



Dave Yost • Auditor of State



**CITY OF STOW  
SUMMIT COUNTY  
DECEMBER 31, 2017**

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# Dave Yost • Auditor of State

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

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

To the Honorable Mayor and City Council:

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, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Stow, Summit County, (the City) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 27, 2018.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the City'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 the City'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.

***Compliance and Other Matters***

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, 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 the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

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

**Dave Yost**  
Auditor of State  
Columbus, Ohio

July 27, 2018



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

To the Honorable Mayor and City Council:

### ***Report on Compliance for each Major Federal Program***

We have audited City of Stow's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect City of Stow's major federal program for the year ended December 31, 2017. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal program.

### ***Management's Responsibility***

The City's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

### ***Auditor's Responsibility***

Our responsibility is to opine on the City's compliance for the City's major federal program 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance 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 the City'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 the City's major program. However, our audit does not provide a legal determination of the City's compliance.

### ***Opinion on Major Federal Program***

In our opinion, City of Stow complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2017.

***Report on Internal Control Over Compliance***

The City'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 the City'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 the Uniform Guidance, 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 the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program'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.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

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***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate discretely-presented component unit, and the remaining fund information of City of Stow (the City) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated July 27, 2018. We conducted our audit to opine on the City's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance 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, and other additional procedures 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.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

July 27, 2018

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**CITY OF STOW  
SUMMIT COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>			
<i>Passed Through Ohio Department of Transportation</i>			
Highway Planning and Construction			
Norton and Rt. 91	PID 82956	20.205	\$2,220,309
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>			
<i>Passed Through the Federal Emergency Management Agency</i>			
Assistance to Firefighters Grant (AFG)	EMW-2016-FO-03973	97.044	225,252
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>			
<i>Passed Through Ohio Governor's Office of Criminal Justice Services</i>			
Law Enforcement Assistance-Narcotics and Dangerous Drug_Laboratory			
2016-2017 Drug Use Prevention Grant Program (DARE Grant)	N/A	16.001	<u>21,253</u>
<b>Total Federal Financial Assistance</b>			<b><u><u>\$ 2,466,814</u></u></b>

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

**CITY OF STOW  
SUMMIT COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of City of Stow (the City's) under programs of the federal government for the year ended December 31, 2017. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The City has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE C - MATCHING REQUIREMENTS**

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

**CITY OF STOW  
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2017**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR §200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Highway Planning and Construction Grant (CFDA #20.205)
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR §200.520?</b>	No

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

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*John M. Baranek  
Director of Finance*

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
December 31, 2017**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2016-001	The City's December 31, 2016 Statement of Activities for the Business Type Activities and the Statement of Revenues, Expenses and Changes in Net Position-Proprietary Funds for the Storm Water Utility opinion unit's 'Capital Grants and Contributions'/Capital Contributions and the Contract Services Expense were understated by \$564,699.	Corrective Action Taken and Finding is Fully Corrected	The City's Fixed Asset Policy has been revised specifically under the Infrastructure Assets section to note that assets particularly in this classification may be donated by contractors, builders, or developers.

# City of Stow

## OHIO



Established in 2009, the Stow Senior Center is a community focal point for the coordination of a variety of recreation programs and services for active senior adults ages 55 and over.



Comprehensive Annual Financial Report  
for the fiscal year ended December 31, 2017





**CITY OF STOW, OHIO**  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2017

PREPARED BY:

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

*3760 DARROW ROAD  
STOW, OHIO 44224*



# **INTRODUCTORY SECTION**



**CITY OF STOW, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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*John M. Baranek*  
*Director of Finance*

July 27, 2018

The Honorable Mayor James Costello,  
Members of City Council  
and Citizens of the City of Stow, Ohio

Ladies and Gentlemen:

The Comprehensive Annual Financial Report for the City of Stow (the “City”) for the fiscal year ended December 31, 2017, is hereby respectfully submitted. It includes information pertaining to all of the City’s funds and financial transactions and selected financial and other information for the most recently completed fiscal year (2017). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation rests with the City. To the best of our knowledge, the data in this report is accurate in all material respects and it presents fairly the financial position and results of operations of the City. All disclosures necessary to provide the reader with a better understanding of the City’s financial activities have been included.

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

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

As part of the City’s independent audit, considerations are made to assess the internal control structure, in relation to the financial statements, as well as to determine that the City has complied with applicable laws and regulations. The results of the City’s independent audit for the year ended December 31, 2017, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

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

## **COMMUNITY PROFILE**

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

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

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

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

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

## **ECONOMIC CONDITION, CURRENT INITIATIVES AND FUTURE OUTLOOK**

### ***Local Economy***

The City of Stow was originally founded as a township, eventually became a village and was incorporated as a city in 1960 with a population of 12,194. By 2000 the population reached 32,139. Stow's population level of 34,837 in 2010 represents an 8.4 percent increase from the level of 2000. To accommodate the City's population growth, over 10,000 dwelling units have been constructed in Stow since 1970, bringing the total number of units to 15,141 per the 2010 census. It has been recently estimated that there is available land for an additional 2,000 dwelling units to be constructed in Stow in the future. Recent projections estimate the fully developed population of the City of Stow to be between 36,000 and 40,000 residents. This estimated range could be reached sometime within the next 30 years.

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

Substantial commercial, office and industrial growth has occurred in Stow in recent years. As part of the effort to update the City's Comprehensive Land Use Plan, City officials, with the assistance of a professional development consultant, prepared a market study to analyze existing and potential nonresidential development in the City and the future local market for office and retail expansion. It was determined that the City of Stow has a substantial supply of competitive retail space – approximately 2.7 million square feet. Stow's retail vacancy rates have fluctuated in recent years. But, the Stow vacancy rate for retail has typically been lower than the rate for the region. The latest retail vacancy rate for Stow is approximately 4.4 percent which is below the most recent northeast Ohio region rate of 7.1 percent (2017). It is anticipated that the City will take the necessary policy steps to ensure that the local retail sector continues to remain strong. Demand for additional retail space in Stow is expected to be high over the next ten years.

City officials have placed a particular emphasis on the development of the office and industrial market in Stow, recognizing the positive revenue implications resulting from this type of development. As of March 2018, there was over 850,000 square feet of office space in Stow. The office vacancy rate was 11.7 percent, which is lower than the average vacancy rate for suburban communities in the Akron Metropolitan Area. In addition, there was over 3,900,000 square feet of industrial space in Stow, and the vacancy rate was 2.8 percent as of March 2018.

In recent development initiatives, two large formerly vacant industrial buildings, totaling over 600,000 square feet have now been re-occupied in Stow. Combined, they will employ approximately 500 persons when fully occupied.

Through the use of development incentive programs and an aggressive construction schedule for public infrastructure, City officials are encouraging the construction of additional office capacity, medical space, flex space and light industrial space. The area surrounding the Seasons Road/State Route 8 Interchange has experienced significant development recently. An industrial park has been established and three buildings totaling 360,000 square feet have been constructed in which 130-170 employees work. The current development of the Steels Corners Road Interchange area accommodates some 200,000 square feet of office space, including medical facilities. Supporting commercial, service and related businesses are already constructed or being planned in the vicinity of the interchange, including five medium-sized hotels.

The City of Stow offers an excellent opportunity for business growth due to a broad network of state and interstate highways which provide the area with access to regional and national markets. Stow is fortunate to have a diversified tax base comprised of many small-to-medium sized industries. The City has at least ten private companies that employ between 75 and 300 workers. Additional industrial development is expected to be spurred with the provision of necessary infrastructure. The City's participation in the Foreign Trade Zone, which is located in the northwest area of Stow, was created for the purpose of promoting local industrial development and to foster business growth.

In 2006, the City administration completed its first long-term Economic Development Strategy to guide and facilitate the efforts of the City government and other community organizations in undertaking economic development activities in Stow. The formal Strategic Plan was reviewed and evaluated in public by Stow's legislative body and was officially adopted by the City. It continues to be implemented by the City and the local Community Improvement Corporation. An update to the basic Plan is underway and near completion. It will reflect current national economic conditions and changes in the local economy.

### ***Major Initiatives and Long-Term Financial Planning***

**Current Year** - In 2017, the City of Stow completed its ninth consecutive year of operating with a significantly reduced workforce in order to balance its budget and ensure that the level of staffing remained within its financial means. The City ended the 2017 operating year with a total of 35 full-time employee positions eliminated or left unfilled out of 276 authorized full-time positions at the beginning of 2009. This represented a workforce reduction of 13 percent in nine years. The City also eliminated numerous part-time and seasonal positions over this period.

The workforce reduction was accomplished through an ongoing hiring freeze and the implementation of a one-time voluntary separation program for eligible employees in 2010. The hiring freeze, as supplemented by other expenditure reduction and containment measures, continues as a formal City policy. The City will maintain its effort to strictly control the size of the workforce in 2018 and beyond, although some previously vacant high-priority positions will be filled over the next two years.

In the past several years, also due to budgetary limitations, the City has implemented a policy of workforce and facilities consolidation. This policy has been designed to increase the efficiency of our smaller workforce by combining functions in a number of critical areas and reducing the number of City buildings in use. A concurrent goal is to maintain all essential City services to the extent possible and feasible.

As part of its consolidation program, the City sold its Parks and Urban Forestry facility effective in 2013 to a growing local environmental services firm through a long-term lease/purchase arrangement. The sale enabled the City government to reduce its operating cost and space while retaining an important local firm with an expanding payroll. Some vehicle and equipment storage buildings within the Parks Maintenance and Urban Forestry complex are temporarily being retained for City use.

The consolidation of the maintenance components of the Parks and Urban Forestry operation into the existing Service Maintenance Center and the relocation of the separate clerical staff sections to City Hall has resulted in increased operating efficiency and greater workload coverage during normal working hours for the affected offices.

In 2000, the City's voters approved a program to expand the City's Emergency Medical Services (EMS) and fire response capabilities, which over the long-term has proven to be very successful for the community. The expansion program was funded through an increase of 2.3 mills in the City's Charter property tax rate and included two new fire stations and fifteen additional paramedics as well as new fire trucks and equipment. One of the new fire stations is an additional station to increase emergency coverage on the City's east side, while the other is a relocated replacement facility to improve response times on the City's west side. The fifteen additional paramedics have enabled the City's Fire Department to operate a full EMS transport system throughout the entire community and to fully staff the two new fire stations. The City's centrally located Safety Building continues to serve the community as its main fire station. Three new fire trucks were acquired in 2007 and two new EMS response vehicles were purchased in 2008 to further upgrade and enhance the City's ability to provide high quality emergency service to its residents. Three additional major fire/EMS vehicles have been purchased since 2014 with the use of tax levy and capital funds.

Construction of the City's new Service Maintenance Center complex provided almost 70,000 square feet of new space for the City's combined maintenance operations, including Water System maintenance. With the Parks Maintenance and Urban Forestry operations now relocated to the central Service complex, virtually all service and parks vehicles are stored indoors. The new structure cost approximately \$7.4 million. It replaced several existing undersized and outdated buildings which were used by Stow for many years. Previous new buildings constructed include the Stow City Hall, which was opened in 1986, and the Safety Building (Police, Fire, EMS and Communications) which was completed in 1995.

Maintenance and repair of roads throughout the community to accommodate the growing population and expanding commercial and industrial base continues to be a high priority for the City government. In 2011, \$600,000 was spent on the annual road resurfacing program, while in 2012, 2013 and 2014 the program was restored to the previous average levels with allocations of \$1.14 million, \$1.15 million and \$1.4 million respectively. The 2015 and 2016 road resurfacing amounts were the highest on record for the City with nearly \$1.6 million being spent city-wide each year. The 2017 amount allocated for road resurfacing was set at \$1.7 million, exceeding the record highs of the previous two years.

The City of Stow has obtained millions of dollars in state and federal highway and related funds in recent years for the improvement and upgrade of our local transportation/roads system. Year-after-year, we have ensured that our local funding share to provide the required match for the outside grants has been available through our City capital budget in order to obtain the funds. The City has been able to accomplish this on a pay-as-you-go (cash) basis with no long-term debt being incurred.

In order to accommodate expected continued population and business growth in Stow, the City government will continue to invest in its public facilities, its transportation system, the Stow Water System and the community infrastructure in the years ahead. City officials are guided in the development of the community in the future by the City's Comprehensive Land Use Plan which is currently being updated with the assistance of a professional consultant. Approval of the new Plan is expected in 2018. Before it receives final approval, the new Plan will be subject to many public hearings and community meetings held by Stow City officials.

In November 2001, the City of Stow regained ownership of the Stow Water System from the Summit County government and immediately became fully responsible for its daily operation. The City completed sixteen very successful full operating years for the System in 2017. The City provides water to its citizens based on a 99-year water service agreement between Stow and the City of Akron whereby Akron supplies water directly to Stow on a wholesale basis. The detailed terms of the Stow water supply agreement with Akron were finalized and a formal contract executed in December of 2006.

A long-term comprehensive Operating Budget for the Stow Water System was developed when the System was acquired by the City in 2001 to guide the City in managing the operation and maintenance of the System. The Budget is updated each year with current financial information and is used to assist the administration and City Council in determining and meeting the operating needs of the Water Utility and assessing the adequacy and level of future water rates. As a result of detailed budget planning, the Water System is financially very sound. As of the end of 2017, it had more than adequate operating reserves to address virtually any unanticipated major system expense, either operating or capital.

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

In 2017, the City continued with the long-term improvements program outlined in its comprehensive Capital Plan for the Water System, including numerous waterline replacement projects and related upgrades. The City previously enacted an ongoing, monthly \$4.00 Water System capital improvements fee for all water customers to generate the revenue necessary to undertake and complete the improvements identified in the long-term Plan on a programmed basis over the next ten-twenty years and also to implement an automatic, radio-based meter reading system for more efficient and timely reading of the meters of Stow's water customers. Installation of the automatic meter reading system has been completed and continues to be monitored for accuracy and reliability. The new meter reading system cost approximately \$2.3 million and is updated each year.

The City established a Storm Water Management Utility in 2004 to address flooding issues and problems throughout the Stow community. An ongoing, monthly storm water improvement fee was enacted in late 2004 by City Council to pay all future operating and capital costs associated with maintaining and upgrading the City's existing storm water management system over the next ten to twenty years. The fee is graduated and is based on an engineering evaluation of the size of the impervious surfaces of individual residential and non-residential properties in Stow. Numerous storm water projects have been completed over the past thirteen years with funding provided by the enactment of the new fee.

This past year the City continued its assessment of the engineering studies completed for every neighborhood within the City to identify storm water problems that need to be corrected as part of a long-term storm water management plan. In late 2016, City Council, with the recommendation of the administration, increased the basic storm water improvement fee significantly to enable the City to accomplish more storm water projects throughout the City of Stow.

In 2017, the City of Stow continued many of its ongoing programs which are designed to improve the community as a whole and its individual neighborhoods. The provision of such programs as the Stow Senior Center, adopt-a-spot beautification, the neighborhood playground upgrades, residential storm sewer and water line improvements, bike trail expansion, sidewalk repair, housing repair, litter and recycling education and awareness, neighborhood beautification and tree planting programs were important accomplishments of the City again this past year.

A comprehensive ten-year Capital Improvements Financial Plan was prepared by the City in 2002 to guide City officials in undertaking and completing the City's major permanent improvement projects over the original period, 2002-2011. The Plan, as now updated each year, was used in 2017 and will continue to be used as it is revised in future years to identify available capital improvement funding sources and all potential general capital projects which are necessary to improve the City's infrastructure, buildings, facilities and major equipment over the next ten-year period. The Plan, as modified, also serves as the City's guide for both short-term and long-term debt management.

The City has continued its emphasis on accelerating debt retirement. Over the period, 2008-2017, Stow's outstanding general obligation debt has been reduced from \$33.6 million to \$17.1 million. In order to facilitate debt retirement, the City has increased its reliance on pay-as-you-go (cash) financing to fund its capital improvements and has not incurred any new outside general obligation project debt since 2011. (In 2015, the City was the recipient of a \$1.23 million Ohio Public Works Commission water project loan with a thirty-year term and a zero percent rate of interest.)

In May of 2006, the City Council adopted a long-term master plan for the development of the City Center Site which encompasses the centrally located municipal government offices and considerable surrounding acreage. The development of the site could eventually include public gathering facilities for entertainment, an amphitheater, cultural and arts centers, walking trails and some mixed use buildings. The master plan for the maintenance, development and future management of the City's arboretum/sancturetum, which is located near Stow City Hall, continued to be updated in 2017. It is included as a major component of the City's overall City Center Site long-term plan. It is the intent of the City to further develop detailed plans and possible funding sources to enhance the arboretum/sancturetum in several phases. It was opened fully to the public in the summer of 2006. Preservation of this unique and extensive outdoor natural resource is a long-standing commitment of the City.

In February of 2006, the Stow City government completed the acquisition of an 18-hole municipal golf course located on 140 acres of land within a highly developed residential area of the City. The golf course, which was named the best privately owned public golf course in Ohio in 2005, has been successfully operated by the City with its own resources over the period 2006-2017, not including acquisition debt payments. Even with the golf industry subject to lessening demand nationally in the past 6-9 years, the City's municipal golf course fared very well in 2017. The City's ongoing commitment to the operation of the golf course ensures its retention and preservation as a highly-valued recreational asset in the Stow community. Several significant improvements to the golf course layout were completed in 2017, with additional improvements to take place in 2018.

A unique, special needs playground was completed as a supplemental facility in one of Stow's major parks in 2008. It cost approximately \$278,000 and was funded through a combination of private donations, a state grant and City funding. It is designed for the inclusion and accessibility of all children regardless of disability. In 2017, it was used by many individuals and groups in the community.

After assessing the feasibility of converting its Safety/Service communications system to 800 MHz capability, in 2006, the City executed a long-term agreement to participate with other communities in the Summit County/Akron radio system. The County-wide system increases compatibility, interoperability and mutual communications capabilities with surrounding communities. The City continued its effort to enhance the new radio system for its safety forces in 2017 through the use of local funding and grants. The City's radio and related communications equipment and facilities are continuously being evaluated for possible upgrade.

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

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

In May 2009, the City completed renovation of a City-owned building to replace the former Senior Center which had previously been in rented quarters. The new Senior Center, which is near the Stow City Hall, is more centrally located than the former Center and provides improved accessibility for seniors throughout Stow. In 2017, the Center has become a high-use facility which now generates more senior citizen activity and programs in Stow than ever as the City's support for seniors' activities continues to grow.

**Future** - As with virtually every other governmental unit in Ohio, Stow is coping with the continuing adverse impact of the severe national economic recession on its finances. We have adopted a much more conservative and restrictive stance regarding our operating and capital budgets. We have reduced our operating expenditures, imposed a hiring freeze, implemented an employee buyout program and cancelled or delayed many capital improvements. Within our more limited financial capability, we continue with various major initiatives designed to improve and enhance the City of Stow and/or to enable the City to accommodate the continued growth and development of the Stow community in 2018 and beyond.

As referenced earlier, the City will continue to implement its workforce and facilities consolidation plan in 2018 by reviewing the utilization of all buildings. Departmental building assignments and locations will be assessed and evaluated for more efficient layouts and usage. The main Parks Maintenance building has been converted to private use and similar City departments will be consolidated to more effective common locations for joint usage of major equipment and simultaneous training on related job tasks.

An important long-term goal of the City administration is the promotion of shared government services and participation in regional collaboration efforts. In recent years, the City of Stow has cooperatively developed shared cost programs with neighboring cities in such areas as human resources, building inspection, dispatching services, urban forestry and equipment purchases. Similar initiatives are being evaluated for future implementation.

A potential regional dispatch center for central Summit County, which may include Cuyahoga Falls, Stow and Tallmadge and other similar communities as well as the Summit County Sheriff's Office, is being evaluated for possible future implementation. If established, the new center, by serving a larger population base, would eventually generate considerable operational cost savings as well as lower individual capital investment amounts for each participating community or governmental unit through economies of scale. As a preliminary related step toward a regional center, multiple communities in Summit County are joining together to establish a centralized regional computer aided dispatch (CAD) system in 2018. This new joint software system can stand alone in the future or become part of a new Council of Governments (COG) regional dispatch operational center for the participating communities.

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

The Route 8 Interchange, located at State Route 8 and Seasons Road in both Stow and Hudson, has been completed and now serves as an important component of the Stow and Hudson transportation systems. The main access road to the interchange was improved and widened in 2010. Another access road was improved in 2013 as a joint undertaking of the State of Ohio, the City of Stow and the City of Hudson. New traffic signals to improve traffic control and safety for incoming and exiting traffic at the interchange will be installed in 2018 with federal funding assistance. Along with the recently-completed Seasons/Norton Road connection and the Seasons Road improvement projects, the new interchange is necessary to facilitate expansion of the industrial and commercial growth areas of Stow to ensure future enhancement of our tax base.

Through the City's recently increased annual concrete and asphalt road paving program and such projects as the Seasons Road improvement, the Route 8 Interchange construction, the Steels Corners Interchange upgrade, the Hudson Drive widening, the Graham Road upgrade, the Norton Road improvement, the combined Norton Road and Fishcreek intersection upgrades at Darrow Road and various other planned road, intersection, traffic light and bridge improvements, the City of Stow will continue to upgrade the community transportation system significantly over the next decade. All of these projects have received, or will receive, state and/or federal funding assistance to ensure their completion.

In 2018, the City will be continuing its ongoing traffic signal upgrade program at major intersections throughout the community. Local funds will be combined with grant funds and other sources to finance the installation of new signals at high traffic volume locations to improve traffic flow and control to meet safety concerns. The upgrades at the Norton and Fishcreek intersections of Rt. 91 were completed in 2017. A similar upgrade at the Graham Road and Rt. 91 intersection is underway in 2018. Construction of a new boulevard to provide public access through the large City Hall site has been completed. The new roadway received final paving in 2014. It is compatible with any planned community facilities to be located on the City Center campus.

A preliminary consensus is beginning to develop in the Stow community that the best potential future use of the entire City Center site may be to develop it as a central Stow "downtown" area. This concept is being formally advanced by leadership in the Stow community. The developed site would include both public and private uses to be determined. Progress on the concept is already underway with the commissioning of a new development and use guide that was prepared by professional outside consultants in 2017. A survey of residents for input on the downtown concept will be completed in 2018. Development proposals may be sought in 2018.

Among the City's priorities for 2018 and 2019 in the safety area is the programmed replacement of the major fire/EMS response vehicles utilized on a daily basis by the Fire Department. In anticipation of the replacement of these vehicles, the City has been accumulating funding through its Capital Budget so that the acquisitions can be accomplished on a cash basis without incurring debt.

The proceeds of the City's lodging tax, which is collected on all overnight hotel and motel room occupancies, was originally dedicated to pay for infrastructure improvements in specified areas of the City to encourage economic development. In 2007, the usage of the tax was expanded to include support of the City's Community Improvement Corporation (C.I.C.), which has the ability to offer financial aid and/or loans as incentives to new and/or expanding businesses in Stow. In 2010, a significant portion of the proceeds was obligated to fund the City's community development staff. The funding has now been expanded to include the City's planning staff as well.

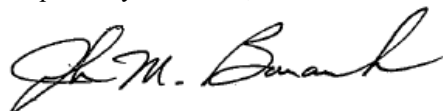
The City administration will continue to emphasize economic development in Stow in 2018 and beyond as a means to enhance our tax base for the future and strengthen the City's financial standing. The existing 2001 city-wide Comprehensive Plan, which guides local development, will be formally updated in 2018.

## **OTHER INFORMATION**

**Awards** - The City prepared and submitted a Comprehensive Annual Financial Report (CAFR) for the first time for 2000 to the Government Finance Officers Association of the United States and Canada (GFOA). A Certificate of Achievement for Excellence in Financial Reporting was awarded to the City of Stow for its Comprehensive Annual Financial Report for the last seventeen consecutive years (2000-2016), inclusive. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both Generally Accepted Accounting Principles and applicable legal requirements. We believe our current report for 2017 conforms to the Certificate of Achievement for Excellence in Financial Reporting program requirements, and we are submitting it to the GFOA to determine its eligibility for a 2017 award.

**Acknowledgment** - I would like to express my sincere appreciation and thanks to those individuals who assisted in the preparation of the 2017 Comprehensive Annual Financial Report. Successful preparation of a report of this scope required the dedicated services of the entire staff of the Finance Department. I also extend my appreciation to the Mayor, City Council and all Department Heads for their support and assistance in completing this Comprehensive Annual Financial Report.

Respectfully submitted,



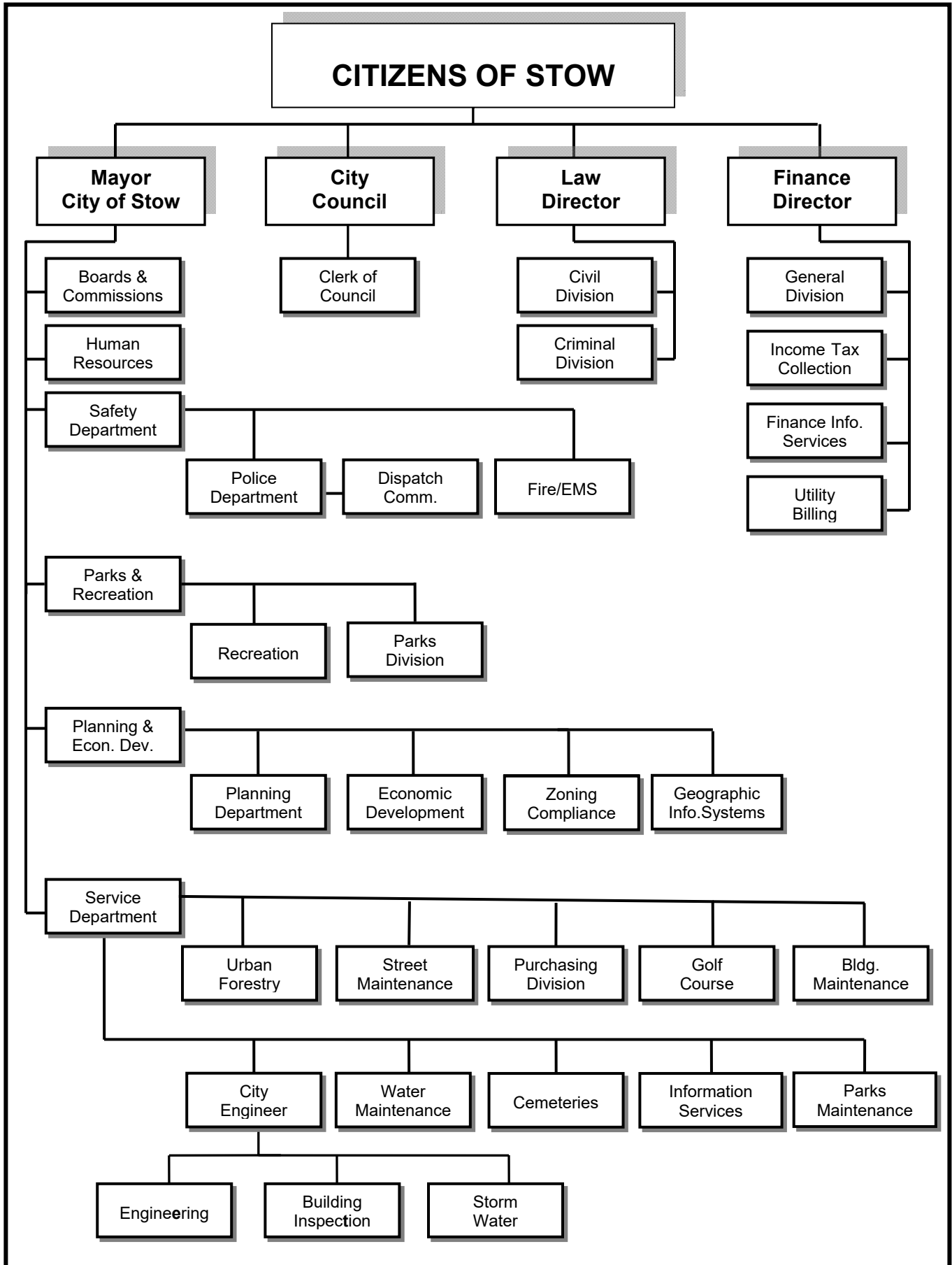
John M. Baranek  
Director of Finance



# City of Stow, Ohio

## General Organization Chart

2017



**CITY OF STOW, OHIO**  
PRINCIPAL CITY OFFICIALS  
AS OF DECEMBER 31, 2017

***Elected Officials***

Mayor	James Costello
Finance Director	John Baranek
Law Director	Amber Zibritosky
President of Council	Mike Razor (At-Large)
Vice President	Matt Riehl (Ward I)
President Pro-Tem	James Costello (Ward II)
Council Member	Bob Adaska (Ward IV)
Council Member	Brian Lowdermilk (Ward III)
Council Member	Brian D'Antonio (At-Large)
Council Member	John Pribonic (At-Large)

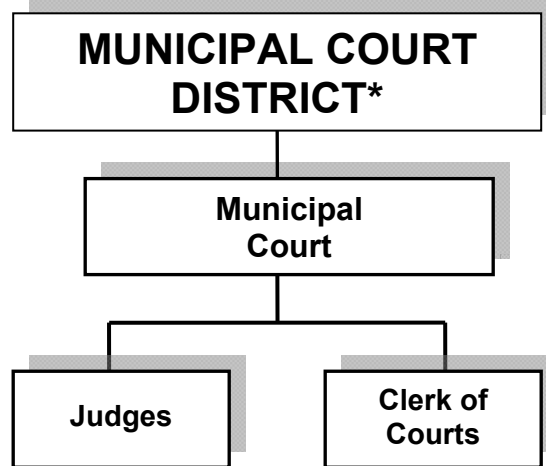
***Department Officials***

Service Director	Nick Wren
Planning & Development Director	Rob Kurtz
City Engineer	James McCleary
Fire Chief	Mark Stone
Assistant Fire Chief	Michael Lang
Police Chief	Jeff Film
Police Captain	(Vacant)
Deputy Service Director	Don Brooker
Deputy Service Director	Marc Anderson
Director of Budget & Management	John Earle
Manager of Information Services	Dale Germano
Deputy Finance Director/Tax Administrator	Christine Snyder
Assistant City Engineer	Edward Carey
Deputy City Engineer	Mike Jones
Assistant Planning Director	(Vacant)
Assistant Law Director	Brendan Mackin
Assistant Law Director	Nicole Welsh
Assistant Law Director	Rodney Schofield
Economic Development Coordinator	Ken Trenner
Project Engineer	Gerald Dolson
Parks and Recreation Director	Linda Nahrstedt
Human Resources Director	(Vacant)
Water Distribution Superintendent	Jeff Shaver
Chief Building Inspector	Tony Catalona
Parks Manager	(Vacant)
Road Superintendent	(Vacant)
GIS Coordinator	Steve Gibbons
Project Manager - Finance	Lisa Paxton
Network and Security Admin. - Service	Sean Shotts
Clerk of Council	Bonnie Emahiser
Chief Inspector	Tony Avolio
Youth Services Coordinator	Kathy Christ
Communications Supervisor	(Vacant)
Recreation Supervisor	Anne Baranek
Golf Course General Manager	Joe Vojtko
Golf Course Superintendent	George Hanson

# City of Stow, Ohio

## Stow Municipal Court Organizational Chart

2017



*Stow is the host City for the Stow Municipal Court*

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

### CITIES

Stow  
Cuyahoga Falls  
Hudson  
Twinsburg  
Tallmadge  
Macedonia  
Munroe Falls

### VILLAGES

Reminderville  
Boston Heights  
Peninsula  
Northfield  
Silver Lake

### TOWNSHIPS

Boston  
Northfield Center  
Sagamore Hills  
Twinsburg

### STOW MUNICIPAL COURT PRINCIPAL OFFICIALS AS OF DECEMBER 31, 2017

#### *Elected Officials*

Judge Kim R. Hoover  
Judge Lisa L. Coates  
Clerk of Courts Diana Colavecchio

#### *Appointed Officials*

Magistrate John W. Clark  
Court Administrator Rick Klinger  
Chief Deputy Clerk of Courts Lori Currie



Government Finance Officers Association

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in Financial  
Reporting**

Presented to

**City of Stow  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2016**

*Christopher P. Morrill*

Executive Director/CEO

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# **FINANCIAL SECTION**





# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the Honorable Mayor and City Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information City of Stow, Summit County, Ohio (the City), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City'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 the City'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 the City'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, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Stow, Summit County, Ohio, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons, for the General and EMS/Fire Tax Levy funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### ***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*, and schedules of net pension liabilities and pension contributions 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 the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information 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 July 27, 2018, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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 the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

**Dave Yost**  
Auditor of State  
Columbus, Ohio

July 27, 2018

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## CITY OF STOW, OHIO

### *MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)*

The management's discussion and analysis for the City of Stow's (the "City") financial statements provides an overview of the City's financial activities for the year ended December 31, 2017. The intent of this discussion and analysis is to provide a narrative that describes the City's performance as a whole. To obtain a more detailed understanding, one should also review the transmittal letter, the notes to the basic financial statements and the basic financial statements.

