in lieu of taxes	162,867	212,345
Grants and entitlements	17,425,497	17,926,791
Investment earnings	69,776	12,592
Miscellaneous	228,515	207,838
Total revenues	<u>64,527,625</u>	<u>57,733,497</u>
		-- continued

Tax revenue increased approximately \$6 million primarily due to a greater amount of property tax advances held by the county fiscal officer at June 30, 2014 compared to June 30, 2013. Operating grants and contributions increased approximately \$577,000 during fiscal year 2014 due to the District receiving more grants for special education expenses. The District also received a \$600,000 capital contribution during fiscal year 2014 for turf at the high school stadium.

The largest expense of the District is for instructional programs. Instruction expenses totaled \$34,500,530 or 61.82% of total governmental expenses for fiscal 2014. Instructional staff expenses decreased primarily due to coding changes in the Uniform School Accounting System (USAS) which reclassified certain expenses from instructional staff to other expense categories. At an increase of 2.12%, expenses remained consistent with the prior year.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Change in Net Position (Continued)	
	Governmental Activities <u>2014</u>	Governmental Activities <u>2013</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	\$ 26,142,430	\$ 24,059,541
Special	6,275,524	5,059,066
Vocational	1,927,610	1,947,538
Other	154,966	154,464
Support services:		
Pupil	3,333,198	3,236,206
Instructional staff	562,413	2,685,844
Board of education	692,639	748,634
Administration	3,008,993	3,118,716
Fiscal	1,288,905	1,323,704
Business	155,361	66,133
Operations and maintenance	5,482,826	5,138,022
Pupil transportation	3,133,486	3,374,244
Central	625,585	496,342
Operations of non-instructional services:		
Food service operations	1,339,638	1,380,094
Other non-instructional services	252,098	475,514
Extracurricular activities	1,337,472	1,235,215
Interest and fiscal charges	<u>99,211</u>	<u>155,073</u>
Total expenses	<u>55,812,355</u>	<u>54,654,350</u>
Changes in net position	8,715,270	3,079,147
Net position at beginning of year	<u>28,496,915</u>	<u>25,417,768</u>
Net position at end of year	<u>\$ 37,212,185</u>	<u>\$ 28,496,915</u>

Governmental Activities

Net position of the District's governmental activities increased \$8,715,270. Total governmental expenses of \$55,812,355 were offset by program revenues of \$8,740,668 and general revenues of \$55,786,957. Program revenues supported 15.66% of the total governmental expenses.

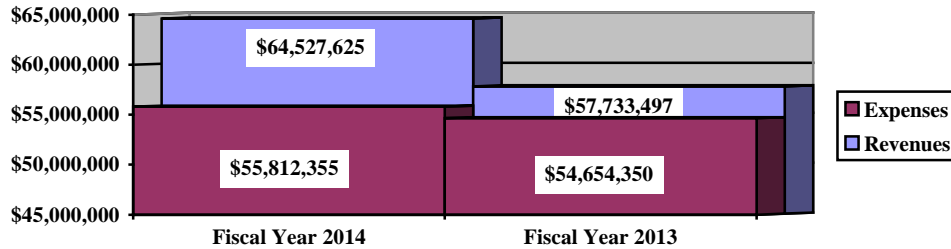
**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

The primary sources of revenue for governmental activities are derived from property taxes and unrestricted grants and entitlements. These revenue sources represent 85.74% of total governmental revenue.

The graph below presents the District's governmental activities revenue and expenses for fiscal year 2014 and 2013.

Governmental Activities - Revenues and Expenses



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 for 2014 and 2013. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Governmental Activities

	Total Cost of Services 2014	Net Cost of Services 2014	Total Cost of Services 2013	Net Cost of Services 2013
Program expenses				
Instruction:				
Regular	\$ 26,142,430	\$ 23,473,587	\$ 24,059,541	\$ 21,345,727
Special	6,275,524	3,725,807	5,059,066	3,490,235
Vocational	1,927,610	1,754,861	1,947,538	1,720,227
Other	154,966	154,966	154,464	153,375
Support services:				
Pupil	3,333,198	2,970,157	3,236,206	2,711,322
Instructional staff	562,413	556,991	2,685,844	2,638,085
Board of education	692,639	692,639	748,634	748,634
Administration	3,008,993	2,925,457	3,118,716	3,008,808
Fiscal	1,288,905	1,254,213	1,323,704	1,296,494
Business	155,361	155,361	66,133	66,133
Operations and maintenance	5,482,826	5,466,506	5,138,022	5,114,562
Pupil transportation	3,133,486	2,936,042	3,374,244	3,237,060
Central	625,585	623,248	496,342	493,351
Operations of non-instructional services:				
Food service operations	1,339,638	160,848	1,380,094	173,022
Other non-instructional services	252,098	(94,750)	475,514	90,560
Extracurricular activities	1,337,472	216,543	1,235,215	738,642
Interest and fiscal charges	99,211	99,211	155,073	155,073
Total expenses	<u>\$ 55,812,355</u>	<u>\$ 47,071,687</u>	<u>\$ 54,654,350</u>	<u>\$ 47,181,310</u>

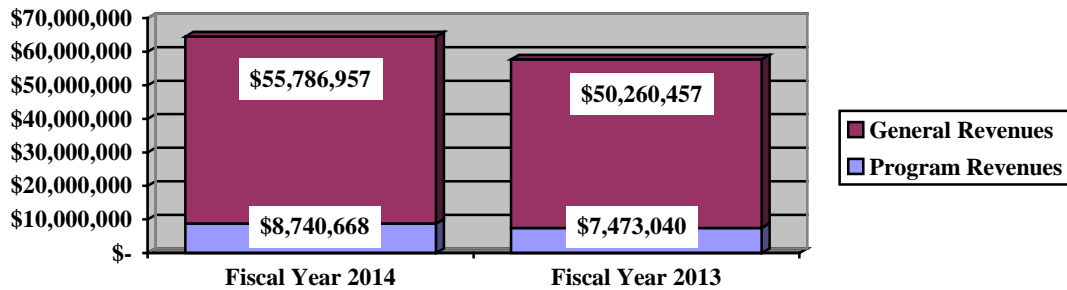
**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

The dependence upon tax and other general revenues for governmental activities is apparent as 84.37% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 84.34%. 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.

The graph below presents the District's governmental activities revenue for fiscal years 2014 and 2013.

Governmental Activities - General and Program Revenues



General revenues increased \$5,526,500 or 11.00% from fiscal 2013 to 2014 and program revenues increased \$1,267,628 or 16.97% from 2014 to 2013. The changes in governmental activities revenues are discussed on page 6.

The District's Funds

The District's governmental funds reported a combined fund balance of \$26,350,503, which is greater than last year's total of \$17,834,653. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2014 and 2013.

	Fund Balance (deficit) <u>June 30, 2014</u>	Fund Balance (deficit) <u>June 30, 2013</u>	<u>Increase</u>	<u>Percentage Change</u>
General	\$ 26,353,746	\$ 18,058,906	\$ 8,294,840	45.93 %
Other Governmental	<u>(3,243)</u>	<u>(224,253)</u>	<u>221,010</u>	98.55 %
Total	<u>\$ 26,350,503</u>	<u>\$ 17,834,653</u>	<u>\$ 8,515,850</u>	47.75 %

General Fund

The District's general fund balance increased \$8,294,840. Revenues increased from the prior year by \$6,276,311, or 11.76%, while expenditures increased \$1,773,797, or 3.53%, from 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, 2014

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

	2014 <u>Amount</u>	2013 <u>Amount</u>	Increase <u>(Decrease)</u>	Percentage <u>Change</u>
<u>Revenues</u>				
Taxes	\$ 37,218,277	\$ 31,355,675	\$ 5,862,602	18.70 %
Earnings on investments	71,072	12,726	58,346	458.48 %
Intergovernmental	19,019,713	18,698,373	321,340	1.72 %
Other revenues	<u>3,340,000</u>	<u>3,305,977</u>	<u>34,023</u>	1.03 %
Total	<u>\$ 59,649,062</u>	<u>\$ 53,372,751</u>	<u>\$ 6,276,311</u>	11.76 %
<u>Expenditures</u>				
Instruction	\$ 32,306,515	\$ 29,565,179	\$ 2,741,336	9.27 %
Support services	18,023,765	19,236,979	(1,213,214)	(6.31) %
Non-instructional services	15,595	-	15,595	100.00 %
Extracurricular activities	906,662	901,461	5,201	0.58 %
Facilities acquisition and construction	474,102	404,188	69,914	17.30 %
Capital outlay	137,239	-	137,239	100.00 %
Debt service	<u>160,682</u>	<u>142,956</u>	<u>17,726</u>	12.40 %
Total	<u>\$ 52,024,560</u>	<u>\$ 50,250,763</u>	<u>\$ 1,773,797</u>	3.53 %

The most significant reason for the increase in tax revenues is due to the greater amount of property tax advances held by the county fiscal officer at June 30, 2014 compared to June 30, 2013. The increase in earnings on investments can be attributed to an increase in the fair value of the District's investments. The increase in "other revenues" was due to an increase in open enrollment revenue and pay to play fees during fiscal year 2014.

The decrease in support services expenditures is due to coding changes in USAS. These changes also are partially responsible for the increase in instruction expenditures. The remaining increase in instruction expenditures can be attributed to increasing wages and benefits. Instruction and support service expenditures totaled \$50,330,280 or 96.75% of total general fund expenditures for fiscal year 2014.

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 2014, the District amended its general fund budget several times. For the general fund, original budgeted revenues and other financing sources were \$51,770,751. Final budgeted revenues and other financing sources were \$55,435,678. Actual revenues and other financing sources for fiscal year 2014 were \$57,607,489. This was \$2,171,811 greater than the final budgeted revenues. The District conservatively budgets revenues as can be seen with actual revenues being larger than in the final budget.

General fund original appropriations (appropriated expenditures including other financing uses) of \$73,226,969 were increased to \$76,891,896 in the final appropriations. The actual budget basis expenditures and other financing uses for fiscal year 2014 totaled \$55,053,319, which was \$21,838,577 less than the final budgeted appropriations. The District's policy for preparing appropriations is to budget all available resources in order to avoid violating the Ohio Revised Code, which states that actual expenditures may not exceed appropriations.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2014, the District had \$16,402,412 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. This entire amount is reported in governmental activities. The following table shows fiscal 2014 balances compared to 2013:

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

	Governmental Activities	
	2014	2013
Land	\$ 563,915	\$ 563,915
Construction in progress	186,064	-
Land improvements	2,868,465	2,397,681
Building and improvements	8,926,870	9,242,466
Furniture, fixtures and equipment	2,074,449	1,806,741
Vehicles	1,782,649	1,601,154
Total	\$ 16,402,412	\$ 15,611,957

Total additions to capital assets for fiscal year 2014 were \$2,012,122 and total disposals were \$6,701 (net of accumulated depreciation). Depreciation expense recorded for the fiscal year totaled \$1,214,966.

See Note 7 to the basic financial statements for additional information on the District's capital assets.

Debt Administration

At June 30, 2014, the District had \$2,956,719 in general obligation bonds and lease purchase obligations outstanding. Of this total, \$451,548 is due within one year and \$2,505,171 is due in greater than one year. The following table summarizes the bond and lease purchase obligations outstanding.

Outstanding Bonds, at Year End

	Governmental Activities	Governmental Activities
	2014	2013
General obligation bonds	\$ 2,110,000	\$ 2,375,000
Lease purchase obligations	846,719	-
Total	\$ 2,956,719	\$ 2,375,000

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, 2014**

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.

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.

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

STATEMENT OF NET POSITION
JUNE 30, 2014

	Governmental Activities
Assets:	
Equity in pooled cash and investments.	\$ 26,124,574
Receivables:	
Property taxes	35,166,577
Accounts.	22,570
Accrued interest	4,390
Intergovernmental	645,913
Materials and supplies inventory.	108,736
Loans to other funds.	173
Restricted cash with fiscal agent.	482,900
Capital assets:	
Nondepreciable capital assets	749,979
Depreciable capital assets, net.	15,652,433
Capital assets, net	16,402,412
Total assets.	78,958,245
 Liabilities:	
Accounts payable.	155,627
Contracts payable.	186,064
Accrued wages and benefits	4,047,881
Pension obligation payable.	929,282
Intergovernmental payable	210,002
Unearned revenue	21,395
Accrued interest payable	10,009
Long-term liabilities:	
Due within one year.	944,962
Due in more than one year.	6,022,249
Total liabilities	12,527,471
 Deferred inflows of resources:	
Property taxes levied for the next fiscal year.	29,218,589
 Net position:	
Net investment in capital assets	13,694,422
Restricted for:	
Locally funded programs	4,471
State funded programs.	98,355
Federally funded programs	51,245
Student activities	63,915
Unrestricted	23,299,777
Total net position	\$ 37,212,185

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, 2014

			Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities
Governmental activities:						
Instruction:						
Regular	\$ 26,142,430	\$ 2,034,037	\$ 634,806	\$ -		\$ (23,473,587)
Special	6,275,524	521,276	2,028,441	-		(3,725,807)
Vocational	1,927,610	55,177	117,572	-		(1,754,861)
Other	154,966	-	-	-		(154,966)
Support services:						
Pupil	3,333,198	140,218	222,823	-		(2,970,157)
Instructional staff	562,413	-	5,422	-		(556,991)
Board of education	692,639	-	-	-		(692,639)
Administration	3,008,993	-	83,536	-		(2,925,457)
Fiscal	1,288,905	14,347	20,345	-		(1,254,213)
Business	155,361	-	-	-		(155,361)
Operations and maintenance	5,482,826	16,320	-	-		(5,466,506)
Pupil transportation	3,133,486	-	197,444	-		(2,936,042)
Central	625,585	2,337	-	-		(623,248)
Operation of non-instructional services:						
Food service operations	1,339,638	602,992	575,798	-		(160,848)
Other non-instructional services	252,098	-	346,848	-		94,750
Extracurricular activities	1,337,472	505,519	15,410	600,000		(216,543)
Interest and fiscal charges	99,211	-	-	-		(99,211)
Total governmental activities	\$ 55,812,355	\$ 3,892,223	\$ 4,248,445	\$ 600,000		(47,071,687)
General revenues:						
Property taxes levied for:						
						37,316,788
						583,514
						162,867
						17,425,497
						69,776
						228,515
						55,786,957
						8,715,270
						28,496,915
						\$ 37,212,185