#### **Financial Highlights**

The City's key financial highlights for 2017 are as follows:

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the year ended December 31, 2017 by \$78,735,595 (net position). Of this amount, \$3,760,314 is considered restricted for various purposes such as capital projects, debt service and other restrictions, and \$84,386,955 is invested in capital assets. These combined amounts are higher than the City's total net position at year end, resulting in a deficit balance of \$9,411,674 in unrestricted net position.
- Total net position decreased \$1,904,551 or 2.36 percent as a result of this year's operations. Net position for business-type activities increased \$1,789,384 or 4.45 percent from 2016's net position, while the net position related to governmental activities decreased \$3,693,935, or 9.14 percent from 2016's net position.
- The City's total revenues amounted to \$44,051,182 in 2017, of which \$35,763,125 related to governmental activities and \$8,288,057 to business-type activities. Program specific revenues in the form of charges for services, grants and contributions accounted for \$18,369,018 or 41.70 percent of total revenues.
- The City had \$45,955,733 in expenses in 2017, \$38,848,880 of which were for governmental activities and \$7,106,853 for business-type activities.
- Among the major funds, the general fund had \$21,976,871 in revenues and other financing sources and \$21,743,712 in expenditures and other financing uses in 2017. The amount of \$534,029 was transferred to the general fund in 2017, and \$823,352 was transferred to other funds.
- The general fund's balance increased to \$6,898,044, an increase of \$233,159 from the beginning of 2017. The general fund balance was 32.17 percent of total general fund revenues, which is a slight increase from the percentage in 2016.
- The City's 2017 total governmental activities long-term obligations decreased from \$53,977,386 to \$52,031,114 from 2016's long-term obligations. This decrease of \$1,946,272 was primarily due to the City paying down its note and bond obligations, and a decrease in the net pension liability.

#### **Using this Comprehensive Annual Financial Report (CAFR)**

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

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

## CITY OF STOW, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

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

#### **Reporting the City as a Whole**

##### *Statement of Net Position and Statement of Activities*

The analysis of the City as a whole begins on page 8. One of the most important questions asked about the City's finances is, "How did the City perform financially during 2017?" The statement of net position and the statement of activities provide information concerning the City as a whole and its financial activities that will assist the reader in answering this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual method of accounting similar to the accounting used by most private-sector businesses. This method of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

The City-wide financial statements can be found on pages 17 through 19 of this report.

#### **Fund Financial Statements**

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

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

## CITY OF STOW, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

#### *Governmental Funds*

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

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

The City maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 20 through 25 of this report.

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

#### *Proprietary Funds*

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water system, golf and storm water utility operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-insurance programs for medical-related employee benefits. The basic proprietary fund statements can be found on pages 26 through 31 of this report.

#### *Fiduciary Funds*

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the City's programs. The accounting method used for fiduciary funds is much like that used for the proprietary funds. The basic fiduciary fund financial statements can be found on pages 32 and 33 of this report.

#### *Notes to the Basic Financial Statements*

The financial statement notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Notes to the basic financial statements can be found on pages 35 through 85 of this report.

#### *Required Supplementary Information*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension liability and pension contributions. The required supplementary information can be found on pages 88 through 94 of this report.

**CITY OF STOW, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)*

*Other Information*

In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements, schedules, and a statistical section, which can be found on pages 95 through 219 of this report.

**Government-Wide Financial Analysis**

As noted earlier, the trend in net position serves as an indicator of a government's changing financial position. At the close of 2017 the City's total assets and deferred outflows of resources, as shown in Table 1, exceeded liabilities and deferred inflows of resources by \$78,735,595. \$36,725,207 of net position was in governmental activities while \$42,010,388 was in business-type activities. The table below provides a summary of the City's net position for 2017 compared to 2016.

**Table 1 - Net Position**

	Governmental Activities <u>2017</u>	Governmental Activities <u>2016</u>	Business-Type Activities <u>2017</u>	Business-Type Activities <u>2016</u>	2017 <u>Total</u>	2016 <u>Total</u>
<b>Assets</b>						
Current and other assets	\$ 26,644,747	\$ 26,826,523	\$ 11,295,660	\$ 9,975,090	\$ 37,940,407	\$ 36,801,613
Capital assets, net	<u>64,052,672</u>	<u>66,926,948</u>	<u>38,751,731</u>	<u>38,417,440</u>	<u>102,804,403</u>	<u>105,344,388</u>
Total assets	<u>90,697,419</u>	<u>93,753,471</u>	<u>50,047,391</u>	<u>48,392,530</u>	<u>140,744,810</u>	<u>142,146,001</u>
<b>Deferred outflows of resources</b>						
Pension	9,008,251	9,440,058	988,720	680,262	9,996,971	10,120,320
Unamortized deferred charges on debt refunding	<u>317,748</u>	<u>378,097</u>	<u>108,334</u>	<u>115,487</u>	<u>426,082</u>	<u>493,584</u>
Total deferred outflows	<u>9,325,999</u>	<u>9,818,155</u>	<u>1,097,054</u>	<u>795,749</u>	<u>10,423,053</u>	<u>10,613,904</u>
<b>Liabilities</b>						
Current and other liabilities	1,941,813	2,023,031	528,775	740,615	2,470,588	2,763,646
Long term liabilities:						
Due within one year	2,383,646	2,415,201	379,253	327,412	2,762,899	2,742,613
Net pension liability	34,517,824	34,823,378	2,429,501	1,757,526	36,947,325	36,580,904
Due in more than one year	<u>15,129,644</u>	<u>16,738,807</u>	<u>5,767,036</u>	<u>6,081,530</u>	<u>20,896,680</u>	<u>22,820,337</u>
Total liabilities	<u>53,972,927</u>	<u>56,000,417</u>	<u>9,104,565</u>	<u>8,907,083</u>	<u>63,077,492</u>	<u>64,907,500</u>
<b>Deferred inflows of resources</b>						
Pension	2,632,266	457,158	29,492	60,192	2,661,758	517,350
Property taxes levied for the next fiscal year	<u>6,693,018</u>	<u>6,694,909</u>	<u>-</u>	<u>-</u>	<u>6,693,018</u>	<u>6,694,909</u>
Total deferred inflows	<u>9,325,284</u>	<u>7,152,067</u>	<u>29,492</u>	<u>60,192</u>	<u>9,354,776</u>	<u>7,212,259</u>
<b>Net Position</b>						
Net investment						
in capital assets	51,399,664	52,816,080	32,987,291	32,415,187	84,386,955	85,231,267
Restricted	3,760,314	4,166,978	-	-	3,760,314	4,166,978
Unrestricted (deficit)	<u>(18,434,771)</u>	<u>(16,563,916)</u>	<u>9,023,097</u>	<u>7,805,817</u>	<u>(9,411,674)</u>	<u>(8,758,099)</u>
Total net position	<u>\$ 36,725,207</u>	<u>\$ 40,419,142</u>	<u>\$ 42,010,388</u>	<u>\$ 40,221,004</u>	<u>\$ 78,735,595</u>	<u>\$ 80,640,146</u>

## CITY OF STOW, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

The City has adopted Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27" and GASB Statement 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68" which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.



**CITY OF STOW, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)*

During 2017, the City's overall financial position declined by \$1,904,551 as governmental activities net position decreased by \$3,693,935 and those for business-type activities increased by \$1,789,384.

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

**Statement of Activities**

The table below shows the changes in net position for years ended 2017 and 2016.

**Table 2 - Change in Net Position**

	Governmental Activities <u>2017</u>	Governmental Activities <u>2016</u>	Business-Type Activities <u>2017</u>	Business-Type Activities <u>2016</u>	2017 Total	2016 Total
<b>Revenues</b>						
Program revenues:						
Charges for services and sales	\$ 5,997,700	\$ 5,979,454	\$ 7,648,872	\$ 7,261,166	\$ 13,646,572	\$ 13,240,620
Operating grants and contributions	1,964,202	2,253,619	-	-	1,964,202	2,253,619
Capital grants and contributions	<u>2,686,442</u>	<u>3,596,297</u>	<u>71,802</u>	<u>1,288,799</u>	<u>2,758,244</u>	<u>4,885,096</u>
Total program revenues	<u>10,648,344</u>	<u>11,829,370</u>	<u>7,720,674</u>	<u>8,549,965</u>	<u>18,369,018</u>	<u>20,379,335</u>
General revenues:						
Taxes	22,161,315	21,864,986	348,785	346,806	22,510,100	22,211,792
Grants and entitlements	2,264,359	2,294,742	-	-	2,264,359	2,294,742
Investment income	110,385	118,136	-	-	110,385	118,136
Miscellaneous	<u>578,722</u>	<u>432,587</u>	<u>218,598</u>	<u>222,734</u>	<u>797,320</u>	<u>655,321</u>
Total general revenues	<u>25,114,781</u>	<u>24,710,451</u>	<u>567,383</u>	<u>569,540</u>	<u>25,682,164</u>	<u>25,279,991</u>
Total revenues	<u>35,763,125</u>	<u>36,539,821</u>	<u>8,288,057</u>	<u>9,119,505</u>	<u>44,051,182</u>	<u>45,659,326</u>

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**CITY OF STOW, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)*

**Table 2 - Change in Net Position (continued)**

	Governmental Activities <u>2017</u>	Governmental Activities <u>2016</u>	Business-Type Activities <u>2017</u>	Business-Type Activities <u>2016</u>	2017 <u>Total</u>	2016 <u>Total</u>
Expenses:						
General government	\$ 9,599,480	\$ 9,163,530	\$ -	\$ -	\$ 9,599,480	\$ 9,163,530
Security of persons and property	15,824,027	16,618,710	-	-	15,824,027	16,618,710
Public health	485,650	478,066	-	-	485,650	478,066
Leisure time activities	1,654,196	1,595,972	-	-	1,654,196	1,595,972
Community and economic development	1,170,091	1,226,751	-	-	1,170,091	1,226,751
Transportation	9,728,248	4,868,751	-	-	9,728,248	4,868,751
Interest and fiscal charges	387,188	411,713	-	-	387,188	411,713
Water	-	-	4,776,746	4,627,806	4,776,746	4,627,806
Golf	-	-	1,250,516	1,163,712	1,250,516	1,163,712
Storm water utility	-	-	1,079,591	1,332,939	1,079,591	1,332,939
Total expenses	<u>38,848,880</u>	<u>34,363,493</u>	<u>7,106,853</u>	<u>7,124,457</u>	<u>45,955,733</u>	<u>41,487,950</u>
Decrease in net position before transfers	(3,085,755)		1,181,204	1,995,048	(1,904,551)	1,995,048
Transfers	<u>(608,180)</u>	<u>(13,000)</u>	608,180	13,000	-	-
Change in net position	(3,693,935)	2,163,328	1,789,384	2,008,048	(1,904,551)	4,171,376
Net position at beginning of year	<u>40,419,142</u>	<u>38,255,814</u>	<u>40,221,004</u>	<u>38,212,956</u>	<u>80,640,146</u>	<u>76,468,770</u>
Net position at end of year	<u>\$ 36,725,207</u>	<u>\$ 40,419,142</u>	<u>\$ 42,010,388</u>	<u>\$ 40,221,004</u>	<u>\$ 78,735,595</u>	<u>\$ 80,640,146</u>

*Governmental Activities*

The information in Table 2 indicates that security of persons and property accounted for \$15,824,027, or 40.73 percent of the \$38,848,880 expended for governmental activities this past year. General government accounted for \$9,599,480 or 24.71 percent in the governmental activities category.

Transportation expenses amounted to \$9,728,248 during 2017, a significant increase over 2016. The City was the lead agency on a \$6.6 million joint ODOT project with the City of Hudson for the Norton/Route 91/Fishcreek road improvements. The project was completed in December 2017. The City capitalized project costs totaling \$1,614,842 in governmental and business-type activities, which represents the portion of roadway, storm sewer and waterline improvements Stow is responsible for maintaining. The remainder of the project costs, included in transportation expense, were capitalized by ODOT, the City of Hudson, and Summit County.

Some \$22,161,315 in tax revenues was generated for the City in 2017 to support governmental activities. This amount represented 61.97 percent of total revenues for governmental activities which reached \$35,763,125 in 2017. Other major revenues received by the City included \$2,264,359 in unrestricted grants and entitlements.

Program revenues to support governmental activities amounted to \$10,648,344 in 2017, which included \$5,997,700 in charges for services.

## CITY OF STOW, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

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

	Total Cost of Services <u>2017</u>	Net Cost of Services <u>2017</u>	Total Cost of Services <u>2016</u>	Net Cost of Services <u>2016</u>
Program Expenses:				
General government	\$ 9,599,480	\$ 5,118,412	\$ 9,163,530	\$ 4,635,646
Security of persons and property	15,824,027	14,910,370	16,618,710	15,738,411
Public health	485,650	361,738	478,066	369,811
Leisure time activities	1,654,196	1,214,120	1,595,972	1,146,695
Community and economic development	1,170,091	856,005	1,226,751	911,365
Transportation	9,728,248	5,352,703	4,868,751	(679,518)
Interest and fiscal charges	387,188	387,188	411,713	411,713
Total Expenses	<u>\$ 38,848,880</u>	<u>\$ 28,200,536</u>	<u>\$ 34,363,493</u>	<u>\$ 22,534,123</u>

The dependence upon general revenues for governmental activities is apparent, with 72.59 percent of expenses supported through taxes and other general revenues in 2017 and 65.58 percent in 2016.

#### *Business-Type Activities*

Water system expenses were \$4,776,746 for the year, which were primarily offset by the \$5,264,755 in charges for services generated by the water system through the operation of the City's water distribution system in 2017.

Golf expenses were \$1,250,516 for the year, which were offset by \$973,398 in charges for services generated by the Fox Den Golf Course through user fees.

Storm water utility expenses were \$1,079,591 for the year, which were offset by \$1,410,719 in charges for services generated by the storm water system and \$24,959 in capital grants and contributions in 2017.

The City experienced an increase in net position of \$1,789,384 in the area of business-type activities in 2017. Water system program revenues totaled \$5,311,598 for the year as compared to \$5,787,201 in 2016. This decrease was primarily due to a decrease in capital grants and contributions.

#### **Financial Analysis of the City's Funds**

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

#### *Governmental Funds*

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

## CITY OF STOW, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

As of the end of the current year, the City's governmental funds reported combined ending balances of \$15,221,202, an increase of \$14,832 as compared with the prior year fund balances. Approximately 40.36 percent of this total year end amount or \$6,143,642 represents unassigned fund balance, which is available at the City's discretion within certain legal constraints and purpose restrictions. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been 1) committed (\$4,165,733); 2) nonspendable (\$678,333); 3) restricted (\$3,828,740); and 4) assigned (\$404,754).

The general fund is the City's chief operating fund. The general fund's year-end balance increased by \$233,159 during the current year to reach an ending total of \$6,898,044. The unassigned fund balance of the general fund was \$6,299,018. As a measure of the general fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The unassigned fund balance represents 30.11 percent of total general fund expenditures, while total fund balance represents 32.97 percent of such expenditures.

The City's two other major governmental funds are the EMS/fire tax levy fund and the general capital improvements fund. The fund balance of the EMS/fire tax levy fund decreased \$21,276 during 2017. The fund balance of the general capital improvements fund decreased \$165,944 in 2017 compared to an increase of \$317,756 during 2016 as a result of less intergovernmental revenue and a decrease in both transfers in and sale of notes received during 2017.

Transfers from the general fund to other governmental funds, which occurred principally for funding of pensions, amounted to \$823,352.

#### *Proprietary Funds*

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail. Unrestricted net position for the City's water, golf and storm water utility funds at the end of the year amounted to \$9,024,523. Total assets were \$50,748,817 at year-end. The water fund net position and storm water utility fund net position increased 2.82 percent and 8.32 percent, respectively, during 2017 due to tightly controlled expenses. The golf fund net position continued to rise during 2017 with an increase of \$267,871 bringing the net position to a balance of \$1,585,137.

#### *Budgeting Highlights*

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

Regarding revenues and other financing sources, the general fund original and final budget was \$25,991,859 and \$25,944,428, respectively. Actual total revenues and other financing sources were \$3,869,327 less than original and final budgeted revenues. The City's original and final budget estimates for expenditures and other financing uses were \$26,220,913. Actual amounts for 2017 were less than the final budgeted amounts by \$3,915,767. This variance was the result of the conservative budgeting by the City and the decision not to expand the City's safety forces as had been originally contemplated, particularly in the police area, due to insufficient revenue enhancement to pay for such employee expansion.

**CITY OF STOW, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)*

**Capital Assets and Debt Administration**

*Capital Assets*

The City's total net capital assets, for both its governmental and business-type activities amounted to \$102,804,403 (net of accumulated depreciation) at year end 2017. Capital assets, which include land, intangible assets, buildings and building improvements, vehicles, equipment, furniture and fixtures, infrastructure and construction in progress, decreased by \$2,539,985 during 2017.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 11,202,207	\$ 11,202,207	\$ 5,350,376	\$ 5,350,376	\$ 16,552,583	\$ 16,552,583
Intangible assets	15,512	15,512	-	-	15,512	15,512
Construction in progress	918,474	4,571,484	1,970,080	1,929,312	2,888,554	6,500,796
Buildings and improvements	20,715,816	21,194,375	1,936,686	2,002,018	22,652,502	23,196,393
Vehicles	3,340,121	3,178,969	697,789	703,586	4,037,910	3,882,555
Equipment, furniture and fixtures	2,089,539	2,038,371	363,720	265,112	2,453,259	2,303,483
Infrastructure	<u>25,771,003</u>	<u>24,726,030</u>	<u>28,433,080</u>	<u>28,167,036</u>	<u>54,204,083</u>	<u>52,893,066</u>
Totals	<u>\$ 64,052,672</u>	<u>\$ 66,926,948</u>	<u>\$ 38,751,731</u>	<u>\$ 38,417,440</u>	<u>\$ 102,804,403</u>	<u>\$ 105,344,388</u>

Additional detailed information relating to the City's capital assets is contained in Note 10 of the notes to the basic financial statements.

*Debt*

At the end of the current fiscal year, the City's total outstanding general obligation bonded debt for governmental activities amounted to \$10,358,648 (including unamortized premiums). The amount of \$2,100,000 was issued in 2017 to pay for the refinancing of the Municipal Courthouse debt issued in 2007. The City also had governmental activity general obligation notes outstanding (long-term and short-term) at year-end in the amount of \$2,503,757 (including unamortized premiums). As can be seen from Table 4, the total debt (long-term and short-term) for governmental activities decreased \$1,518,209 or 10.48 percent during the year.

Debt related to business-type activity for the City amounted to \$5,872,774 at year-end, which consisted of \$4,565,834 in general obligation bonds, \$1,272,147 in OPWC loans and \$34,793 in capital lease obligations. Total business-type activity debt for the City decreased \$244,966 or 4.00 percent of the total business-type activity outstanding debt at the commencement of the year.

At December 31, 2017, the City's outstanding general obligation bonds were rated "Aa2" by Moody's Investors Service. State statute limits the total amount of debt a governmental entity may issue. The City's debt limitation at year-end, per the limits described by state statute, was substantially higher than the City's existing outstanding debt. In addition to bonded debt, note and loan debt as itemized in Table 4, the City's other long-term obligations include compensated absences and the net pension liability.

**CITY OF STOW, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)*

Additional information regarding the City's long-term obligations can be found in Note 13 of this report, Note 17 provides information relating to compensated absences and Note 12 provides information on short-term note obligations.

**Table 4 - Debt Obligations**

	Governmental Activities		Business-type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
General obligation bonds	\$ 10,358,648	\$ 11,367,193	\$ 4,565,834	\$ 4,819,831	\$ 14,924,482	\$ 16,187,024
General obligation notes - short-term	400,000	400,000	-	-	400,000	400,000
General obligation notes - long-term	2,103,757	2,509,409	-	-	2,103,757	2,509,409
OPWC loans	-	-	1,272,147	1,229,717	1,272,147	1,229,717
Capital lease obligations	<u>108,350</u>	<u>212,362</u>	<u>34,793</u>	<u>68,192</u>	<u>143,143</u>	<u>280,554</u>
Total long-term obligations	<u>\$ 12,970,755</u>	<u>\$ 14,488,964</u>	<u>\$ 5,872,774</u>	<u>\$ 6,117,740</u>	<u>\$ 18,843,529</u>	<u>\$ 20,606,704</u>

**Economic Factors and Next Year's Budget**

The City is a growing community with a stable and diversified economy. The City's population is estimated to be 34,797. Trends in the local economy compare favorably with those of the state and nation. The City's unemployment rate in 2017 stood at 4.4 percent. The county, state and national unemployment rates were 5.1, 5.0, and 4.4 percent, respectively in 2017.

The City's budgets were forecast conservatively for 2017 and 2018 based on local, state and national economic conditions and trends. The service needs of the citizens of Stow were taken into account as were the ongoing financial condition of the City and any applicable budgetary constraints.

**Requests for Information**

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

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**CITY OF STOW, OHIO**

*STATEMENT OF NET POSITION  
DECEMBER 31, 2017*

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . .	\$ 14,739,255	\$ 10,516,392	\$ 25,255,647	\$ 30,202
Receivables:				
Property taxes . . . . .	7,006,901	-	7,006,901	-
Income taxes . . . . .	1,987,981	45,602	2,033,583	-
Accounts . . . . .	246,737	584,409	831,146	-
Intergovernmental . . . . .	1,920,825	-	1,920,825	-
Accrued interest . . . . .	40,591	-	40,591	-
Internal balance . . . . .	1,426	(1,426)	-	-
Materials and supplies inventory . . . . .	678,333	146,630	824,963	-
Prepayments . . . . .	-	-	-	-
Net pension asset . . . . .	22,698	4,053	26,751	-
Capital assets:				
Nondepreciable capital assets . . . . .	12,136,193	7,320,456	19,456,649	-
Depreciable capital assets, net . . . . .	51,916,479	31,431,275	83,347,754	-
Total capital assets, net . . . . .	64,052,672	38,751,731	102,804,403	-
<b>Total assets . . . . .</b>	<b>90,697,419</b>	<b>50,047,391</b>	<b>140,744,810</b>	<b>30,202</b>
<b>Deferred outflows of resources:</b>				
Unamortized deferred charges on debt refunding . . . . .	317,748	108,334	426,082	-
Pension - OPERS . . . . .	5,347,503	988,720	6,336,223	-
Pension - OP&F . . . . .	3,660,748	-	3,660,748	-
<b>Total deferred outflows of resources . . . . .</b>	<b>9,325,999</b>	<b>1,097,054</b>	<b>10,423,053</b>	<b>-</b>
<b>Liabilities:</b>				
Accounts payable . . . . .	538,981	151,315	690,296	-
Accrued wages and benefits payable . . . . .	108,297	13,501	121,798	-
Intergovernmental payable . . . . .	422,816	351,318	774,134	-
Accrued interest payable . . . . .	59,113	12,641	71,754	-
Claims payable . . . . .	412,606	-	412,606	-
Notes payable . . . . .	400,000	-	400,000	-
Long-term liabilities:				
Due within one year . . . . .	2,383,646	379,253	2,762,899	-
Due in more than one year . . . . .	15,129,644	5,767,036	20,896,680	-
Net pension liability . . . . .	34,517,824	2,429,501	36,947,325	-
<b>Total liabilities . . . . .</b>	<b>53,972,927</b>	<b>9,104,565</b>	<b>63,077,492</b>	<b>-</b>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	6,693,018	-	6,693,018	-
Pension - OPERS . . . . .	168,115	29,492	197,607	-
Pension - OP&F . . . . .	2,464,151	-	2,464,151	-
<b>Total deferred inflows of resources . . . . .</b>	<b>9,325,284</b>	<b>29,492</b>	<b>9,354,776</b>	<b>-</b>
<b>Net position:</b>				
Net investment in capital assets . . . . .	51,399,664	32,987,291	84,386,955	-
Restricted for:				
Capital projects . . . . .	134,094	-	134,094	-
Transportation projects . . . . .	1,910,332	-	1,910,332	-
Public health programs . . . . .	11,772	-	11,772	-
Leisure time activities . . . . .	11,905	-	11,905	-
Special assessments . . . . .	-	-	-	-
Municipal court . . . . .	1,035,351	-	1,035,351	-
Security programs . . . . .	656,860	-	656,860	-
Unrestricted . . . . .	(18,434,771)	9,023,097	(9,411,674)	30,202
<b>Total net position . . . . .</b>	<b>\$ 36,725,207</b>	<b>\$ 42,010,388</b>	<b>\$ 78,735,595</b>	<b>\$ 30,202</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**CITY OF STOW, OHIO**

*STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services and Sales</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Governmental activities:</b>				
General government . . . . .	\$ 9,599,480	\$ 4,398,031	\$ 83,037	\$ -
Security of persons and property . . . . .	15,824,027	808,659	104,998	-
Public health . . . . .	485,650	68,071	55,841	-
Leisure time activities . . . . .	1,654,196	345,348	94,728	-
Community and economic development . . . . .	1,170,091	311,535	2,551	-
Transportation . . . . .	9,728,248	66,056	1,623,047	2,686,442
Interest and fiscal charges . . . . .	387,188	-	-	-
<b>Total governmental activities . . . . .</b>	<b>38,848,880</b>	<b>5,997,700</b>	<b>1,964,202</b>	<b>2,686,442</b>
<b>Business-type activities:</b>				
Water . . . . .	4,776,746	5,264,755	-	46,843
Golf . . . . .	1,250,516	973,398	-	-
Storm Water Utility . . . . .	1,079,591	1,410,719	-	24,959
<b>Total business-type activities . . . . .</b>	<b>7,106,853</b>	<b>7,648,872</b>	<b>-</b>	<b>71,802</b>
<b>Total primary government . . . . .</b>	<b>\$ 45,955,733</b>	<b>\$ 13,646,572</b>	<b>\$ 1,964,202</b>	<b>\$ 2,758,244</b>
<b>Component Unit:</b>				
Stow Community Improvement Corporation . . . . .	\$ 81,480	\$ -	\$ 25,000	\$ -

<b>General revenues:</b>
Property taxes levied for:
General purposes . . . . .
Special revenue . . . . .
Municipal income taxes . . . . .
Grants and entitlements not restricted to specific programs . . . . .
Investment earnings . . . . .
Miscellaneous . . . . .
<b>Total general revenues . . . . .</b>
Transfers . . . . .
<b>Total general revenues and transfers . . . . .</b>
Change in net position . . . . .
<b>Net position at beginning of year . . . . .</b>
<b>Net position at end of year . . . . .</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Primary Government**

**Net (Expense) Revenue and Changes in Net Position**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Unit</b>
\$ (5,118,412)	\$ -	\$ (5,118,412)	\$ -
(14,910,370)	-	(14,910,370)	-
(361,738)	-	(361,738)	-
(1,214,120)	-	(1,214,120)	-
(856,005)	-	(856,005)	-
(5,352,703)	-	(5,352,703)	-
(387,188)	-	(387,188)	-
(28,200,536)	-	(28,200,536)	-
-	534,852	534,852	-
-	(277,118)	(277,118)	-
-	356,087	356,087	-
-	613,821	613,821	-
(28,200,536)	613,821	(27,586,715)	-
-	-	-	(56,480)
4,630,657	-	4,630,657	-
2,283,735	-	2,283,735	-
15,246,923	348,785	15,595,708	-
2,264,359	-	2,264,359	-
110,385	-	110,385	-
578,722	218,598	797,320	-
25,114,781	567,383	25,682,164	-
(608,180)	608,180	-	-
24,506,601	1,175,563	25,682,164	-
(3,693,935)	1,789,384	(1,904,551)	(56,480)
40,419,142	40,221,004	80,640,146	86,682
<u>\$ 36,725,207</u>	<u>\$ 42,010,388</u>	<u>\$ 78,735,595</u>	<u>\$ 30,202</u>

CITY OF STOW, OHIO

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2017

	General	EMS/Fire Tax Levy	General Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Equity in pooled cash and cash equivalents . . .	\$ 5,864,598	\$ 37,825	\$ 2,830,403	\$ 4,627,122	\$ 13,359,948
Receivables:					
Property taxes . . . . .	4,834,239	1,684,659	-	488,003	7,006,901
Income taxes. . . . .	1,350,004	-	350,801	287,176	1,987,981
Accounts. . . . .	58,552	-	-	187,369	245,921
Intergovernmental . . . . .	863,652	112,500	85,717	858,956	1,920,825
Accrued interest . . . . .	40,591	-	-	-	40,591
Materials and supplies inventory. . . . .	156,787	6,178	-	515,368	678,333
Total assets . . . . .	<u>\$ 13,168,423</u>	<u>\$ 1,841,162</u>	<u>\$ 3,266,921</u>	<u>\$ 6,963,994</u>	<u>\$ 25,240,500</u>
<b>Liabilities:</b>					
Accounts payable. . . . .	\$ 259,849	\$ 494	\$ 47,061	\$ 231,577	\$ 538,981
Accrued wages and benefits payable . . . . .	101,400	5,327	-	1,570	108,297
Intergovernmental payable . . . . .	231,618	40,370	-	150,828	422,816
Accrued interest payable. . . . .	-	-	5,348	-	5,348
Notes payable. . . . .	-	-	400,000	-	400,000
Total liabilities . . . . .	<u>592,867</u>	<u>46,191</u>	<u>452,409</u>	<u>383,975</u>	<u>1,475,442</u>
<b>Deferred inflows of resources:</b>					
Property taxes levied for the next fiscal year . . .	4,649,886	1,620,414	-	422,718	6,693,018
Delinquent property tax revenue not available . . .	184,353	64,245	-	16,760	265,358
Accrued interest not available . . . . .	17,638	-	-	-	17,638
Income tax revenue not available . . . . .	296,588	-	77,069	63,091	436,748
Intergovernmental nonexchange transactions. . .	529,047	112,500	-	489,547	1,131,094
Total deferred inflows of resources . . . . .	<u>5,677,512</u>	<u>1,797,159</u>	<u>77,069</u>	<u>992,116</u>	<u>8,543,856</u>
<b>Fund balances:</b>					
Nonspendable . . . . .	156,787	6,178	-	515,368	678,333
Restricted. . . . .	-	-	110,790	3,717,950	3,828,740
Committed . . . . .	37,485	-	2,626,653	1,501,595	4,165,733
Assigned . . . . .	404,754	-	-	-	404,754
Unassigned (deficit) . . . . .	6,299,018	(8,366)	-	(147,010)	6,143,642
Total fund balances (deficit) . . . . .	<u>6,898,044</u>	<u>(2,188)</u>	<u>2,737,443</u>	<u>5,587,903</u>	<u>15,221,202</u>
Total liabilities, deferred inflows of resources and fund balances. . . . .	<u>\$ 13,168,423</u>	<u>\$ 1,841,162</u>	<u>\$ 3,266,921</u>	<u>\$ 6,963,994</u>	<u>\$ 25,240,500</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF STOW, OHIO**

*RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2017*

<b>Total governmental fund balances</b>		\$ 15,221,202
<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.		64,052,672
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Income taxes receivable	\$ 436,748	
Real and other taxes receivable	265,358	
Intergovernmental receivable	1,131,094	
Accrued interest receivable	17,638	
Total	1,850,838	1,850,838
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(4,942,535)	
Capital lease payable	(108,350)	
General obligation bonds payable	(10,358,648)	
Construction notes payable	(2,103,757)	
Total	(17,513,290)	(17,513,290)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(53,765)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.		317,748
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Net pension asset	22,698	
Deferred outflows of resources	9,008,251	
Deferred inflows of resources	(2,632,266)	
Net pension liability	(34,517,824)	
Total	(28,119,141)	(28,119,141)
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		967,517
An internal balance is recorded in governmental activities to reflect underpayments to the internal service funds by the business-type activities.		1,426
<b>Net position of governmental activities</b>		<b>\$ 36,725,207</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF STOW, OHIO**

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>General</u>	<u>EMS/Fire Tax Levy</u>	<u>General Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>					
Property and other local taxes . . . . .	\$ 4,640,131	\$ 1,617,016	\$ -	\$ 670,480	\$ 6,927,627
Income taxes . . . . .	10,307,391	-	2,698,927	2,187,786	15,194,104
Special assessments . . . . .	3,372	-	12,056	26,042	41,470
Charges for services. . . . .	405,999	-	-	778,173	1,184,172
Licenses and permits . . . . .	1,011,759	-	-	9,450	1,021,209
Fines and forfeitures . . . . .	2,246,591	-	-	1,230,866	3,477,457
Intergovernmental. . . . .	1,999,081	211,060	2,672,539	1,861,795	6,744,475
Investment income. . . . .	109,660	-	-	21,879	131,539
Rent . . . . .	140,136	-	54,000	78,315	272,451
Contributions and donations. . . . .	10	-	-	31,258	31,268
Other . . . . .	578,712	5,680	13,903	137,260	735,555
<b>Total revenues . . . . .</b>	<u>21,442,842</u>	<u>1,833,756</u>	<u>5,451,425</u>	<u>7,033,304</u>	<u>35,761,327</u>
<b>Expenditures:</b>					
Current:					
General government . . . . .	7,598,658	-	-	637,260	8,235,918
Security of persons and property . . . . .	10,333,928	1,855,032	-	1,939,015	14,127,975
Public health . . . . .	399,781	-	-	45,369	445,150
Leisure time activities . . . . .	1,217,050	-	-	139,218	1,356,268
Community and economic development . . . . .	925,414	-	-	48,712	974,126
Transportation . . . . .	445,529	-	-	2,088,894	2,534,423
Capital outlay . . . . .	-	-	5,046,519	1,159,033	6,205,552
Debt service:					
Principal retirement. . . . .	-	-	2,736,387	842,369	3,578,756
Interest and fiscal charges . . . . .	-	-	167,731	217,621	385,352
<b>Total expenditures . . . . .</b>	<u>20,920,360</u>	<u>1,855,032</u>	<u>7,950,637</u>	<u>7,117,491</u>	<u>37,843,520</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>522,482</u>	<u>(21,276)</u>	<u>(2,499,212)</u>	<u>(84,187)</u>	<u>(2,082,193)</u>
<b>Other financing sources (uses):</b>					
Sale of notes . . . . .	-	-	2,100,000	-	2,100,000
Premium on notes . . . . .	-	-	11,525	-	11,525
Transfers in . . . . .	534,029	-	221,743	919,096	1,674,868
Transfers (out). . . . .	(823,352)	-	-	(866,016)	(1,689,368)
<b>Total other financing sources (uses) . . . . .</b>	<u>(289,323)</u>	<u>-</u>	<u>2,333,268</u>	<u>53,080</u>	<u>2,097,025</u>
Net change in fund balances . . . . .	233,159	(21,276)	(165,944)	(31,107)	14,832
<b>Fund balances at beginning of year . . . . .</b>	<u>6,664,885</u>	<u>19,088</u>	<u>2,903,387</u>	<u>5,619,010</u>	<u>15,206,370</u>
<b>Fund balances (deficit) at end of year . . . . .</b>	<u>\$ 6,898,044</u>	<u>\$ (2,188)</u>	<u>\$ 2,737,443</u>	<u>\$ 5,587,903</u>	<u>\$ 15,221,202</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF STOW, OHIO**

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017*

<b>Net change in fund balances - total governmental funds</b>		<b>\$ 14,832</b>
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.		
Capital asset additions	\$ 1,000,923	
Current year depreciation	<u>(3,735,164)</u>	
Total		(2,734,241)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(140,035)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property taxes	(13,635)	
Intergovernmental	(38,111)	
Municipal income taxes	52,819	
Interest	<u>725</u>	
Total		1,798
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
		3,578,756
Premiums on debt issuances are recognized as revenues in the governmental funds; however, they are amortized over the life of the issuance in the statement of activities.		
		(11,525)
In the statement of activities, interest is accrued on outstanding bonds and notes, whereas in governmental funds, interest is expensed when due.		
Accrued interest	7,535	
Unamortized charges	(60,349)	
Bond and note premium	<u>50,978</u>	
Total		(1,836)
The issuance of notes is recorded as revenue in the funds, however, in the statement of activities, notes are not reported as other financing sources, as they increase liabilities on the statement of net position.		
		(2,100,000)
Some expenses, such as compensated absences, reported in the statement of activities do not require the use of financial resources and therefore are not reported as expenditures in governmental funds.		
		537
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		2,691,470
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability are reported as pension expense in the statement of activities.		
		(4,997,233)
Internal service funds used by management to charge the cost of insurance, to individual funds are not reported in the expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds is allocated among the governmental activities.		
		<u>3,542</u>
<b>Change in net position of governmental activities</b>		<b><u><u>\$ (3,693,935)</u></u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF STOW, OHIO**

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ 4,640,060	\$ 4,642,629	\$ 4,640,131	\$ (2,498)
Income taxes . . . . .	10,956,765	10,956,765	10,399,326	(557,439)
Special assessments . . . . .	20,000	20,000	3,372	(16,628)
Charges for services . . . . .	452,500	452,500	406,319	(46,181)
Licenses and permits . . . . .	2,111,250	2,111,250	1,021,778	(1,089,472)
Fines and forfeitures . . . . .	2,307,500	2,307,500	2,224,846	(82,654)
Intergovernmental . . . . .	2,838,734	2,838,734	1,997,587	(841,147)
Investment income . . . . .	255,000	255,000	181,042	(73,958)
Rent . . . . .	243,000	243,000	140,136	(102,864)
Contributions and donations . . . . .	50	50	10	(40)
Other . . . . .	1,002,000	1,002,000	576,525	(425,475)
<b>Total revenues . . . . .</b>	<u>24,826,859</u>	<u>24,829,428</u>	<u>21,591,072</u>	<u>(3,238,356)</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	9,776,419	9,776,419	7,799,204	1,977,215
Security of persons and property . . . . .	10,742,637	10,742,637	10,581,090	161,547
Public health . . . . .	402,789	402,789	397,727	5,062
Leisure time activities . . . . .	1,384,816	1,384,816	1,278,127	106,689
Community and economic environment . . . . .	1,023,771	1,023,771	972,120	51,651
Transportation . . . . .	442,706	442,706	441,026	1,680
<b>Total expenditures . . . . .</b>	<u>23,773,138</u>	<u>23,773,138</u>	<u>21,469,294</u>	<u>2,303,844</u>
Excess of revenues over expenditures . . . . .	<u>1,053,721</u>	<u>1,056,290</u>	<u>121,778</u>	<u>(934,512)</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	1,165,000	1,165,000	534,029	(630,971)
Transfers (out) . . . . .	(2,447,775)	(2,447,775)	(835,852)	1,611,923
<b>Total other financing sources (uses) . . . . .</b>	<u>(1,282,775)</u>	<u>(1,282,775)</u>	<u>(301,823)</u>	<u>980,952</u>
Net change in fund balance . . . . .	(229,054)	(226,485)	(180,045)	46,440
<b>Fund balance at beginning of year . . . . .</b>	5,075,482	5,075,482	5,075,482	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>495,166</u>	<u>495,166</u>	<u>495,166</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 5,341,594</u>	<u>\$ 5,344,163</u>	<u>\$ 5,390,603</u>	<u>\$ 46,440</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF STOW, OHIO**

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
EMS/FIRE TAX LEVY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property and other local taxes. . . . .	\$ 1,620,593	\$ 1,617,000	\$ 1,617,016	\$ 16
Intergovernmental. . . . .	444,849	444,849	211,060	(233,789)
Other . . . . .	<u>26,000</u>	<u>26,000</u>	<u>5,680</u>	<u>(20,320)</u>
Total revenues. . . . .	<u>2,091,442</u>	<u>2,087,849</u>	<u>1,833,756</u>	<u>(254,093)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property. . . . .	<u>1,919,931</u>	<u>2,169,931</u>	<u>1,841,935</u>	<u>327,996</u>
Total expenditures . . . . .	<u>1,919,931</u>	<u>2,169,931</u>	<u>1,841,935</u>	<u>327,996</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>171,511</u>	<u>(82,082)</u>	<u>(8,179)</u>	<u>73,903</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	<u>606,725</u>	<u>606,725</u>	<u>-</u>	<u>(606,725)</u>
Total other financing sources . . . . .	<u>606,725</u>	<u>606,725</u>	<u>-</u>	<u>(606,725)</u>
Net change in fund balance . . . . .	778,236	524,643	(8,179)	(532,822)
<b>Fund balance at beginning of year . . . . .</b>	39,746	39,746	39,746	-
<b>Prior year encumbrances appropriated. . . . .</b>	<u>4,185</u>	<u>4,185</u>	<u>4,185</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 822,167</u>	<u>\$ 568,574</u>	<u>\$ 35,752</u>	<u>\$ (532,822)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



CITY OF STOW, OHIO

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Golf	Storm Water Utility	Total	
<b>Assets:</b>					
Current assets:					
Equity in pooled cash and cash equivalents . . . . .	\$ 8,741,346	\$ 554,729	\$ 1,220,317	\$ 10,516,392	\$ 1,379,307
Receivables:					
Income taxes. . . . .	-	45,602	-	45,602	-
Accounts. . . . .	434,496	1,352	148,561	584,409	816
Interfund loans. . . . .	700,000	-	-	700,000	-
Materials and supplies inventory. . . . .	120,103	26,527	-	146,630	-
Total current assets . . . . .	9,995,945	628,210	1,368,878	11,993,033	1,380,123
Noncurrent assets:					
Net pension asset . . . . .	2,522	986	545	4,053	-
Capital assets:					
Nondepreciable capital assets. . . . .	1,639,994	5,115,365	565,097	7,320,456	-
Depreciable capital assets, net. . . . .	23,296,375	269,950	7,864,950	31,431,275	-
Total capital assets, net. . . . .	24,936,369	5,385,315	8,430,047	38,751,731	-
Total noncurrent assets . . . . .	24,938,891	5,386,301	8,430,592	38,755,784	-
Total assets . . . . .	34,934,836	6,014,511	9,799,470	50,748,817	1,380,123
<b>Deferred outflows of resources:</b>					
Unamortized deferred charges on debt refunding . . . . .	13,786	94,548	-	108,334	-
Pension - OPERS . . . . .	613,603	237,883	137,234	988,720	-
Total deferred outflows of resources . . . . .	627,389	332,431	137,234	1,097,054	-
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable. . . . .	104,644	19,575	27,096	151,315	-
Accrued wages and benefits payable . . . . .	8,647	413	4,441	13,501	-
Intergovernmental payable . . . . .	344,668	3,365	3,285	351,318	-
Interfund loans payable. . . . .	-	-	700,000	700,000	-
Accrued interest payable . . . . .	1,003	9,421	2,217	12,641	-
Claims payable . . . . .	-	-	-	-	412,606
Current portion of compensated absences. . . . .	32,452	-	13,503	45,955	-
Current portion of general obligation bonds . . . . .	21,100	235,000	-	256,100	-
Current portion of OPWC loan . . . . .	42,405	-	-	42,405	-
Current portion of capital lease obligation . . . . .	-	-	34,793	34,793	-
Total current liabilities . . . . .	554,919	267,774	785,335	1,608,028	412,606
Long-term liabilities:					
Compensated absences. . . . .	182,400	-	45,160	227,560	-
General obligation bonds. . . . .	413,846	3,895,888	-	4,309,734	-
OPWC loan . . . . .	1,229,742	-	-	1,229,742	-
Net pension liability . . . . .	1,512,074	590,928	326,499	2,429,501	-
Total long-term liabilities. . . . .	3,338,062	4,486,816	371,659	8,196,537	-
Total liabilities. . . . .	3,892,981	4,754,590	1,156,994	9,804,565	412,606

- - Continued

**CITY OF STOW, OHIO**

*STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS- (Continued)  
 DECEMBER 31, 2017*

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Water</b>	<b>Golf</b>	<b>Storm Water Utility</b>	<b>Total</b>	
<b>Deferred inflows of resources:</b>					
Pension - OPERS . . . . .	\$ 18,384	\$ 7,215	\$ 3,893	\$ 29,492	\$ -
Total deferred inflows of resources . . . . .	<u>18,384</u>	<u>7,215</u>	<u>3,893</u>	<u>29,492</u>	<u>-</u>
<b>Net position:</b>					
Net investment in capital assets . . . . .	23,243,062	1,348,975	8,395,254	32,987,291	-
Unrestricted . . . . .	<u>8,407,798</u>	<u>236,162</u>	<u>380,563</u>	<u>9,024,523</u>	<u>967,517</u>
Total net position . . . . .	<u>\$ 31,650,860</u>	<u>\$ 1,585,137</u>	<u>\$ 8,775,817</u>	<u>42,011,814</u>	<u>\$ 967,517</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				<u>(1,426)</u>	
Net position of business-type activities				<u>\$ 42,010,388</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF STOW, OHIO**

*STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Water</b>	<b>Golf</b>	<b>Storm Water Utility</b>	<b>Total</b>	
<b>Operating revenues:</b>					
Charges for services . . . . .	\$ 5,193,714	\$ 973,398	\$ 1,390,589	\$ 7,557,701	\$ 2,919,736
Tap-in fees. . . . .	71,041	-	-	71,041	-
Other operating revenues . . . . .	9,267	193,529	15,802	218,598	7,124
<b>Total operating revenues. . . . .</b>	<b>5,274,022</b>	<b>1,166,927</b>	<b>1,406,391</b>	<b>7,847,340</b>	<b>2,926,860</b>
<b>Operating expenses:</b>					
Personal services . . . . .	1,550,343	531,185	326,836	2,408,364	-
Contract services. . . . .	2,584,283	97,999	359,594	3,041,876	402,187
Materials and supplies. . . . .	179,685	477,827	5,690	663,202	-
Claims expense . . . . .	-	-	-	-	2,540,610
Depreciation. . . . .	433,900	16,570	375,182	825,652	-
<b>Total operating expenses. . . . .</b>	<b>4,748,211</b>	<b>1,123,581</b>	<b>1,067,302</b>	<b>6,939,094</b>	<b>2,942,797</b>
Operating income (loss) . . . . .	525,811	43,346	339,089	908,246	(15,937)
<b>Nonoperating revenues (expenses):</b>					
Income taxes. . . . .	-	348,785	-	348,785	-
Special assessments . . . . .	-	-	20,130	20,130	-
Interest and fiscal charges . . . . .	(16,379)	(124,260)	(7,641)	(148,280)	-
<b>Total nonoperating revenues (expenses) . . . . .</b>	<b>(16,379)</b>	<b>224,525</b>	<b>12,489</b>	<b>220,635</b>	<b>-</b>
Income (loss) before transfers and capital contributions . . . . .	509,432	267,871	351,578	1,128,881	(15,937)
Transfer in. . . . .	-	-	14,500	14,500	-
Capital contributions. . . . .	357,184	-	308,298	665,482	-
Change in net position . . . . .	866,616	267,871	674,376	1,808,863	(15,937)
<b>Net position at beginning of year . . . . .</b>	<b>30,784,244</b>	<b>1,317,266</b>	<b>8,101,441</b>		<b>983,454</b>
<b>Net position at end of year . . . . .</b>	<b>\$ 31,650,860</b>	<b>\$ 1,585,137</b>	<b>\$ 8,775,817</b>		<b>\$ 967,517</b>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.				(19,479)	
Change in net position of business-type activities.				<u>\$ 1,789,384</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF STOW, OHIO

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Golf	Storm Water Utility	Total	
<b>Cash flows from operating activities:</b>					
Cash received from customers. . . . .	\$ 5,170,214	\$ 972,046	\$ 1,374,923	\$ 7,517,183	\$ 2,919,736
Cash received from tap-in fees. . . . .	71,041	-	-	71,041	-
Cash received from other operations. . . . .	9,267	193,529	15,802	218,598	6,551
Cash payments for personal services. . . . .	(1,366,972)	(450,128)	(267,434)	(2,084,534)	-
Cash payments for contract services . . . . .	(2,814,650)	(100,976)	(354,947)	(3,270,573)	(402,187)
Cash payments for materials and supplies . . . . .	(157,616)	(475,359)	(10,294)	(643,269)	-
Cash payments for claims . . . . .	-	-	-	-	(2,577,968)
Net cash provided by operating activities . . . . .	911,284	139,112	758,050	1,808,446	(53,868)
<b>Cash flows from noncapital financing activities:</b>					
Income taxes . . . . .	-	351,282	-	351,282	-
Cash received from transfers in . . . . .	-	-	14,500	14,500	-
Cash received from interfund loans. . . . .	750,000	-	700,000	1,450,000	-
Cash used in interfund loans . . . . .	(700,000)	-	-	(700,000)	-
Cash used in repayment of interfund loans . . . . .	-	-	(750,000)	(750,000)	-
Net cash provided by (used in) noncapital financing activities . . . . .	50,000	351,282	(35,500)	365,782	-
<b>Cash flows from capital and related financing activities:</b>					
Acquisition of capital assets . . . . .	(197,743)	(41,489)	(329,909)	(569,141)	-
Special assessments . . . . .	-	-	20,130	20,130	-
Intergovernmental . . . . .	46,843	-	24,959	71,802	-
Principal retirement . . . . .	(20,256)	(230,000)	(33,399)	(283,655)	-
Interest and fiscal charges . . . . .	(16,279)	(121,282)	(6,601)	(144,162)	-
OPWC loan issuance. . . . .	42,430	-	-	42,430	-
Net cash (used in) capital and related financing activities. . . . .	(145,005)	(392,771)	(324,820)	(862,596)	-
Net increase (decrease) in cash and cash equivalents. . . . .	816,279	97,623	397,730	1,311,632	(53,868)
<b>Cash and cash equivalents at beginning of year . . .</b>	<u>7,925,067</u>	<u>457,106</u>	<u>822,587</u>	<u>9,204,760</u>	<u>1,433,175</u>
<b>Cash and cash equivalents at end of year . . . . .</b>	<u>\$ 8,741,346</u>	<u>\$ 554,729</u>	<u>\$ 1,220,317</u>	<u>\$ 10,516,392</u>	<u>\$ 1,379,307</u>

-- Continued

**CITY OF STOW, OHIO**

*STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Water</b>	<b>Golf</b>	<b>Storm Water Utility</b>	<b>Total</b>	
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss) . . . . .	\$ 525,811	\$ 43,346	\$ 339,089	\$ 908,246	\$ (15,937)
Adjustments:					
Depreciation . . . . .	433,900	16,570	375,182	825,652	-
Changes in assets and liabilities:					
(Increase) decrease in materials and supplies inventory	8,523	(2,151)	-	6,372	-
Decrease in prepayments . . . . .	1,868	357	408	2,633	-
(Increase) in accounts receivable . . . . .	(23,500)	(1,352)	(15,666)	(40,518)	(573)
Decrease in net pension asset . . . . .	383	160	56	599	-
(Increase) in deferred outflows - pension - OPERS . . .	(188,802)	(70,332)	(49,324)	(308,458)	-
Increase in accounts payable. . . . .	221,667	1,642	43	223,352	-
(Decrease) in contracts payable . . . . .	(4,048)	-	-	(4,048)	-
Increase (decrease) in accrued wages and benefits. . .	681	(431)	1,775	2,025	-
Increase (decrease) in intergovernmental payable . . .	(432,489)	872	620	(430,997)	-
Increase (decrease) in compensated absences payable .	(28,063)	-	10,376	(17,687)	-
(Decrease) in claims payable. . . . .	-	-	-	-	(37,358)
Increase in net pension liability . . . . .	414,557	158,042	99,376	671,975	-
(Decrease) in deferred inflows - pension - OPERS. . . .	(19,204)	(7,611)	(3,885)	(30,700)	-
Net cash provided by (used in) operating activities. . . . .	<u>\$ 911,284</u>	<u>\$ 139,112</u>	<u>\$ 758,050</u>	<u>\$ 1,808,446</u>	<u>\$ (53,868)</u>

**Non-Cash Transactions:**

During 2017, the Water fund received \$310,341 in capital assets contributed by governmental activities.  
 During 2017, the Storm Water Utility fund received \$283,339 in capital assets contributed by governmental activities.  
 During 2017, the Storm Water Utility fund purchased \$2,878 of capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF STOW, OHIO**

*STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2017*

	<u>Private-Purpose Trust</u>	<u>Agency</u>
<b>Assets:</b>		
Current assets:		
Equity in pooled cash and cash equivalents . . .	\$ 336	\$ 308,543
Cash in segregated accounts. . . . .	-	572,721
Receivables:		
Accounts . . . . .	-	973
Total assets. . . . .	<u>336</u>	<u>\$ 882,237</u>
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable . . . . .	\$ -	\$ 253
Intergovernmental payable . . . . .	-	294,203
Deposits held and due to others. . . . .	-	7,598
Undistributed monies . . . . .	-	580,183
Total liabilities. . . . .	<u>-</u>	<u>\$ 882,237</u>
<b>Net position:</b>		
Held in trust. . . . .	<u>336</u>	
Total net position . . . . .	<u>\$ 336</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF STOW, OHIO**

*STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Private-Purpose Trust</u>
Net position at beginning of year. . . . .	<u>\$ 336</u>
Net position at end of year . . . . .	<u><u>\$ 336</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



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## CITY OF STOW, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

#### NOTE 1 - DESCRIPTION OF THE CITY

The City of Stow, Ohio, (the "City") is a home rule municipal corporation which was established under the laws of the State of Ohio and operates under its own charter. The current charter, which provides for a Mayor/Council form of government, was adopted in 1958 and became effective January 2, 1960. Amendments to the charter have been approved by the electorate in 1965, 1968, 1970, 1972, 1975, 1980, 1985, 1990, 1991, 1997, 1998, 2000, 2002, 2005, 2010 and 2015.

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

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City's significant accounting policies are described below.

##### A. Reporting Entity

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

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

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

## CITY OF STOW, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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

The Board of Trustees consists of nineteen members, which include the Mayor, Director of Planning and Development, Director of Finance, Law Director, City Council President, City Council Finance Committee Chairperson, Stow-Munroe Falls School District Treasurer or Designee, and City Council Chairperson. Trustees also include at least one representative of each of the following categories: private citizens, small business, commerce, industry, civic organizations, and financial institution.

The CIC operates independently, but City Council approves the CIC's annual budget. The CIC has the authority to expend its funds as it determines within the approved budget. The City is the primary source of funding for the CIC (in most years, the City provides the CIC's entire funding allocation). If the CIC developed its own funding sources, its independence would increase. No debt would be issued by the CIC without the concurrence of the City. The CIC has no taxing authority. The City does not appoint a majority of the Board of Trustees and the CIC does not provide services entirely or almost entirely to the City. The CIC is a discretely presented component unit of the City.

Financial statements can be obtained from the Director of Finance, Stow Community Improvement Corporation, 3760 Darrow Road, Stow, Ohio 44224. Information relative to the discretely presented component unit is presented in Note 23.

#### **B. Basis of Presentation - Fund Accounting**

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

***Government-wide Financial Statements*** - The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activities of the internal service funds are eliminated to avoid "doubling up" revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

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

## CITY OF STOW, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

#### C. Fund Accounting

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

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

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 to the City for any purpose provided it is expended or transferred according to the charter of the City of Stow and/or the general laws of Ohio.

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

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

Other governmental funds of the City are used to account for (a) specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects and (b) financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

## CITY OF STOW, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

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

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

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

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

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

#### **D. Measurement Focus**

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

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

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

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

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

**E. Basis of Accounting**

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

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

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

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

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

*Deferred Outflows of Resources and Deferred Inflows of Resources* - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, see Note 15 for deferred outflows of resources related the City's net pension liability. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance 2018 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the City, see Note 15 for deferred inflows of resources related to the City's net pension liability. This deferred inflow of resources is only reported on the government-wide statement of net position. In addition, deferred inflows of resources include a deferred gain on debt refunding. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

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

## CITY OF STOW, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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

##### F. Budgetary Process

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

**Estimated Resources** - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate of estimated resources may be further amended during the year if the Finance Director determines and the Budget Commission agrees that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the original and final amended official certificate of estimated resources issued during 2017.

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

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

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



## CITY OF STOW, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

#### G. Cash, Cash Equivalents and Investments

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

During 2017, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), non-negotiable certificates of deposit, negotiable certificates of deposit (CDs) and federal agency securities.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as non-negotiable certificates of deposit are reported at cost.

During 2017, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of 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 has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during 2017 amounted to \$109,660 of which \$84,740 was assigned from other City funds.

## CITY OF STOW, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

#### **H. Interfund Balances**

On fund financial statements, short-term interfund loans are classified as “interfund loans receivable/payable”. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

#### **I. Inventory**

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

#### **J. Prepaid Items**

Payments made to vendors for services that will benefit beyond December 31, 2017, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditures/expense in the year in which the services are consumed.

On the fund financial statements, reported prepayments are equally offset by a nonspendable fund balance in the governmental funds. The City had no prepayments at December 31, 2017.

#### **K. Capital Assets**

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

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

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

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

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

**L. Compensated Absences**

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

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

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

**M. Accrued Liabilities and Long-Term Obligations**

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

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

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

**N. Fund Balance**

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

*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. It also includes the long-term amount of loans receivable in the general fund.

*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 (ordinance) of City Council (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) 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 City for specific purposes, but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or ordinance or by State statute. State statute authorizes the Director of Finance to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

*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 City 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.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

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

**O. Budget Stabilization Reserve**

The City has established a budget stabilization reserve in accordance with authority established by State law. Additions to the budget stabilization reserve can only be made by formal ordinance of Council. Expenditures out of the budget stabilization reserve can be made to offset future budget deficits or expenditures as approved by Council. At December 31, 2017, the balance in the budget stabilization reserve was \$1,000,000. This amount is included in unassigned fund balance of the general fund and in unrestricted net position on the statement of net position.

**P. Net Position**

Net position represents the difference between assets plus deferred outflows of resources less liabilities plus deferred inflows of resources. 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. Net position is reported as restricted when there are limitations imposed on the use of resources either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

**Q. Unamortized Premiums/Accounting Gain or Loss**

Bond and note premiums are amortized over the term of the bonds and notes using the straight-line method. Premiums are presented as an addition to the face amount of the bonds and notes.

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

On the governmental fund financial statements, issuance costs, premiums, discounts, and deferred charges from refunding are recognized in the current period.

**R. Operating Revenues and Expenses**

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

**S. Contributions of Capital**

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction and from contributions from governmental funds. During 2017, the water fund received contributions of capital in the amount of \$310,341 and \$46,843 from governmental activities and grants, respectively. The storm water utility fund also received contributions of capital in the amounts of \$283,339 and \$24,959 from governmental activities and grants, respectively.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

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

**T. Interfund Activity**

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

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

**U. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither item occurred during 2017.

**V. Estimates**

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

**W. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

**X. Fair Value Measurements**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For 2017, the City has implemented GASB Statement No. 80, “*Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14*”, GASB Statement No. 81 “*Irrevocable Split-Interest Agreements*”, and GASB Statement No. 82, “*Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*”.

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the City.

GASB Statement No. 81 improves the accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the City.

GASB Statement No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 did not have an effect on the financial statements of the City.

**B. Deficit Fund Balances**

Fund balances at December 31, 2017 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Police Pension	\$ 72,884
Fire Pension	73,179
EMS/Fire Tax Levy	2,188
Special Assessment Improvement	947

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

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

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



**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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

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

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

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

**A. Cash in Segregated Accounts**

*Cash in Segregated Accounts:* At year end, the City had \$572,721 deposited with a financial institution for monies related to the Stow Municipal Court agency fund. As of December 31, 2017, the bank balance held in segregated accounts was \$586,604, of which \$250,000 was covered by the FDIC and \$336,604 was exposed to custodial risk. These amounts are not included in the City's depository balance below.

**B. Deposits with Financial Institutions**

At December 31, 2017, the carrying amount of all City deposits was \$14,108,126, which includes \$1,250,000 in non-negotiable certificates of deposit, and the bank balance of all City deposits was \$14,524,780. Of the bank balance, \$1,501,372 was covered by the FDIC and \$13,023,408 was covered by the Ohio Pooled Collateral System (OPCS).