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and investments	\$ 25,157,950	\$ 966,624	\$ 26,124,574
Receivables:			
Property taxes	34,624,413	542,164	35,166,577
Accounts	22,570	-	22,570
Accrued interest	4,390	-	4,390
Interfund loans	927,837	-	927,837
Intergovernmental	182,563	463,350	645,913
Materials and supplies inventory	60,235	48,501	108,736
Loans to other funds	173	-	173
Restricted cash with fiscal agent	482,900	-	482,900
Total assets	<u>\$ 61,463,031</u>	<u>\$ 2,020,639</u>	<u>\$ 63,483,670</u>
Liabilities:			
Accounts payable	\$ 128,890	\$ 26,737	\$ 155,627
Contracts payable	175,840	10,224	186,064
Accrued wages and benefits	3,880,299	167,582	4,047,881
Compensated absences payable	59,556	8,308	67,864
Interfund loans payable	-	927,837	927,837
Intergovernmental payable	201,729	8,273	210,002
Unearned revenue	21,395	-	21,395
Pension obligation payable	890,801	38,481	929,282
Total liabilities	<u>5,358,510</u>	<u>1,187,442</u>	<u>6,545,952</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	28,768,230	450,359	29,218,589
Delinquent property tax revenue not available	881,092	13,636	894,728
Accrued interest not available	4,055	-	4,055
Other nonexchange transactions not available	-	372,445	372,445
Miscellaneous revenue not available	97,398	-	97,398
Total deferred inflows of resources	<u>29,750,775</u>	<u>836,440</u>	<u>30,587,215</u>
Fund balances:			
Nonspendable:			
Materials and supplies inventory	60,235	48,501	108,736
Unclaimed monies	26,703	-	26,703
Restricted:			
Non-public schools	-	106,689	106,689
Extracurricular	-	63,915	63,915
School bus purchases	482,900	-	482,900
Other purposes	-	5,846	5,846
Committed:			
Capital improvements	430,555	198,969	629,524
Assigned:			
Student instruction	88,703	-	88,703
Student and staff support	664,398	-	664,398
Facilities acquisition and construction	214,111	-	214,111
Subsequent year's appropriations	24,010,387	-	24,010,387
Other purposes	98,479	-	98,479
Unassigned (deficit)	<u>277,275</u>	<u>(427,163)</u>	<u>(149,888)</u>
Total fund balances	<u>26,353,746</u>	<u>(3,243)</u>	<u>26,350,503</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 61,463,031</u>	<u>\$ 2,020,639</u>	<u>\$ 63,483,670</u>

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 POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2014

Total governmental fund balances		\$	26,350,503
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			16,402,412
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	894,728	
Accrued interest receivable		4,055	
Intergovernmental receivable		469,843	
Total		469,843	1,368,626
Unamortized premiums on bonds issued are not recognized in the funds.			(48,067)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(10,009)
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		(2,110,000)	
Lease purchase obligations		(846,719)	
Compensated absences		(3,894,561)	
Total		(6,851,280)	(6,851,280)
Net position of governmental activities		\$	37,212,185

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, 2014

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
From local sources:			
Taxes	\$ 37,218,277	\$ 581,960	\$ 37,800,237
Tuition.	2,419,670	-	2,419,670
Earnings on investments	71,072	233	71,305
Charges for services	-	602,992	602,992
Extracurricular.	414,662	279,265	693,927
Classroom materials and fees	140,638	-	140,638
Other local revenues	365,030	20,902	385,932
Intergovernmental - intermediate	16,670	208	16,878
Intergovernmental - state	18,964,043	493,900	19,457,943
Intergovernmental - federal	39,000	2,181,334	2,220,334
Total revenues	<u>59,649,062</u>	<u>4,160,794</u>	<u>63,809,856</u>
Expenditures:			
Current:			
Instruction:			
Regular.	24,647,112	655,661	25,302,773
Special	5,584,861	657,603	6,242,464
Vocational	1,919,066	-	1,919,066
Other	155,476	-	155,476
Support services:			
Pupil	3,088,228	212,107	3,300,335
Instructional staff	539,125	5,400	544,525
Board of education	692,639	-	692,639
Administration	3,063,484	79,071	3,142,555
Fiscal	1,255,767	22,997	1,278,764
Business.	155,361	-	155,361
Operations and maintenance	5,262,647	-	5,262,647
Pupil transportation	3,306,602	-	3,306,602
Central	659,912	-	659,912
Operation of non-instructional services:			
Food service operations.	-	1,338,727	1,338,727
Other non-instructional services	15,595	246,586	262,181
Extracurricular activities	906,662	325,014	1,231,676
Facilities acquisition and construction.	474,102	364,379	838,481
Capital outlay	137,239	-	137,239
Debt service:			
Principal retirement	113,711	170,000	283,711
Interest and fiscal charges	46,971	57,331	104,302
Total expenditures	<u>52,024,560</u>	<u>4,134,876</u>	<u>56,159,436</u>
Excess of revenues over expenditures.	<u>7,624,502</u>	<u>25,918</u>	<u>7,650,420</u>
Other financing sources (uses):			
Transfers in.	-	195,092	195,092
Transfers (out)	(195,092)	-	(195,092)
Lease purchase transactions	865,430	-	865,430
Total other financing sources (uses)	<u>670,338</u>	<u>195,092</u>	<u>865,430</u>
Net change in fund balances	8,294,840	221,010	8,515,850
Fund balances (deficit) at beginning of year	<u>18,058,906</u>	<u>(224,253)</u>	<u>17,834,653</u>
Fund balances (deficit) at end of year.	<u>\$ 26,353,746</u>	<u>\$ (3,243)</u>	<u>\$ 26,350,503</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, 2014

Net change in fund balances - total governmental funds \$ 8,515,850

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.

Capital asset additions	\$ 1,412,122	
Current year depreciation	(1,214,966)	
Total	197,156	197,156

The net effect of various miscellaneous transactions involving capital assets is to increase net position

Donations	600,000	
Disposals	(6,701)	
Total	593,299	593,299

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

Property taxes	100,065	
Earnings on investments	(1,296)	
Intergovernmental	19,000	
Total	117,769	117,769

Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. Principal payments during the year were:

Bonds	265,000	
Capital leases	18,711	
Total	283,711	283,711

Issuances of lease purchase agreements are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.

(865,430)

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 in the statement of activities:

Increase in accrued interest payable	(1,390)	
Amortization of bond premiums	6,481	
Total	5,091	5,091

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.

(132,176)

Change in net position of governmental activities \$ 8,715,270

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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Taxes	\$ 30,331,206	\$ 32,478,396	\$ 33,750,807	\$ 1,272,411
Tuition	2,193,739	2,349,036	2,441,065	92,029
Earnings on investments	47,667	51,041	53,041	2,000
Extracurricular	200,541	214,737	223,150	8,413
Other local revenues	317,074	339,521	352,822	13,301
Intergovernmental - intermediate	14,981	16,042	16,670	628
Intergovernmental - state	16,966,087	18,167,141	18,878,878	711,737
Intergovernmental - federal	35,049	37,530	39,000	1,470
Total revenues	<u>50,106,344</u>	<u>53,653,444</u>	<u>55,755,433</u>	<u>2,101,989</u>
Expenditures:				
Current:				
Instruction:				
Regular	33,173,838	34,834,151	24,940,673	9,893,478
Special	7,586,292	7,965,977	5,703,507	2,262,470
Vocational	2,568,710	2,697,270	1,931,201	766,069
Other	184,561	193,798	138,756	55,042
Support services:				
Pupil	4,035,046	4,236,995	3,033,618	1,203,377
Instructional staff	1,152,689	1,210,380	866,612	343,768
Board of education	1,061,430	1,114,554	798,002	316,552
Administration	4,136,280	4,343,296	3,109,728	1,233,568
Fiscal	1,714,764	1,800,587	1,289,190	511,397
Business	210,966	221,525	158,608	62,917
Operations and maintenance	7,546,805	7,924,514	5,673,820	2,250,694
Pupil transportation	4,509,431	4,735,123	3,390,269	1,344,854
Central	925,195	971,500	695,578	275,922
Other non-instructional services	20,743	21,781	15,595	6,186
Extracurricular activities	1,214,621	1,275,410	913,173	362,237
Facilities acquisition and construction	1,264,508	1,327,795	950,679	377,116
Debt service:				
Principal retirement	126,360	132,685	95,000	37,685
Interest and fiscal charges	58,575	61,507	44,038	17,469
Total expenditures	<u>71,490,814</u>	<u>75,068,848</u>	<u>53,748,047</u>	<u>21,320,801</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(21,384,470)</u>	<u>(21,415,404)</u>	<u>2,007,386</u>	<u>23,422,790</u>
Other financing sources (uses):				
Refund of prior year's expenditures	213,520	228,636	237,593	8,957
Refund of prior year's receipts	(216,076)	(226,891)	(162,450)	64,441
Lease purchase transaction	654,411	700,738	728,191	27,453
Transfers (out)	(285,724)	(300,024)	(214,812)	85,212
Advances in	784,716	840,267	873,186	32,919
Advances (out)	(1,234,355)	(1,296,133)	(928,010)	368,123
Sale of capital assets	11,760	12,593	13,086	493
Total other financing sources (uses)	<u>(71,748)</u>	<u>(40,814)</u>	<u>546,784</u>	<u>587,598</u>
Net change in fund balance	(21,456,218)	(21,456,218)	2,554,170	24,010,388
Fund balance at beginning of year	20,357,752	20,357,752	20,357,752	-
Prior year encumbrances appropriated	1,098,466	1,098,466	1,098,466	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,010,388</u>	<u>\$ 24,010,388</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

	<u>Private Purpose Trust</u>	
	<u>Scholarship</u>	<u>Agency</u>
Assets:		
Equity in pooled cash and investments	\$ 5,782	\$ 127,991
Total assets.	<u>5,782</u>	<u>\$ 127,991</u>
Liabilities:		
Accounts payable.	-	\$ 15,208
Loans from other funds.	-	173
Due to students.	-	112,610
Total liabilities	<u>-</u>	<u>\$ 127,991</u>
Net position:		
Held in trust for scholarships	<u>5,782</u>	
Total net position.	<u>\$ 5,782</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Private Purpose Trust
	Scholarship
Additions:	
Interest	\$ 10
Gifts and contributions	5,000
Total additions	5,010
 Deductions:	
Scholarships awarded	1,000
Change in net position	4,010
 Net position at beginning of year	1,772
 Net position at end of year	\$ 5,782

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, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 341 certified teaching personnel and 27 administrators. The District provides services to 5,336 students and other community members.

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'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" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". 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).

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

RELATED ORGANIZATION

Stow-Munroe Falls Public Library

The Stow-Munroe Falls Public Library (the "Library") is a related organization to the District. The District's Board of Education is responsible for appointing all the trustees of the Library; however, the District's Board of Education cannot influence the Library's operation nor does the Library represent a potential financial benefit or burden to the District. Although the District serves as the taxing authority and may issue tax related debt on behalf of the Library, including the determination of the rate and duration, the District must place the levy on the ballot. The Library may issue debt and determines its own budget. The Library did not receive any funding from the District during the fiscal year 2014.

JOINTLY GOVERNED ORGANIZATIONS

Northeast Ohio Network for Educational Technology (NEOnet)

NEOnet was established as a jointly governed organization among sixteen school districts and the Summit County Educational Service Center that was formed July 1, 1995. NEOnet was formed for the purpose of applying modern technology (with the aid of computers and other electronic equipment) to improve administrative and instructional functions of member districts. NEOnet has since been restructured and organized as a council of governments (COG) under Ohio Revised Code 3301.075 and Chapter 167. The new COG is called the Metropolitan Regional Service Council. The Council serves several program functions for the nineteen school district members, such as NEOnet information technology center (ITC) functions and as a collaborative purchasing agent. The Council is self supporting and conducts its fiscal services in house with a licensed treasurer.

The Council employs an Executive Director who works cooperatively with a seven-member Board of Directors consisting of four superintendents, the ESC superintendent, one member of the treasurers' committee and one member of the technology committee. The degree of control exercised by any participating school district is limited to its representation on the assembly, which elects the board of directors, who exercises total control over the operation of NEOnet including budgeting, appropriating, contracting and designating management. All revenues are generated from State funding and an annual fee per student to participating districts. The Metropolitan Regional Services Council and NEOnet are located at 700 Graham Road, Cuyahoga Falls, Ohio 44221. During the current fiscal year, the District contributed \$329,927 to NEOnet.

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 \$304,039 to the Six District Educational Compact for services during fiscal year 2014.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 1 - 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 2014, the District paid \$247,816 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 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 NW, Canton, Ohio 44709.

Ohio Schools' Council Workers' Compensation Group Rating Program

The Ohio Schools' Council Workers' Compensation Group Rating Program (the "Plan") is an insurance purchasing pool (see Note 10.C.). The plan is intended to reduce premiums for the participants. The Worker's 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 Plan.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 deferred outflows and liabilities and deferred inflows is reported as fund balance. The following is the District's major governmental fund:

General fund - The general fund is used to account for and report all financial resources not accounted for and reported 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) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets and (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

FIDUCIARY FUNDS

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

C. Basis of Presentation and Measurement Focus

Government-wide Financial Statements - The statement of net position 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

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 deferred outflows of resources and current liabilities and deferred inflows of resources 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.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property 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 5).

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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.

Deferred Inflows of Resources and Deferred Outflows of Resources - A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period.