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a reduced rate set by the Treasurer of State.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**C. Investments**

As of December 31, 2017, the City had the following investments and maturities:

Measurement/ Investment Type	Investment Maturities					
	Measurement Amount	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Fair value:</i>						
FNMA	\$ 2,221,325	\$ -	\$ -	\$ 496,174	\$ 1,233,521	\$ 491,630
FHLB	494,848	-	-	-	-	494,848
FHLMC	2,708,264	-	-	-	247,008	2,461,256
Negotiable CDs	2,961,329	-	1,977,147	-	246,740	737,442
<i>Amortized cost:</i>						
STAR Ohio	<u>3,070,634</u>	<u>3,070,634</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 11,456,400</u>	<u>\$ 3,070,634</u>	<u>\$ 1,977,147</u>	<u>\$ 496,174</u>	<u>\$ 1,727,269</u>	<u>\$ 4,185,176</u>

The City's investments in federal agency securities and negotiable CDs are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

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

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with investment custodial risk beyond the requirement in Ohio law that prohibits payments for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

*Credit Risk:* STAR Ohio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City's investments in federal agency securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Negotiable certificates of deposit are not rated. The City's investment policy does not specifically address credit risk beyond requiring the City to only invest in securities authorized by State statute.

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

The following table includes the percentage of each investment type held by the City at December 31, 2017:

<u>Measurement/ Investment Type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
<i>Fair value:</i>		
FNMA	\$ 2,221,325	19.39
FHLB	494,848	4.32
FHLMC	2,708,264	23.64
Negotiable CDs	2,961,329	25.85
<i>Amortized cost:</i>		
STAR Ohio	3,070,634	26.80
Total	<u>\$ 11,456,400</u>	<u>100.00</u>

**D. Reconciliation of Cash and Investments 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 December 31, 2017:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 14,680,847
Investments	<u>11,456,400</u>
Total	<u>\$ 26,137,247</u>

<u>Equity in pooled cash and investments per statement of net position</u>	
Governmental activities	\$ 14,739,255
Business type activities	10,516,392
Private purpose trust funds	336
Agency funds	<u>881,264</u>
Total	<u>\$ 26,137,247</u>

**NOTE 5 - INTERFUND TRANSACTIONS**

A. Short-term loans to/from other funds at December 31, 2017, consist of the following interfund loan receivable/payable:

<u>Payable fund</u>	<u>Receivable Fund</u>
Storm water utility	<u>Water</u>
	<u>\$ 700,000</u>

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 5 - INTERFUND TRANSACTIONS - (Continued)**

The interfund loan is a City of Stow Storm Water Improvement Note, Series 2017, which represents an amount borrowed from another City fund. The note was issued on September 8, 2017 and matures September 7, 2018, at an interest rate of 1.00%. The note was issued in order to finance storm water system improvements. Interfund balances between business-type activities are eliminated on the government-wide financial statements.

**B.** Interfund transfers for the year ended December 31, 2017, consisted of the following:

	Transfers From		
<u>Transfers To</u>	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Total Transfers In</u>
General	\$ -	\$ 534,029	\$ 534,029
General capital improvements	-	221,743	221,743
Nonmajor governmental	808,852	110,244	919,096
Storm water utility	14,500	-	14,500
Total Transfers Out	<u>\$ 823,352</u>	<u>\$ 866,016</u>	<u>\$ 1,689,368</u>

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

**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2017, consisted primarily of taxes, accounts (billings for user charged services, rents and royalties), accrued interest, loans receivable and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are deemed collectible in full. All receivables, other than loans, are expected to be collected within the subsequent year.

**NOTE 7 - PROPERTY TAXES**

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 7 - PROPERTY TAXES - (Continued)**

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year proceeding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2017 public utility property taxes became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The Summit County Fiscal Officer collects property taxes on behalf of all taxing districts in the County, including the City of Stow. The Summit County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, tangible personal property taxes and outstanding delinquencies which are measurable as of December 31, 2017 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by unearned revenue since the current taxes were not levied to finance 2017 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is reported as a deferred inflow of resources.

The full tax rate for all City operations for the year ended December 31, 2017 was \$9.50 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2017 property tax receipts were based are as follows:

Real Property

Residential/Agricultural	\$ 606,474,940
Commercial/Industrial/Mineral	180,861,910

Public Utility

Real	15,370
Personal	<u>11,319,090</u>

Total Assessed Value	<u>\$ 798,671,310</u>
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**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 8 - INCOME TAX**

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

Income tax revenues are distributed among the general fund (60 percent) and the general capital improvement fund and further distribution to other funds, including the street construction fund to be used for existing and future capital projects and/or expansion or for debt service for existing and future capital improvements (40 percent). In accordance with the City's codified ordinances, all income tax revenues are first recorded in the general fund. Subsequently, 40 percent of those revenues, net of collection expenditures, are distributed to the capital improvement fund and other funds mentioned above, unless a lesser amount than 40 percent is approved by City Council. The Finance Director, in order to assure that the general fund operating deficit was minimized for 2017, and no greater than an amount to be determined by Council for future years, shall reduce the amount allocated to the general capital improvements fund from the general fund income tax receipts (40 percent) per City of Stow Section 195.02, allocation of funds by no more than \$1,500,000 in each calendar year.

**NOTE 9 - TAX ABATEMENTS**

**Community Reinvestment Area**

The City provides tax abatements through the Stow Community Reinvestment Area (CRA). This program relates to the abatement of property taxes.

Under the authority of Ohio Revised Code (ORC) Section 3735.67 and City of Stow Ordinances No. 1996-215 and 2002-32, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

The City has entered into agreements to abate property taxes through this CRA program. The agreements include a "clawback provision" for recapturing abated taxes. During 2017, the City's property tax revenues were reduced by \$92,677 as a result of these agreements.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 10 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2017, was as follows:

<b><u>Governmental activities:</u></b>	<u>Balance</u> <u>12/31/16</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/17</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 11,202,207	\$ -	\$ -	\$ 11,202,207
Intangible assets	15,512	-	-	15,512
Construction in progress	<u>4,571,484</u>	<u>63,224</u>	<u>(3,716,234)</u>	<u>918,474</u>
Total capital assets, not being depreciated	<u>15,789,203</u>	<u>63,224</u>	<u>(3,716,234)</u>	<u>12,136,193</u>
<i>Capital assets, being depreciated:</i>				
Buildings and building improvements	32,509,484	289,707	-	32,799,191
Vehicles	7,461,436	613,486	(179,179)	7,895,743
Equipment, furniture and fixtures	7,047,060	426,939	(90,299)	7,383,700
Infrastructure	<u>41,078,716</u>	<u>3,323,801</u>	<u>(562,472)</u>	<u>43,840,045</u>
Total capital assets, being depreciated	<u>88,096,696</u>	<u>4,653,933</u>	<u>(831,950)</u>	<u>91,918,679</u>
<i>Less: accumulated depreciation:</i>				
Buildings and building improvements	(11,315,109)	(768,266)	-	(12,083,375)
Vehicles	(4,282,467)	(435,830)	162,675	(4,555,622)
Equipment, furniture and fixtures	(5,008,689)	(374,272)	88,800	(5,294,161)
Infrastructure	<u>(16,352,686)</u>	<u>(2,156,796)</u>	<u>440,440</u>	<u>(18,069,042)</u>
Total accumulated depreciation	<u>(36,958,951)</u>	<u>(3,735,164)</u>	<u>691,915</u>	<u>(40,002,200)</u>
Total capital assets, being depreciated, net	<u>51,137,745</u>	<u>918,769</u>	<u>(140,035)</u>	<u>51,916,479</u>
Governmental activities capital assets, net	<u>\$ 66,926,948</u>	<u>\$ 981,993</u>	<u>\$ (3,856,269)</u>	<u>\$ 64,052,672</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 417,190
Security of persons and property	872,722
Public health	10,867
Leisure time activities	135,998
Community and economic development	50,819
Transportation	<u>2,247,568</u>
Total depreciation expense	<u>\$ 3,735,164</u>

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 10 - CAPITAL ASSETS - (Continued)**

Capital assets of the business-type activities are as follows:

<b><u>Business-type activities:</u></b>	<u>Balance</u> 12/31/16	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> 12/31/17
<i>Capital assets, not being depreciated:</i>				
Land	\$ 5,350,376	\$ -	\$ -	\$ 5,350,376
Construction in progress	<u>1,929,312</u>	<u>327,031</u>	<u>(286,263)</u>	<u>1,970,080</u>
Total capital assets, not being depreciated	<u>7,279,688</u>	<u>327,031</u>	<u>(286,263)</u>	<u>7,320,456</u>
<i>Capital assets, being depreciated:</i>				
Buildings and building improvements	2,934,027	-	-	2,934,027
Vehicles	1,176,029	68,409	-	1,244,438
Equipment, furniture and fixtures	572,601	128,393	-	700,994
Infrastructure	<u>36,193,316</u>	<u>922,373</u>	<u>-</u>	<u>37,115,689</u>
Total capital assets, being depreciated	<u>40,875,973</u>	<u>1,119,175</u>	<u>-</u>	<u>41,995,148</u>
<i>Less: accumulated depreciation:</i>				
Buildings and building improvements	(932,009)	(65,332)	-	(997,341)
Vehicles	(472,443)	(74,206)	-	(546,649)
Equipment, furniture and fixtures	(307,489)	(29,785)	-	(337,274)
Infrastructure	<u>(8,026,280)</u>	<u>(656,329)</u>	<u>-</u>	<u>(8,682,609)</u>
Total accumulated depreciation	<u>(9,738,221)</u>	<u>(825,652)</u>	<u>-</u>	<u>(10,563,873)</u>
Total capital assets, being depreciated, net	<u>31,137,752</u>	<u>293,523</u>	<u>-</u>	<u>31,431,275</u>
Business-type activities capital assets, net	<u>\$ 38,417,440</u>	<u>\$ 620,554</u>	<u>\$ (286,263)</u>	<u>\$ 38,751,731</u>

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

Water	\$ 433,900
Golf	16,570
Storm water utility	<u>375,182</u>
Total depreciation expense	<u>\$ 825,652</u>

**NOTE 11 - LEASES**

**A. Capital Leases - Lessee Disclosure**

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



**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 11 - LEASES - (Continued)**

Capital lease payments in governmental funds have been reclassified and are reflected as debt service expenditures in the combined BFS and are reported as function expenditures on the budgetary statements. In the enterprise fund a liability has been recorded.

Capital assets have been capitalized on the statement of net position in the amount of \$907,731 in governmental activities. This amount represents the present value of the minimum lease payments at the time of acquisition. A liability of \$108,350 is reported on the statement of net position at year end, which represents the amount of principal payments the nonmajor EMS/transport fees nonmajor special revenue fund and the capital projects fund will be making. Principal and interest payments in 2017 totaled \$104,012 and \$8,857, respectively.

Capital assets have been capitalized in the storm water utility enterprise fund in the amount of \$291,483. The amount of \$34,793 represents the present value of the future minimum lease payments and has been recorded as a liability in the storm water utility fund. Principal and interest payments in 2017 totaled \$33,399 and \$2,844, respectively.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Assets:		
Equipment	\$ 666,960	\$ -
Vehicles	<u>240,771</u>	<u>291,483</u>
Less: accumulated depreciation	<u>(574,896)</u>	<u>(176,509)</u>
Total	<u>\$ 332,835</u>	<u>\$ 114,974</u>

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2017.

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2018	\$ 112,870	\$ 36,244
Less: amount representing interest	<u>(4,520)</u>	<u>(1,451)</u>
Present value of net minimum lease payments	<u>\$ 108,350</u>	<u>\$ 34,793</u>

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 11 - LEASES - (Continued)**

**B. Operating Leases - Lessee Disclosure**

In February 2006, the City acquired a golf course and the City assumed an existing operating lease agreement with George and Patricia Hanson to use their premises to operate a driving range. The City renewed the operating lease for a period commencing April 1, 2012 through April 1, 2015 and is renewable for two consecutive three-year periods. Monthly lease payments have been established at \$2,000 per month for thirty-six consecutive months under both lease renewals.

The amount of the future lease payments required under the operating lease at December 31, 2017 is:

<u>Year Ending December 31,</u>	<u>Amount</u>
2018	<u>\$ 6,000</u>

The City entered into an operating lease agreement on December 6, 2013, with South East Golf Car Company to lease sixty-two golf cars for use on the Fox Den golf course. The lease is for a period of seven years, commencing on or about March 1, 2014, and ending on March 1, 2021. The lease payments are \$840 per car per year, or \$52,080 per year with payments due in five equal monthly installments of \$10,416 due on the tenth day of the months of May through September for each year of the agreement.

The amount of the future lease payments required under the operating lease at December 31, 2017 is:

<u>Year Ending December 31,</u>	<u>Amount</u>
2018	\$ 52,080
2019	52,080
2020	<u>52,080</u>
Total	<u>\$ 156,240</u>

**C. Operating Leases - Lessor Disclosure**

The City entered into a lease agreement on January 2, 2013, with Envirosience, Inc. (“lessee”), to lease its Parks and Urban Forestry facility. The lessee shall pay the City \$54,000 annually from the effective date through December 31, 2017, and \$68,000 annually from January 1, 2018, through December 31, 2020. The lease includes a purchase option at the expiration of the lease term that may be exercised with written notice to the City no earlier than January 1, 2020, and not later than June 30, 2020.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 11 - LEASES - (Continued)**

The amount of the future lease payments required under the operating lease at December 31, 2017 is:

<u>Year Ending December 31,</u>	<u>Amount</u>
2018	\$ 68,000
2019	68,000
2020	<u>68,000</u>
Total	<u>\$ 204,000</u>

**NOTE 12 - SHORT-TERM NOTES PAYABLE**

Changes in the City's short-term note activity for the year ended December 31, 2017, was as follows:

	<u>Balance 12/31/2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/2017</u>
<u>Governmental fund notes</u>				
Municipal courthouse construction - 2.00%	\$ 400,000	\$ -	\$ (400,000)	\$ -
Municipal courthouse construction - 2.00%	<u>-</u>	<u>400,000</u>	<u>-</u>	<u>400,000</u>
Total governmental fund notes	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ (400,000)</u>	<u>\$ 400,000</u>

The short-term notes outstanding at December 31, 2017 were issued on May 2, 2017 and represent the portion of the 2017 note issues that will be retired when the notes are refinanced on May 1, 2018 (see Note 24 for detail). All short-term notes were backed by the full faith and credit of the City and mature within one year. The short-term note liability is reflected in the fund which received the proceeds. The short-term notes were issued in anticipation of long-term bond financing and will be refinanced until such funds are issued.

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**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 13 - LONG-TERM OBLIGATIONS**

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

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
<b>Business-type activities:</b>			
Golf course general obligation refunding bonds	1.50%-4.00%	\$ 4,785,000	12/1/2035
Service center general obligation refunding bonds, 2015	2.00%-3.50%	447,320	12/1/2033
<b>Governmental activities:</b>			
Courthouse general obligation refunding bonds, 2014	4.25%-5.25%	3,790,000	12/1/2035
Safety center construction general obligation refunding bonds, 2015	3.00%	2,055,000	12/1/2018
Fire station general obligation refunding bonds, 2015	2.00%-3.50%	1,760,000	12/1/2033
Service center general obligation refunding bonds, 2015	2.00%-3.50%	4,852,680	12/1/2033

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**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)**

Long-term obligations activity for the year ended December 31, 2017 was as follows:

	<u>Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u>	<u>Amounts</u>
<b>Governmental activities:</b>	<u>12/31/2016</u>			<u>12/31/2017</u>	<u>Due in</u>
					<u>One Year</u>
<u>General obligation bonds:</u>					
Municipal court refunding, 2014	\$ 3,490,000	\$ -	\$ (150,000)	\$ 3,340,000	\$ 150,000
Add: unamortized premium	42,188	-	(2,230)	39,958	-
Safety center construction refunding, 2015	1,055,000	-	(525,000)	530,000	530,000
Add: unamortized premium	41,531	-	(21,669)	19,862	-
Fire station construction refunding, 2015	1,745,000	-	(80,000)	1,665,000	85,000
Add: unamortized premium	46,908	-	(2,618)	44,290	-
Service center construction refunding, 2015	4,816,056	-	(219,744)	4,596,312	228,900
Add: unamortized premium	<u>130,510</u>	<u>-</u>	<u>(7,284)</u>	<u>123,226</u>	<u>-</u>
Total general obligation bonds	<u>11,367,193</u>	<u>-</u>	<u>(1,008,545)</u>	<u>10,358,648</u>	<u>993,900</u>
<u>Long-term notes:</u>					
2016 Municipal court construction	2,500,000	-	(2,500,000)	-	-
2017 Municipal court construction	-	2,100,000	-	2,100,000	-
Add: unamortized premium	<u>9,409</u>	<u>11,525</u>	<u>(17,177)</u>	<u>3,757</u>	<u>-</u>
Total long-term notes	<u>2,509,409</u>	<u>2,111,525</u>	<u>(2,517,177)</u>	<u>2,103,757</u>	<u>-</u>
<u>Other debt:</u>					
Capital lease obligation	212,362	-	(104,012)	108,350	108,350
Net pension liability	34,823,378	3,372,326	(3,677,880)	34,517,824	-
Compensated absences	<u>5,065,044</u>	<u>1,193,628</u>	<u>(1,316,137)</u>	<u>4,942,535</u>	<u>1,281,396</u>
Total other debt	<u>40,100,784</u>	<u>4,565,954</u>	<u>(5,098,029)</u>	<u>39,568,709</u>	<u>1,389,746</u>
Total governmental activities	<u>\$ 53,977,386</u>	<u>\$ 6,677,479</u>	<u>\$ (8,623,751)</u>	<u>\$ 52,031,114</u>	<u>\$ 2,383,646</u>

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)**

	<u>Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u>	<u>Amounts</u>
<b>Business-type activities:</b>	<u>12/31/2016</u>			<u>12/31/2017</u>	<u>Due in</u>
<u>General obligation bonds:</u>					<u>One Year</u>
Golf course refunding, 2014	\$ 4,315,000	\$ -	\$ (230,000)	\$ 4,085,000	\$ 235,000
Add: unamortized premium	48,964	-	(3,076)	45,888	-
Service center refunding, 2015	443,944	-	(20,256)	423,688	21,100
Add: unamortized premium	11,923	-	(665)	11,258	-
<b>Total general obligation bonds</b>	<u>4,819,831</u>	<u>-</u>	<u>(253,997)</u>	<u>4,565,834</u>	<u>256,100</u>
<u>Other debt:</u>					
OPWC loan	1,229,717	42,430	-	1,272,147	42,405
Capital lease obligation	68,192	-	(33,399)	34,793	34,793
Net pension liability	1,757,526	671,975	-	2,429,501	-
Compensated absences	291,202	73,842	(91,529)	273,515	45,955
<b>Total other debt</b>	<u>3,346,637</u>	<u>788,247</u>	<u>(124,928)</u>	<u>4,009,956</u>	<u>123,153</u>
<b>Total business-type activities</b>	<u>\$ 8,166,468</u>	<u>\$ 788,247</u>	<u>\$ (378,925)</u>	<u>\$ 8,575,790</u>	<u>\$ 379,253</u>

General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities.

On June 26, 2014, the City issued general obligation refunding bonds in the amount of \$3,790,000 and \$4,785,000 to advance refund the outstanding municipal courthouse general obligation bonds (\$3,610,000) and golf course general obligation bonds (\$4,555,000) that were issued in 2007. The reacquisition price exceeded the net carrying amount of the old municipal courthouse and golf course debt by \$99,067 and \$116,732, respectively. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to interest expense through maturity on December 1, 2035 for the municipal courthouse and golf course refunding bonds using the straight-line method. The refunding had a net present value benefit of \$388,625 and gross present value debt service savings of \$384,164. The unamortized deferred charges on the refunding has been included in the net investment in capital assets calculation.

On July 16, 2015, the City issued general obligation refunding bonds in the amount of \$9,115,000 to advance refund the outstanding safety center construction general obligation bonds, series 2004 (\$2,035,000), the service center general obligation bonds, series 2008 (\$4,614,624 for the governmental activities portion; \$425,376 for the 8.44 percent water portion) and the fire station general obligation bonds, series 2008 (\$1,675,000). The reacquisition price exceeded the net carrying amount of the governmental activities and water debt by \$371,861 and \$15,791, respectively. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to interest expense through maturity on December 1, 2018 for the safety center refunding bonds and December 31, 2033 for all other refunding bonds using the straight-line method. The refunding had a net present value benefit of \$488,681 and gross present value debt service savings of \$382,665. The unamortized deferred charges on the refunding has been included in the net investment in capital assets calculation.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)**

General obligation bonds are direct obligations and pledge the full faith and credit of the government. The general obligation bonds and refunding bonds will be repaid from income tax monies allocated into the debt service fund from the capital projects funds. The golf course general obligation refunding bonds will be paid from income tax monies allocated to the golf course fund and the water department portion of the service center general obligation bonds and refunding bonds will be paid with revenues from the water fund.

*OPWC Loans Payable*

During 2015 the City was approved for an Ohio Public Works Commission (OPWC) loan. The Adaline Water Trunk Line Replacement loan agreement was fully disbursed and finalized in 2017 in the amount of \$1,272,147. The OPWC loan will be repaid with operating revenue from the water fund.

*Long-Term Notes Payable*

The City retired long-term notes in the amount of \$2,500,000 for municipal courthouse construction that were payable on May 1, 2017. The notes bore an interest rate of 2.00% and matured on May 1, 2016. The City reissued \$2,100,000 in municipal courthouse construction long-term notes during 2017. The notes mature on May 1, 2018.

Notes that were refinanced prior to the issuance of the financial statements and have a new maturity beyond the end of the year in which the report is issued have been reported in the government-wide statements as a long-term liability. The portion of the 2017 note issue that was retired on May 1, 2017 (see Note 24 for detail) have been reported as short-term notes payable in Note 12. The notes are backed by the full faith and credit of the City.

*Capital Lease Obligations*

See Note 11 for detail on the City's capital lease obligations.

*Net Pension Liability:*

See Note 15 for details on the net pension liability. The net pension liability will be paid from the general, EMS/fire tax levy, water, golf and storm water utility funds.

*Compensated Absences*

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

*Legal Debt Margin*

As of December 31, 2017, the City's overall legal debt margin (the ability to issue additional amounts of general obligation debt) was \$70,900,420 and the unvoted legal debt margin was \$30,871,922.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)**

The annual requirements to amortize all long-term debt outstanding as of December 31, 2017 are as follows:

Year Ended	Governmental Activities			Business-Type Activities		
	General Obligation Bonds Payable			General Obligation Bonds Payable		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 993,900	\$ 298,317	\$ 1,292,217	\$ 256,100	\$ 126,833	\$ 382,933
2019	473,478	270,750	744,228	256,522	122,675	379,197
2020	482,634	258,870	741,504	262,366	118,505	380,871
2021	496,790	245,941	742,731	268,210	113,034	381,244
2022	516,368	232,587	748,955	278,632	107,438	386,070
2023 - 2027	2,795,446	965,860	3,761,306	1,479,554	430,990	1,910,544
2028 - 2032	3,220,190	550,235	3,770,425	1,674,810	190,251	1,865,061
2033 - 2036	1,152,506	71,089	1,223,595	32,494	1,137	33,631
Total	<u>\$ 10,131,312</u>	<u>\$ 2,893,649</u>	<u>\$ 13,024,961</u>	<u>\$ 4,508,688</u>	<u>\$ 1,210,863</u>	<u>\$ 5,719,551</u>

Year Ended	Business-Type Activities		
	OPWC Loan Payable		
	Principal	Interest	Total
2018	\$ 42,405	\$ -	\$ 42,405
2019	42,405	-	42,405
2020	42,405	-	42,405
2021	42,405	-	42,405
2022	42,405	-	42,405
2023 - 2027	212,025	-	212,025
2028 - 2032	212,025	-	212,025
2033 - 2037	212,025	-	212,025
2038 - 2042	212,024	-	212,024
2043 - 2044	212,023	-	212,023
Total	<u>\$ 1,272,147</u>	<u>\$ -</u>	<u>\$ 1,272,147</u>

**NOTE 14 - RISK MANAGEMENT**

**A. Liability Insurance**

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



**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 14 - RISK MANAGEMENT - (Continued)**

**B. Fidelity Bond**

The Finance Director, Assistant Finance Director/Director of Budget and Management and Tax Administrator each have a \$100,000 position bond. All City employees are covered by a \$1,000,000 public employee crime coverage policy, which includes employee dishonesty and faithful performance of duty coverage.

**C. Workers' Compensation**

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

**D. Employee Health Insurance**

The City has elected to provide employee medical, prescription and dental benefits through a self-insurance program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risk of loss in this program. This 2017 plan provides a medical plan with an \$800.00 family and \$400.00 single deductible and a dental plan with a \$150.00 family and \$50.00 single deductible. A third party administrator, a subsidiary of Medical Mutual of Ohio (MMO), reviews all medical and dental claims which are then paid by the City. The City has purchased stop-loss coverage of \$160,000 per covered person and for claims in excess of \$2,766,384 in the aggregate from Medical Mutual of Ohio. The City pays into the self-insurance internal service fund \$1,076.96 per month for each employee with family medical coverage and \$344.88 per month for each employee with individual medical coverage. Premiums for dental coverage are \$119.66 monthly for each employee with family coverage and \$38.32 monthly for each employee with individual coverage. All premiums are paid by the fund that pays the salary for the employee.

The claims liability of \$412,606 reported in the self-insurance internal service fund at December 31, 2017 is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Services", which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The claims liability is based on an estimate supplied by the City's third party administrator. The claims liability is expected to be paid within one year.

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

	Balance at Beginning of Year	Current Claims	Claims Payment	Balance at End of Year
2017	\$ 449,964	\$ 2,540,610	\$ (2,577,968)	\$ 412,606
2016	484,362	2,328,012	(2,362,410)	449,964

## CITY OF STOW, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

#### NOTE 15 - DEFINED BENEFIT PENSION PLANS

##### *Net Pension Liability/Asset*

The net pension liability/asset reported on the statement of net position represents a liability or asset to employees for pensions. Pensions are a component of exchange transactions - between an employer and its employees - of salaries and benefits for employee services. Pensions are provided to an employee - on a deferred-payment basis - as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability/asset represents the City's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes any net pension liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits or overfunded benefits is presented as a long-term *net pension liability* or *net pension asset*, respectively, on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

##### *Plan Description - Ohio Public Employees Retirement System (OPERS)*

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension Plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3.00% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
<b>2017 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
 <b>2017 Actual Contribution Rates</b>	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	1.0 %
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$1,278,704 for 2017. Of this amount, \$141,815 is reported as intergovernmental payable.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***Plan Description - Ohio Police & Fire Pension Fund (OP&F)***

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report may be obtained by visiting the OPF website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Police</u>	<u>Firefighters</u>
<b>2017 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 <b>2017 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50 %</u>	<u>0.50 %</u>
 Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
 Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,606,456 for 2017. Of this amount \$187,702 is reported as intergovernmental payable.

***Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The net pension liability and net pension asset for the OPERS Traditional Pension Plan, Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2016, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OPERS - Member- Directed</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.069249%	0.065050%	0.025389%	0.382183%	
Proportion of the net pension liability/asset current measurement date	<u>0.070631%</u>	<u>0.047862%</u>	<u>0.026558%</u>	<u>0.330100%</u>	
Change in proportionate share	<u>0.001382%</u>	<u>-0.017188%</u>	<u>0.001169%</u>	<u>-0.052083%</u>	
 Proportionate share of the net pension liability	\$ 16,039,100	\$ -	\$ -	\$ 20,908,225	\$ 36,947,325
Proportionate share of the net pension asset	-	(26,640)	(111)	-	(26,751)
Pension expense	3,401,880	19,246	136	2,103,077	5,524,339

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OPERS - Member- Directed</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred outflows of resources</b>					
Differences between expected and actual experience	\$ 21,739	\$ -	\$ 1,126	\$ 5,915	\$ 28,780
Net difference between projected and actual earnings on pension plan investments	2,388,592	6,500	96	2,033,228	4,428,416
Changes of assumptions	2,543,995	6,492	124	-	2,550,611
Changes in employer's proportionate percentage/ difference between employer contributions	88,855	-	-	15,149	104,004
City contributions subsequent to the measurement date	<u>1,241,178</u>	<u>25,734</u>	<u>11,792</u>	<u>1,606,456</u>	<u>2,885,160</u>
Total deferred outflows of resources	<u>\$ 6,284,359</u>	<u>\$ 38,726</u>	<u>\$ 13,138</u>	<u>\$ 3,660,748</u>	<u>\$ 9,996,971</u>
<b>Deferred inflows of resources</b>					
Differences between expected and actual experience	\$ 95,456	\$ 13,622	\$ -	\$ 48,140	\$ 157,218
Changes in employer's proportionate percentage/ difference between employer contributions	<u>88,529</u>	<u>-</u>	<u>-</u>	<u>2,416,011</u>	<u>2,504,540</u>
Total deferred inflows of resources	<u>\$ 183,985</u>	<u>\$ 13,622</u>	<u>\$ -</u>	<u>\$ 2,464,151</u>	<u>\$ 2,661,758</u>

\$2,885,160 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2018.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
2018	\$ 1,970,955	\$ 1,262	\$ 198	\$ 293,867	\$ 2,266,282
2019	2,105,522	1,262	198	293,865	2,400,847
2020	852,731	982	193	122,118	976,024
2021	(70,012)	(1,321)	156	(603,775)	(674,952)
2022	-	(1,079)	161	(469,164)	(470,082)
Thereafter	-	(1,736)	440	(46,770)	(48,066)
<b>Total</b>	<b>\$ 4,859,196</b>	<b>\$ (630)</b>	<b>\$ 1,346</b>	<b>\$ (409,859)</b>	<b>\$ 4,450,053</b>

***Actuarial Assumptions - OPERS***

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the Board's actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, for the defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Wage inflation	3.25%
Future salary increases, including inflation COLA or ad hoc COLA	3.25% to 10.75% including wage inflation Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2018, then 2.15% simple
Investment rate of return	7.50%
Actuarial cost method	Individual entry age



**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3% for 2016.

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed income	23.00 %	2.75 %
Domestic equities	20.70	6.34
Real estate	10.00	4.75
Private equity	10.00	8.97
International equities	18.30	7.95
Other investments	18.00	4.92
Total	<u>100.00 %</u>	<u>5.66 %</u>

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

**Discount Rate** - The discount rate used to measure the total pension liability/asset was 7.50%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. A discount rate of 8.00% was used in the previous measurement period. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table presents the City's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.50%, as well as what the City's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.50%) or one-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 24,503,307	\$ 16,039,100	\$ 8,985,676
Combined Plan	1,914	(26,640)	(48,819)
Member-Directed Plan	266	(111)	(266)

**Actuarial Assumptions - OP&F**

OP&F's total pension liability as of December 31, 2016 is based on the results of an actuarial valuation date of January 1, 2016 and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented below:

Valuation date	January 1, 2016
Actuarial cost method	Entry age normal
Investment rate of return	8.25%
Projected salary increases	4.25% - 11.00%
Payroll increases	3.75%
Inflation assumptions	3.25%
Cost of living adjustments	2.60% and 3.00% simple

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters.