Property taxes for which there is an enforceable legal claim as of June 30, 2014, but which were levied to finance fiscal year 2015 operations, and other revenues received in advance of the fiscal year for which they were intended to finance, have been recorded as deferred inflows. Grants not received within the available period, grants and entitlements received before the grant's timing requirements are met, and delinquent property taxes due at June 30, 2014, are recorded as deferred inflows on the governmental fund financial statements.

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

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 alternative 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 fund level for all 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 fund 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, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the 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 2014, investments were limited to federal agency securities, U.S. Treasury money market funds, U.S. Treasury notes, negotiable certificates of deposit, a repurchase agreement and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as repurchase agreements, are reported at cost.

The District has invested funds in STAR Ohio during fiscal year 2014. 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, 2014.

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 2014 amounted to \$71,072 which includes \$3,607 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 accounts at year end is provided in Note 3.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

G. Inventory

On the 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 recorded on a first-in, first-out basis and are expended/expensed when used. Inventories are accounted for using the consumption method.

Inventory consists of expendable supplies held for consumption, donated and purchased food, and workbooks.

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 position, 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 2014. 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 and construction in progress, 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>	Governmental Activities <u>Estimated Lives</u>
Land improvements	15 - 20 years
Buildings and improvements	10 - 40 years
Furniture, fixtures and equipment	5 - 20 years
Vehicles	8 - 15 years

I. Interfund Balances

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

Loans made to the agency fund are reported as "loans to/from other funds."

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

J. Compensated Absences

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

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

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2014 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 and lease purchase obligations 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

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District Board of Education (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

N. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component “net investment in capital assets,” consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is 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 2014, the District did not incur any transactions that would be classified as an extraordinary item or special item.

Q. Unamortized Bond Premiums

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 position is presented in Note 9.

R. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets include amounts with a fiscal agent for school bus purchases.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 2 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2014, the District has implemented GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees".

GASB Statement No. 70 improves the recognition, measurement, and disclosures for state and local governments that have extended or received financial guarantees that are nonexchange transactions. The implementation of GASB Statement No. 70 did not have an effect on the financial statements of the District.

B. Deficit Fund Balances

Fund balances at June 30, 2014 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Food service	\$ 67,160
Race to the Top	6,650
IDEA part B grant	74,417
Title I disadvantaged children	196,196
Improving teacher quality	34,239

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

NOTE 3 - 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;

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 3 - DEPOSITS AND INVESTMENTS - (Continued)

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.

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".

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 3 - DEPOSITS AND INVESTMENTS - (Continued)

B. Cash with Fiscal Agent

At June 30, 2014, the District had \$482,900 in cash held by a fiscal agent, which is included on the balance sheet as “cash with fiscal agent”. This cash represents the undisbursed funds of the lease purchase agreement for buses discussed in Note 8.

C. Deposits with Financial Institutions

At June 30, 2014, the carrying amount of all District deposits was \$4,882,030, exclusive of the repurchase agreement reported below. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of June 30, 2014, \$2,887,850 of the District’s bank balance of \$5,891,123 was exposed to custodial risk as discussed below, while \$3,003,273 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.

C. Investments

As of June 30, 2014, the District had the following investments and maturities:

<u>Investment type</u>	<u>Fair value</u>	<u>Investment maturities</u>				
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>Greater Than 24 months</u>
FHLMC	\$ 1,110,712	\$ -	\$ -	\$ -	\$ 275,118	\$ 835,594
FHLB	448,745	-	-	-	448,745	-
FHLMC DN	449,895	449,895	-	-	-	-
U.S. Treasury note	350,301	-	-	350,301	-	-
FNMA	2,104,129	-	-	-	910,770	1,193,359
Negotiable CDs	1,379,272	490,047	644,722	244,503	-	-
STAR Ohio	681,150	681,150	-	-	-	-
Repurchase agreement	14,710,000	14,710,000	-	-	-	-
U.S. Treasury money market	141,063	141,063	-	-	-	-
	<u>\$ 21,375,267</u>	<u>\$ 16,472,155</u>	<u>\$ 644,722</u>	<u>\$ 594,804</u>	<u>\$ 1,634,633</u>	<u>\$ 2,028,953</u>

The weighted average maturity of investments is 0.47 years.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 3 - DEPOSITS AND INVESTMENTS - (Continued)

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 negotiable CDs, federal agency securities, U.S. Treasury notes and U.S. Treasury money markets, and the federal agency securities that underlie the District's repurchase agreements were rated AA+ 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 and U.S. Treasury note 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 agreement must exceed the principal value of securities subject to a repurchase agreement by 2%. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk: The District's investment policy places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2014:

<u>Investment type</u>	<u>Fair value</u>	<u>% of Total</u>
FHLMC	\$ 1,110,712	5.20
FHLB	448,745	2.10
FHLMC DN	449,895	2.10
U.S. Treasury note	350,301	1.64
FNMA	2,104,129	9.84
Negotiable CDs	1,379,272	6.45
STAR Ohio	681,150	3.19
Repurchase agreement	14,710,000	68.82
U.S. Treasury money market	141,063	0.66
	<u>\$ 21,375,267</u>	<u>100.00</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 3 - DEPOSITS AND INVESTMENTS - (Continued)

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

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 position as of June 30, 2014:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 4,882,030
Investments	21,375,267
Cash with fiscal agent	482,900
Cash on hand	<u>1,050</u>
Total	<u>\$ 26,741,247</u>

<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 26,607,474
Private-purpose trust fund	5,782
Agency fund	<u>127,991</u>
Total	<u>\$ 26,741,247</u>

NOTE 4 - INTERFUND TRANSACTIONS

- A.** Interfund balances at June 30, 2014 as reported on the fund statements, consist of the following individual interfund loans receivable and payable:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	<u>\$ 927,837</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, 2014 consisted of the following, as reported on the fund financial statements:

Transfers from general fund to:	<u>Amount</u>
Nonmajor governmental funds	<u>\$ 195,092</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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 4 - INTERFUND TRANSACTIONS - (Continued)

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.

- C. Loan balances consisted of the following loans to/from other funds at June 30, 2014, as reported on the fund statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Agency	\$ <u>173</u>

The primary purpose of the loans due to the general fund is to cover revenues not received in the agency fund at fiscal year-end. The loan balance will be repaid once the anticipated revenues are received.

NOTE 5 - 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 and public utility property. Real property tax revenues received in calendar year 2014 represent the collection of calendar year 2013 taxes. Real property taxes received in calendar year 2014 were levied after April 1, 2013, on the assessed values as of January 1, 2013, 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 2014 represent the collection of calendar year 2013 taxes. Public utility real and personal property taxes received in calendar year 2014 became a lien on December 31, 2012, were levied after April 1, 2013, 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.

The District receives property taxes from Summit and Portage Counties. The County Fiscal Officer and County Auditor periodically advance to the District their portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2014, are available to finance fiscal year 2014 operations. The amount available as an advance at June 30, 2014 was \$4,975,091 in the general fund and \$78,169 in the permanent improvement fund, a nonmajor governmental fund. This amount is recorded as revenue. The amount available for advance at June 30, 2013 was \$1,345,171 in the general fund and \$21,065 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 5 - PROPERTY TAXES - (Continued)

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2014 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 deferred inflows.

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 reported as a deferred inflow.

The assessed values upon which the fiscal year 2014 taxes were collected are:

	2013 Second Half Collections		2014 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 895,089,670	98.79	\$ 897,207,000	98.67
Public utility personal	<u>11,016,110</u>	<u>1.21</u>	<u>12,118,030</u>	<u>1.33</u>
Total	<u>\$ 906,105,780</u>	<u>100.00</u>	<u>\$ 909,325,030</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 53.55		\$ 53.47	

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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, 2014

NOTE 6 - RECEIVABLES

Receivables at June 30, 2014 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 position follows:

Governmental activities:

Taxes	\$ 35,166,577
Accounts	22,570
Intergovernmental:	
Catastrophic aid reimbursement	85,165
Medicaid	97,398
Food service grants	76,706
Parent mentor grant	14,199
IDEA part B grant	127,766
Title I disadvantaged children grant	207,572
Improving teacher quality grant	<u>37,107</u>
Total intergovernmental	645,913
Accrued interest	<u>4,390</u>
Total receivables	<u>\$ 35,839,450</u>

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

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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, 2014

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	<u>Balance</u> <u>06/30/13</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/14</u>
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 563,915	\$ -	\$ -	\$ 563,915
Construction in progress	-	186,064	-	186,064
Total capital assets, not being depreciated	<u>563,915</u>	<u>186,064</u>	<u>-</u>	<u>749,979</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	3,170,220	670,741	-	3,840,961
Buildings and improvements	30,978,428	246,962	-	31,225,390
Furniture, fixtures and equipment	4,293,704	506,894	(14,000)	4,786,598
Vehicles	<u>4,048,255</u>	<u>401,461</u>	<u>(311,727)</u>	<u>4,137,989</u>
Total capital assets, being depreciated	<u>42,490,607</u>	<u>1,826,058</u>	<u>(325,727)</u>	<u>43,990,938</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(772,539)	(199,957)	-	(972,496)
Buildings and improvements	(21,735,962)	(562,558)	-	(22,298,520)
Furniture, fixtures and equipment	(2,486,963)	(239,186)	14,000	(2,712,149)
Vehicles	<u>(2,447,101)</u>	<u>(213,265)</u>	<u>305,026</u>	<u>(2,355,340)</u>
Total accumulated depreciation	<u>(27,442,565)</u>	<u>(1,214,966)</u>	<u>319,026</u>	<u>(28,338,505)</u>
Governmental activities capital assets, net	<u>\$ 15,611,957</u>	<u>\$ 797,156</u>	<u>\$ (6,701)</u>	<u>\$ 16,402,412</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 455,988
Special	3,731
Vocational	2,806
<u>Support services:</u>	
Pupil	560
Instructional staff	19,049
Administration	3,949
Fiscal	1,236
Operations and maintenance	371,821
Pupil transportation	223,648
Other non-instructional services	2,644
Extracurricular activities	120,203
Food service operations	<u>9,331</u>
Total depreciation expense	<u>\$ 1,214,966</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 8 - CAPITALIZED LEASES - LESSEE DISCLOSURE

On October 28, 2013, the District entered into a lease-purchase agreement with De Lage Landen Public Finance LLC for the purchase of copiers. Also during fiscal year 2014, the District entered into a lease-purchase agreement with First Merit Bank for 8 new school buses. The full amount of the lease-purchase agreement with First Merit Bank of \$728,191 has not been disbursed as of June 30, 2014. The undisbursed funds in the amount of \$482,900 (\$482,860 in lease purchase proceeds plus \$40 in interest earned) are being held in an escrow account at First Merit Bank until the remaining buses are built and delivered to the District.

Capital assets consisting of furniture, fixtures and equipment and vehicles have been capitalized in the amount of \$137,239, and \$245,331, respectively. The copiers were purchased from the capital outlay line item and the buses were purchased from the pupil transportation line item. Accumulated depreciation on the copiers as of June 30, 2014 was \$9,149, leaving a current book value of \$128,090. Accumulated depreciation on the vehicles as of June 30, 2014 was \$2,045, leaving a current book value of \$243,286. Principal and interest payments are made from the general fund and totaled \$18,711 and \$2,933, respectively, in fiscal year 2014.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the future minimum lease payments as of June 30, 2014.

<u>Fiscal year ending June 30,</u>	<u>Copiers</u>	<u>Buses</u>	<u>Total</u>
2015	\$ 37,104	\$ 156,848	\$ 193,952
2016	37,104	156,848	193,952
2017	37,104	156,848	193,952
2018	15,460	156,848	172,308
2019	-	156,848	156,848
Total minimum lease payment	126,772	784,240	911,012
Less amount representing interest	(8,244)	(56,049)	(64,293)
Total	<u>\$ 118,528</u>	<u>\$ 728,191</u>	<u>\$ 846,719</u>

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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, 2014

NOTE 9 - LONG-TERM OBLIGATIONS

- A. During the fiscal year 2014, the following changes occurred in the governmental activities long-term obligations.

	Balance 06/30/13	Additions	Reductions	Balance 06/30/14	Amounts Due in One Year
Governmental activities:					
<u>General obligation bonds</u>					
2006 bus acquisition/energy conservation, 4.00-5.00%	\$ 2,375,000	\$ -	\$ (265,000)	\$ 2,110,000	\$ 280,000
Total general obligation bonds	2,375,000	-	(265,000)	2,110,000	280,000
<u>Other obligations:</u>					
Lease purchase - copiers	-	137,239	(18,711)	118,528	33,078
Lease purchase - buses	-	728,191	-	728,191	138,470
Compensated absences	3,845,426	617,672	(500,673)	3,962,425	493,414
Total other obligations	3,845,426	1,483,102	(519,384)	4,809,144	664,962
Total governmental activities long-term obligations	\$ 6,220,426	\$ 1,483,102	\$ (784,384)	6,919,144	\$ 944,962
				48,067	
				\$ 6,967,211	

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.

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
2015	\$ 280,000	\$ 88,737	\$ 368,737
2016	295,000	74,362	369,362
2017	310,000	59,237	369,237
2018	225,000	46,847	271,847
2019	235,000	37,359	272,359
2020 - 2022	765,000	49,618	814,618
Total	\$ 2,110,000	\$ 356,160	\$ 2,466,160

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Lease Purchase Obligations

The interest rate on the school bus lease purchase obligation is 2.52%. The interest rate on the copier lease purchase obligation is 3.96%. For more detail on the lease purchase obligations, see Note 8.

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, IDEA part B grant, Title I disadvantaged children, 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, 2014 are a voted debt margin of \$79,729,253 and an unvoted debt margin of \$909,325.

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 2013.

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 86 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 \$500,000 per individual and a maximum aggregate stop-loss coverage liability of \$211,533,898.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 10 - RISK MANAGEMENT - (Continued)

Premium contributions are determined annually based on the claims experience of the individual member. Premiums can be increased or decreased 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>2014</u>	<u>2013</u>
Cash and investments	\$ 98,806,139	\$ 85,404,093
Actuarial liabilities	16,136,000	15,314,000

C. Workers' Compensation

The District participates in the Ohio Schools Council Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 1.A.). The intent of the GRP is to achieve the benefits of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The worker's 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 worker's compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings is then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "equity pooling fund". This "equity pooling" arrangement insures that each participant share equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley Uniservice, Inc. provides administrative, cost control and actuarial services to the GRP.

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, disability, survivor 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 "Employers/Audit Resources".

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 11 - PENSION PLANS - (Continued)

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 2014, 13.05 percent and 0.05 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. 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 14 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 and death benefits to SERS for the fiscal years ended June 30, 2014, 2013 and 2012 were \$1,034,948, \$1,049,984 and \$990,768, respectively; 83.35 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012. The remaining pension liability is presented as a component of "pension obligation payable" on the basic financial statements.

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, under "Publications".

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.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 11 - PENSION PLANS - (Continued)

Funding Policy - For fiscal year 2014, plan members were required to contribute 11 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 14 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, 2014, 2013 and 2012 were \$3,112,283, \$2,965,644 and \$3,110,483, respectively; 84.13 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012. The remaining pension liability is presented as a component of "pension obligation payable" on the basic financial statements. Contributions to the DC and Combined Plans for fiscal year 2014 were \$151,372 made by the District and \$118,935 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, 2014 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, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Section 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B monthly premium for calendar year 2014 was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income and the SERS' reimbursement to retirees was \$45.50. 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. It is also posted on the SERS' Ohio website, www.ohsers.org, under "Employers/Audit Resources".

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 12 - POSTEMPLOYMENT BENEFITS - (Continued)

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 2014, 0.14 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2014, the actuarially determined amount was \$20,250.

Active members do not contribute to the postemployment benefit plans. The Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, 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, 2014, 2013 and 2012 were \$146,928, \$130,637 and \$164,312, respectively; 83.35 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012. The remaining pension liability is presented as a component of "pension obligation payable" on the basic financial statements.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2014, this actuarially required allocation was 0.76 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2014, 2013, and 2012 were \$60,043, \$59,312 and \$58,510, respectively; 83.35 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012. The remaining pension liability is presented as a component of "pension obligation payable" on the basic financial statements.

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, under "Publications" 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 2014, 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, 2014, 2013 and 2012 were \$239,406, \$228,126 and \$239,268, respectively; 84.13 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012. The remaining pension liability is presented as a component of "pension obligation payable" on the basic financial statements.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 13 - BUDGETARY BASIS OF ACCOUNTING

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

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

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (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 assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis);
- (e) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,
- (f) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget 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	\$ 2,554,170
Net adjustment for revenue accruals	3,559,198
Net adjustment for expenditure accruals	678,701
Net adjustment for other sources/uses	103,834
Funds budgeted elsewhere	2,979
Adjustment for encumbrances	1,395,958
GAAP basis	<u>\$ 8,294,840</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the unclaimed monies fund, the uniform school supplies fund, special rotary fund, and the public school support fund.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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 general fund or other applicable funds; however, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District at June 30, 2014.

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.

NOTE 15 - SET-ASIDES

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

The following cash-basis information describes the change in the fiscal year-end set-aside amount for capital improvements. Disclosure of this information is required by State statute.

	<u>Capital Improvements</u>
Set-aside balance June 30, 2013	\$ -
Current year set-aside requirement	886,722
Contributions in excess of the current fiscal year set-aside requirement	-
Current year qualifying expenditures	(922,838)
Excess qualified expenditures from prior years	-
Current year offsets	(599,212)
Waiver granted by ODE	-
Prior year offset from bond proceeds	-
Total	<u>\$ (635,328)</u>
Balance carried forward to fiscal year 2015	<u>\$ -</u>
Set-aside balance June 30, 2014	<u>\$ -</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 16 - OTHER COMMITMENTS

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the District's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	Year-End <u>Encumbrances</u>
General fund	\$ 1,116,302
Other governmental	<u>213,660</u>
 Total	 \$ <u>1,329,962</u>

**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

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

MAJOR FUND

General Fund

The general fund is used to account for and report all financial resources not accounted for and reported 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. A budgetary statement for the general fund is presented as part of the basic financial statements. The level of detail presented in that statement is greater than the legal level of budgetary control; therefore, a separate additional schedule is not presented.

Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis):

Uniform School Supplies Fund

Section 3313.811, 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.

Special Services Rotary Fund

Section 5705.12, Revised Code

A fund used to account for income and expenditures made in connection with the sale of consumer services provided by vocational education classes.

Public School Support Fund

Section 5705.12, Revised Code

To account for specific local revenue sources (other than taxes) generated by individual school buildings (e.g. sale of pictures, profits from vending machines, etc.) Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

Unclaimed Monies Fund

Section 9.39, Revised Code

To account for unclaimed funds that are legally required to be maintained for five years.

**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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<u>Uniform School Supplies Fund</u>			
Total revenues and other financing sources	\$ 159,068	\$ 159,099	\$ 31
Total expenditures and other financing uses	<u>226,617</u>	<u>163,983</u>	<u>62,634</u>
Net change in fund balance	(67,549)	(4,884)	62,665
Fund balance at beginning of year	65,749	65,749	-
Prior year encumbrances appropriated	<u>1,800</u>	<u>1,800</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 62,665</u>	<u>\$ 62,665</u>
<u>Special Services Rotary Fund</u>			
Total revenues and other financing sources	\$ 19,410	\$ 19,410	\$ -
Total expenditures and other financing uses	<u>59,211</u>	<u>26,274</u>	<u>32,937</u>
Net change in fund balance	(39,801)	(6,864)	32,937
Fund balance at beginning of year	<u>39,801</u>	<u>39,801</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 32,937</u>	<u>\$ 32,937</u>
<u>Public School Support Fund</u>			
Total revenues and other financing sources	\$ 181,915	\$ 181,915	\$ -
Total expenditures and other financing uses	<u>282,629</u>	<u>175,122</u>	<u>107,507</u>
Net change in fund balance	(100,714)	6,793	107,507
Fund balance at beginning of year	98,523	98,523	-
Prior year encumbrances appropriated	<u>2,191</u>	<u>2,191</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 107,507</u>	<u>\$ 107,507</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<u>Unclaimed Monies Fund</u>			
Total revenues and other financing sources	\$ 555	\$ 555	\$ -
Total expenditures and other financing uses	<u>26,707</u>	<u>4</u>	<u>26,703</u>
Net change in fund balance	(26,152)	551	26,703
Fund balance at beginning of year	<u>26,152</u>	<u>26,152</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 26,703</u>	<u>\$ 26,703</u>

**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.

Other Grants Fund

Section 5705.09, Revised Code

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

District Managed Activity Fund

Section 3313.062, Revised Code

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

Auxiliary Services Fund

Current Budget Bill. appropriation line items 200-511 and 200-532

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

Data Communication Fund

Current Budget Bill. appropriation line item 200-426

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

Miscellaneous State Grants Fund

Section 5705.12, Revised Code

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

Race to the Top

Catalog of Federal Domestic Assistance #84.395

A fund used to account for funds used to provide for either a new program or expansion of an existing program to support initiatives in the following areas: Standards and Assessments; Using Data to Improve Instruction; Great Teachers and Leaders; and Turning Around the Lowest-Achieving Schools.

IDEA Part B Grants Fund

Catalog of Federal Domestic Assistance #84.027

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.

Title III Limited English Proficiency Fund

Catalog of Federal Domestic Assistance #84.365

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

Catalog of Federal Domestic Assistance #84.010

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.

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

Nonmajor Special Revenue Funds - (Continued)

Improving Teacher Quality Fund

Catalog of Federal Domestic Assistance #84.367

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.

Nonmajor Capital Projects Fund

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 fund 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.

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:			
Equity in pooled cash and investments	\$ 831,112	\$ 135,512	\$ 966,624
Receivables:			
Taxes	-	542,164	542,164
Intergovernmental	463,350	-	463,350
Materials and supplies inventory	48,501	-	48,501
Total assets.	<u>\$ 1,342,963</u>	<u>\$ 677,676</u>	<u>\$ 2,020,639</u>
Liabilities:			
Accounts payable.	\$ 22,249	\$ 4,488	\$ 26,737
Contracts payable.	-	10,224	10,224
Accrued wages and benefits	167,582	-	167,582
Compensated absences payable	8,308	-	8,308
Pension obligation payable.	38,481	-	38,481
Intergovernmental payable	8,273	-	8,273
Interfund loans payable.	927,837	-	927,837
Total liabilities	<u>1,172,730</u>	<u>14,712</u>	<u>1,187,442</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year. . .	-	450,359	450,359
Delinquent property tax revenue not available. .	-	13,636	13,636
Other nonexchange transactions not available. .	372,445	-	372,445
Total deferred inflows of resources	<u>372,445</u>	<u>463,995</u>	<u>836,440</u>
Fund balances:			
Nonspendable:			
Materials and supplies inventory.	48,501	-	48,501
Restricted:			
Non-public schools.	106,689	-	106,689
Extracurricular	63,915	-	63,915
Other purposes.	5,846	-	5,846
Committed:			
Capital improvements.	-	198,969	198,969
Unassigned (deficit).	(427,163)	-	(427,163)
Total fund balances (deficit)	<u>(202,212)</u>	<u>198,969</u>	<u>(3,243)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,342,963</u>	<u>\$ 677,676</u>	<u>\$ 2,020,639</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:			
From local sources:			
Taxes	\$ -	\$ 581,960	\$ 581,960
Earnings on investments	233	-	233
Charges for services	602,992	-	602,992
Extracurricular	279,265	-	279,265
Other local revenues	20,902	-	20,902
Intergovernmental - intermediate	-	208	208
Intergovernmental - state	422,274	71,626	493,900
Intergovernmental - federal	2,181,334	-	2,181,334
Total revenues	<u>3,507,000</u>	<u>653,794</u>	<u>4,160,794</u>
Expenditures:			
Current:			
Instruction:			
Regular	655,661	-	655,661
Special	657,603	-	657,603
Support services:			
Pupil	212,107	-	212,107
Instructional staff	5,400	-	5,400
Administration	79,071	-	79,071
Fiscal	14,347	8,650	22,997
Operation of non-instructional services:			
Food service operations	1,338,727	-	1,338,727
Other non-instructional services	246,586	-	246,586
Extracurricular activities	325,014	-	325,014
Facilities acquisition and construction	-	364,379	364,379
Debt service:			
Principal retirement	-	170,000	170,000
Interest and fiscal charges	-	57,331	57,331
Total expenditures	<u>3,534,516</u>	<u>600,360</u>	<u>4,134,876</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(27,516)</u>	<u>53,434</u>	<u>25,918</u>
Other financing sources:			
Transfers in	195,092	-	195,092
Total other financing sources	<u>195,092</u>	<u>-</u>	<u>195,092</u>
Net change in fund balances	167,576	53,434	221,010
Fund balances (deficit) at beginning of year	<u>(369,788)</u>	<u>145,535</u>	<u>(224,253)</u>
Fund balances (deficit) at end of year	<u>\$ (202,212)</u>	<u>\$ 198,969</u>	<u>\$ (3,243)</u>

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

	Food Service	Other Grants	District Managed Activity	Auxiliary Services
Assets:				
Equity in pooled cash and investments	\$ -	\$ 4,471	\$ 68,983	\$ 124,175
Receivables:				
Intergovernmental	76,706	-	-	-
Materials and supplies inventory	48,501	-	-	-
Total assets.	\$ 125,207	\$ 4,471	\$ 68,983	\$ 124,175
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ 4,978	\$ 6,034
Accrued wages and benefits	75,440	-	-	9,337
Compensated absences payable	8,308	-	-	-
Pension obligation payable.	28,301	-	-	1,694
Intergovernmental payable	3,612	-	90	421
Interfund loans payable.	76,706	-	-	-
Total liabilities.	192,367	-	5,068	17,486
Deferred inflows of resources:				
Other nonexchange transactions not available.	-	-	-	-
Fund balances:				
Nonspendable:				
Materials and supplies inventory	48,501	-	-	-
Restricted:				
Non-public schools.	-	-	-	106,689
Extracurricular	-	-	63,915	-
Other purposes.	-	4,471	-	-
Unassigned (deficit).	(115,661)	-	-	-
Total fund balances (deficits)	(67,160)	4,471	63,915	106,689
Total liabilities, deferred inflows of resources and fund balances	\$ 125,207	\$ 4,471	\$ 68,983	\$ 124,175

Miscellaneous State Grants	Race to the Top	IDEA Part B Grants	Title III Limited English Proficiency	Title I Disadvantaged Children	Improving Teacher Quality
\$ -	\$ -	\$ 185,993	\$ 2,980	\$ 419,290	\$ 25,220
14,199	-	127,766	-	207,572	37,107
-	-	-	-	-	-
<u>\$ 14,199</u>	<u>\$ -</u>	<u>\$ 313,759</u>	<u>\$ 2,980</u>	<u>\$ 626,862</u>	<u>\$ 62,327</u>
\$ -	\$ -	\$ 10,858	\$ -	\$ -	\$ 379
-	-	7,058	-	67,369	8,378
-	-	-	-	-	-
-	-	790	-	7,696	-
-	-	548	-	3,220	382
14,199	6,650	241,156	1,605	537,201	50,320
<u>14,199</u>	<u>6,650</u>	<u>260,410</u>	<u>1,605</u>	<u>615,486</u>	<u>59,459</u>
-	-	127,766	-	207,572	37,107
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,375	-	-
-	(6,650)	(74,417)	-	(196,196)	(34,239)
-	(6,650)	(74,417)	1,375	(196,196)	(34,239)
<u>\$ 14,199</u>	<u>\$ -</u>	<u>\$ 313,759</u>	<u>\$ 2,980</u>	<u>\$ 626,862</u>	<u>\$ 62,327</u>