For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed for the five-year period ended December 31, 2011. The recommended assumption changes based on this experience study were adopted by OPF's Board and were effective beginning with the January 1, 2012 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2016 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Real Rate of Return **</u>	<u>30 Year Expected Real Rate of Return **</u>
Cash and Cash Equivalents	- %		
Domestic Equity	16.00	4.46 %	5.21 %
Non-US Equity	16.00	4.66	5.40
Core Fixed Income *	20.00	1.67	2.37
Global Inflation			
Protected Securities *	20.00	0.49	2.33
High Yield	15.00	3.33	4.48
Real Estate	12.00	4.71	5.65
Private Markets	8.00	7.31	7.99
Real Assets	5.00	6.87	6.87
Master Limited Partnerships	8.00	6.92	7.36
<b>Total</b>	<b><u>120.00 %</u></b>		

Note: assumptions are geometric.

\* levered 2x

\*\* numbers include inflation

OPF's Board of Trustees has incorporated the "risk parity" concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

**Discount Rate** - The total pension liability was calculated using the discount rate of 8.25%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25%), or one percentage point higher (9.25%) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$ 27,847,248	\$ 20,908,225	\$ 15,027,267

**Changes Between Measurement Date and Report Date** - In October 2017, the OPF Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of December 31, 2017. The most significant change is a reduction in the discount rate from 8.25% to 8.00%. Although the exact amount of these changes is not known, it has the potential to impact the City's net pension liability.

**NOTE 16 - POSTRETIREMENT BENEFIT PLANS**

**A. Ohio Public Employees Retirement System**

**Plan Description** - OPERS administers three separate pension plans: The Traditional Pension Plan - a cost-sharing, multiple-employer defined benefit pension plan; the Member Directed Plan - a defined contribution plan; and the Combined Plan - a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. This trust is also used to fund health care for Member Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed Plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2016 CAFR for details.

## CITY OF STOW, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

#### NOTE 16 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the OPERS Board of Trustees (OPERS Board) in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (800) 222-7377.

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2017, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan and Combined Plan for 2017 was 1.00%.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2017, 2016, and 2015 were \$102,171, \$183,741, and \$182,389, respectively; 89.73% has been contributed for 2017 and 100% has been contributed for 2016 and 2017. The remaining 2017 post-employment health care benefits liability has been reported as intergovernmental payable on the basic financial statements.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.00% of the employer contributions toward the health care fund after the end of the transition period.

#### **B. Ohio Police and Fire Pension Fund**

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

OP&F provides access to post-employment health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 16 - POSTRETIREMENT BENEFIT PLANS - (Continued)**

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

OP&F issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164 or by visiting the website at [www.op-f.org](http://www.op-f.org).

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2017 thru December 31, 2017. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$16,499 and \$20,841 for the year ended December 31, 2017, \$14,880 and \$18,974 for the year ended December 31, 2016, and \$16,960 and \$21,402, for the year ended December 31, 2015. 100% has been contributed for 2016 and 2015. 88.29% has been contributed for police and 88.77% has been contributed for firefighters for 2017. The remaining 2017 post-employment health care benefits liability has been reported as intergovernmental payable on the basic financial statements.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 17 - COMPENSATED ABSENCES**

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

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

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

As of December 31, 2017, the liability for compensated absences was \$5,216,050 for the entire City.

**NOTE 18 - JOINT ECONOMIC DEVELOPMENT ZONE AGREEMENT**

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

The JEDZ Agreement establishes three joint economic development zones and details how income tax revenues will be collected and shared within each zone between the City of Stow and the City of Akron. The City made payments of \$260,656, which includes \$51,780 in accounts payable, during 2017 to the City of Akron as a result of this agreement.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 19 - 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 and the EMS/fire tax levy fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and 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, committed, or restricted 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 following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statements for all governmental funds for which a budgetary basis statement is presented:

	<b>Net Change in Fund Balance</b>	
	<u>General</u>	<u>EMS/Fire Tax Levy</u>
Budget basis	\$ (180,045)	\$ (8,179)
Net adjustment for revenue accruals	(160,730)	-
Net adjustment for expenditure accruals	6,150	(15,170)
Net adjustment for other sources (uses)	12,500	-
Funds budgeted elsewhere	6,681	-
Adjustment for encumbrances	<u>548,603</u>	<u>2,073</u>
GAAP basis	<u>\$ 233,159</u>	<u>\$ (21,276)</u>



**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 20 - FUND BALANCE**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund balance	General	Fire/EMS Tax Levy	General Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Materials and supplies inventory	\$ 156,787	\$ 6,178	\$ -	\$ 515,368	\$ 678,333
Total nonspendable	<u>156,787</u>	<u>6,178</u>	<u>-</u>	<u>515,368</u>	<u>678,333</u>
Restricted:					
Police and fire	-	-	-	656,860	656,860
Street repair and maintenance	-	-	-	1,892,171	1,892,171
Public health	-	-	-	38,225	38,225
Leisure time activities	-	-	-	11,905	11,905
Municipal court	-	-	-	1,118,789	1,118,789
Capital outlay	-	-	25,073	-	25,073
Total restricted	<u>-</u>	<u>-</u>	<u>25,073</u>	<u>3,717,950</u>	<u>3,743,023</u>
Committed:					
General government	37,485	-	-	532,696	570,181
Police and fire	-	-	-	446,365	446,365
Leisure time activities	-	-	-	181,729	181,729
Community & economic development	-	-	-	245,873	245,873
Debt service	-	-	-	94,932	94,932
Capital outlay	-	-	2,626,653	-	2,626,653
Total committed	<u>37,485</u>	<u>-</u>	<u>2,626,653</u>	<u>1,501,595</u>	<u>4,165,733</u>
Assigned:					
General government	161,698	-	-	-	161,698
Police and fire	152,331	-	-	-	152,331
Street repair and maintenance	782	-	-	-	782
Leisure time activities	61,975	-	-	-	61,975
Community & economic development	27,968	-	-	-	27,968
Total assigned	<u>404,754</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>404,754</u>
Unassigned (deficit)	<u>6,299,018</u>	<u>(8,366)</u>	<u>-</u>	<u>(147,010)</u>	<u>6,143,642</u>
Total fund balances	<u>\$ 6,898,044</u>	<u>\$ (2,188)</u>	<u>\$ 2,651,726</u>	<u>\$ 5,587,903</u>	<u>\$ 15,135,485</u>

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 21 - CONTINGENCIES**

**A. Grants**

The City receives significant financial assistance from numerous federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the reporting units included herein or on the overall financial position of the City at December 31, 2017.

**B. Litigation**

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

**NOTE 22 - OTHER COMMITMENTS**

The City 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 City's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 404,755
Fire/EMS levy fund	1,860
General capital improvements fund	372,357
Other governmental	<u>278,344</u>
Total	<u>\$ 1,057,316</u>

**NOTE 23 - STOW COMMUNITY IMPROVEMENT CORPORATION**

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

The CIC operates independently, but City Council approves the CIC's annual budget. The CIC has the authority to expend its funds as it determines within the approved budget. The City is the primary source of funding for the CIC (in most years, the City provides the CIC's entire funding allocation). If the CIC developed its own funding sources, its independence would increase. No debt would be issued by the CIC without the concurrence of the City. The CIC has no taxing authority. The City does not appoint a majority of the Board of Trustees and the CIC does not provide services entirely or almost entirely to the City. The CIC is presented as a discrete component unit of the City. The CIC does not include any other units in its presentation.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 23 - STOW COMMUNITY IMPROVEMENT CORPORATION - (Continued)**

**Summary of Significant Accounting Policies**

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

The CIC's significant accounting policies are described below.

**A. Basis of Accounting**

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

**B. Federal Income Tax**

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

**C. Cash**

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

**D. Net position**

Net position represents the difference between assets and liabilities.

**E. Estimates**

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

**Related Party Transactions and Economic Dependence**

The CIC received contributions from the City of Stow in the amount of \$25,000 to support operations of the CIC for fiscal year 2017.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**NOTE 23 - STOW COMMUNITY IMPROVEMENT CORPORATION - (Continued)**

**Ohio Department of Development Loan**

On July 12, 2011, the CIC, acting as a pass-through entity, received a \$1,250,000 loan from the Ohio Department of Development (ODOD) to be used for the purchase and subsequent leaseback of certain machinery and equipment owned by Wrayco LLC. The CIC then entered into an agreement to assign the lease payments from Wrayco LLC to the ODOD for payment of the loan. The principal and interest payments on the loan will be made directly from Wrayco LLC to the ODOD. The loan is scheduled to mature on August 1, 2018 and bears an interest rate of 1% in the first year and an interest rate of 3% for the remaining years. The CIC has no responsibility for the payment of the debt issued as the repayment is supported solely by pledged receipts of Wrayco LLC. The CIC has no obligation to the ODOD in the event of Wrayco LLC's default. Wrayco LLC ceased operations and closed in February 2017 and its building and assets were sold.

**NOTE 24 - SIGNIFICANT SUBSEQUENT EVENTS**

The \$2,500,000 municipal courthouse construction notes issued in 2017 were retired and \$2,100,000 was refinanced on May 1, 2018.

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REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF STOW, OHIO**

*SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION*

*SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY/NET PENSION ASSET  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*LAST FOUR YEARS*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.070631%	0.069249%	0.071445%	0.071445%
City's proportionate share of the net pension liability	\$ 16,039,100	\$ 11,994,799	\$ 8,617,065	\$ 8,422,435
City's covered payroll	\$ 8,862,917	\$ 8,852,583	\$ 8,765,517	\$ 8,455,338
City's proportionate share of the net pension liability as a percentage of its covered payroll	180.97%	135.49%	98.31%	99.61%
Plan fiduciary net position as a percentage of the total pension liability	77.25%	81.08%	86.45%	86.36%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.047862%	0.065050%	0.076689%	0.076689%
City's proportionate share of the net pension asset	\$ 26,640	\$ 31,655	\$ 29,527	\$ 8,047
City's covered payroll	\$ 186,308	\$ 266,867	\$ 280,325	\$ 317,638
City's proportionate share of the net pension asset as a percentage of its covered payroll	14.30%	11.86%	10.53%	2.53%
Plan fiduciary net position as a percentage of the total pension asset	116.55%	116.90%	114.83%	104.56%
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.026558%	0.025389%	n/a	n/a
City's proportionate share of the net pension asset	\$ 111	\$ 97	n/a	n/a
City's covered payroll	\$ 174,147	\$ 178,611	n/a	n/a
City's proportionate share of the net pension asset as a percentage of its covered payroll	0.06%	0.05%	n/a	n/a
Plan fiduciary net position as a percentage of the total pension asset	103.40%	103.91%	n/a	n/a

Note: Information prior to 2014 was not available for the Traditional and Combined Plan and information prior to 2016 was not available for the Member Directed Plan. The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF STOW, OHIO**

*SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION*

*SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY  
OHIO POLICE AND FIRE (OP&F) PENSION FUND*

*LAST FOUR YEARS*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability	0.33010000%	0.38218300%	0.38162390%	0.38162390%
City's proportionate share of the net pension liability	\$ 20,908,225	\$ 24,586,105	\$ 19,769,710	\$ 18,586,281
City's covered payroll	\$ 6,770,775	\$ 7,583,119	\$ 7,136,534	\$ 6,621,189
City's proportionate share of the net pension liability as a percentage of its covered payroll	308.80%	324.22%	277.02%	280.71%
Plan fiduciary net position as a percentage of the total pension liability	68.36%	66.77%	72.20%	73.00%

Note: Information prior to 2014 was not unavailable. The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



**CITY OF STOW, OHIO**

*SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION*

*SCHEDULE OF CITY CONTRIBUTIONS  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*LAST TEN YEARS*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 1,241,178	\$ 1,063,550	\$ 1,062,310	\$ 1,051,862
Contributions in relation to the contractually required contribution	<u>(1,241,178)</u>	<u>(1,063,550)</u>	<u>(1,062,310)</u>	<u>(1,051,862)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 9,547,523	\$ 8,862,917	\$ 8,852,583	\$ 8,765,517
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%	12.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 25,734	\$ 22,357	\$ 32,024	\$ 33,639
Contributions in relation to the contractually required contribution	<u>(25,734)</u>	<u>(22,357)</u>	<u>(32,024)</u>	<u>(33,639)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 197,954	\$ 186,308	\$ 266,867	\$ 280,325
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%	12.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 11,792	\$ 16,544	\$ 16,968	
Contributions in relation to the contractually required contribution	<u>(11,792)</u>	<u>(16,544)</u>	<u>(16,968)</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
City's covered payroll	\$ 117,920	\$ 174,147	\$ 178,611	
Contributions as a percentage of covered payroll	10.00%	9.50%	9.50%	

Note: Information prior to 2010 was not available for the Combined Plan and information prior to 2015 was not available for the Member Directed Plan. The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 1,099,194	\$ 840,192	\$ 899,909	\$ 849,466	\$ 872,531	\$ 660,607
<u>(1,099,194)</u>	<u>(840,192)</u>	<u>(899,909)</u>	<u>(849,466)</u>	<u>(872,531)</u>	<u>(660,607)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,455,338	\$ 8,401,920	\$ 8,999,090	\$ 9,526,721	\$ 10,738,843	\$ 9,437,243
13.00%	10.00%	10.00%	8.92%	8.13%	7.00%
\$ 41,293	\$ 24,226	\$ 23,359	\$ 30,543		
<u>(41,293)</u>	<u>(24,226)</u>	<u>(23,359)</u>	<u>(30,543)</u>		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
\$ 317,638	\$ 304,730	\$ 293,824	\$ 315,310		
13.00%	7.95%	7.95%	9.69%		

**CITY OF STOW, OHIO**

*SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION*

*SCHEDULE OF CITY CONTRIBUTIONS  
OHIO POLICE AND FIRE (OP&F) PENSION FUND*

*LAST TEN YEARS*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Police:</i>				
Contractually required contribution	\$ 626,944	\$ 565,437	\$ 627,507	\$ 601,854
Contributions in relation to the contractually required contribution	<u>(626,944)</u>	<u>(565,437)</u>	<u>(627,507)</u>	<u>(601,854)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,299,705	\$ 2,975,984	\$ 3,302,668	\$ 3,167,653
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
<i>Fire:</i>				
Contractually required contribution	\$ 979,512	\$ 891,776	\$ 1,005,906	\$ 932,687
Contributions in relation to the contractually required contribution	<u>(979,512)</u>	<u>(891,776)</u>	<u>(1,005,906)</u>	<u>(932,687)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 4,168,136	\$ 3,794,791	\$ 4,280,451	\$ 3,968,881
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 458,153	\$ 358,771	\$ 366,291	\$ 371,980	\$ 382,592	\$ 384,500
<u>(458,153)</u>	<u>(358,771)</u>	<u>(366,291)</u>	<u>(371,980)</u>	<u>(382,592)</u>	<u>(384,500)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,884,489	\$ 2,813,890	\$ 2,872,871	\$ 2,917,490	\$ 3,000,722	\$ 3,015,686
15.88%	12.75%	12.75%	12.75%	12.75%	12.75%
\$ 761,664	\$ 643,400	\$ 631,257	\$ 614,776	\$ 617,398	\$ 609,637
<u>(761,664)</u>	<u>(643,400)</u>	<u>(631,257)</u>	<u>(614,776)</u>	<u>(617,398)</u>	<u>(609,637)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,736,700	\$ 3,729,855	\$ 3,659,461	\$ 3,563,919	\$ 3,579,119	\$ 3,534,128
20.38%	17.25%	17.25%	17.25%	17.25%	17.25%

**CITY OF STOW, OHIO**

*NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2017*

*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2014-2017.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.

*OHIO POLICE AND FIRE (OP&F) PENSION FUND*

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2014-2017.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. See the notes to the basic financial statements for the methods and assumptions in this calculation.

COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES

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**CITY OF STOW, OHIO**

*INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

**GENERAL FUND**

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

**SPECIAL REVENUE FUNDS**

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

**Major Special Revenue Fund**

***EMS/Fire Tax Levy Fund***

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

**Nonmajor Special Revenue Funds**

***Street Construction Fund***

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

***State Highway Improvement Fund***

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

***Police Pension and Disability Fund***

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

***Fire Pension and Disability Fund***

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

***Motor Vehicle License Tax Fund***

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

***ODNR Litter Prevention Grant Fund***

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

***EMS Transport Fees Fund***

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

***Police Enforcement and Education Fund***

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



**CITY OF STOW, OHIO**

*INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

**Nonmajor Special Revenue Funds (Continued)**

***Special Assessment Improvements Fund***

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

***Tree Trust Fund***

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

***Communications Tower Fund***

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

***Cemetery Trust Fund***

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

***Park Improvements Fund***

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

**Other Nonmajor Special Revenue Funds**

Federal Law Enforcement Forfeited Fees	City Lodging Tax
Community Events	Enhanced 911 Wireless
Safety Town	Police Officer Training
D.A.R.E. Program	Court Special Projects
Fire Department Emergency Equipment	Probation
Police Department Emergency Equipment	Indigent Drivers
Youth Division Teen Center	Court Technology
Parks Lodge Improvement	Court Clerk Technology
Community Relations	IDIA Monitoring
SS Ballfield Complex	9-11 Memorial
Community Development	SKIP Maintenance
FEMA	Disaster Relief

The following fund is included in the general fund (GAAP-basis), but has a separate legally adopted budget (budget basis). This fund is not included in the combining statements for the nonmajor special revenue funds since it is reported in the general fund (GAAP-basis); however, the budgetary schedule for this fund is presented in this section.

***Residential Snow Removal Fund***

This fund accounts for transfers from the general fund to provide for residential snow removal within the City.

**NONMAJOR DEBT SERVICE FUND**

***General Obligation Bond Retirement Fund***

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

**CITY OF STOW, OHIO**

*INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

**MAJOR CAPITAL PROJECTS FUND**

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

***General Capital Improvements Fund***

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

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**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ 4,640,060	\$ 4,642,629	\$ 4,640,131	\$ (2,498)
Income taxes . . . . .	10,956,765	10,956,765	10,399,326	(557,439)
Special assessments . . . . .	20,000	20,000	3,372	(16,628)
Charges for services . . . . .	452,500	452,500	406,319	(46,181)
Licenses and permits. . . . .	2,111,250	2,111,250	1,021,778	(1,089,472)
Fines and forfeitures. . . . .	2,307,500	2,307,500	2,224,846	(82,654)
Intergovernmental . . . . .	2,838,734	2,838,734	1,997,587	(841,147)
Investment income . . . . .	255,000	255,000	181,042	(73,958)
Rental . . . . .	243,000	243,000	140,136	(102,864)
Contributions and donations. . . . .	50	50	10	(40)
Other . . . . .	1,002,000	1,002,000	576,525	(425,475)
Total revenues . . . . .	<u>24,826,859</u>	<u>24,829,428</u>	<u>21,591,072</u>	<u>(3,238,356)</u>
<b>Expenditures:</b>				
Current:				
General government				
City Council				
Personal services . . . . .	215,053	215,053	211,704	3,349
Other . . . . .	16,672	16,672	10,144	6,528
Mayor's Office				
Personal services . . . . .	257,944	257,944	254,760	3,184
Other . . . . .	17,658	17,658	15,821	1,837
Finance Department				
Personal services . . . . .	404,071	404,071	400,513	3,558
Other . . . . .	65,310	65,310	59,639	5,671
Law Department				
Personal services . . . . .	387,284	387,284	387,283	1
Other . . . . .	44,408	44,408	35,959	8,449
Civil Service Commission				
Other . . . . .	1,850	1,850	468	1,382
Computer Services				
Personal services . . . . .	321,413	321,413	320,980	433
Other . . . . .	185,451	185,451	162,583	22,868
Service-Administration				
Personal services . . . . .	273,622	273,622	262,803	10,819
Other . . . . .	19,117	19,117	15,977	3,140
Service-Engineer				
Personal services . . . . .	287,585	287,585	287,582	3
Other . . . . .	71,970	71,970	69,355	2,615
Service-City Hall				
Personal services . . . . .	445,505	445,505	441,763	3,742
Other . . . . .	278,129	278,129	208,277	69,852
Service-Office				
Personal services . . . . .	255,680	255,680	230,125	25,555
Other . . . . .	25,983	25,983	19,247	6,736
Income Tax				
Personal services . . . . .	267,960	267,960	264,889	3,071
Other . . . . .	851,294	851,294	735,835	115,459
Human Resources				
Personal services . . . . .	27,946	27,946	26,976	970
Other . . . . .	21,263	21,263	8,947	12,316

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**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND - (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Public Defender				
Other . . . . .	\$ 6,000	\$ 6,000	\$ 3,230	\$ 2,770
SC Emergency Management - Subsidy				
Other . . . . .	16,500	16,500	15,677	823
Municipal Court - Judges				
Personal services . . . . .	1,471,899	1,471,899	1,310,218	161,681
Other . . . . .	172,814	172,814	131,541	41,273
Clerk of Courts				
Personal services . . . . .	1,105,387	1,105,387	1,071,351	34,036
Other . . . . .	182,522	182,522	160,994	21,528
County and State Fees				
Other . . . . .	187,082	187,082	173,821	13,261
Miscellaneous				
Other . . . . .	1,891,047	1,891,047	500,742	1,390,305
Total general government. . . . .	<u>9,776,419</u>	<u>9,776,419</u>	<u>7,799,204</u>	<u>1,977,215</u>
Security of persons and property				
Police				
Personal services . . . . .	4,532,244	4,532,244	4,526,658	5,586
Other . . . . .	679,781	679,781	609,817	69,964
Fire				
Personal services . . . . .	3,497,038	3,497,038	3,497,033	5
Other . . . . .	604,183	604,183	551,314	52,869
Police/Fire Communications				
Personal services . . . . .	1,163,504	1,163,504	1,159,372	4,132
Other . . . . .	139,679	139,679	110,689	28,990
Public Safety Service				
Other . . . . .	126,208	126,208	126,207	1
Total security of persons and property. . . . .	<u>10,742,637</u>	<u>10,742,637</u>	<u>10,581,090</u>	<u>161,547</u>
Public health				
Service - Cemetery				
Personal services . . . . .	95,183	95,183	90,668	4,515
Other . . . . .	19,500	19,500	19,500	-
County Health - Subsidy				
Other . . . . .	288,106	288,106	287,559	547
Total public health. . . . .	<u>402,789</u>	<u>402,789</u>	<u>397,727</u>	<u>5,062</u>
Leisure time activities				
Parks and Recreation - Administration				
Personal services . . . . .	121,976	121,976	119,474	2,502
Other . . . . .	18,567	18,567	16,134	2,433
Parks and Recreation - Recreation				
Personal services . . . . .	439,218	439,218	438,992	226
Other . . . . .	213,714	213,714	159,367	54,347
Parks and Recreation - Facility				
Other . . . . .	7,345	7,345	4,885	2,460

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CITY OF STOW, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 GENERAL FUND - (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Parks and Recreation - Service				
Personal services . . . . .	\$ 365,693	\$ 365,693	\$ 365,691	\$ 2
Other . . . . .	218,303	218,303	173,584	44,719
Total leisure time activities . . . . .	<u>1,384,816</u>	<u>1,384,816</u>	<u>1,278,127</u>	<u>106,689</u>
Community and economic environment				
Planning and Development				-
Personal services . . . . .	202,016	202,016	198,610	3,406
Other . . . . .	39,844	39,844	25,978	13,866
Service - Tree Program				
Personal services . . . . .	263,931	263,931	263,927	4
Other . . . . .	101,753	101,753	84,836	16,917
Service - Building Inspection				
Personal services . . . . .	389,159	389,159	373,079	16,080
Other . . . . .	27,068	27,068	25,690	1,378
Total community and economic development . . . . .	<u>1,023,771</u>	<u>1,023,771</u>	<u>972,120</u>	<u>51,651</u>
Transportation				
Street Repair				
Personal services . . . . .	213,880	213,880	213,752	128
Other . . . . .	221,826	221,826	220,416	1,410
AMATS - Subsidy				
Other . . . . .	7,000	7,000	6,858	142
Total transportation . . . . .	<u>442,706</u>	<u>442,706</u>	<u>441,026</u>	<u>1,680</u>
Total expenditures . . . . .	<u>23,773,138</u>	<u>23,773,138</u>	<u>21,469,294</u>	<u>2,303,844</u>
Excess of revenues over expenditures . . . . .	<u>1,053,721</u>	<u>1,056,290</u>	<u>121,778</u>	<u>(934,512)</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	1,165,000	1,165,000	534,029	(630,971)
Transfers (out) . . . . .	(2,447,775)	(2,447,775)	(835,852)	1,611,923
Total other financing sources (uses) . . . . .	<u>(1,282,775)</u>	<u>(1,282,775)</u>	<u>(301,823)</u>	<u>980,952</u>
Net change in fund balance . . . . .	(229,054)	(226,485)	(180,045)	46,440
<b>Fund balance at beginning of year . . . . .</b>	<b>5,075,482</b>	<b>5,075,482</b>	<b>5,075,482</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>495,166</b>	<b>495,166</b>	<b>495,166</b>	<b>-</b>
<b>Fund balance at end of year . . . . .</b>	<b><u>\$ 5,341,594</u></b>	<b><u>\$ 5,344,163</u></b>	<b><u>\$ 5,390,603</u></b>	<b><u>\$ 46,440</u></b>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
EMS/FIRE TAX LEVY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property and other local taxes . . . . .	\$ 1,620,593	\$ 1,617,000	\$ 1,617,016	\$ 16
Intergovernmental. . . . .	444,849	444,849	211,060	(233,789)
Other . . . . .	26,000	26,000	5,680	(20,320)
<b>Total revenues.</b> . . . .	<u>2,091,442</u>	<u>2,087,849</u>	<u>1,833,756</u>	<u>(254,093)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Personal services . . . . .	1,633,819	1,846,563	1,792,968	53,595
Other . . . . .	286,112	323,368	48,967	274,401
<b>Total expenditures.</b> . . . .	<u>1,919,931</u>	<u>2,169,931</u>	<u>1,841,935</u>	<u>327,996</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>171,511</u>	<u>(82,082)</u>	<u>(8,179)</u>	<u>73,903</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	606,725	606,725	-	(606,725)
<b>Total other financing sources</b> . . . . .	<u>606,725</u>	<u>606,725</u>	<u>-</u>	<u>(606,725)</u>
Net change in fund balance . . . . .	778,236	524,643	(8,179)	(532,822)
<b>Fund balance at beginning of year</b> . . . . .	39,746	39,746	39,746	-
<b>Prior year encumbrances appropriated.</b> . . . .	<u>4,185</u>	<u>4,185</u>	<u>4,185</u>	<u>-</u>
<b>Fund balance at end of year</b> . . . . .	<u>\$ 822,167</u>	<u>\$ 568,574</u>	<u>\$ 35,752</u>	<u>\$ (532,822)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL CAPITAL IMPROVEMENTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Income taxes . . . . .	\$ 4,705,735	\$ 4,705,735	\$ 2,702,287	\$ (2,003,448)
Intergovernmental. . . . .	3,145,000	3,145,000	2,586,822	(558,178)
Special assessments . . . . .	50,000	50,000	12,056	(37,944)
Rental . . . . .	-	-	54,000	54,000
Other . . . . .	130,000	130,000	13,903	(116,097)
<b>Total revenues . . . . .</b>	<u>8,030,735</u>	<u>8,030,735</u>	<u>5,369,068</u>	<u>(2,661,667)</u>
<b>Expenditures:</b>				
Capital outlay				
Other . . . . .	6,319,179	7,069,179	5,616,484	1,452,695
Debt service:				
Principal retirement. . . . .	3,235,509	3,235,509	3,136,387	99,122
Interest and fiscal charges. . . . .	160,000	160,000	167,709	(7,709)
<b>Total expenditures . . . . .</b>	<u>9,714,688</u>	<u>10,464,688</u>	<u>8,920,580</u>	<u>1,544,108</u>
Excess of expenditures over revenues. . . . .	<u>(1,683,953)</u>	<u>(2,433,953)</u>	<u>(3,551,512)</u>	<u>(1,117,559)</u>
<b>Other financing sources:</b>				
Sale of notes . . . . .	3,300,000	3,300,000	2,500,000	(800,000)
Premium on notes . . . . .	-	-	11,525	11,525
Transfers in. . . . .	-	-	221,743	221,743
<b>Total other financing sources. . . . .</b>	<u>3,300,000</u>	<u>3,300,000</u>	<u>2,733,268</u>	<u>(566,732)</u>
Net change in fund balance. . . . .	1,616,047	866,047	(818,244)	(1,684,291)
<b>Fund balance at beginning of year . . . . .</b>	2,759,087	2,759,087	2,759,087	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>472,855</u>	<u>472,855</u>	<u>472,855</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 4,847,989</u>	<u>\$ 4,097,989</u>	<u>\$ 2,413,698</u>	<u>\$ (1,684,291)</u>



**CITY OF STOW, OHIO**

*BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2017*

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Total Nonmajor Governmental Funds</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . .	\$ 4,627,122	\$ -	\$ 4,627,122
Receivables:			
Property taxes . . . . .	488,003	-	488,003
Income taxes . . . . .	165,516	121,660	287,176
Accounts . . . . .	187,369	-	187,369
Intergovernmental . . . . .	858,956	-	858,956
Materials and supplies inventory . . . . .	515,368	-	515,368
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets . . . . .	<u>\$ 6,842,334</u>	<u>\$ 121,660</u>	<u>\$ 6,963,994</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ 231,577	\$ -	\$ 231,577
Accrued wages and benefits payable. . . . .	1,570	-	1,570
Intergovernmental payable. . . . .	150,828	-	150,828
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities . . . . .	<u>383,975</u>	<u>-</u>	<u>383,975</u>
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year. . . .	422,718	-	422,718
Delinquent property tax revenue not available. . .	16,760	-	16,760
Income tax revenue not available . . . . .	36,363	26,728	63,091
Intergovernmental nonexchange transactions . . .	489,547	-	489,547
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total deferred inflows of resources. . . . .	<u>965,388</u>	<u>26,728</u>	<u>992,116</u>
<b>Fund balances:</b>			
Nonspendable . . . . .	515,368	-	515,368
Restricted. . . . .	3,717,950	-	3,717,950
Committed . . . . .	1,406,663	94,932	1,501,595
Unassigned (deficit) . . . . .	(147,010)	-	(147,010)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balances . . . . .	<u>5,492,971</u>	<u>94,932</u>	<u>5,587,903</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 6,842,334</u>	<u>\$ 121,660</u>	<u>\$ 6,963,994</u>