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONCLUDED)
JUNE 30, 2014

	Total Nonmajor Special Revenue Funds
Assets:	
Equity in pooled cash and investments	\$ 831,112
Receivables:	
Intergovernmental	463,350
Materials and supplies inventory	48,501
Total assets.	\$ 1,342,963
Liabilities:	
Accounts payable.	\$ 22,249
Accrued wages and benefits	167,582
Compensated absences payable	8,308
Pension obligation payable.	38,481
Intergovernmental payable	8,273
Interfund loans payable.	927,837
Total liabilities.	1,172,730
Deferred inflows of resources:	
Other nonexchange transactions not available.	372,445
Fund balances:	
Nonspendable:	
Materials and supplies inventory	48,501
Restricted:	
Non-public schools.	106,689
Extracurricular	63,915
Other purposes.	5,846
Unassigned (deficit).	(427,163)
Total fund balances (deficits)	(202,212)
Total liabilities, deferred inflows of resources and fund balances	\$ 1,342,963

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Food Service	Other Grants	District Managed Activity	Auxiliary Services
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ 233
Charges for services	602,992	-	-	-
Extracurricular	-	-	279,265	-
Other local revenues	-	3,500	17,402	-
Intergovernmental - state	22,394	-	-	358,680
Intergovernmental - federal	553,404	-	-	-
Total revenues	1,178,790	3,500	296,667	358,913
Expenditures:				
Current:				
Instruction:				
Regular	-	22,946	-	-
Special	-	442	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	1,000	-	-
Administration	-	-	-	-
Fiscal	-	-	-	14,347
Operation of non-instructional services:				
Food service operations	1,338,727	-	-	-
Other non-instructional services	-	-	-	238,755
Extracurricular activities	-	-	325,014	-
Total expenditures	1,338,727	24,388	325,014	253,102
Excess of revenues over (under) expenditures	(159,937)	(20,888)	(28,347)	105,811
Other financing sources:				
Transfers in	193,381	-	1,711	-
Net change in fund balances	33,444	(20,888)	(26,636)	105,811
Fund balances (deficits)				
at beginning of year	(100,604)	25,359	90,551	878
Fund balances (deficits) at end of year	\$ (67,160)	\$ 4,471	\$ 63,915	\$ 106,689

<u>Data Communication</u>	<u>Miscellaneous State Grants</u>	<u>Race to the Top</u>	<u>IDEA Part B Grants</u>	<u>Title III Limited English Proficiency</u>	<u>Title I Disadvantaged Children</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
16,200	25,000	-	-	-	-
-	-	-	957,547	15,419	501,850
<u>16,200</u>	<u>25,000</u>	<u>-</u>	<u>957,547</u>	<u>15,419</u>	<u>501,850</u>
16,200	-	6,650	-	-	525,294
-	-	-	642,091	15,070	-
-	25,000	-	187,107	-	-
-	-	-	-	-	4,400
-	-	-	74,784	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	7,831	-	-
-	-	-	-	-	-
<u>16,200</u>	<u>25,000</u>	<u>6,650</u>	<u>911,813</u>	<u>15,070</u>	<u>529,694</u>
-	-	(6,650)	45,734	349	(27,844)
-	-	-	-	-	-
-	-	(6,650)	45,734	349	(27,844)
-	-	-	(120,151)	1,026	(168,352)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,650)</u>	<u>\$ (74,417)</u>	<u>\$ 1,375</u>	<u>\$ (196,196)</u>

-continued

**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, 2014

	Improving Teacher Quality	Total Nonmajor Special Revenue Funds
Revenues:		
From local sources:		
Earnings on investments	\$ -	\$ 233
Charges for services	-	602,992
Extracurricular	-	279,265
Other local revenues	-	20,902
Intergovernmental - state	-	422,274
Intergovernmental - federal	153,114	2,181,334
Total revenues	153,114	3,507,000
Expenditures:		
Current:		
Instruction:		
Regular	84,571	655,661
Special	-	657,603
Support services:		
Pupil	-	212,107
Instructional staff	-	5,400
Administration	4,287	79,071
Fiscal	-	14,347
Operation of non-instructional services:		
Food service operations	-	1,338,727
Other non-instructional services	-	246,586
Extracurricular activities	-	325,014
Total expenditures	88,858	3,534,516
Excess of revenues over (under) expenditures	64,256	(27,516)
Other financing sources:		
Transfers in	-	195,092
Net change in fund balances	64,256	167,576
Fund balances (deficits)		
at beginning of year	(98,495)	(369,788)
Fund balances (deficits) at end of year	\$ (34,239)	\$ (202,212)

**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, 2014

	<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	\$ 1,278,801	\$ 1,278,801	\$ -
Total expenditures and other financing uses	<u>1,280,259</u>	<u>1,280,259</u>	<u>-</u>
Net change in fund balance	(1,458)	(1,458)	-
Fund balance at beginning of year	<u>1,458</u>	<u>1,458</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<u>Other Grants Fund</u>			
Total revenues and other financing sources	\$ 3,500	\$ 3,500	\$ -
Total expenditures and other financing uses	<u>28,873</u>	<u>24,402</u>	<u>4,471</u>
Net change in fund balance	(25,373)	(20,902)	4,471
Fund balance at beginning of year	<u>25,373</u>	<u>25,373</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 4,471</u></u>	<u><u>\$ 4,471</u></u>
<u>District Managed Activity Fund</u>			
Total revenues and other financing sources	\$ 299,127	\$ 299,127	\$ -
Total expenditures and other financing uses	<u>391,148</u>	<u>340,341</u>	<u>50,807</u>
Net change in fund balance	(92,021)	(41,214)	50,807
Fund balance at beginning of year	79,648	79,648	-
Prior year encumbrances appropriated	<u>12,373</u>	<u>12,373</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 50,807</u></u>	<u><u>\$ 50,807</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, 2014

	<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	\$ 358,940	\$ 358,913	\$ (27)
Total expenditures and other financing uses	<u>364,260</u>	<u>261,283</u>	<u>102,977</u>
Net change in fund balance	(5,320)	97,630	102,950
Fund balance at beginning of year	1,036	1,036	-
Prior year encumbrances appropriated	<u>4,284</u>	<u>4,284</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 102,950</u>	<u>\$ 102,950</u>
<u>Data Communication Fund</u>			
Total revenues and other financing sources	\$ 16,200	\$ 16,200	\$ -
Total expenditures and other financing uses	<u>16,200</u>	<u>16,200</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Miscellenaous State Grants Fund</u>			
Total revenues and other financing sources	\$ 25,000	\$ 25,000	\$ -
Total expenditures and other financing uses	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<u>Race to the Top</u>			
Total revenues and other financing sources	\$ 6,650	\$ 6,650	\$ -
Total expenditures and other financing uses	<u>6,650</u>	<u>6,650</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>IDEA Part B Grants Fund</u>			
Total revenues and other financing sources	\$ 1,198,937	\$ 1,198,937	\$ -
Total expenditures and other financing uses	<u>1,321,348</u>	<u>1,207,817</u>	<u>113,531</u>
Net change in fund balance	(122,411)	(8,880)	113,531
Fund balance at beginning of year	102,225	102,225	-
Prior year encumbrances appropriated	<u>20,186</u>	<u>20,186</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 113,531</u>	<u>\$ 113,531</u>
<u>Title III Limited English Proficiency Fund</u>			
Total revenues and other financing sources	\$ 17,024	\$ 17,024	\$ -
Total expenditures and other financing uses	<u>22,217</u>	<u>19,237</u>	<u>2,980</u>
Net change in fund balance	(5,193)	(2,213)	2,980
Fund balance at beginning of year	2,753	2,753	-
Prior year encumbrances appropriated	<u>2,440</u>	<u>2,440</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 2,980</u>	<u>\$ 2,980</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<u>Title I Disadvantaged Children Fund</u>			
Total revenues and other financing sources	\$ 1,039,821	\$ 1,039,821	\$ -
Total expenditures and other financing uses	<u>1,481,256</u>	<u>1,061,966</u>	<u>419,290</u>
Net change in fund balance	(441,435)	(22,145)	419,290
Fund balance at beginning of year	441,375	441,375	-
Prior year encumbrances appropriated	<u>60</u>	<u>60</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 419,290</u>	<u>\$ 419,290</u>
<u>Improving Teacher Quality Fund</u>			
Total revenues and other financing sources	\$ 203,434	\$ 203,434	\$ -
Total expenditures and other financing uses	<u>214,249</u>	<u>193,710</u>	<u>20,539</u>
Net change in fund balance	(10,815)	9,724	20,539
Fund balance at beginning of year	9,857	9,857	-
Prior year encumbrances appropriated	<u>958</u>	<u>958</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 20,539</u>	<u>\$ 20,539</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, 2014

	<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	\$ 599,212	\$ 599,212	\$ -
Total expenditures and other financing uses	<u>895,721</u>	<u>892,208</u>	<u>3,513</u>
Net change in fund balance	(296,509)	(292,996)	3,513
Fund balance at beginning of year	19,048	19,048	-
Prior year encumbrances appropriated	<u>277,461</u>	<u>277,461</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 3,513</u>	<u>\$ 3,513</u>

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

FIDUCIARY FUND DESCRIPTIONS

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into two classifications: private purpose trust and agency funds. Private purpose 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. Agency funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results

Private Purpose Trust Fund

Scholarship Trust

Section 5705.09, Revised Code

A fund provided to account for monies set aside from endowments for scholarships for students enrolled in the District. The principal and income from such a fund may be expended.

Agency Funds

District Agency

Section 5705.12, Revised Code

A fund provided to account for monies for Ohio High School Athletic Association (OHSAA) tournaments.

Student Managed Activity

Section 3313.062, Revised Code

A fund provided to account for those student activity programs which have student participation in the activity and have students involved in the management of the program. This fund typically includes those student activities which consist of a student body, student president, student treasurer, and faculty advisor.

**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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<u>Scholarship</u>			
Total revenues and other financing sources	\$ 5,011	\$ 5,010	\$ (1)
Total expenditures and other financing uses	<u>6,783</u>	<u>1,000</u>	<u>5,783</u>
Net change in fund balance	(1,772)	4,010	5,782
Fund balance at beginning of year	<u>1,772</u>	<u>1,772</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 5,782</u>	<u>\$ 5,782</u>

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

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Beginning Balance July 1, 2013	Additions	Deletions	Ending Balance June 30, 2014
<u>District Agency</u>				
Assets:				
Equity in pooled cash and cash equivalents.	\$ -	\$ 63,559	\$ 63,328	\$ 231
Liabilities:				
Due to students	\$ -	\$ 63,559	\$ 63,328	\$ 231
<u>Student Managed Activities</u>				
Assets:				
Equity in pooled cash and investments.	\$ 102,039	\$ 216,260	\$ 190,539	\$ 127,760
Receivables				
Accounts	264	-	264	-
Total assets	<u>\$ 102,303</u>	<u>\$ 216,260</u>	<u>\$ 190,803</u>	<u>\$ 127,760</u>
Liabilities:				
Accounts payable	\$ 292	\$ 15,208	\$ 292	\$ 15,208
Loans payable.	-	173	-	173
Due to students	102,011	112,379	102,011	112,379
Total liabilities.	<u>\$ 102,303</u>	<u>\$ 127,760</u>	<u>\$ 102,303</u>	<u>\$ 127,760</u>
<u>Total - All Agency Funds</u>				
Assets:				
Equity in pooled cash and investments.	\$ 102,039	\$ 279,819	\$ 253,867	\$ 127,991
Receivables				
Accounts	264	-	264	-
Total assets	<u>\$ 102,303</u>	<u>\$ 279,819</u>	<u>\$ 254,131</u>	<u>\$ 127,991</u>
Liabilities:				
Accounts payable	\$ 292	\$ 15,208	\$ 292	\$ 15,208
Loans payable.	-	173	-	173
Due to students	102,011	175,938	165,339	112,610
Total liabilities.	<u>\$ 102,303</u>	<u>\$ 191,319</u>	<u>\$ 165,631</u>	<u>\$ 127,991</u>

STATISTICAL SECTION

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

STATISTICAL SECTION

This part of the Stow-Munroe Falls 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.	92-105
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	106-113
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	114-117
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	118-119
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	120-132

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

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental activities				
Net investment in capital assets	\$ 13,694,422	\$ 13,010,519	\$ 13,352,253	\$ 13,326,998
Restricted	217,986	116,936	201,134	429,712
Unrestricted (deficit)	23,299,777	15,369,460	11,864,381	9,166,294
Total governmental activities net position	<u>\$ 37,212,185</u>	<u>\$ 28,496,915</u>	<u>\$ 25,417,768</u>	<u>\$ 22,923,004</u>

Source: School District financial records.