**CITY OF STOW, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues:</b>			
Property and other local taxes . . . . .	\$ 670,480	\$ -	\$ 670,480
Income taxes . . . . .	1,262,013	925,773	2,187,786
Special assessments . . . . .	26,042	-	26,042
Charges for services . . . . .	778,173	-	778,173
Licenses and permits . . . . .	9,450	-	9,450
Fines and forfeitures . . . . .	1,230,866	-	1,230,866
Intergovernmental . . . . .	1,861,795	-	1,861,795
Investment income . . . . .	21,879	-	21,879
Rent . . . . .	78,315	-	78,315
Contributions and donations . . . . .	31,258	-	31,258
Other . . . . .	137,260	-	137,260
Total revenues . . . . .	<u>6,107,531</u>	<u>925,773</u>	<u>7,033,304</u>
<b>Expenditures:</b>			
Current:			
General government . . . . .	637,260	-	637,260
Security of persons and property . . . . .	1,939,015	-	1,939,015
Public health . . . . .	45,369	-	45,369
Leisure time activities . . . . .	139,218	-	139,218
Community and economic development . . . . .	48,712	-	48,712
Transportation . . . . .	2,088,894	-	2,088,894
Capital outlay . . . . .	1,159,033	-	1,159,033
Debt service:			
Principal retirement . . . . .	97,625	744,744	842,369
Interest and fiscal charges . . . . .	25,200	192,421	217,621
Total expenditures . . . . .	<u>6,180,326</u>	<u>937,165</u>	<u>7,117,491</u>
Excess of expenditures over revenues . . . . .	<u>(72,795)</u>	<u>(11,392)</u>	<u>(84,187)</u>
<b>Other financing sources (uses):</b>			
Transfers in . . . . .	919,096	-	919,096
Transfers (out) . . . . .	<u>(866,016)</u>	<u>-</u>	<u>(866,016)</u>
Total other financing sources (uses) . . . . .	<u>53,080</u>	<u>-</u>	<u>53,080</u>
Net change in fund balances . . . . .	(19,715)	(11,392)	(31,107)
<b>Fund balances at beginning of year . . . . .</b>	<u>5,512,686</u>	<u>106,324</u>	<u>5,619,010</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 5,492,971</u>	<u>\$ 94,932</u>	<u>\$ 5,587,903</u>

CITY OF STOW, OHIO

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2017

	<u>Street Construction</u>	<u>State Highway Improvement</u>	<u>Police Pension and Disability</u>	<u>Fire Pension and Disability</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 1,479,771	\$ 39,170	\$ -	\$ -
Receivables:				
Property taxes. . . . .	-	-	219,739	219,739
Income taxes . . . . .	165,516	-	-	-
Accounts . . . . .				
Intergovernmental. . . . .	635,382	51,517	15,250	15,250
Materials and supplies inventory . . . . .	515,368	-	-	-
Total assets . . . . .	<u>\$ 2,796,037</u>	<u>\$ 90,687</u>	<u>\$ 234,989</u>	<u>\$ 234,989</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 155,937	\$ 7,846	\$ -	\$ -
Accrued wages and benefits payable. . . . .	-	-	-	-
Intergovernmental payable . . . . .	388	20	72,884	73,179
Total liabilities. . . . .	<u>156,325</u>	<u>7,866</u>	<u>72,884</u>	<u>73,179</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	-	-	211,359	211,359
Delinquent property tax revenue not available . . . . .	-	-	8,380	8,380
Income tax revenue not available. . . . .	36,363	-	-	-
Intergovernmental nonexchange transactions . . . . .	424,619	34,428	15,250	15,250
Total deferred inflows of resources. . . . .	<u>460,982</u>	<u>34,428</u>	<u>234,989</u>	<u>234,989</u>
<b>Fund balances:</b>				
Nonspendable . . . . .	515,368	-	-	-
Restricted. . . . .	1,663,362	48,393	-	-
Committed . . . . .	-	-	-	-
Unassigned (deficit) . . . . .	-	-	(72,884)	(73,179)
Total fund balances (deficit) . . . . .	<u>2,178,730</u>	<u>48,393</u>	<u>(72,884)</u>	<u>(73,179)</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 2,796,037</u>	<u>\$ 90,687</u>	<u>\$ 234,989</u>	<u>\$ 234,989</u>

<u>Motor Vehicle License Tax</u>	<u>ODNR Litter Prevention Grant</u>	<u>EMS Transport Fees</u>	<u>Police Enforcement and Education</u>	<u>Special Assessment Improvements</u>	<u>Tree Trust</u>
\$ 180,416	\$ 3,509	\$ 267,437	\$ 9,034	\$ 2,807	\$ 152,982
-	-	-	-	-	-
-	-	-	-	-	-
-	34,837	184,490	120	-	-
-	-	-	-	-	-
<u>\$ 180,416</u>	<u>\$ 38,346</u>	<u>\$ 451,927</u>	<u>\$ 9,154</u>	<u>\$ 2,807</u>	<u>\$ 152,982</u>
\$ -	\$ -	\$ 12,256	\$ -	\$ 3,596	\$ 6,350
-	-	-	-	-	-
-	121	944	-	158	-
-	121	13,200	-	3,754	6,350
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
180,416	38,225	-	9,154	-	-
-	-	438,727	-	-	146,632
-	-	-	-	(947)	-
<u>180,416</u>	<u>38,225</u>	<u>438,727</u>	<u>9,154</u>	<u>(947)</u>	<u>146,632</u>
<u>\$ 180,416</u>	<u>\$ 38,346</u>	<u>\$ 451,927</u>	<u>\$ 9,154</u>	<u>\$ 2,807</u>	<u>\$ 152,982</u>

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CITY OF STOW, OHIO

COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 DECEMBER 31, 2017

	<u>Communications Tower</u>	<u>Cemetery Trust</u>	<u>Park Improvements</u>	<u>Federal Law Enforcement Forfeited Fees</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 245,873	\$ 8,876	\$ 16,616	\$ 15,414
Receivables:				
Property taxes. . . . .	-	-	-	-
Income taxes . . . . .	-	-	-	-
Accounts . . . . .	-	302	-	-
Intergovernmental. . . . .	-	-	-	-
Materials and supplies inventory . . . . .	-	-	-	-
Total assets . . . . .	<u>\$ 245,873</u>	<u>\$ 9,178</u>	<u>\$ 16,616</u>	<u>\$ 15,414</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ -	\$ 1,271	\$ -	\$ -
Accrued wages and benefits payable. . . . .	-	-	-	-
Intergovernmental payable . . . . .	-	86	-	-
Total liabilities. . . . .	<u>-</u>	<u>1,357</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	-	-	-	-
Delinquent property tax revenue not available . . . . .	-	-	-	-
Income tax revenue not available. . . . .	-	-	-	-
Intergovernmental nonexchange transactions . . . . .	-	-	-	-
Total deferred inflows of resources. . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>				
Nonspendable . . . . .	-	-	-	-
Restricted. . . . .	-	7,821	-	15,414
Committed . . . . .	245,873	-	16,616	-
Unassigned (deficit) . . . . .	-	-	-	-
Total fund balances (deficit) . . . . .	<u>245,873</u>	<u>7,821</u>	<u>16,616</u>	<u>15,414</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 245,873</u>	<u>\$ 9,178</u>	<u>\$ 16,616</u>	<u>\$ 15,414</u>



CITY OF STOW, OHIO

COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 DECEMBER 31, 2017

	<u>Community Relations</u>	<u>SS Ballfield Complex</u>	<u>City Lodging Tax</u>	<u>Enhanced 911 Wireless</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 5,517	\$ 3,060	\$ 485,354	\$ 589,985
Receivables:				
Property taxes. . . . .	-	-	48,525	-
Income taxes . . . . .	-	-	-	-
Accounts . . . . .	-	-	-	2,577
Intergovernmental. . . . .	-	-	-	8,708
Materials and supplies inventory . . . . .	-	-	-	-
Total assets . . . . .	<u>\$ 5,517</u>	<u>\$ 3,060</u>	<u>\$ 533,879</u>	<u>\$ 601,270</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 37	\$ -	\$ 4,800	\$ 711
Accrued wages and benefits payable. . . . .	-	-	-	-
Intergovernmental payable . . . . .	-	-	1,863	-
Total liabilities. . . . .	<u>37</u>	<u>-</u>	<u>6,663</u>	<u>711</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	-	-	-	-
Delinquent property tax revenue not available . . . . .	-	-	-	-
Income tax revenue not available. . . . .	-	-	-	-
Intergovernmental nonexchange transactions . . . . .	-	-	-	-
Total deferred inflows of resources. . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>				
Nonspendable . . . . .	-	-	-	-
Restricted. . . . .	-	-	-	600,559
Committed . . . . .	5,480	3,060	527,216	-
Unassigned (deficit) . . . . .	-	-	-	-
Total fund balances (deficit) . . . . .	<u>5,480</u>	<u>3,060</u>	<u>527,216</u>	<u>600,559</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 5,517</u>	<u>\$ 3,060</u>	<u>\$ 533,879</u>	<u>\$ 601,270</u>

<u>Police Officer Training</u>	<u>Court Special Projects</u>	<u>Probation</u>	<u>Indigent Drivers</u>	<u>Court Technology</u>	<u>Court Clerk Technology</u>
\$ 11,588	\$ 270,628	\$ 30,044	\$ 425,706	\$ 69,557	\$ 243,761
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	57,309	25,754	3,242	3,961	5,237
-	-	-	-	-	-
<u>\$ 11,588</u>	<u>\$ 327,937</u>	<u>\$ 55,798</u>	<u>\$ 428,948</u>	<u>\$ 73,518</u>	<u>\$ 248,998</u>
\$ -	\$ -	\$ 35,607	\$ -	\$ 776	\$ 2,390
-	-	-	-	785	785
-	-	-	-	588	588
-	-	35,607	-	2,149	3,763
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
11,588	327,937	20,191	428,948	71,369	245,235
-	-	-	-	-	-
-	-	-	-	-	-
<u>11,588</u>	<u>327,937</u>	<u>20,191</u>	<u>428,948</u>	<u>71,369</u>	<u>245,235</u>
<u>\$ 11,588</u>	<u>\$ 327,937</u>	<u>\$ 55,798</u>	<u>\$ 428,948</u>	<u>\$ 73,518</u>	<u>\$ 248,998</u>

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CITY OF STOW, OHIO

COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 DECEMBER 31, 2017

	IDIA Monitoring	9-11 Memorial	SKIP Maintenance	Total Nonmajor Special Revenue Funds
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 22,720	\$ 1,250	\$ 523	\$ 4,627,122
Receivables:				
Property taxes. . . . .	-	-	-	488,003
Income taxes . . . . .	-	-	-	165,516
Accounts . . . . .	-	-	-	187,369
Intergovernmental. . . . .	2,389	-	-	858,956
Materials and supplies inventory . . . . .	-	-	-	515,368
Total assets . . . . .	<u>\$ 25,109</u>	<u>\$ 1,250</u>	<u>\$ 523</u>	<u>\$ 6,842,334</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ -	\$ -	\$ -	\$ 231,577
Accrued wages and benefits payable. . . . .	-	-	-	1,570
Intergovernmental payable . . . . .	-	-	-	150,828
Total liabilities. . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>383,975</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	-	-	-	422,718
Delinquent property tax revenue not available . . . . .	-	-	-	16,760
Income tax revenue not available. . . . .	-	-	-	36,363
Intergovernmental nonexchange transactions . . . . .	-	-	-	489,547
Total deferred inflows of resources. . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>965,388</u>
<b>Fund balances:</b>				
Nonspendable . . . . .	-	-	-	515,368
Restricted. . . . .	25,109	-	523	3,717,950
Committed . . . . .	-	1,250	-	1,406,663
Unassigned (deficit) . . . . .	-	-	-	(147,010)
Total fund balances (deficit) . . . . .	<u>25,109</u>	<u>1,250</u>	<u>523</u>	<u>5,492,971</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 25,109</u>	<u>\$ 1,250</u>	<u>\$ 523</u>	<u>\$ 6,842,334</u>

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CITY OF STOW, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Street Construction	State Highway Improvement	Police Pension and Disability	Fire Pension and Disability
<b>Revenues:</b>				
Property and other local taxes . . . . .	\$ -	\$ -	\$ 210,915	\$ 210,915
Income taxes . . . . .	1,262,013	-	-	-
Special assessments . . . . .	-	-	-	-
Charges for services . . . . .	-	-	-	-
Licenses and permits . . . . .	-	-	-	-
Fines and forfeitures . . . . .	-	-	-	-
Intergovernmental . . . . .	1,287,921	104,226	27,530	27,530
Investment income . . . . .	12,257	301	-	-
Rent . . . . .	-	-	-	-
Contributions and donations . . . . .	-	-	-	-
Other . . . . .	25,553	1,439	-	-
Total revenues . . . . .	<u>2,587,744</u>	<u>105,966</u>	<u>238,445</u>	<u>238,445</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	-	-	-	-
Security of persons and property . . . . .	-	-	646,673	670,649
Public health . . . . .	-	-	-	-
Leisure time activities . . . . .	-	-	-	-
Community and economic development . . . . .	-	-	-	-
Transportation . . . . .	1,988,857	100,037	-	-
Capital outlay . . . . .	643,136	-	-	-
Debt service:				
Principal retirement . . . . .	-	-	-	-
Interest and fiscal charges . . . . .	-	-	-	-
Total expenditures . . . . .	<u>2,631,993</u>	<u>100,037</u>	<u>646,673</u>	<u>670,649</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(44,249)</u>	<u>5,929</u>	<u>(408,228)</u>	<u>(432,204)</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	-	380,268	407,384
Transfers (out) . . . . .	-	-	-	-
Total other financing sources (uses) . . . . .	<u>-</u>	<u>-</u>	<u>380,268</u>	<u>407,384</u>
Net change in fund balances . . . . .	(44,249)	5,929	(27,960)	(24,820)
<b>Fund balances (deficits) at beginning of year . . . . .</b>	<u>2,222,979</u>	<u>42,464</u>	<u>(44,924)</u>	<u>(48,359)</u>
<b>Fund balances (deficits) at end of year . . . . .</b>	<u>\$ 2,178,730</u>	<u>\$ 48,393</u>	<u>\$ (72,884)</u>	<u>\$ (73,179)</u>

<u>Motor Vehicle License Tax</u>	<u>ODNR Litter Prevention Grant</u>	<u>EMS Transport Fees</u>	<u>Police Enforcement and Education</u>	<u>Special Assessment Improvements</u>	<u>Tree Trust</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	25,522	520
-	-	778,173	-	-	-
-	-	-	1,689	-	-
226,975	34,837	-	-	-	-
1,644	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	24	4,038	-	-	65,715
<u>228,619</u>	<u>34,861</u>	<u>782,211</u>	<u>1,689</u>	<u>25,522</u>	<u>66,235</u>
-	-	-	-	-	-
-	-	524,886	-	31,869	-
-	25,478	-	-	-	-
-	-	-	-	-	66,551
-	-	-	-	-	-
300,000	-	107,896	-	-	-
-	-	97,625	-	-	-
-	-	25,200	-	-	-
<u>300,000</u>	<u>25,478</u>	<u>755,607</u>	<u>-</u>	<u>31,869</u>	<u>66,551</u>
<u>(71,381)</u>	<u>9,383</u>	<u>26,604</u>	<u>1,689</u>	<u>(6,347)</u>	<u>(316)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(71,381)	9,383	26,604	1,689	(6,347)	(316)
<u>251,797</u>	<u>28,842</u>	<u>412,123</u>	<u>7,465</u>	<u>5,400</u>	<u>146,948</u>
<u>\$ 180,416</u>	<u>\$ 38,225</u>	<u>\$ 438,727</u>	<u>\$ 9,154</u>	<u>\$ (947)</u>	<u>\$ 146,632</u>

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**CITY OF STOW, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Communications Tower</u>	<u>Cemetery Trust</u>	<u>Park Improvements</u>	<u>Federal Law Enforcement Forfeited Fees</u>
<b>Revenues:</b>				
Property and other local taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Income taxes . . . . .	-	-	-	-
Special assessments . . . . .	-	-	-	-
Charges for services . . . . .	-	-	-	-
Licenses and permits . . . . .	-	-	-	-
Fines and forfeitures . . . . .	-	-	-	-
Intergovernmental . . . . .	-	-	-	-
Investment income . . . . .	-	-	-	-
Rent . . . . .	78,315	-	-	-
Contributions and donations . . . . .	2,551	-	500	-
Other . . . . .	-	19,537	-	-
Total revenues . . . . .	<u>80,866</u>	<u>19,537</u>	<u>500</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	-	-	-	-
Security of persons and property . . . . .	-	-	-	1,424
Public health . . . . .	-	18,448	-	-
Leisure time activities . . . . .	-	-	-	-
Community and economic development . . . . .	47,350	-	-	-
Transportation . . . . .	-	-	-	-
Capital outlay . . . . .	27,388	-	-	4,158
Debt service:				
Principal retirement . . . . .	-	-	-	-
Interest and fiscal charges . . . . .	-	-	-	-
Total expenditures . . . . .	<u>74,738</u>	<u>18,448</u>	<u>-</u>	<u>5,582</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>6,128</u>	<u>1,089</u>	<u>500</u>	<u>(5,582)</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	-	-	-
Transfers out . . . . .	-	-	-	-
Total other financing sources (uses) . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances . . . . .	6,128	1,089	500	(5,582)
<b>Fund balances (deficits) at beginning of year . . . . .</b>	<u>239,745</u>	<u>6,732</u>	<u>16,116</u>	<u>20,996</u>
<b>Fund balances (deficits) at end of year . . . . .</b>	<u>\$ 245,873</u>	<u>\$ 7,821</u>	<u>\$ 16,616</u>	<u>\$ 15,414</u>

<b>Community Events</b>	<b>Safety Town</b>	<b>D.A.R.E. Program</b>	<b>Fire Department Emergency Equipment</b>	<b>Police Department Emergency Equipment</b>	<b>Parks Lodge Improvement</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,450	-	-	-	-	-
-	-	-	-	-	-
-	-	14,194	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10,800	6,200	-	1,217	6,797	-
9,857	-	73	-	-	-
<u>30,107</u>	<u>6,200</u>	<u>14,267</u>	<u>1,217</u>	<u>6,797</u>	<u>-</u>
-	-	-	-	-	-
-	9,372	28,182	4,533	16,571	-
-	-	-	-	-	-
41,376	-	-	-	-	20,000
-	-	-	-	-	-
-	-	-	500	650	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>41,376</u>	<u>9,372</u>	<u>28,182</u>	<u>5,033</u>	<u>17,221</u>	<u>20,000</u>
<u>(11,269)</u>	<u>(3,172)</u>	<u>(13,915)</u>	<u>(3,816)</u>	<u>(10,424)</u>	<u>(20,000)</u>
12,000	-	7,000	-	-	-
-	-	-	-	-	-
<u>12,000</u>	<u>-</u>	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
731	(3,172)	(6,915)	(3,816)	(10,424)	(20,000)
<u>2,830</u>	<u>7,943</u>	<u>7,603</u>	<u>6,683</u>	<u>29,881</u>	<u>34,171</u>
<u>\$ 3,561</u>	<u>\$ 4,771</u>	<u>\$ 688</u>	<u>\$ 2,867</u>	<u>\$ 19,457</u>	<u>\$ 14,171</u>

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**CITY OF STOW, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Community Relations</u>	<u>SS Ballfield Complex</u>	<u>City Lodging Tax</u>	<u>Enhanced 911 Wireless</u>
<b>Revenues:</b>				
Property and other local taxes . . . . .	\$ -	\$ -	\$ 248,650	\$ -
Income taxes . . . . .	-	-	-	-
Special assessments . . . . .	-	-	-	-
Charges for services . . . . .	-	-	-	-
Licenses and permits . . . . .	-	-	-	-
Fines and forfeitures . . . . .	-	-	-	-
Intergovernmental . . . . .	-	-	-	54,202
Investment income . . . . .	-	-	-	-
Rent . . . . .	-	-	-	-
Contributions and donations . . . . .	-	-	-	-
Other . . . . .	-	7,106	400	2,577
<b>Total revenues . . . . .</b>	<u>-</u>	<u>7,106</u>	<u>249,050</u>	<u>56,779</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	-	-	291,809	-
Security of persons and property . . . . .	-	-	-	4,257
Public health . . . . .	-	-	-	-
Leisure time activities . . . . .	-	7,200	-	-
Community and economic development . . . . .	1,362	-	-	-
Transportation . . . . .	-	-	-	-
Capital outlay . . . . .	-	-	-	609
Debt service:				
Principal retirement . . . . .	-	-	-	-
Interest and fiscal charges . . . . .	-	-	-	-
<b>Total expenditures . . . . .</b>	<u>1,362</u>	<u>7,200</u>	<u>291,809</u>	<u>4,866</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(1,362)</u>	<u>(94)</u>	<u>(42,759)</u>	<u>51,913</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	2,200	-	-	-
Transfers out . . . . .	-	-	-	-
<b>Total other financing sources (uses) . . . . .</b>	<u>2,200</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances . . . . .	838	(94)	(42,759)	51,913
<b>Fund balances (deficits) at beginning of year . .</b>	<u>4,642</u>	<u>3,154</u>	<u>569,975</u>	<u>548,646</u>
<b>Fund balances (deficits) at end of year . . . . .</b>	<u>\$ 5,480</u>	<u>\$ 3,060</u>	<u>\$ 527,216</u>	<u>\$ 600,559</u>

<b>Police Officer Training</b>	<b>Court Special Projects</b>	<b>Probation</b>	<b>Indigent Drivers</b>	<b>Court Technology</b>	<b>Court Clerk Technology</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	675,177	304,111	30,477	52,575	150,926
9,020	-	-	47,971	-	-
-	7,677	-	-	-	-
-	-	-	-	-	-
1,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	701	240
<u>10,020</u>	<u>682,854</u>	<u>304,111</u>	<u>78,448</u>	<u>53,276</u>	<u>151,166</u>
-	8,950	173,962	-	81,446	81,093
599	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	12,417	-	29,395	32,884
-	-	-	-	-	-
-	-	-	-	-	-
<u>599</u>	<u>8,950</u>	<u>186,379</u>	<u>-</u>	<u>110,841</u>	<u>113,977</u>
<u>9,421</u>	<u>673,904</u>	<u>117,732</u>	<u>78,448</u>	<u>(57,565)</u>	<u>37,189</u>
-	110,244	-	-	-	-
-	(655,772)	(100,000)	-	-	-
-	(545,528)	(100,000)	-	-	-
9,421	128,376	17,732	78,448	(57,565)	37,189
<u>2,167</u>	<u>199,561</u>	<u>2,459</u>	<u>350,500</u>	<u>128,934</u>	<u>208,046</u>
<u>\$ 11,588</u>	<u>\$ 327,937</u>	<u>\$ 20,191</u>	<u>\$ 428,948</u>	<u>\$ 71,369</u>	<u>\$ 245,235</u>

-- Continued



CITY OF STOW, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>IDIA Monitoring</u>	<u>9-11 Memorial</u>	<u>SKIP Maintenance</u>	<u>Disaster Relief</u>
<b>Revenues:</b>				
Property and other local taxes. . . . .	\$ -	\$ -	\$ -	\$ -
Income taxes . . . . .	-	-	-	-
Special assessments . . . . .	-	-	-	-
Charges for services . . . . .	-	-	-	-
Licenses and permits . . . . .	-	-	-	-
Fines and forfeitures . . . . .	15,911	-	-	-
Intergovernmental . . . . .	27,389	-	-	-
Investment income . . . . .	-	-	-	-
Rent . . . . .	-	-	-	-
Contributions and donations. . . . .	-	750	-	1,443
Other . . . . .	-	-	-	-
Total revenues. . . . .	<u>43,300</u>	<u>750</u>	<u>-</u>	<u>1,443</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	-	-	-	-
Security of persons and property. . . . .	-	-	-	-
Public health . . . . .	-	-	-	1,443
Leisure time activities . . . . .	-	-	4,091	-
Community and economic development . . . . .	-	-	-	-
Transportation . . . . .	-	-	-	-
Capital outlay. . . . .	-	-	-	-
Debt service:				
Principal retirement. . . . .	-	-	-	-
Interest and fiscal charges. . . . .	-	-	-	-
Total expenditures . . . . .	<u>-</u>	<u>-</u>	<u>4,091</u>	<u>1,443</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>43,300</u>	<u>750</u>	<u>(4,091)</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Transfers in. . . . .	-	-	-	-
Transfers out . . . . .	<u>(110,244)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses) . . . . .	<u>(110,244)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances. . . . .	(66,944)	750	(4,091)	-
<b>Fund balances (deficits) at beginning of year . .</b>	<u>92,053</u>	<u>500</u>	<u>4,614</u>	<u>-</u>
<b>Fund balances (deficits) at end of year . . . . .</b>	<u>\$ 25,109</u>	<u>\$ 1,250</u>	<u>\$ 523</u>	<u>\$ -</u>

**Nonmajor  
Special Revenue  
Funds**

\$	670,480
	1,262,013
	26,042
	778,173
	9,450
	1,230,866
	1,861,795
	21,879
	78,315
	31,258
	137,260
	<u>6,107,531</u>
	637,260
	1,939,015
	45,369
	139,218
	48,712
	2,088,894
	1,159,033
	97,625
	25,200
	<u>6,180,326</u>
	<u>(72,795)</u>
	919,096
	<u>(866,016)</u>
	53,080
	(19,715)
	5,512,686
\$	<u>5,492,971</u>

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**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
STREET CONSTRUCTION FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Income taxes . . . . .	1,800,000	1,800,000	1,275,000	\$ (525,000)
Intergovernmental. . . . .	1,507,000	1,507,000	1,294,432	(212,568)
Investment income . . . . .	14,000	14,000	12,257	(1,743)
Other . . . . .	1,329,250	1,329,250	25,553	(1,303,697)
<b>Total revenues. . . . .</b>	<u>4,650,250</u>	<u>4,650,250</u>	<u>2,607,242</u>	<u>(2,043,008)</u>
<b>Expenditures:</b>				
Current:				
Transportation				
Personal services . . . . .	1,292,725	1,413,574	1,151,162	262,412
Other . . . . .	1,886,112	2,062,434	1,212,724	849,710
Capital outlay				
Other . . . . .	1,099,967	1,202,796	644,137	558,659
<b>Total expenditures . . . . .</b>	<u>4,278,804</u>	<u>4,678,804</u>	<u>3,008,023</u>	<u>1,670,781</u>
Net change in fund balance. . . . .	371,446	(28,554)	(400,781)	(372,227)
<b>Fund balance at beginning of year . . . . .</b>	1,224,976	1,224,976	1,224,976	-
<b>Prior year encumbrances appropriated . . .</b>	<u>358,228</u>	<u>358,228</u>	<u>358,228</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 1,954,650</u>	<u>\$ 1,554,650</u>	<u>\$ 1,182,423</u>	<u>\$ (372,227)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
STATE HIGHWAY IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 122,213	\$ 122,213	\$ 104,754	\$ (17,459)
Investment income . . . . .	250	250	301	51
Other . . . . .	160,787	160,787	1,439	(159,348)
<b>Total revenues.</b> . . . .	<u>283,250</u>	<u>283,250</u>	<u>106,494</u>	<u>(176,756)</u>
<b>Expenditures:</b>				
Current:				
Transportation				
Personal services . . . . .	44,369	50,779	50,751	28
Other . . . . .	94,060	107,650	57,138	50,512
<b>Total expenditures.</b> . . . .	<u>138,429</u>	<u>158,429</u>	<u>107,889</u>	<u>50,540</u>
Net change in fund balance . . . . .	144,821	124,821	(1,395)	(126,216)
<b>Fund balance at beginning of year.</b> . . . .	35,521	35,521	35,521	-
<b>Prior year encumbrances appropriated.</b> . . .	<u>345</u>	<u>345</u>	<u>345</u>	<u>-</u>
<b>Fund balance at end of year.</b> . . . . .	<u>\$ 180,687</u>	<u>\$ 160,687</u>	<u>\$ 34,471</u>	<u>\$ (126,216)</u>

CITY OF STOW, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**POLICE PENSION AND DISABILITY FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Revenues:</b>				
Property and other local taxes. . . . .	\$ 209,469	\$ 209,000	\$ 210,915	\$ 1,915
Intergovernmental. . . . .	65,042	65,042	27,530	(37,512)
Other . . . . .	30,000	30,000	-	(30,000)
Total revenues. . . . .	<u>304,511</u>	<u>304,042</u>	<u>238,445</u>	<u>(65,597)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Personal services . . . . .	625,711	675,373	614,471	60,902
Other . . . . .	4,262	4,600	4,242	358
Total expenditures . . . . .	<u>629,973</u>	<u>679,973</u>	<u>618,713</u>	<u>61,260</u>
Excess of expenditures over revenues . . . . .	<u>(325,462)</u>	<u>(375,931)</u>	<u>(380,268)</u>	<u>(4,337)</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	440,000	440,000	380,268	(59,732)
Total other financing sources. . . . .	<u>440,000</u>	<u>440,000</u>	<u>380,268</u>	<u>(59,732)</u>
Net change in fund balance . . . . .	114,538	64,069	-	(64,069)
<b>Fund balance at beginning of year. . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 114,538</u>	<u>\$ 64,069</u>	<u>\$ -</u>	<u>\$ (64,069)</u>

CITY OF STOW, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**FIRE PENSION AND DISABILITY FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property and other local taxes . . . . .	\$ 209,469	\$ 209,000	\$ 210,915	\$ 1,915
Intergovernmental . . . . .	65,042	65,042	27,530	(37,512)
Other . . . . .	30,000	30,000	-	(30,000)
Total revenues. . . . .	<u>304,511</u>	<u>304,042</u>	<u>238,445</u>	<u>(65,597)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Personal services . . . . .	646,959	686,693	641,547	45,146
Other . . . . .	4,334	4,600	4,282	318
Total expenditures . . . . .	<u>651,293</u>	<u>691,293</u>	<u>645,829</u>	<u>45,464</u>
Excess of expenditures over revenues . . . . .	<u>(346,782)</u>	<u>(387,251)</u>	<u>(407,384)</u>	<u>(20,133)</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	467,850	467,850	407,384	(60,466)
Total other financing sources. . . . .	<u>467,850</u>	<u>467,850</u>	<u>407,384</u>	<u>(60,466)</u>
Net change in fund balance. . . . .	121,068	80,599	-	(80,599)
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 121,068</u>	<u>\$ 80,599</u>	<u>\$ -</u>	<u>\$ (80,599)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
MOTOR VEHICLE LICENSE TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 540,000	\$ 540,000	\$ 248,088	\$ (291,912)
Investment income . . . . .	750	750	1,644	894
Total revenues. . . . .	<u>540,750</u>	<u>540,750</u>	<u>249,732</u>	<u>(291,018)</u>
<b>Expenditures:</b>				
Capital outlay				
Other . . . . .	<u>475,434</u>	<u>575,434</u>	<u>300,000</u>	<u>275,434</u>
Total expenditures . . . . .	<u>475,434</u>	<u>575,434</u>	<u>300,000</u>	<u>275,434</u>
Net change in fund balance . . . . .	65,316	(34,684)	(50,268)	(15,584)
<b>Fund balance at beginning of year. . . . .</b>	<u>230,684</u>	<u>230,684</u>	<u>230,684</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 296,000</u>	<u>\$ 196,000</u>	<u>\$ 180,416</u>	<u>\$ (15,584)</u>