2010	2009	2008	2007	2006	2005
\$ 13,043,385	\$ 13,665,567	\$ 14,413,341	\$ 14,594,908	\$ 13,822,667	\$ 13,475,011
1,576,925	1,408,917	977,417	1,261,715	1,071,897	909,159
7,177,691	5,290,670	2,790,531	508,072	(1,014,787)	(2,357,564)
<u>\$ 21,798,001</u>	<u>\$ 20,365,154</u>	<u>\$ 18,181,289</u>	<u>\$ 16,364,695</u>	<u>\$ 13,879,777</u>	<u>\$ 12,026,606</u>

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

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	2014	2013	2012	2011	2010
Expenses					
Governmental activities:					
Instruction:					
Regular	\$ 26,142,430	\$ 24,059,541	\$ 24,818,358	\$ 26,866,739	\$ 25,754,244
Special	6,275,524	5,059,066	4,578,782	5,529,916	5,128,781
Vocational	1,927,610	1,947,538	1,594,810	1,602,735	1,625,972
Adult/continuing	-	-	-	-	-
Other instructional	154,966	154,464	795,323	265,404	338,078
Support services:					
Pupil	3,333,198	3,236,206	2,924,738	3,048,577	3,072,569
Instructional staff	562,413	2,685,844	2,099,634	2,366,096	2,416,922
Board of education	692,639	748,634	554,243	373,274	232,490
Administration	3,008,993	3,118,716	3,386,624	3,591,133	3,217,318
Fiscal	1,288,905	1,323,704	1,472,498	1,304,844	1,198,534
Business	155,361	66,133	80,341	47,052	151,624
Operations and maintenance	5,482,826	5,138,022	5,042,203	5,327,855	5,304,788
Pupil transportation	3,133,486	3,374,244	3,412,539	3,105,971	3,273,312
Central	625,585	496,342	616,663	632,010	652,505
Operation of non-instructional services:					
Food service operations	1,339,638	1,380,094	1,269,711	1,313,065	1,264,556
Other non-instructional services	252,098	475,514	351,300	338,433	441,929
Extracurricular activities	1,337,472	1,235,215	1,201,505	1,240,678	1,135,002
Interest and fiscal charges	99,211	155,073	120,443	130,192	139,186
Total governmental activities expenses	<u>55,812,355</u>	<u>54,654,350</u>	<u>54,319,715</u>	<u>57,083,974</u>	<u>55,347,810</u>

	2009	2008	2007	2006	2005
\$	25,179,398	\$ 24,485,458	\$ 23,550,656	\$ 23,764,903	\$ 25,450,276
	4,852,659	4,473,031	4,427,824	3,989,858	4,313,470
	1,596,146	1,715,572	1,458,317	1,541,980	1,847,273
	4,031	14,550	-	-	-
	320,688	299,228	902,031	940,423	737,074
	3,053,622	3,127,951	3,332,745	3,080,777	3,166,707
	2,507,581	2,552,978	2,829,699	2,624,390	2,985,883
	422,215	460,799	310,104	368,110	289,971
	2,818,083	2,775,102	2,815,201	2,992,001	3,191,741
	1,320,751	1,172,084	1,098,441	1,019,822	1,050,449
	468,037	552,982	536,163	588,952	445,583
	5,557,031	5,130,426	5,282,427	5,019,556	4,438,153
	3,283,900	3,117,758	2,995,031	2,922,388	2,960,741
	610,594	843,101	762,104	422,118	505,640
	1,241,668	1,296,565	1,343,765	1,403,937	1,386,922
	422,399	470,651	619,682	619,092	675,461
	1,149,187	1,236,766	1,374,551	1,351,955	1,302,681
	159,358	243,867	172,551	210,613	278,866
	<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>

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

CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Program revenues					
Governmental activities:					
Charges for services:					
Instruction:					
Regular	\$ 2,034,037	\$ 2,049,382	\$ 1,811,441	\$ 1,926,730	\$ 1,984,041
Special	521,276	338,608	327,324	209,189	117,609
Vocational	55,177	49,864	38,893	44,822	44,198
Adult/continuing	-	-	-	-	-
Support services:					
Pupil	140,218	192,501	190,827	212,279	43,076
Instructional staff	-	-	-	-	-
Board of education	-	-	-	-	-
Administration	-	-	-	14,531	13,062
Fiscal	14,347	27,210	-	-	-
Operations and maintenance	16,320	23,460	41,195	54,068	38,544
Pupil transportation	-	291	-	-	300
Central	2,337	2,991	-	-	4,526
Operation of non-instructional services:					
Food service operations	602,992	633,766	713,955	747,688	802,499
Extracurricular activities	505,519	483,538	494,448	493,060	445,534
Operating grants and contributions:					
Instruction:					
Regular	634,806	664,432	798,440	2,031,721	1,332,549
Special	2,028,441	1,230,223	884,841	1,542,287	1,698,101
Vocational	117,572	177,447	209,996	174,634	244,135
Other	-	1,089	446	89	45,721
Support services:					
Pupil	222,823	332,383	358,576	467,883	460,528
Instructional staff	5,422	47,759	34,173	65,660	36,906
Board of education	-	-	-	47,486	9,099
Administration	83,536	109,908	124,917	226,268	175,658
Fiscal	20,345	-	-	-	-
Business	-	-	-	-	-
Operations and maintenance	-	-	-	15,526	-
Pupil transportation	197,444	136,893	134,896	184,639	144,884
Central	-	-	-	201,954	207,437
Operation of non-instructional services:					
Food service operations	575,798	573,306	568,104	547,844	493,221
Other non-instructional services	346,848	384,954	380,165	380,579	412,923
Extracurricular activities	15,410	13,035	15,843	15,625	16,385
Capital grants and contributions:					
Instruction:					
Regular	-	-	-	-	-
Support services:					
Pupil transportation	-	-	-	-	-
Extracurricular activities	600,000	-	-	-	-
Total governmental program revenues	<u>8,740,668</u>	<u>7,473,040</u>	<u>7,128,480</u>	<u>9,604,562</u>	<u>8,770,936</u>
Net (expense)/revenue					
Governmental activities	<u>\$ (47,071,687)</u>	<u>\$ (47,181,310)</u>	<u>\$ (47,191,235)</u>	<u>\$ (47,479,412)</u>	<u>\$ (46,576,874)</u>

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$	1,365,821	\$ 1,087,083	\$ 839,577	\$ 809,107	\$ 699,094
	96,972	348,941	20,500	-	-
	57,737	53,723	22,046	26,770	40,409
	-	-	-	-	-
	189,973	214,314	232,209	189,464	152,916
	1,369	775	9,335	14,068	24,033
	-	-	-	-	-
	27,639	-	-	-	-
	-	-	-	-	-
	33,745	73,830	61,247	5,342	58,547
	-	-	-	-	55,710
	-	-	21	-	-
	858,272	901,262	911,688	985,430	982,914
	444,695	334,418	230,786	315,281	273,388
	625,316	537,366	425,668	447,749	548,770
	1,344,323	1,222,890	1,675,276	485,548	538,298
	220,108	145,909	201,025	1,709	9,324
	37,437	-	-	-	-
	444,033	309,381	345,341	309,623	215,783
	69,007	144,486	160,467	103,585	71,929
	-	-	8,009	3,294	5,322
	200,813	168,013	185,361	177,466	161,481
	-	-	-	-	25,195
	-	-	932	-	-
	1,693	-	-	-	-
	122,077	127,122	163,999	-	141,555
	34,040	27,000	27,000	27,000	30,782
	393,384	348,810	318,072	330,886	308,308
	425,336	528,674	554,006	600,229	583,559
	1,776	-	115,792	12,943	9,420
	-	53,339	-	-	49,350
	65,104	86,629	60,033	-	-
	-	-	-	-	-
	<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>
	<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>

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

CHANGES IN NET POSITION (CONCLUDED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General revenues and other changes in net position					
Governmental activities:					
Property taxes levied for:					
General purposes	\$ 37,316,788	\$ 31,408,886	\$ 30,625,517	\$ 29,094,194	\$ 28,256,878
Debt service	-	-	-	-	-
Capital outlay	583,514	492,005	526,388	593,938	575,728
Payments in lieu of taxes	162,867	212,345	219,623	62,280	19,242
Grants and entitlements not restricted to specific programs	17,425,497	17,926,791	18,068,848	18,641,456	19,148,037
Investment earnings	69,776	12,592	51,581	60,285	107,693
Miscellaneous	228,515	207,838	194,042	152,262	104,937
Total governmental activities	<u>55,786,957</u>	<u>50,260,457</u>	<u>49,685,999</u>	<u>48,604,415</u>	<u>48,212,515</u>
Change in net position					
Governmental activities	<u>\$ 8,715,270</u>	<u>\$ 3,079,147</u>	<u>\$ 2,494,764</u>	<u>\$ 1,125,003</u>	<u>\$ 1,635,641</u>

Source: School District financial records.

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 29,435,567	\$ 28,667,429	\$ 29,939,799	\$ 29,113,425	\$ 28,523,107
153,580	378,895	634,047	1,065,835	1,157,845
594,342	570,303	346,716	-	-
125,406	-	-	-	-
19,385,420	18,755,169	17,957,172	19,088,996	18,713,795
261,203	640,953	734,831	489,912	263,326
135,025	58,749	115,255	110,384	48,426
<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>
<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>

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

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General fund:					
Nonspendable	\$ 86,938	\$ 92,255	\$ 105,247	\$ 104,719	\$ -
Restricted	482,900	-	-	248,223	-
Committed	430,555	429,273	442,594	161,805	-
Assigned	25,076,078	17,444,284	14,432,065	809,688	-
Unassigned	277,275	93,094	-	10,950,302	-
Reserved	-	-	-	-	4,588,028
Unreserved (deficit)	-	-	-	-	7,160,057
Total general fund	<u>\$ 26,353,746</u>	<u>\$ 18,058,906</u>	<u>\$ 14,979,906</u>	<u>\$ 12,274,737</u>	<u>\$ 11,748,085</u>
All other governmental funds:					
Nonspendable	\$ 48,501	\$ 22,377	\$ 62,999	\$ 91,344	\$ -
Restricted	176,440	117,814	230,302	262,387	-
Committed	198,969	145,535	46,426	341,017	-
Unassigned (deficit)	(427,163)	(509,979)	(133,296)	(128,760)	-
Reserved	-	-	-	-	618,720
Unreserved (deficit), reported in:					
Special revenue funds	-	-	-	-	(402,283)
Capital projects funds	-	-	-	-	1,924
Debt service funds	-	-	-	-	-
Total all other governmental funds	<u>\$ (3,253)</u>	<u>\$ (224,253)</u>	<u>\$ 206,431</u>	<u>\$ 565,988</u>	<u>\$ 218,361</u>

Source: School District financial records.

Note: The District implemented GASB Statement No. 54 in fiscal year 2011. Descriptions of the GASB Statement No. 54 fund balance classifications can be found in Note 1.M. of the basic financial statements. Prior to fiscal year 2011, fund balance was classified as either reserved or unreserved. Reserved fund balance indicates that portion of fund balance which is not available for current appropriation or is legally segregated for a specific use. Any fund balance not classified as reserved was classified as unreserved.

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
3,947,840	2,731,642	3,021,818	1,963,826	1,776,600
5,157,387	3,281,668	1,611,392	307,654	(1,146,189)
<u>\$ 9,105,227</u>	<u>\$ 6,013,310</u>	<u>\$ 4,633,210</u>	<u>\$ 2,271,480</u>	<u>\$ 630,411</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
473,295	714,893	803,864	846,476	742,648
65,836	204,163	355,740	271,861	209,024
166,443	110,968	210,285	92,339	70,094
-	-	-	-	-
<u>\$ 705,574</u>	<u>\$ 1,030,024</u>	<u>\$ 1,369,889</u>	<u>\$ 1,210,676</u>	<u>\$ 1,021,766</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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues				
From local sources:				
Taxes	\$ 37,800,237	\$ 31,846,909	\$ 31,298,744	\$ 29,460,525
Tuition	2,419,670	2,264,406	2,032,784	1,978,965
Earnings on investments	71,305	13,180	55,138	65,127
Charges for services	602,992	633,766	713,955	747,688
Extracurricular	693,927	715,168	706,905	719,776
Classroom materials and fees	140,638	130,852	119,302	175,738
Other local revenues	385,932	512,302	468,264	295,030
Intergovernmental - intermediate	16,878	17,091	14,885	15,337
Intergovernmental - state	19,457,943	19,096,490	19,218,584	19,774,764
Intergovernmental - federal	2,220,334	2,156,211	2,230,180	4,997,913
Total revenues	<u>63,809,856</u>	<u>57,386,375</u>	<u>56,858,741</u>	<u>58,230,863</u>
Expenditures				
Current:				
Instruction:				
Regular	25,302,773	23,753,724	24,457,635	26,353,173
Special	6,242,464	5,111,623	4,569,440	5,609,467
Vocational	1,919,066	1,917,230	1,602,463	1,594,424
Adult/continuing	-	-	-	-
Other	155,476	191,042	768,323	270,997
Support services:				
Pupil	3,300,335	3,197,697	2,971,425	3,065,045
Instructional staff	544,525	2,652,464	2,074,556	2,446,433
Board of education	692,639	748,634	554,243	373,274
Administration	3,142,555	3,090,196	3,387,935	3,595,432
Fiscal	1,278,764	1,346,412	1,486,803	1,296,056
Business	155,361	66,133	80,341	61,971
Operations and maintenance	5,262,647	4,856,702	4,835,545	5,091,881
Pupil transportation	3,306,602	3,320,935	3,241,301	3,187,402
Central	659,912	491,715	629,971	609,170
Operation of non-instructional services:				
Food service operations	1,338,727	1,364,083	1,261,373	1,299,824
Other non-instructional services	262,181	476,630	368,381	371,902
Extracurricular activities	1,231,676	1,150,662	1,121,540	1,159,404
Facilities acquisitions and construction	838,481	629,977	729,454	603,629
Capital outlay	137,239	-	-	-
Debt service:				
Principal retirement	283,711	260,000	250,000	235,000
Interest and fiscal charges	104,302	112,200	122,400	132,100
Bond issuance costs	-	-	-	-
Total expenditures	<u>56,159,436</u>	<u>54,738,059</u>	<u>54,513,129</u>	<u>57,356,584</u>
Excess of revenues over (under) expenditures	\$ 7,650,420	\$ 2,648,316	\$ 2,345,612	\$ 874,279