**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ODNR LITTER PREVENTION GRANT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 28,290	\$ 28,290	\$ 28,289	\$ (1)
Other . . . . .	210	210	24	(186)
Total revenues. . . . .	<u>28,500</u>	<u>28,500</u>	<u>28,313</u>	<u>(187)</u>
<b>Expenditures:</b>				
Current:				
Public health				
Personal services . . . . .	6,760	10,267	9,931	336
Other . . . . .	22,152	33,645	15,495	18,150
Total expenditures. . . . .	<u>28,912</u>	<u>43,912</u>	<u>25,426</u>	<u>18,486</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>(412)</u>	<u>(15,412)</u>	<u>2,887</u>	<u>18,299</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	95,000	95,000	-	(95,000)
Total other financing sources . . . . .	<u>95,000</u>	<u>95,000</u>	<u>-</u>	<u>(95,000)</u>
Net change in fund balance . . . . .	94,588	79,588	2,887	(76,701)
<b>Fund balance at beginning of year . . . . .</b>	<u>622</u>	<u>622</u>	<u>622</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 95,210</u>	<u>\$ 80,210</u>	<u>\$ 3,509</u>	<u>\$ (76,701)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
EMS TRANSPORT FEES FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 1,132,000	\$ 1,132,000	\$ 723,886	\$ (408,114)
Other. . . . .	1,000	1,000	763	(237)
Total revenues . . . . .	<u>1,133,000</u>	<u>1,133,000</u>	<u>724,649</u>	<u>(408,351)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Personal services . . . . .	501,425	540,550	404,198	136,352
Other. . . . .	222,886	240,278	143,425	96,853
Capital outlay				
Other. . . . .	111,314	120,000	107,896	12,104
Debt service:				
Principal retirement . . . . .	101,980	109,938	97,625	12,313
Interest and fiscal charges . . . . .	23,561	25,400	25,200	200
Total expenditures . . . . .	<u>961,166</u>	<u>1,036,166</u>	<u>778,344</u>	<u>257,822</u>
Net change in fund balance . . . . .	171,834	96,834	(53,695)	(150,529)
Fund balance at beginning of year . . . . .	278,283	278,283	278,283	-
Prior year encumbrances appropriated. . . . .	<u>32,683</u>	<u>32,683</u>	<u>32,683</u>	<u>-</u>
Fund balance at end of year . . . . .	<u>\$ 482,800</u>	<u>\$ 407,800</u>	<u>\$ 257,271</u>	<u>\$ (150,529)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**POLICE ENFORCEMENT AND EDUCATION FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 6,200	\$ 6,200	\$ 1,618	\$ (4,582)
Total revenues . . . . .	<u>6,200</u>	<u>6,200</u>	<u>1,618</u>	<u>(4,582)</u>
<b>Expenditures:</b>				
Capital outlay				
Other . . . . .	8,916	8,916	5,604	3,312
Total expenditures . . . . .	<u>8,916</u>	<u>8,916</u>	<u>5,604</u>	<u>3,312</u>
Net change in fund balance. . . . .	(2,716)	(2,716)	(3,986)	(1,270)
<b>Fund balance at beginning of year . . . . .</b>	<u>7,416</u>	<u>7,416</u>	<u>7,416</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 4,700</u>	<u>\$ 4,700</u>	<u>\$ 3,430</u>	<u>\$ (1,270)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SPECIAL ASSESSMENT IMPROVEMENTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Special assessments. . . . .	\$ 100,000	\$ 100,000	\$ 25,522	\$ (74,478)
Total revenues. . . . .	<u>100,000</u>	<u>100,000</u>	<u>25,522</u>	<u>(74,478)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Other . . . . .	49,163	59,163	31,878	27,285
Total expenditures. . . . .	<u>49,163</u>	<u>59,163</u>	<u>31,878</u>	<u>27,285</u>
Net change in fund balance. . . . .	50,837	40,837	(6,356)	(47,193)
<b>Fund balance at beginning of year . . . . .</b>	5,622	5,622	5,622	-
<b>Prior year encumbrances appropriated . .</b>	<u>3,541</u>	<u>3,541</u>	<u>3,541</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 60,000</u>	<u>\$ 50,000</u>	<u>\$ 2,807</u>	<u>\$ (47,193)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**TREE TRUST FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Special assessments. . . . .	\$ -	\$ -	\$ 520	\$ 520
Other . . . . .	75,000	75,000	65,715	(9,285)
<b>Total revenues. . . . .</b>	<u>75,000</u>	<u>75,000</u>	<u>66,235</u>	<u>(8,765)</u>
<b>Expenditures:</b>				
Current:				
Leisure time activities				
Other . . . . .	122,025	122,025	65,027	56,998
<b>Total expenditures . . . . .</b>	<u>122,025</u>	<u>122,025</u>	<u>65,027</u>	<u>56,998</u>
<b>Net change in fund balance. . . . .</b>	(47,025)	(47,025)	1,208	48,233
<b>Fund balance at beginning of year . . . . .</b>	146,835	146,835	146,835	-
<b>Prior year encumbrances appropriated . . .</b>	<u>2,025</u>	<u>2,025</u>	<u>2,025</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 101,835</u>	<u>\$ 101,835</u>	<u>\$ 150,068</u>	<u>\$ 48,233</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
COMMUNICATIONS TOWER FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Rental . . . . .	\$ 250,000	\$ 250,000	\$ 78,315	\$ (171,685)
Contributions and donations . . . . .	10,000	10,000	2,551	(7,449)
Total revenues. . . . .	<u>260,000</u>	<u>260,000</u>	<u>80,866</u>	<u>(179,134)</u>
<b>Expenditures:</b>				
Current:				
Community and economic development				
Other . . . . .	276,151	276,151	69,339	206,812
Capital outlay				
Other . . . . .	740,800	740,800	27,388	713,412
Total expenditures. . . . .	<u>1,016,951</u>	<u>1,016,951</u>	<u>96,727</u>	<u>920,224</u>
Excess of expenditures over revenues . . . . .	<u>(756,951)</u>	<u>(756,951)</u>	<u>(15,861)</u>	<u>741,090</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	902,000	902,000	-	(902,000)
Total other financing sources. . . . .	<u>902,000</u>	<u>902,000</u>	<u>-</u>	<u>(902,000)</u>
Net change in fund balance. . . . .	145,049	145,049	(15,861)	(160,910)
<b>Fund balance at beginning of year . . . . .</b>	234,941	234,941	234,941	-
<b>Prior year encumbrances appropriated . .</b>	<u>12,151</u>	<u>12,151</u>	<u>12,151</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 392,141</u>	<u>\$ 392,141</u>	<u>\$ 231,231</u>	<u>\$ (160,910)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
CEMETERY TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other . . . . .	\$ 20,000	\$ 20,000	\$ 19,235	\$ (765)
Total revenues. . . . .	<u>20,000</u>	<u>20,000</u>	<u>19,235</u>	<u>(765)</u>
<b>Expenditures:</b>				
Current:				
Public health				
Other . . . . .	111,911	111,911	28,024	83,887
Total expenditures . . . . .	<u>111,911</u>	<u>111,911</u>	<u>28,024</u>	<u>83,887</u>
Excess of expenditures over revenues . . . . .	<u>(91,911)</u>	<u>(91,911)</u>	<u>(8,789)</u>	<u>83,122</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	90,000	90,000	-	(90,000)
Total other financing sources. . . . .	<u>90,000</u>	<u>90,000</u>	<u>-</u>	<u>(90,000)</u>
Net change in fund balance. . . . .	(1,911)	(1,911)	(8,789)	(6,878)
<b>Fund balance at beginning of year . . . . .</b>	897	897	897	-
<b>Prior year encumbrances appropriated . . .</b>	<u>8,911</u>	<u>8,911</u>	<u>8,911</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 7,897</u>	<u>\$ 7,897</u>	<u>\$ 1,019</u>	<u>\$ (6,878)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**PARK IMPROVEMENTS FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Contributions and donations . . . . .	\$ -	\$ -	\$ 500	\$ 500
Total revenues. . . . .	-	-	500	500
Net change in fund balance. . . . .	-	-	500	500
<b>Fund balance at beginning of year . . . . .</b>	<u>16,116</u>	<u>16,116</u>	<u>16,116</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 16,116</u>	<u>\$ 16,116</u>	<u>\$ 16,616</u>	<u>\$ 500</u>



**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**FEDERAL LAW ENFORCEMENT FORFEITED FEES FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 15,000	\$ 15,000	\$ -	\$ (15,000)
Total revenues . . . . .	15,000	15,000	-	(15,000)
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Other . . . . .	15,000	15,000	1,424	13,576
Capital outlay				
Other . . . . .	20,000	20,000	4,158	15,842
Total expenditures . . . . .	35,000	35,000	5,582	29,418
Net change in fund balance . . . . .	(20,000)	(20,000)	(5,582)	14,418
<b>Fund balance at beginning of year . . . . .</b>	20,996	20,996	20,996	-
<b>Fund balance at end of year . . . . .</b>	\$ 996	\$ 996	\$ 15,414	\$ 14,418

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
COMMUNITY EVENTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 2,500	\$ 2,500	\$ -	\$ (2,500)
Licenses and permits. . . . .	20,000	20,000	9,450	(10,550)
Contributions and donations. . . . .	15,000	15,000	10,800	(4,200)
Other . . . . .	14,500	14,500	9,857	(4,643)
<b>Total revenues.</b> . . . .	<u>52,000</u>	<u>52,000</u>	<u>30,107</u>	<u>(21,893)</u>
<b>Expenditures:</b>				
Current:				
Leisure time activities				
Other . . . . .	23,330	48,330	43,034	5,296
<b>Total expenditures</b> . . . . .	<u>23,330</u>	<u>48,330</u>	<u>43,034</u>	<u>5,296</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>28,670</u>	<u>3,670</u>	<u>(12,927)</u>	<u>(16,597)</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	20,000	20,000	12,000	(8,000)
<b>Total other financing sources.</b> . . . .	<u>20,000</u>	<u>20,000</u>	<u>12,000</u>	<u>(8,000)</u>
Net change in fund balance. . . . .	48,670	23,670	(927)	(24,597)
<b>Fund balance at beginning of year . . . . .</b>	2,270	2,270	2,270	-
<b>Prior year encumbrances appropriated . .</b>	<u>560</u>	<u>560</u>	<u>560</u>	<u>-</u>
<b>Fund balance at end of year.</b> . . . .	<u>\$ 51,500</u>	<u>\$ 26,500</u>	<u>\$ 1,903</u>	<u>\$ (24,597)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SAFETY TOWN FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Contributions and donations. . . . .	\$ 13,400	\$ 13,400	\$ 6,200	\$ (7,200)
Total revenues. . . . .	<u>13,400</u>	<u>13,400</u>	<u>6,200</u>	<u>(7,200)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Other. . . . .	13,944	13,944	9,372	4,572
Total expenditures . . . . .	<u>13,944</u>	<u>13,944</u>	<u>9,372</u>	<u>4,572</u>
Net change in fund balance. . . . .	(544)	(544)	(3,172)	(2,628)
<b>Fund balance at beginning of year . . . . .</b>	<u>7,943</u>	<u>7,943</u>	<u>7,943</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 7,399</u>	<u>\$ 7,399</u>	<u>\$ 4,771</u>	<u>\$ (2,628)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
D.A.R.E PROGRAM FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 56,650	\$ 56,650	\$ 21,253	\$ (35,397)
Other . . . . .	-	-	73	73
<b>Total revenues.</b> . . . . .	<u>56,650</u>	<u>56,650</u>	<u>21,326</u>	<u>(35,324)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Personal services. . . . .	14,000	24,000	21,326	2,674
Other. . . . .	11,171	11,171	6,821	4,350
<b>Total expenditures</b> . . . . .	<u>25,171</u>	<u>35,171</u>	<u>28,147</u>	<u>7,024</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>31,479</u>	<u>21,479</u>	<u>(6,821)</u>	<u>(28,300)</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	10,000	10,000	7,000	(3,000)
<b>Total other financing sources.</b> . . . . .	<u>10,000</u>	<u>10,000</u>	<u>7,000</u>	<u>(3,000)</u>
Net change in fund balance. . . . .	41,479	31,479	179	(31,300)
<b>Fund balance at beginning of year</b> . . . . .	347	347	347	-
<b>Prior year encumbrances appropriated</b> . . .	<u>171</u>	<u>171</u>	<u>171</u>	<u>-</u>
<b>Fund balance at end of year</b> . . . . .	<u>\$ 41,997</u>	<u>\$ 31,997</u>	<u>\$ 697</u>	<u>\$ (31,300)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FIRE DEPARTMENT EMERGENCY EQUIPMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Contributions and donations . . . . .	\$ 10,000	\$ 10,000	\$ 1,217	\$ (8,783)
Total revenues . . . . .	<u>10,000</u>	<u>10,000</u>	<u>1,217</u>	<u>(8,783)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Other . . . . .	43,250	43,250	4,533	38,717
Capital outlay . . . . .	750	750	500	250
Total expenditures . . . . .	<u>44,000</u>	<u>44,000</u>	<u>5,033</u>	<u>38,967</u>
Excess of expenditures over revenues . . . . .	<u>(34,000)</u>	<u>(34,000)</u>	<u>(3,816)</u>	<u>30,184</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	40,000	40,000	-	(40,000)
Total other financing sources . . . . .	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>
Net change in fund balance . . . . .	6,000	6,000	(3,816)	(9,816)
<b>Fund balance at beginning of year . . . . .</b>	2,683	2,683	2,683	-
<b>Prior year encumbrances appropriated . . .</b>	4,000	4,000	4,000	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 12,683</u>	<u>\$ 12,683</u>	<u>\$ 2,867</u>	<u>\$ (9,816)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
POLICE DEPARTMENT EMERGENCY EQUIPMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Contributions and donations. . . . .	\$ 20,000	\$ 20,000	\$ 6,797	\$ (13,203)
Total revenues . . . . .	<u>20,000</u>	<u>20,000</u>	<u>6,797</u>	<u>(13,203)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Other. . . . .	41,337	41,337	17,750	23,587
Capital outlay				
Other . . . . .	<u>10,000</u>	<u>10,000</u>	<u>650</u>	<u>9,350</u>
Total expenditures . . . . .	<u>51,337</u>	<u>51,337</u>	<u>18,400</u>	<u>32,937</u>
Excess of expenditures over revenues . . . . .	<u>(31,337)</u>	<u>(31,337)</u>	<u>(11,603)</u>	<u>19,734</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Total other financing sources. . . . .	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Net change in fund balance. . . . .	(26,337)	(26,337)	(11,603)	14,734
<b>Fund balance at beginning of year . . . . .</b>	28,734	28,734	28,734	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>1,337</u>	<u>1,337</u>	<u>1,337</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 3,734</u>	<u>\$ 3,734</u>	<u>\$ 18,468</u>	<u>\$ 14,734</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
YOUTH DIVISION TEEN CENTER FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues:</b>				
Other . . . . .	\$ 3,100	\$ 3,100	\$ -	\$ (3,100)
Total revenues. . . . .	<u>3,100</u>	<u>3,100</u>	<u>-</u>	<u>(3,100)</u>
Net change in fund balance. . . . .	3,100	3,100	-	(3,100)
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 3,100</u>	<u>\$ 3,100</u>	<u>\$ -</u>	<u>\$ (3,100)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
PARKS LODGE IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures:</b>				
Current:				
Leisure time activities				
Other . . . . .	\$ 455,324	\$ 455,324	\$ 23,770	\$ 431,554
Total expenditures . . . . .	<u>455,324</u>	<u>455,324</u>	<u>23,770</u>	<u>431,554</u>
Excess of expenditures over revenues . . . . .	<u>(455,324)</u>	<u>(455,324)</u>	<u>(23,770)</u>	<u>431,554</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	<u>581,000</u>	<u>581,000</u>	<u>-</u>	<u>(581,000)</u>
Total other financing sources . . . . .	<u>581,000</u>	<u>581,000</u>	<u>-</u>	<u>(581,000)</u>
Net change in fund balance. . . . .	125,676	125,676	(23,770)	(149,446)
<b>Fund balance at beginning of year . . . . .</b>	33,847	33,847	33,847	-
<b>Prior year encumbrances appropriated . . .</b>	<u>324</u>	<u>324</u>	<u>324</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 159,847</u>	<u>\$ 159,847</u>	<u>\$ 10,401</u>	<u>\$ (149,446)</u>



**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
COMMUNITY RELATIONS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures:</b>				
Current:				
Community and economic development				
Other . . . . .	\$ 2,332	\$ 2,332	\$ 1,906	\$ 426
Total expenditures . . . . .	<u>2,332</u>	<u>2,332</u>	<u>1,906</u>	<u>426</u>
Excess of expenditures over revenues . . . . .	<u>(2,332)</u>	<u>(2,332)</u>	<u>(1,906)</u>	<u>426</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	<u>3,000</u>	<u>3,000</u>	<u>2,200</u>	<u>(800)</u>
Total other financing sources. . . . .	<u>3,000</u>	<u>3,000</u>	<u>2,200</u>	<u>(800)</u>
Net change in fund balance. . . . .	668	668	294	(374)
<b>Fund balance at beginning of year . . . . .</b>	4,416	4,416	4,416	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>332</u>	<u>332</u>	<u>332</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 5,416</u>	<u>\$ 5,416</u>	<u>\$ 5,042</u>	<u>\$ (374)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SS BALLFIELD COMPLEX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other . . . . .	\$ 10,000	\$ 10,000	\$ 7,106	\$ (2,894)
Total revenues . . . . .	<u>10,000</u>	<u>10,000</u>	<u>7,106</u>	<u>(2,894)</u>
<b>Expenditures:</b>				
Current:				
Leisure time activities				
Other . . . . .	10,174	10,174	7,200	2,974
Total expenditures . . . . .	<u>10,174</u>	<u>10,174</u>	<u>7,200</u>	<u>2,974</u>
Net change in fund balance . . . . .	(174)	(174)	(94)	80
<b>Fund balance at beginning of year . . . . .</b>	980	980	980	-
<b>Prior year encumbrances appropriated . . .</b>	<u>2,174</u>	<u>2,174</u>	<u>2,174</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 2,980</u>	<u>\$ 2,980</u>	<u>\$ 3,060</u>	<u>\$ 80</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
COMMUNITY DEVELOPMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 205,000	\$ 205,000	\$ -	\$ (205,000)
Total revenues. . . . .	<u>205,000</u>	<u>205,000</u>	<u>-</u>	<u>(205,000)</u>
<b>Expenditures:</b>				
Capital outlay				
Other . . . . .	100,000	100,000	-	100,000
Total expenditures . . . . .	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Net change in fund balance. . . . .	105,000	105,000	-	(105,000)
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 105,000</u>	<u>\$ 105,000</u>	<u>\$ -</u>	<u>\$ (105,000)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FEMA FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 18,500	\$ 18,500	\$ -	\$ (18,500)
Total revenues. . . . .	<u>18,500</u>	<u>18,500</u>	<u>-</u>	<u>(18,500)</u>
<b>Expenditures:</b>				
Capital outlay				
Other . . . . .	10,000	10,000	-	10,000
Total expenditures . . . . .	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net change in fund balance. . . . .	8,500	8,500	-	(8,500)
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 8,500</u>	<u>\$ 8,500</u>	<u>\$ -</u>	<u>\$ (8,500)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
CITY LODGING TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property and other local taxes . . . . .	\$ 549,500	\$ 549,500	\$ 255,371	\$ (294,129)
Other . . . . .	500	500	400	(100)
Total revenues . . . . .	<u>550,000</u>	<u>550,000</u>	<u>255,771</u>	<u>(294,229)</u>
<b>Expenditures:</b>				
Current:				
General government				
Personal services . . . . .	213,017	213,017	209,703	3,314
Other . . . . .	<u>602,779</u>	<u>602,779</u>	<u>89,310</u>	<u>513,469</u>
Total expenditures . . . . .	<u>815,796</u>	<u>815,796</u>	<u>299,013</u>	<u>516,783</u>
Net change in fund balance. . . . .	(265,796)	(265,796)	(43,242)	222,554
<b>Fund balance at beginning of year . . . . .</b>	515,774	515,774	515,774	-
<b>Prior year encumbrances appropriated . .</b>	<u>22</u>	<u>22</u>	<u>22</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 472,554</u>	<u>\$ 222,554</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ENHANCED 911 WIRELESS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ -	\$ -	\$ 50,610	\$ 50,610
Total revenues. . . . .	-	-	50,610	50,610
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Other . . . . .	99,000	99,000	20,229	78,771
Capital outlay				
Other . . . . .	1,000	1,000	609	391
Total expenditures . . . . .	100,000	100,000	20,838	79,162
Net change in fund balance. . . . .	(100,000)	(100,000)	29,772	129,772
<b>Fund balance at beginning of year . . . . .</b>	<u>543,530</u>	<u>543,530</u>	<u>543,530</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 443,530</u>	<u>\$ 443,530</u>	<u>\$ 573,302</u>	<u>\$ 129,772</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**POLICE OFFICER TRAINING FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental. . . . .	\$ 9,000	\$ 9,000	\$ 9,020	\$ 20
Contributions and donations. . . . .	-	-	1,000	1,000
Total revenues . . . . .	<u>9,000</u>	<u>9,000</u>	<u>10,020</u>	<u>1,020</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Other. . . . .	<u>1,000</u>	<u>1,000</u>	<u>599</u>	<u>401</u>
Total expenditures . . . . .	<u>1,000</u>	<u>1,000</u>	<u>599</u>	<u>401</u>
Net change in fund balance. . . . .	8,000	8,000	9,421	1,421
<b>Fund balance at beginning of year . . . . .</b>	<u>2,167</u>	<u>2,167</u>	<u>2,167</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 10,167</u>	<u>\$ 10,167</u>	<u>\$ 11,588</u>	<u>\$ 1,421</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
COURT SPECIAL PROJECTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 725,000	\$ 725,000	\$ 672,645	\$ (52,355)
Investment income . . . . .	14,200	14,200	7,677	(6,523)
Total revenues. . . . .	<u>739,200</u>	<u>739,200</u>	<u>680,322</u>	<u>(58,878)</u>
<b>Expenditures:</b>				
Current:				
General government				
Other . . . . .	211,707	298,985	8,950	290,035
Total expenditures . . . . .	<u>211,707</u>	<u>298,985</u>	<u>8,950</u>	<u>290,035</u>
Excess of revenues over expenditures . . . .	<u>527,493</u>	<u>440,215</u>	<u>671,372</u>	<u>231,157</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	495,800	495,800	110,244	(385,556)
Transfers (out) . . . . .	(637,278)	(900,000)	(655,772)	244,228
Total other financing sources (uses) . . . . .	<u>(141,478)</u>	<u>(404,200)</u>	<u>(545,528)</u>	<u>(141,328)</u>
Net change in fund balance. . . . .	386,015	36,015	125,844	89,829
<b>Fund balance at beginning of year . . . . .</b>	<u>144,784</u>	<u>144,784</u>	<u>144,784</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 530,799</u>	<u>\$ 180,799</u>	<u>\$ 270,628</u>	<u>\$ 89,829</u>



**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**PROBATION FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 410,500	\$ 410,500	\$ 301,112	\$ (109,388)
Total revenues. . . . .	<u>410,500</u>	<u>410,500</u>	<u>301,112</u>	<u>(109,388)</u>
<b>Expenditures:</b>				
Current:				
General government				
Other . . . . .	134,802	180,000	161,898	18,102
Capital outlay				
Other . . . . .	<u>14,978</u>	<u>20,000</u>	<u>12,417</u>	<u>7,583</u>
Total expenditures . . . . .	<u>149,780</u>	<u>200,000</u>	<u>174,315</u>	<u>25,685</u>
Excess of revenues over expenditures . . . . .	<u>260,720</u>	<u>210,500</u>	<u>126,797</u>	<u>(83,703)</u>
<b>Other financing (uses):</b>				
Transfers (out) . . . . .	<u>(148,467)</u>	<u>(198,247)</u>	<u>(100,000)</u>	<u>98,247</u>
Total other financing (uses). . . . .	<u>(148,467)</u>	<u>(198,247)</u>	<u>(100,000)</u>	<u>98,247</u>
Net change in fund balance. . . . .	112,253	12,253	26,797	14,544
<b>Fund balance at beginning of year . . . . .</b>	<u>3,247</u>	<u>3,247</u>	<u>3,247</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 115,500</u>	<u>\$ 15,500</u>	<u>\$ 30,044</u>	<u>\$ 14,544</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**INDIGENT DRIVERS FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 52,750	\$ 52,750	\$ 30,415	\$ (22,335)
Intergovernmental . . . . .	76,000	76,000	47,745	(28,255)
Total revenues. . . . .	<u>128,750</u>	<u>128,750</u>	<u>78,160</u>	<u>(50,590)</u>
<b>Expenditures:</b>				
Current:				
General government				
Other . . . . .	247,546	247,546	-	247,546
Total expenditures. . . . .	<u>247,546</u>	<u>247,546</u>	<u>-</u>	<u>247,546</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(118,796)</u>	<u>(118,796)</u>	<u>78,160</u>	<u>196,956</u>
<b>Other financing (uses):</b>				
Transfers (out) . . . . .	(150,000)	(150,000)	-	150,000
Total other financing (uses). . . . .	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>	<u>150,000</u>
Net change in fund balance. . . . .	(268,796)	(268,796)	78,160	346,956
<b>Fund balance at beginning of year . . . . .</b>	<u>347,546</u>	<u>347,546</u>	<u>347,546</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 78,750</u>	<u>\$ 78,750</u>	<u>\$ 425,706</u>	<u>\$ 346,956</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**COURT TECHNOLOGY FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 62,000	\$ 62,000	\$ 52,445	\$ (9,555)
Other. . . . .	10,000	10,000	701	(9,299)
Total revenues . . . . .	<u>72,000</u>	<u>72,000</u>	<u>53,146</u>	<u>(18,854)</u>
<b>Expenditures:</b>				
Current:				
General government				
Personal services . . . . .	33,943	48,163	48,109	54
Other. . . . .	103,392	146,708	33,731	112,977
Capital outlay				
Other. . . . .	<u>41,685</u>	<u>59,149</u>	<u>28,844</u>	<u>30,305</u>
Total expenditures . . . . .	<u>179,020</u>	<u>254,020</u>	<u>110,684</u>	<u>143,336</u>
Excess of expenditures over revenues . . . . .	<u>(107,020)</u>	<u>(182,020)</u>	<u>(57,538)</u>	<u>124,482</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	<u>73,000</u>	<u>73,000</u>	<u>-</u>	<u>(73,000)</u>
Total other financing sources. . . . .	<u>73,000</u>	<u>73,000</u>	<u>-</u>	<u>(73,000)</u>
Net change in fund balance. . . . .	(34,020)	(109,020)	(57,538)	51,482
<b>Fund balance at beginning of year . . . . .</b>	<u>127,020</u>	<u>127,020</u>	<u>127,020</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 93,000</u>	<u>\$ 18,000</u>	<u>\$ 69,482</u>	<u>\$ 51,482</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
COURT CLERK TECHNOLOGY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 385,000	\$ 385,000	\$ 158,450	\$ (226,550)
Other . . . . .	250	250	240	(10)
<b>Total revenues . . . . .</b>	<u>385,250</u>	<u>385,250</u>	<u>158,690</u>	<u>(226,560)</u>
<b>Expenditures:</b>				
Current:				
General government				
Personal services . . . . .	37,639	47,663	47,552	111
Other . . . . .	95,867	121,398	36,103	85,295
Capital outlay				
Other . . . . .	241,985	306,430	31,878	274,552
<b>Total expenditures . . . . .</b>	<u>375,491</u>	<u>475,491</u>	<u>115,533</u>	<u>359,958</u>
Net change in fund balance. . . . .	9,759	(90,241)	43,157	133,398
<b>Fund balance at beginning of year . . . . .</b>	199,542	199,542	199,542	-
<b>Prior year encumbrances appropriated . .</b>	<u>948</u>	<u>948</u>	<u>948</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 210,249</u>	<u>\$ 110,249</u>	<u>\$ 243,647</u>	<u>\$ 133,398</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**IDIA MONITORING FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 55,100	\$ 55,100	\$ 15,915	\$ (39,185)
Intergovernmental . . . . .	120,000	120,000	28,256	(91,744)
Total revenues. . . . .	<u>175,100</u>	<u>175,100</u>	<u>44,171</u>	<u>(130,929)</u>
<b>Other financing (uses):</b>				
Transfers (out) . . . . .	(125,793)	(145,793)	(110,244)	35,549
Total other financing (uses). . . . .	<u>(125,793)</u>	<u>(145,793)</u>	<u>(110,244)</u>	<u>35,549</u>
Net change in fund balance. . . . .	49,307	29,307	(66,073)	(95,380)
<b>Fund balance at beginning of year . . . . .</b>	<u>88,793</u>	<u>88,793</u>	<u>88,793</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 138,100</u>	<u>\$ 118,100</u>	<u>\$ 22,720</u>	<u>\$ (95,380)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
9-11 MEMORIAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Contributions and donations. . . . .	\$ -	\$ -	\$ 750	\$ 750
Total revenues. . . . .	<u>-</u>	<u>-</u>	<u>750</u>	<u>750</u>
Net change in fund balance. . . . .	-	-	750	750
<b>Fund balance at beginning of year . . . . .</b>	<u>500</u>	<u>500</u>	<u>500</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 1,250</u>	<u>\$ 750</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SKIP MAINTENANCE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other . . . . .	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Total revenues . . . . .	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
<b>Expenditures:</b>				
Current:				
Leisure time activities				
Other . . . . .	5,000	5,000	4,091	909
Total expenditures . . . . .	<u>5,000</u>	<u>5,000</u>	<u>4,091</u>	<u>909</u>
Net change in fund balance . . . . .	-	-	(4,091)	(4,091)
<b>Fund balance at beginning of year . . . . .</b>	<u>4,614</u>	<u>4,614</u>	<u>4,614</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 4,614</u>	<u>\$ 4,614</u>	<u>\$ 523</u>	<u>\$ (4,091)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**DISASTER RELIEF FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Contributions and donations. . . . .	\$ 1,500	\$ 1,500	\$ 1,443	\$ (57)
Total revenues. . . . .	<u>1,500</u>	<u>1,500</u>	<u>1,443</u>	<u>(57)</u>
<b>Expenditures:</b>				
Current:				
Public health				
Other . . . . .	1,500	1,500	1,443	57
Total expenditures . . . . .	<u>1,500</u>	<u>1,500</u>	<u>1,443</u>	<u>57</u>
Net change in fund balance. . . . .	-	-	-	-
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**RESIDENTIAL SNOW REMOVAL FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Other . . . . .	\$ 43,564	\$ 43,564	\$ 4,584	\$ 38,980
Total expenditures . . . . .	<u>43,564</u>	<u>43,564</u>	<u>4,584</u>	<u>38,980</u>
Excess of expenditures over revenues . . . . .	<u>(43,564)</u>	<u>(43,564)</u>	<u>(4,584)</u>	<u>38,980</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	<u>31,000</u>	<u>31,000</u>	<u>12,500</u>	<u>(18,500)</u>
Total other financing sources. . . . .	<u>31,000</u>	<u>31,000</u>	<u>12,500</u>	<u>(18,500)</u>
Net change in fund balance. . . . .	(12,564)	(12,564)	7,916	20,480
<b>Fund balance at beginning of year . . . . .</b>	14,564	14,564	14,564	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>16,500</u>	<u>16,500</u>	<u>16,500</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 18,500</u>	<u>\$ 18,500</u>	<u>\$ 38,980</u>	<u>\$ 20,480</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL OBLIGATION BOND RETIREMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Income taxes . . . . .	\$ 1,300,000	\$ 1,300,000	\$ 937,165	\$ (362,835)
Total revenues . . . . .	<u>1,300,000</u>	<u>1,300,000</u>	<u>937,165</u>	<u>(362,835)</u>
<b>Expenditures:</b>				
Debt service:				
Principal retirement. . . . .	756,258	929,744	744,744	185,000
Interest and fiscal charges. . . . .	159,170	195,684	192,421	3,263
Total expenditures . . . . .	<u>915,428</u>	<u>1,125,428</u>	<u>937,165</u>	<u>188,263</u>
Net change in fund balance. . . . .	384,572	174,572	-	(174,572)
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 384,572</u>	<u>\$ 174,572</u>	<u>\$ -</u>	<u>\$ (174,572)</u>