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 28,767,164	\$ 30,384,088	\$ 29,317,400	\$ 30,875,950	\$ 30,165,879	\$ 29,702,046
1,770,239	1,267,229	1,249,518	685,399	589,338	508,996
131,808	273,193	651,284	716,891	491,407	251,929
802,499	858,272	901,262	911,688	985,430	982,914
645,462	611,584	406,752	425,574	379,140	487,552
174,922	183,904	183,795	172,174	162,876	156,784
213,650	422,966	331,768	386,297	382,040	215,829
20,855	24,748	28,578	-	-	-
20,415,976	21,159,032	20,654,799	20,049,641	19,692,736	19,534,663
3,890,920	2,020,049	1,747,793	2,005,425	1,837,816	1,857,907
<u>56,833,495</u>	<u>57,205,065</u>	<u>55,472,949</u>	<u>56,229,039</u>	<u>54,686,662</u>	<u>53,698,620</u>
25,165,939	24,432,390	23,988,547	22,768,780	22,883,452	24,700,303
5,057,266	4,776,526	4,463,939	4,384,329	3,996,276	4,297,974
1,624,270	1,635,991	1,705,596	1,467,657	1,538,598	1,862,192
-	4,031	14,550	-	-	-
332,204	326,512	296,984	900,478	928,589	737,074
3,053,140	3,036,197	3,161,162	3,317,294	3,050,080	3,151,380
2,423,157	2,490,848	2,592,951	2,815,881	2,601,998	3,000,488
232,490	422,215	460,799	310,104	368,110	289,971
3,148,750	2,781,284	2,831,147	2,808,089	2,910,525	3,095,215
1,178,996	1,297,887	1,142,634	1,105,427	1,020,454	1,049,369
162,635	489,492	552,632	548,016	577,389	435,379
4,873,243	5,135,214	5,059,450	4,858,766	4,668,455	4,410,011
3,070,792	3,100,653	3,255,461	2,869,203	3,694,489	3,706,834
658,618	593,674	838,344	759,073	437,537	509,889
1,237,292	1,229,437	1,275,691	1,338,914	1,381,034	1,362,198
500,254	423,566	467,385	622,949	616,974	663,072
1,101,773	1,114,396	1,095,834	1,211,090	1,164,548	1,096,598
488,886	335,075	341,507	1,602,885	382,551	1,997,407
-	-	-	-	-	-
235,000	650,000	640,000	5,992,000	3,045,000	3,789,000
141,500	162,210	258,452	196,329	200,324	271,518
-	-	-	79,507	-	-
<u>54,686,205</u>	<u>54,437,598</u>	<u>54,443,065</u>	<u>59,956,771</u>	<u>55,466,383</u>	<u>60,425,872</u>
\$ 2,147,290	\$ 2,767,467	\$ 1,029,884	\$ (3,727,732)	\$ (779,721)	\$ (6,727,252)

**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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Other financing sources (uses)				
Transfers in	\$ 195,092	\$ 42,988	\$ 1,298	\$ 3,743
Transfers (out)	(195,092)	(42,988)	(1,298)	(3,743)
Sale of assets	-	-	-	-
Lease purchase transactions	865,430	-	-	-
Issuance of bonds	-	-	-	-
Premium on bonds sold	-	-	-	-
Issuance of notes	-	-	-	-
Total other financing sources (uses)	<u>865,430</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 8,515,850</u>	<u>\$ 2,648,316</u>	<u>\$ 2,345,612</u>	<u>\$ 874,279</u>
Debt service as a percentage of noncapital expenditures	0.71%	0.69%	0.69%	0.65%

Source: School District financial records.

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ -	\$ 16,575	\$ 52,265	\$ 93,967	\$ 80,096	\$ 109,324
-	(16,575)	(52,265)	(93,967)	(80,096)	(109,324)
8,355	-	10,351	-	9,700	-
-	-	-	-	-	-
-	-	-	3,805,000	-	-
-	-	-	96,675	-	-
-	-	-	2,347,000	2,600,000	3,750,000
<u>8,355</u>	<u>-</u>	<u>10,351</u>	<u>6,248,675</u>	<u>2,609,700</u>	<u>3,750,000</u>
<u>\$ 2,155,645</u>	<u>\$ 2,767,467</u>	<u>\$ 1,040,235</u>	<u>\$ 2,520,943</u>	<u>\$ 1,829,979</u>	<u>\$ (2,977,252)</u>
0.70%	1.50%	1.68%	10.57%	5.99%	7.08%

**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
2014	\$ 897,207,000	\$2,563,448,571	\$ -	\$ -	\$ 12,118,030	\$ 34,622,943
2013	895,089,670	2,557,399,057	-	-	11,016,110	31,474,600
2012	900,379,310	2,572,512,314	-	-	10,175,270	29,072,200
2011	980,064,930	2,800,185,514	-	-	9,174,500	26,212,857
2010	980,376,980	2,801,077,086	896,515	3,586,060	9,003,280	25,723,657
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

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
\$ 909,325,030	\$ 2,598,071,514	35.00%	\$ 53.47
906,105,780	2,588,873,657	35.00%	53.55
910,554,580	2,601,584,514	35.00%	53.24
989,239,430	2,826,398,371	35.00%	45.05
990,276,775	2,830,386,803	34.99%	45.15
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	2,793,058,375	34.45%	48.73
904,061,240	2,643,184,377	34.20%	47.88

**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						
	Summit County	Portage County	City of Stow	City of Munroe Falls	City of Hudson	City of Cuyahoga Falls	City of Tallmadge
2013/2014	\$ 14.16	\$ 13.62	\$ 9.50	\$ 7.45	\$ 6.59	\$ 11.00	\$ 6.15
2012/2013	14.16	13.62	9.50	7.53	6.64	11.00	6.15
2011/2012	14.16	13.62	9.50	7.50	6.80	11.00	6.15
2010/2011	14.16	13.62	9.50	7.40	7.22	11.00	6.15
2009/2010	14.16	13.62	9.50	7.40	7.07	11.00	6.15
2008/2009	14.16	13.62	9.50	7.47	7.17	11.00	6.15
2007/2008	14.26	13.62	9.50	7.43	7.28	11.00	6.15
2006/2007	14.57	13.62	9.50	7.86	6.92	11.00	6.15
2005/2006	13.07	13.62	9.50	7.10	6.60	11.00	6.15
2004/2005	13.07	13.62	9.50	7.86	6.94	11.00	6.15

Source: Summit County Fiscal Office

Overlapping Rates (continued)			Direct Rates			
Franklin Township	Portage County Health District	Stow-Munroe Falls Public Library	Voted		Unvoted	Total
			General	Bond		
\$ 10.27	\$ 0.40	\$ 2.00	\$ 48.07	\$ -	\$ 5.40	\$ 53.47
10.27	0.40	2.00	48.15	-	5.40	53.55
10.27	0.40	2.00	47.84	-	5.40	53.24
10.27	0.40	2.00	39.65	-	5.40	45.05
10.27	0.40	1.00	39.75	-	5.40	45.15
10.27	0.40	1.00	40.09	-	5.40	45.49
10.27	0.40	1.00	40.09	0.44	5.40	45.93
10.27	0.40	1.00	39.80	0.42	5.40	45.62
10.27	0.40	1.00	42.20	1.13	5.40	48.73
10.27	0.40	-	41.08	1.40	5.40	47.88

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

PRINCIPAL PROPERTY TAX PAYERS
DECEMBER 31, 2013 AND DECEMBER 31, 2004

December 31, 2013			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Ohio Edison	\$ 9,211,560	1	1.02%
DDR Ohio Opportunity II LLC	8,048,220	2	0.89%
Wyndham Ridge LTD	7,819,040	3	0.86%
Heron Springs Associates LLC	6,962,660	4	0.77%
JVM Hidden Lake Apartments LLC	4,634,850	5	0.51%
Stow-Glen Properties LLC	4,348,130	6	0.48%
Morgan Adhesive Co.	4,145,900	7	0.46%
SFC Enterprises LTD	3,972,000	8	0.44%
Steels Corners Apartment Co. LTD	3,473,390	9	0.38%
Walmart Real Estate Business Trust	3,409,090	10	0.38%
Total	\$ 56,024,840		6.19%

December 31, 2004			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Heron Springs Associates LLC	\$ 8,776,140	1	0.99%
DDR Ohio Opportunity II LLC	7,671,140	2	0.87%
Wyndham Ridge LTD	7,031,850	3	0.79%
Ohio Edison	5,556,210	4	0.63%
Stow-Glen Properties LLC	4,388,800	5	0.50%
Morgan Adhesive Co.	4,109,550	6	0.46%
Steels Corners Apartment Co. LTD	4,078,020	7	0.46%
Marcliff Hidden Lake Apartments Limited	3,863,760	8	0.44%
Stow Associates	3,569,890	9	0.40%
Risman William B. Trustee	2,933,420	10	0.33%
Total	\$ 51,978,780		5.87%

Source: Summit County Fiscal Office

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

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**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
2013/2014	\$ 38,715,152	\$ 895,424	\$ 39,610,576	\$ 37,819,728	97.69%
2012/2013	38,548,634	1,511,603	40,060,237	37,037,032	96.08%
2011/2012	32,458,789	1,292,514	33,751,303	31,166,275	96.02%
2010/2011	32,593,674	1,027,241	33,620,915	31,566,433	96.85%
2009/2010	32,385,217	938,227	33,323,444	31,446,990	97.10%
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%

Source: Summit County Fiscal Office

Note: Delinquent tax collections are available only by collection year; therefore, the percentage of total tax collections to the current levy may exceed 100 percent in some years. The District will continue to work with the Summit County Fiscal Office to get this information in the future.

	Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy
\$	1,477,855	\$ 39,297,583	99.21%
	1,556,332	38,593,364	96.34%
	780,964	31,947,239	94.65%
	701,626	32,268,059	95.98%
	793,929	32,240,919	96.75%
	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%

**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	Lease- Purchase Obligations				
2014	\$ 2,158,067	\$ -	\$ 846,719	\$ 3,004,786	\$ 86	0.277%	\$ 563
2013	2,429,548	-	-	2,429,548	70	0.207%	450
2012	2,696,029	-	-	2,696,029	77	0.253%	491
2011	2,952,510	-	-	2,952,510	85	0.278%	521
2010	3,193,991	-	-	3,193,991	94	0.292%	580
2009	3,435,472	-	-	3,435,472	101	0.265%	623
2008	4,091,953	-	-	4,091,953	118	0.324%	728
2007	4,738,434	-	-	4,738,434	138	0.401%	799
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

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	Net Bonded Debt Per Capita
	General Obligation Bonds	Debt Service Available Balance	Net Bonded Debt		
2014	\$ 2,158,067	\$ -	\$ 2,158,067	0.24%	\$ 62
2013	2,429,548	-	2,429,548	0.27%	70
2012	2,696,029	-	2,696,029	0.30%	77
2011	2,952,510	-	2,952,510	0.30%	85
2010	3,193,991	-	3,193,991	0.32%	94
2009	3,435,472	-	3,435,472	0.35%	101
2008	4,091,953	236,139	3,855,814	0.40%	112
2007	4,738,434	346,911	4,391,523	0.45%	128
2006	1,885,000	692,278	1,192,722	0.12%	35
2005	2,910,000	612,306	2,297,694	0.25%	67

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, 2014

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
Stow-Munroe City School District	\$ 3,004,786	100.00%	\$ 3,004,786
Overlapping debt:			
Summit County	43,145,000	7.93%	3,421,399
Portage County	29,211,446	0.11%	32,133
Akron Metro Regional Transit Authority	105,000	7.93%	8,327
City of Cuyahoga Falls	3,566,000	0.24%	8,558
City of Hudson	43,049,000	0.37%	159,281
City of Tallmadge	11,968,203	0.02%	2,394
City of Stow	22,980,000	100.00%	22,980,000
City of Munroe Falls	667,495	99.39%	663,423
Total overlapping debt	<u>154,692,144</u>		<u>27,275,515</u>
Total direct and overlapping debt	<u>\$ 157,696,930</u>		<u>\$ 30,280,301</u>

Source: Ohio Municipal Advisory Council

Note: Percent applicable to Stow-Munroe City School District is 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	Unvoted Debt Limit	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
2014	\$ 909,325	\$ 81,839,253	\$ 2,110,000	\$ -	\$ 2,110,000	\$ 79,729,253	2.58%
2013	906,106	81,549,520	2,375,000	-	2,375,000	79,174,520	2.91%
2012	910,555	81,949,912	2,635,000	-	2,635,000	79,314,912	3.22%
2011	989,239	89,031,549	2,885,000	-	2,885,000	86,146,549	3.24%
2010	990,277	89,044,149	3,120,000	-	3,120,000	85,924,149	3.50%
2009	978,597	87,898,539	3,355,000	-	3,355,000	84,543,539	3.82%
2008	959,030	84,952,077	4,005,000	236,139	3,768,861	81,183,216	4.44%
2007	965,621	86,905,860	4,645,000	346,911	4,298,089	82,607,771	4.95%
2006	962,125	86,591,238	1,885,000	692,278	1,192,722	85,398,516	1.38%
2005	904,061	81,365,512	2,910,000	612,306	2,297,694	79,067,818	2.82%

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.

Note: Total debt applicable to limit does not include premiums.

**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>
2014	34,768	\$ 31,241	\$ 1,086,187,088	39.7	5,336	5.5%	5.5%	6.1%
2013	34,674	33,789	1,171,599,786	39.7	5,402	7.1%	7.2%	7.6%
2012	34,837	30,633	1,067,161,821	39.7	5,486	7.1%	7.2%	8.2%
2011	34,837	30,521	1,063,260,077	39.7	5,666	8.7%	8.8%	9.2%
2010	33,873	32,274	1,093,217,202	36.9	5,507	10.4%	10.5%	9.5%
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%

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 NINE YEARS AGO**

Employer	December 31, 2013		
	Employees	Rank	Percentage of Total City Employment
Stow-Munroe Falls City Schools	620	1	3.39%
MActac - Morgan Adhesives	290	2	1.58%
Akron General Health & Wellness Center	250	3	1.37%
City of Stow	227	4	1.24%
National Machine Company	216	5	1.18%
Matco Tools Corporation	190	6	1.04%
J.D. Clunk & Associates	189	7	1.03%
Wrayco Industries Inc	158	8	0.86%
Anderson International	130	9	0.71%
Audio Technica	105	10	0.57%
Total	2,375		12.97%
Total City Employment	18,300		

Employer	December 31, 2004		
	Employees	Rank	Percentage of Total City Employment
Stow-Munroe Falls City Schools	700	1	3.78%
MACTAC	400	2	2.16%
City of Stow	275	3	1.49%
Matco Tools Corporation	192	4	1.04%
National Machine	135	5	0.73%
Wrayco Industries Inc	125	6	0.68%
Audio Technica	114	7	0.62%
Wheeler Boyce	78	8	0.42%
Centimark	70	9	0.38%
Ferry Industries	67	10	0.36%
Total	2,156		11.66%
Total City Employment	18,500		

Source: City of Stow

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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Professional staff:							
Teaching staff:							
Elementary	99	99	103	109	116	116	122
Intermediate	47	47	46	47	44	47	60
Middle	42	43	43	52	51	55	54
High	100	99	101	101	101	106	113
Tutors	18	17	17	16	17	12	18
Librarians	3	3	3	4	4	4	8
Others	3	3	3	2	2	2	2
Administration:							
District	27	27	28	28	28	28	29
Board members	5	5	5	5	5	5	5
Auxiliary positions:							
Counselors	9	9	9	9	9	9	11
Speech	5	5	5	5	5	5	6
Mental health specialists	5	5	5	5	5	5	5
Support staff:							
Secretarial	33	33	33	33	36	38	41
Aides	44	45	45	47	33	50	56
Hall monitor/security	7	7	7	7	25	18	20
Cooks	17	17	17	17	15	27	19
Custodial	36	37	37	37	34	37	41
Maintenance	8	8	8	8	8	8	13
Bus driver	32	34	34	34	27	39	35
Mechanics	4	4	4	4	3	5	4
Extracurricular	261	244	244	257	272	268	262
Total	<u>805</u>	<u>791</u>	<u>797</u>	<u>827</u>	<u>840</u>	<u>884</u>	<u>924</u>

<u>2007</u>	<u>2006</u>	<u>2005</u>
120	139	154
48	57	58
55	58	62
100	120	130
17	18	19
4	4	5
1	1	2
30	35	38
5	5	5
10	11	11
5	5	7
5	16	7
41	41	40
57	57	60
18	19	17
18	20	20
37	38	36
14	12	11
36	36	37
4	5	4
<u>287</u>	<u>239</u>	<u>207</u>
<u><u>912</u></u>	<u><u>936</u></u>	<u><u>930</u></u>

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

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

Function	2014	2013	2012	2011	2010	2009	2008
Instruction:							
Regular	232	231	236	265	265	286	317
Special	41	42	42	53	56	39	42
Vocational	14	15	14	11	12	15	16
Other	22	21	21	21	21	21	24
Support services:							
Pupil	31	31	32	36	36	37	40
Instructional staff	44	43	43	55	60	77	76
Administration	48	49	50	41	41	41	42
Fiscal	7	7	7	7	7	7	7
Business	-	-	-	2	2	2	3
Operations and maintenance	64	63	66	44	44	44	48
Pupil transportation	41	45	42	35	35	49	40
Extracurricular activities	261	244	244	257	261	266	269
Total governmental activities	<u>805</u>	<u>791</u>	<u>797</u>	<u>827</u>	<u>840</u>	<u>884</u>	<u>924</u>

Source: School District records

<u>2007</u>	<u>2006</u>	<u>2005</u>
229	269	275
39	46	37
14	13	19
39	62	88
43	35	33
112	115	114
35	40	43
5	6	6
-	-	-
69	70	67
40	41	41
<u>287</u>	<u>239</u>	<u>207</u>
<u><u>912</u></u>	<u><u>936</u></u>	<u><u>930</u></u>

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

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

Function	2014	2013	2012	2011	2010	2009
Instruction:						
Regular and special						
Enrollment (students)	5,336	5,402	5,486	5,666	5,507	5,517
Graduates	421	447	463	443	465	456
Support services:						
Board of education						
Regular meetings per year	17	20	21	20	17	20
Special meetings per year	8	3	11	12	14	10
Administration						
Student attendance rate	95.7%	95.7%	95.8%	95.5%	95.3%	95.4%
Fiscal						
Nonpayroll checks issued	5,224	5,314	5,026	5,340	5,145	5,286
Operations and maintenance						
Work orders completed	N/A	2,964	2,353	2,733	3,008	3,005
Square footage maintained	760,409	760,409	760,409	760,409	760,409	760,409
Pupil transportation						
Avg. students transported daily	2,855	2,943	2,769	3,731	2,757	4,005
Food service operations:						
Meals served to students	308,579	328,217	369,316	363,678	341,453	317,884
Percentage of students receiving reduced cost or free lunches	22.7%	22.0%	22.0%	21.0%	20.0%	16.6%

Source: District records

N/A = information not available.

2008	2007	2006	2005
5,617 466	5,927 460	5,949 463	5,937 480
24 29	20 52	20 54	20 56
95.5%	96.1%	95.3%	95.0%
5,443	5,868	6,008	6,209
3,010	3,000	3,100	3,000
760,409	760,409	760,409	760,409
4,005	4,344	4,161	4,573
313,654	320,200	284,036	267,880
14.5%	12.2%	11.2%	N/A

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

**CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental activities:					
Land	\$ 563,915	\$ 563,915	\$ 563,915	\$ 563,915	\$ 563,915
Land improvements	2,868,465	2,397,681	2,364,857	2,025,621	1,823,364
Buildings and improvements	8,926,870	9,242,466	9,470,610	9,829,990	10,374,976
Furniture, fixtures and equipment	2,074,449	1,806,741	1,946,034	2,061,599	1,758,690
Vehicles	1,782,649	1,601,154	1,652,674	1,798,383	1,716,431
Construction in progress	186,064	-	-	-	-
Total governmental activities capital assets, net	<u>\$ 16,402,412</u>	<u>\$ 15,611,957</u>	<u>\$ 15,998,090</u>	<u>\$ 16,279,508</u>	<u>\$ 16,237,376</u>

Source: School District financial records.

Note: Amounts above are presented net of accumulated depreciation.

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 563,915	\$ 563,915	\$ 563,915	\$ 563,915	\$ 563,915
1,121,641	1,113,416	849,451	938,762	898,026
12,547,638	13,294,731	12,473,045	13,248,043	13,884,899
623,141	704,982	844,283	992,038	1,123,191
2,244,704	2,326,738	2,304,370	2,564,909	1,934,980
-	-	1,381,436	-	-
<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>

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

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</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	322	310	323	365	354	354
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	381	362	346	363	356	357
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	314	322	349	348	344	351
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	358	374	347	352	293	302
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	244	274	280	286	280	273
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	270	296	320	324	293	284
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	802	809	870	855	846	841
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	871	871	845	862	862	879
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	1,774	1,784	1,806	1,854	1,879	1,876
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.

2008	2007	2006	2005
38,285	38,285	38,285	38,285
550	550	550	550
364	408	407	377
32,153	32,153	32,153	32,153
500	500	500	500
377	386	389	310
33,324	33,324	33,324	33,324
500	500	500	500
347	358	360	323
41,600	41,600	41,600	41,600
500	500	500	500
292	381	383	323
23,277	23,277	23,277	23,277
575	575	575	575
266	286	290	301
23,277	23,277	23,277	23,277
525	525	525	525
285	322	333	320
178,882	178,882	178,882	178,882
1,050	1,050	1,050	1,050
843	864	867	917
117,500	117,500	117,500	117,500
1,125	1,125	1,125	1,125
904	913	918	973
254,514	254,514	254,514	254,514
2,050	2,050	2,050	2,050
1,938	1,999	2,002	1,985
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		Enrollment
	Expenditures (1)	Cost per pupil	Expenses (1)	Cost per pupil	
2014	\$ 55,771,423	\$ 10,452	\$ 55,713,144	\$ 10,441	5,336
2013	54,365,859	10,064	54,499,277	10,089	5,402
2012	54,140,729	9,869	54,199,272	9,880	5,486
2011	56,989,484	10,058	56,953,782	10,052	5,666
2010	54,309,705	9,862	55,208,624	10,025	5,507
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

Source: District records

(1) Debt service totals have been excluded.

Percent Change	Teaching Staff	Pupil/Teacher Ratio	Student Attendance Percentage
-1.22%	345	15.47	95.70%
-1.53%	352	15.35	95.70%
-3.18%	352	15.59	95.80%
2.89%	369	15.36	95.50%
-0.18%	359	15.34	95.30%
-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%

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

TEACHER STATISTICS
JUNE 30, 2014

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	161	46.67%
Master's Degree	182	52.75%
Ph.D.	<u>2</u>	<u>0.58%</u>
	<u><u>345</u></u>	<u><u>100.00%</u></u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	76	22.03%
6 - 10	82	23.77%
11 and over	<u>187</u>	<u>54.20%</u>
	<u><u>345</u></u>	<u><u>100.00%</u></u>

Source: School District Personnel Records

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

SUPPLEMENTAL REPORTS

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2014**

CATHERINE BULGRIN, TREASURER

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

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**STOW-MUNROE FALLS CITY SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(A) PASS-THROUGH GRANT NUMBER	(B) CASH FEDERAL RECEIPTS	(B) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION				
Child Nutrition Cluster:				
(D) (E) School Breakfast Program	10.553	2014	\$ 35,845	\$ 35,845
(D) (E) National School Lunch Program	10.555	2014	359,854	359,854
(C) (D) National School Lunch Program - Food Donation	10.555	2014	93,371	93,371
Total National School Lunch Program			<u>453,225</u>	<u>453,225</u>
Total Child Nutrition Cluster			<u>489,070</u>	<u>489,070</u>
Total U.S. Department of Agriculture			<u>489,070</u>	<u>489,070</u>
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION				
Title I Grants to Local Educational Agencies	84.010	2013	177,050	64,599
Title I Grants to Local Educational Agencies	84.010	2014	324,800	443,480
Total Title I Grants to Local Educational Agencies			<u>501,850</u>	<u>508,079</u>
Special Education_Grants to States	84.027	2013	121,277	27,442
Special Education_Grants to States	84.027	2014	836,271	891,667
Total Special Education_Grants to States			<u>957,548</u>	<u>919,109</u>
(F) English Language Acquisition Grants	84.365	2013	(636)	389
(F) English Language Acquisition Grants	84.365	2014	16,055	14,680
Total English Language Acquisition Grants			<u>15,419</u>	<u>15,069</u>
Improving Teacher Quality State Grants	84.367	2013	97,596	9,523
Improving Teacher Quality State Grants	84.367	2014	55,518	80,617
Total Improving Teacher Quality State Grants			<u>153,114</u>	<u>90,140</u>
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act - Resident Educator	84.395A	2014	-	6,650
PASSED THROUGH THE SIX DISTRICT EDUCATIONAL COMPACT				
Career and Technical Education_Basic Grants to States	84.048	2014	39,000	39,000
Total U.S. Department of Education			<u>1,666,931</u>	<u>1,578,047</u>
Total Federal Financial Assistance			<u>\$ 2,156,001</u>	<u>\$ 2,067,117</u>

Notes to the Schedule of Receipts and Expenditures of Federal Awards:

- (A) OAKS did not assign pass-through numbers for fiscal year 2014.
- (B) This schedule was prepared on the cash basis of accounting.
- (C) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are reported at the entitlement value.
- (D) Included as part of "Child Nutrition Cluster" in determining major programs.
- (E) Commingled with state and local revenue from sales of breakfast and lunches; assumed expenditures were made on a first-in, first-out basis.
- (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 document this by using special cost centers for each year's activity, and transferring the amounts ODE approves between the centers. During fiscal year 2014, the ODE authorized the following transfers:

Program Title	CFDA Number	Grant Year	Transfer Out	Transfer In
English Language Acquisition Grants	84.365	2013	\$ 636	
English Language Acquisition Grants	84.365	2014		\$ 636
Totals			<u>\$ 636</u>	<u>\$ 636</u>



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Serving Ohio Local Governments

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, 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, 2014, and the related notes to the financial statements, which collectively comprise Stow-Munroe Falls City School District's basic financial statements and have issued our report thereon dated December 29, 2014.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered Stow-Munroe Falls City School District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of Stow-Munroe Falls City School District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of Stow-Munroe Falls City School District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Board of Education
Stow-Munroe Falls City School District

Compliance and Other Matters

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

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of Stow-Munroe Falls City School District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering Stow-Munroe Falls City School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.
December 29, 2014



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**Independent Auditor's Report on Compliance With Requirements Applicable to Each
Major Federal Program and on Internal Control Over Compliance
Required by OMB Circular A-133 and the Schedule of
Receipts and Expenditures of Federal Awards**

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

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited the Stow-Munroe Falls City School District's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of Stow-Munroe Falls City School District's major federal programs for the fiscal year ended June 30, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies Stow-Munroe Falls City School District's major federal programs.

Management's Responsibility

Stow-Munroe Falls City School District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on Stow-Munroe Falls City School District's compliance for each of Stow-Munroe Falls City School District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about Stow-Munroe Falls City School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on Stow-Munroe Falls City School District's major programs. However, our audit does not provide a legal determination of Stow-Munroe Falls City School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Stow-Munroe Falls City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the fiscal year ended June 30, 2014.

Board of Education
Stow-Munroe Falls City School District

Report on Internal Control Over Compliance

Stow-Munroe Falls City School District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered Stow-Munroe Falls City School District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of Stow-Munroe Falls City School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

We also noted a certain matter involving federal compliance not requiring inclusion in this report that we reported to Stow-Munroe Falls City School District's management in a separate letter dated December 29, 2014.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Receipts and Expenditures of Federal Awards Required by OMB Circular A-133

We have also 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, 2014, and the related notes to the financial statements, which collectively comprise Stow-Munroe Falls City School District's basic financial statements. We issued our unmodified report thereon dated December 29, 2014. We conducted our audit to opine on Stow-Munroe Falls City School District's basic financial statements. The accompanying schedule of receipts and expenditures of federal awards presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Julian & Grube, Inc.
December 29, 2014

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2014**

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<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 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>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under §.510(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (listed):</i>	Child Nutrition Cluster: School Breakfast Program (CFDA #10.553) and National School Lunch Program (CFDA #10.555); Title I Grants to Local Educational Agencies (CFDA #84.010)
<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. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



Dave Yost • 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
FEBRUARY 24, 2015**