**CITY OF STOW, OHIO**

*INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS - PROPRIETARY FUNDS*

**ENTERPRISE FUNDS**

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

**Major Enterprise Funds**

***Water Fund***

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

***Golf Fund***

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

***Storm Water Utility Fund***

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

**INTERNAL SERVICE FUNDS**

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

***Administrative Insurance Fund***

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

***Self-Insurance Fund***

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

CITY OF STOW, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 WATER FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 5,228,125	\$ 5,228,125	\$ 5,170,214	\$ (57,911)
Tap-in fees . . . . .	115,000	115,000	71,041	(43,959)
Other. . . . .	37,500	37,500	9,267	(28,233)
Total revenues . . . . .	<u>5,380,625</u>	<u>5,380,625</u>	<u>5,250,522</u>	<u>(130,103)</u>
<b>Operating expenses:</b>				
Personal services. . . . .	1,418,499	1,418,499	1,377,412	41,087
Materials and supplies . . . . .	262,816	262,816	193,192	69,624
Contractual services . . . . .	3,018,410	3,018,410	2,959,808	58,602
Capital outlay . . . . .	8,454,944	8,454,944	757,318	7,697,626
Total expenses . . . . .	<u>13,154,669</u>	<u>13,154,669</u>	<u>5,287,730</u>	<u>7,866,939</u>
Operating (loss). . . . .	<u>(7,774,044)</u>	<u>(7,774,044)</u>	<u>(37,208)</u>	<u>7,736,836</u>
<b>Nonoperating revenues (expenses):</b>				
Advances in . . . . .	2,349,375	2,349,375	750,000	(1,599,375)
Advances out. . . . .	(700,700)	(700,700)	(700,000)	700
Loan issuance. . . . .	100,000	100,000	42,430	(57,570)
Capital contributions . . . . .	75,000	75,000	46,843	(28,157)
Debt service:				
Principal retirement . . . . .	(20,256)	(20,256)	(20,256)	-
Interest and fiscal charges . . . . .	(17,816)	(17,816)	(16,279)	1,537
Total nonoperating revenues (expenses) . . . . .	<u>1,785,603</u>	<u>1,785,603</u>	<u>102,738</u>	<u>(1,682,865)</u>
Net change in fund equity . . . . .	(5,988,441)	(5,988,441)	65,530	6,053,971
<b>Fund equity at beginning of year. . . . .</b>	7,200,198	7,200,198	7,200,198	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>724,869</u>	<u>724,869</u>	<u>724,869</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 1,936,626</u>	<u>\$ 1,936,626</u>	<u>\$ 7,990,597</u>	<u>\$ 6,053,971</u>

CITY OF STOW, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**GOLF FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 1,119,000	\$ 1,119,000	\$ 972,046	\$ (146,954)
Other. . . . .	232,925	232,925	193,529	(39,396)
Total revenues. . . . .	<u>1,351,925</u>	<u>1,351,925</u>	<u>1,165,575</u>	<u>(186,350)</u>
<b>Operating expenses:</b>				
Personal services. . . . .	460,343	460,343	452,367	7,976
Materials and supplies . . . . .	689,204	689,204	550,902	138,302
Contractual services . . . . .	120,403	120,403	109,987	10,416
Capital outlay . . . . .	143,356	143,356	49,110	94,246
Total expenses . . . . .	<u>1,413,306</u>	<u>1,413,306</u>	<u>1,162,366</u>	<u>250,940</u>
Operating income (loss) . . . . .	<u>(61,381)</u>	<u>(61,381)</u>	<u>3,209</u>	<u>64,590</u>
<b>Nonoperating revenues (expenses):</b>				
Income taxes. . . . .	348,075	348,075	351,282	3,207
Debt service:				
Principal retirement . . . . .	(230,000)	(230,000)	(230,000)	-
Interest and fiscal charges. . . . .	(121,375)	(121,375)	(121,282)	93
Total nonoperating revenues (expenses) . . . . .	<u>(3,300)</u>	<u>(3,300)</u>	<u>-</u>	<u>3,300</u>
Net change in fund equity . . . . .	(64,681)	(64,681)	3,209	67,890
<b>Fund equity at beginning of year. . . . .</b>	442,599	442,599	442,599	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>14,507</u>	<u>14,507</u>	<u>14,507</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 392,425</u>	<u>\$ 392,425</u>	<u>\$ 460,315</u>	<u>\$ 67,890</u>

CITY OF STOW, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 STORM WATER UTILITY FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 1,965,500	\$ 1,965,500	\$ 1,374,923	\$ (590,577)
Other. . . . .	35,000	35,000	15,802	(19,198)
Total revenues. . . . .	<u>2,000,500</u>	<u>2,000,500</u>	<u>1,390,725</u>	<u>(609,775)</u>
<b>Operating expenses:</b>				
Personal services. . . . .	319,913	330,902	284,294	46,608
Materials and supplies . . . . .	68,642	71,000	11,131	59,869
Contractual services . . . . .	68,570	70,925	15,096	55,829
Capital outlay . . . . .	1,651,529	1,708,262	857,264	850,998
Total expenses . . . . .	<u>2,108,654</u>	<u>2,181,089</u>	<u>1,167,785</u>	<u>1,013,304</u>
Operating income (loss) . . . . .	<u>(108,154)</u>	<u>(180,589)</u>	<u>222,940</u>	<u>403,529</u>
<b>Nonoperating revenues (expenses):</b>				
Special assessments . . . . .	23,500	23,500	20,130	(3,370)
Advance in . . . . .	2,200,000	2,200,000	700,000	(1,500,000)
Advance out . . . . .	(729,926)	(755,000)	(750,000)	5,000
Capital contributions . . . . .	-	-	24,959	24,959
Transfers in . . . . .	50,000	50,000	14,500	(35,500)
Debt service:				
Principal retirement . . . . .	(68,884)	(71,250)	(33,399)	37,851
Interest and fiscal charges. . . . .	(3,625)	(3,750)	(6,601)	(2,851)
Total nonoperating revenues (expenses) . . . . .	<u>1,471,065</u>	<u>1,443,500</u>	<u>(30,411)</u>	<u>(1,473,911)</u>
Net change in fund equity . . . . .	1,362,911	1,262,911	192,529	(1,070,382)
Fund equity at beginning of year. . . . .	716,988	716,988	716,988	-
Prior year encumbrances appropriated . . . . .	<u>105,599</u>	<u>105,599</u>	<u>105,599</u>	<u>-</u>
Fund equity at end of year . . . . .	<u>\$ 2,185,498</u>	<u>\$ 2,085,498</u>	<u>\$ 1,015,116</u>	<u>\$ (1,070,382)</u>

**CITY OF STOW, OHIO**

*COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
DECEMBER 31, 2017*

	<u>Administrative Insurance</u>	<u>Self-Insurance</u>	<u>Total Internal Service Funds</u>
<b>Assets:</b>			
Current assets:			
Equity in pooled cash and cash equivalents . . .	\$ 10,854	\$ 1,368,453	\$ 1,379,307
Receivables:			
Accounts . . . . .	-	816	816
Total assets . . . . .	<u>10,854</u>	<u>1,369,269</u>	<u>1,380,123</u>
<b>Liabilities:</b>			
Current liabilities:			
Claims payable . . . . .	-	412,606	412,606
Total liabilities . . . . .	<u>-</u>	<u>412,606</u>	<u>412,606</u>
<b>Net position:</b>			
Unrestricted . . . . .	10,854	956,663	967,517
Total net position . . . . .	<u>\$ 10,854</u>	<u>\$ 956,663</u>	<u>\$ 967,517</u>

**CITY OF STOW, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<b>Administrative Insurance</b>	<b>Self-Insurance</b>	<b>Total Internal Service Funds</b>
<b>Operating revenues:</b>			
Charges for services . . . . .	\$ 400,581	\$ 2,519,155	\$ 2,919,736
Other operating revenues . . . . .	-	7,124	7,124
Total operating revenues . . . . .	<u>400,581</u>	<u>2,526,279</u>	<u>2,926,860</u>
<b>Operating expenses:</b>			
Contract services . . . . .	402,187	-	402,187
Claims expense . . . . .	-	2,540,610	2,540,610
Total operating expenses . . . . .	<u>402,187</u>	<u>2,540,610</u>	<u>2,942,797</u>
Operating (loss)/change in net position . . . . .	(1,606)	(14,331)	(15,937)
<b>Net position at beginning of year . . . . .</b>	<u>12,460</u>	<u>970,994</u>	<u>983,454</u>
<b>Net position at end of year . . . . .</b>	<u>\$ 10,854</u>	<u>\$ 956,663</u>	<u>\$ 967,517</u>



**CITY OF STOW, OHIO**

*COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<b>Administrative Insurance</b>	<b>Self-Insurance</b>	<b>Total Internal Service Funds</b>
<b>Cash flows from operating activities:</b>			
Cash received from customers . . . . .	\$ 400,581	\$ 2,519,155	\$ 2,919,736
Cash received from other operations . . . . .	-	6,551	6,551
Cash payments for contract services . . . . .	(402,187)	-	(402,187)
Cash payments for claims. . . . .	-	(2,577,968)	(2,577,968)
Net cash (used in) operating activities . . . . .	(1,606)	(52,262)	(53,868)
Net (decrease) in cash and cash equivalents. . . . .	(1,606)	(52,262)	(53,868)
<b>Cash and cash equivalents at beginning of year . . . . .</b>	<b>12,460</b>	<b>1,420,715</b>	<b>1,433,175</b>
<b>Cash and cash equivalents at end of year . . . .</b>	<b>\$ 10,854</b>	<b>\$ 1,368,453</b>	<b>\$ 1,379,307</b>
<b>Reconciliation of operating (loss) to net cash (used in) operating activities:</b>			
Operating loss. . . . .	\$ (1,606)	\$ (14,331)	\$ (15,937)
Changes in assets and liabilities:			
Increase in accounts receivable. . . . .	-	(573)	(573)
(Decrease) in claims payable . . . . .	-	(37,358)	(37,358)
Net cash (used in) operating activities. . . . .	\$ (1,606)	\$ (52,262)	\$ (53,868)

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ADMINISTRATIVE INSURANCE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 500,000	\$ 500,000	\$ 400,581	\$ (99,419)
Total revenues . . . . .	<u>500,000</u>	<u>500,000</u>	<u>400,581</u>	<u>(99,419)</u>
<b>Operating expenses:</b>				
Contractual services . . . . .	427,460	447,460	402,187	45,273
Total expenses . . . . .	<u>427,460</u>	<u>447,460</u>	<u>402,187</u>	<u>45,273</u>
Operating income (loss) . . . . .	<u>72,540</u>	<u>52,540</u>	<u>(1,606)</u>	<u>(54,146)</u>
<b>Nonoperating revenues:</b>				
Transfers in . . . . .	25,000	25,000	-	(25,000)
Total nonoperating revenues. . . . .	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Net change in fund equity . . . . .	97,540	77,540	(1,606)	(79,146)
<b>Fund equity at beginning of year. . . . .</b>	<u>12,460</u>	<u>12,460</u>	<u>12,460</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 110,000</u>	<u>\$ 90,000</u>	<u>\$ 10,854</u>	<u>\$ (79,146)</u>

CITY OF STOW, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 SELF-INSURANCE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 3,452,500	\$ 3,452,500	\$ 2,519,155	\$ (933,345)
Other. . . . .	47,500	47,500	6,551	(40,949)
Total revenues. . . . .	<u>3,500,000</u>	<u>3,500,000</u>	<u>2,525,706</u>	<u>(974,294)</u>
<b>Operating expenses:</b>				
Claims . . . . .	3,970,815	3,970,815	2,577,968	1,392,847
Total expenses . . . . .	<u>3,970,815</u>	<u>3,970,815</u>	<u>2,577,968</u>	<u>1,392,847</u>
Operating (loss). . . . .	<u>(470,815)</u>	<u>(470,815)</u>	<u>(52,262)</u>	<u>418,553</u>
<b>Nonoperating (expenses):</b>				
Transfers (out) . . . . .	(154,900)	(154,900)	-	154,900
Total nonoperating (expenses) . . . . .	<u>(154,900)</u>	<u>(154,900)</u>	<u>-</u>	<u>154,900</u>
Net change in fund equity . . . . .	(625,715)	(625,715)	(52,262)	573,453
<b>Fund equity at beginning of year. . . . .</b>	1,420,693	1,420,693	1,420,693	-
<b>Prior year encumbrances appropriated . . .</b>	<u>22</u>	<u>22</u>	<u>22</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 795,000</u>	<u>\$ 795,000</u>	<u>\$ 1,368,453</u>	<u>\$ 573,453</u>

**CITY OF STOW, OHIO**

*INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS - FIDUCIARY FUNDS*

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

**Private Purpose Trust Fund**

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

***Stow Seniors Commission Fund***

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

**Agency Funds**

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

***Road Construction Bonds Fund***

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

***Allotment Deposits Fund***

To account for deposits from subdivision developers for engineering oversight.

***Miscellaneous Service Deposits Fund***

To account for various service department non-recurring deposits.

***Park and Recreation Deposits Fund***

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

***Municipal Court Fund***

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

***Summit Metro Crash Response Team Fund***

To account for donations and revenues from other governmental entities to be used for expenditures of the Summit Metro Crash Response Team.

**Other Agency Funds**

- |                             |                        |
|-----------------------------|------------------------|
| Payroll Advance Rotary      | Unclaimed Money        |
| Police Forfeited Cash       | Unclaimed Court Bonds  |
| Police Drug Forfeiture Cash | Fire Bond Insurance    |
| Ohio BBS 3% Surcharge       | Flexible Spending Plan |

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
STOW SENIORS COMMISSION FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

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

**CITY OF STOW, OHIO**

*STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<b>Beginning Balance 1/1/2017</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance 12/31/2017</b>
<b>Road Construction Bonds</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 40,141	\$ 23,590	\$ 36,009	\$ 27,722
Total assets . . . . .	<u>\$ 40,141</u>	<u>\$ 23,590</u>	<u>\$ 36,009</u>	<u>\$ 27,722</u>
<b>Liabilities:</b>				
Undistributed monies . . . . .	\$ 40,141	\$ 23,590	\$ 36,009	\$ 27,722
Total liabilities . . . . .	<u>\$ 40,141</u>	<u>\$ 23,590</u>	<u>\$ 36,009</u>	<u>\$ 27,722</u>
<b>Allotment Deposits</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 64,512	\$ 100	\$ -	\$ 64,612
Total assets . . . . .	<u>\$ 64,512</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 64,612</u>
<b>Liabilities:</b>				
Undistributed monies . . . . .	\$ 64,512	\$ 100	\$ -	\$ 64,612
Total liabilities . . . . .	<u>\$ 64,512</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 64,612</u>
<b>Miscellaneous Service Deposits</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 12,298	\$ 7,029	\$ 7,029	\$ 12,298
Total assets . . . . .	<u>\$ 12,298</u>	<u>\$ 7,029</u>	<u>\$ 7,029</u>	<u>\$ 12,298</u>
<b>Liabilities:</b>				
Undistributed monies . . . . .	\$ 12,298	\$ 7,029	\$ 7,029	\$ 12,298
Total liabilities . . . . .	<u>\$ 12,298</u>	<u>\$ 7,029</u>	<u>\$ 7,029</u>	<u>\$ 12,298</u>
<b>Park and Recreation Deposits</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 21,031	\$ 258,503	\$ 254,402	\$ 25,132
Receivables:				
Accounts . . . . .	746	395	746	395
Total assets . . . . .	<u>\$ 21,777</u>	<u>\$ 258,898</u>	<u>\$ 255,148</u>	<u>\$ 25,527</u>
<b>Liabilities:</b>				
Undistributed monies . . . . .	\$ 21,777	\$ 258,898	\$ 255,148	\$ 25,527
Total liabilities . . . . .	<u>\$ 21,777</u>	<u>\$ 258,898</u>	<u>\$ 255,148</u>	<u>\$ 25,527</u>

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**CITY OF STOW, OHIO**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<b>Beginning Balance 1/1/2017</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance 12/31/2017</b>
<b>Municipal Court Fund</b>				
<b>Assets:</b>				
Cash in segregated accounts . . . . .	\$ 535,670	\$ 7,019,528	\$ 6,982,477	\$ 572,721
Total assets . . . . .	<u>\$ 535,670</u>	<u>\$ 7,019,528</u>	<u>\$ 6,982,477</u>	<u>\$ 572,721</u>
<b>Liabilities:</b>				
Intergovernmental payable. . . . .	\$ 251,282	\$ 270,679	\$ 251,282	\$ 270,679
Undistributed monies . . . . .	284,388	6,748,849	6,731,195	302,042
Total liabilities . . . . .	<u>\$ 535,670</u>	<u>\$ 7,019,528</u>	<u>\$ 6,982,477</u>	<u>\$ 572,721</u>
<b>Summit Metro Crash Unit</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 17,922	\$ 14,194	\$ 8,339	\$ 23,777
Total assets . . . . .	<u>\$ 17,922</u>	<u>\$ 14,194</u>	<u>\$ 8,339</u>	<u>\$ 23,777</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ -	\$ 253	\$ -	\$ 253
Intergovernmental payable . . . . .	17,922	13,941	8,339	23,524
Total liabilities . . . . .	<u>\$ 17,922</u>	<u>\$ 14,194</u>	<u>\$ 8,339</u>	<u>\$ 23,777</u>
<b>Payroll Advance Rotary</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 24,579	\$ 89,591	\$ 114,170	\$ -
Prepayments . . . . .	1,189	-	1,189	-
Total assets . . . . .	<u>\$ 25,768</u>	<u>\$ 89,591</u>	<u>\$ 115,359</u>	<u>\$ -</u>
<b>Liabilities:</b>				
Undistributed monies . . . . .	\$ 25,768	\$ 89,591	\$ 115,359	\$ -
Total liabilities . . . . .	<u>\$ 25,768</u>	<u>\$ 89,591</u>	<u>\$ 115,359</u>	<u>\$ -</u>
<b>Police Forfeited Cash</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 929	\$ -	\$ -	\$ 929
Total assets . . . . .	<u>\$ 929</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 929</u>
<b>Liabilities:</b>				
Undistributed monies . . . . .	\$ 929	\$ -	\$ -	\$ 929
Total liabilities . . . . .	<u>\$ 929</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 929</u>

-- Continued

**CITY OF STOW, OHIO**

*STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Beginning Balance 1/1/2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance 12/31/2017</u>
<b>Police Drug Forfeiture Cash</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 31,552	\$ 6,494	\$ -	\$ 38,046
Receivables:				
Accounts . . . . .	608	576	608	576
Total assets . . . . .	<u>\$ 32,160</u>	<u>\$ 7,070</u>	<u>\$ 608</u>	<u>\$ 38,622</u>
<b>Liabilities:</b>				
Undistributed monies . . . . .	\$ 32,160	\$ 7,070	\$ 608	\$ 38,622
Total liabilities . . . . .	<u>\$ 32,160</u>	<u>\$ 7,070</u>	<u>\$ 608</u>	<u>\$ 38,622</u>
 <b>Ohio BBS 3% Surcharge</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 322	\$ 8,076	\$ 8,161	\$ 237
Receivables:				
Accounts . . . . .	3	2	3	2
Total assets . . . . .	<u>\$ 325</u>	<u>\$ 8,078</u>	<u>\$ 8,164</u>	<u>\$ 239</u>
<b>Liabilities:</b>				
Undistributed monies . . . . .	\$ 325	\$ 8,078	\$ 8,164	\$ 239
Total liabilities . . . . .	<u>\$ 325</u>	<u>\$ 8,078</u>	<u>\$ 8,164</u>	<u>\$ 239</u>
 <b>Unclaimed Money</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 45,550	\$ -	\$ 436	\$ 45,114
Total assets . . . . .	<u>\$ 45,550</u>	<u>\$ -</u>	<u>\$ 436</u>	<u>\$ 45,114</u>
<b>Liabilities:</b>				
Undistributed monies . . . . .	\$ 45,550	\$ -	\$ 436	\$ 45,114
Total liabilities . . . . .	<u>\$ 45,550</u>	<u>\$ -</u>	<u>\$ 436</u>	<u>\$ 45,114</u>
 <b>Unclaimed Court Bonds</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 27,819	\$ 15,439	\$ -	\$ 43,258
Total assets . . . . .	<u>\$ 27,819</u>	<u>\$ 15,439</u>	<u>\$ -</u>	<u>\$ 43,258</u>
<b>Liabilities:</b>				
Undistributed monies . . . . .	\$ 27,819	\$ 15,439	\$ -	\$ 43,258
Total liabilities . . . . .	<u>\$ 27,819</u>	<u>\$ 15,439</u>	<u>\$ -</u>	<u>\$ 43,258</u>

-- Continued



**CITY OF STOW, OHIO**

*STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Beginning Balance 1/1/2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance 12/31/2017</u>
<b>Fire Bond Insurance</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 16,760	\$ 19,820	\$ 16,760	\$ 19,820
Total assets . . . . .	<u>\$ 16,760</u>	<u>\$ 19,820</u>	<u>\$ 16,760</u>	<u>\$ 19,820</u>
<b>Liabilities:</b>				
Undistributed monies . . . . .	\$ 16,760	\$ 19,820	\$ 16,760	\$ 19,820
Total liabilities . . . . .	<u>\$ 16,760</u>	<u>\$ 19,820</u>	<u>\$ 16,760</u>	<u>\$ 19,820</u>
<b>Flexible Spending Plan</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 10,798	\$ 123,985	\$ 127,185	\$ 7,598
Total assets . . . . .	<u>\$ 10,798</u>	<u>\$ 123,985</u>	<u>\$ 127,185</u>	<u>\$ 7,598</u>
<b>Liabilities:</b>				
Deposits held and due to others . . . . .	\$ 10,798	\$ 123,985	\$ 127,185	\$ 7,598
Total liabilities . . . . .	<u>\$ 10,798</u>	<u>\$ 123,985</u>	<u>\$ 127,185</u>	<u>\$ 7,598</u>
<b>Total Agency</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 314,213	\$ 566,821	\$ 572,491	\$ 308,543
Cash in segregated accounts . . . . .	535,670	7,019,528	6,982,477	572,721
Receivables:				
Accounts . . . . .	1,357	973	1,357	973
Prepayments . . . . .	1,189	-	1,189	-
Total assets . . . . .	<u>\$ 852,429</u>	<u>\$ 7,587,322</u>	<u>\$ 7,557,514</u>	<u>\$ 882,237</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ -	\$ 253	\$ -	\$ 253
Intergovernmental payable. . . . .	269,204	284,620	259,621	294,203
Deposits held and due to others . . . . .	10,798	123,985	127,185	7,598
Undistributed monies . . . . .	572,427	7,178,464	7,170,708	580,183
Total liabilities . . . . .	<u>\$ 852,429</u>	<u>\$ 7,587,322</u>	<u>\$ 7,557,514</u>	<u>\$ 882,237</u>

# **STATISTICAL SECTION**



**CITY OF STOW, OHIO**  
**STATISTICAL SECTION**

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>181</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue sources, the income tax and property tax.	<b>193</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	<b>201</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	<b>207</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	<b>211</b>

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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## FINANCIAL TRENDS

**CITY OF STOW, OHIO**

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

	<b>Fiscal Year</b>			
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014 (1)</b>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 51,399,664	\$ 52,816,080	\$ 48,357,523	\$ 47,970,497
Restricted	3,760,314	4,166,978	5,623,410	6,245,011
Unrestricted	<u>(18,434,771)</u>	<u>(16,563,916)</u>	<u>(15,725,119)</u>	<u>(17,122,776)</u>
Total governmental activities net assets	<u>\$ 36,725,207</u>	<u>\$ 40,419,142</u>	<u>\$ 38,255,814</u>	<u>\$ 37,092,732</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 32,987,291	\$ 32,415,187	\$ 31,259,046	\$ 30,187,216
Unrestricted	<u>9,023,097</u>	<u>7,805,817</u>	<u>6,953,910</u>	<u>7,124,618</u>
Total business-type activities net assets	<u>\$ 42,010,388</u>	<u>\$ 40,221,004</u>	<u>\$ 38,212,956</u>	<u>\$ 37,311,834</u>
<b>Primary government</b>				
Net investment in capital assets	\$ 84,386,955	\$ 85,231,267	\$ 79,616,569	\$ 78,157,713
Restricted	3,760,314	4,166,978	5,623,410	6,245,011
Unrestricted	<u>(9,411,674)</u>	<u>(8,758,099)</u>	<u>(8,771,209)</u>	<u>(9,998,158)</u>
Total primary government net position	<u>\$ 78,735,595</u>	<u>\$ 80,640,146</u>	<u>\$ 76,468,770</u>	<u>\$ 74,404,566</u>

**Source:** City of Stow, Financial Records

(1) Amounts have been restated to reflect the implementation of GASB Statements No. 68 and 71, which were implemented in 2015.

<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 45,313,451	\$ 42,370,606	\$ 41,520,421	\$ 41,222,186	\$ 38,242,890	\$ 34,733,562
5,905,788	6,323,180	6,958,099	7,658,087	7,561,593	11,437,818
6,905,379	5,733,071	4,480,067	3,516,064	2,481,660	2,893,903
<u>\$ 58,124,618</u>	<u>\$ 54,426,857</u>	<u>\$ 52,958,587</u>	<u>\$ 52,396,337</u>	<u>\$ 48,286,143</u>	<u>\$ 49,065,283</u>
\$ 29,369,155	\$ 29,113,459	\$ 27,562,287	\$ 26,282,921	\$ 24,875,802	\$ 23,018,961
7,514,211	6,372,417	5,632,334	5,385,246	4,148,920	2,800,179
<u>\$ 36,883,366</u>	<u>\$ 35,485,876</u>	<u>\$ 33,194,621</u>	<u>\$ 31,668,167</u>	<u>\$ 29,024,722</u>	<u>\$ 25,819,140</u>
\$ 74,682,606	\$ 71,484,065	\$ 69,082,708	\$ 67,505,107	\$ 63,118,692	\$ 57,752,523
5,905,788	6,323,180	6,958,099	7,658,087	7,561,593	11,437,818
14,419,590	12,105,488	10,112,401	8,901,310	6,630,580	5,694,082
<u>\$ 95,007,984</u>	<u>\$ 89,912,733</u>	<u>\$ 86,153,208</u>	<u>\$ 84,064,504</u>	<u>\$ 77,310,865</u>	<u>\$ 74,884,423</u>



**CITY OF STOW, OHIO**

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

	Fiscal Year			
	2017	2016	2015	2014
<b>Expenses</b>				
Governmental activities:				
General government	\$ 9,599,480	\$ 9,163,530	\$ 9,697,067	\$ 8,518,703
Security of persons and property	15,824,027	16,618,710	15,209,594	14,823,706
Public health	485,650	478,066	638,916	456,152
Leisure time activities	1,654,196	1,595,972	1,586,402	1,458,229
Community and economic development	1,170,091	1,226,751	1,107,688	1,188,870
Transportation	9,728,248	4,868,751	5,200,034	4,251,589
Interest and fiscal charges	387,188	411,713	416,865	662,439
Bond and note issuance costs	-	-	-	82,659
Total governmental activities expenses	<u>38,848,880</u>	<u>34,363,493</u>	<u>33,856,566</u>	<u>31,442,347</u>
Business-type activities:				
Water	4,776,746	4,627,806	4,911,480	3,937,944
Golf	1,250,516	1,163,712	1,109,867	1,247,335
Storm Water Utility	1,079,591	1,332,939	856,262	771,375
Total business-type activities expenses	<u>7,106,853</u>	<u>7,124,457</u>	<u>6,877,609</u>	<u>5,956,654</u>
Total primary government expenses	<u>\$ 45,955,733</u>	<u>\$ 41,487,950</u>	<u>\$ 40,734,175</u>	<u>\$ 37,399,001</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 4,398,031	\$ 4,464,848	\$ 4,737,376	\$ 4,026,473
Security of persons and property	808,659	733,242	781,214	864,313
Public health	68,071	61,127	64,795	48,820
Leisure time activities	345,348	350,441	351,179	355,879
Community and economic development	311,535	313,803	258,697	247,686
Transportation	66,056	55,993	59,877	61,938
Operating grants and contributions				
General government	83,037	63,036	131,108	364,652
Security of persons and property	104,998	147,057	195,437	171,794
Public health	55,841	47,128	74,101	46,795
Leisure time activities	94,728	98,836	143,511	109,894
Community and economic development	2,551	1,583	101,315	101,851
Transportation	1,623,047	1,895,979	1,937,569	1,871,783
Capital grants and contributions				
General government	-	-	-	-
Leisure time activities	-	-	-	-
Transportation	2,686,442	3,596,297	1,816,262	3,904,877
Total governmental program revenues	<u>10,648,344</u>	<u>11,829,370</u>	<u>10,652,441</u>	<u>12,176,755</u>
Business-type activities:				
Charges for services:				
Water	5,264,755	5,329,501	5,306,036	5,132,114
Golf	973,398	964,926	910,919	892,237
Storm Water Utility	1,410,719	966,739	837,428	826,125
Capital grants and contributions	71,802	1,288,799	22,428	-
Total business-type activities program revenues	<u>7,720,674</u>	<u>8,549,965</u>	<u>7,076,811</u>	<u>6,850,476</u>
Total primary government program revenue	<u>\$ 18,369,018</u>	<u>\$ 20,379,335</u>	<u>\$ 17,729,252</u>	<u>\$ 19,027,231</u>

	2013	2012	2011	2010	2009	2008
\$	8,351,841	\$ 8,752,518	\$ 8,669,487	\$ 8,737,033	\$ 10,154,101	\$ 6,147,957
	14,576,858	14,882,885	14,453,109	14,199,929	14,418,225	13,327,278
	483,060	460,036	497,770	445,503	421,832	425,367
	1,373,291	1,522,538	1,793,620	1,867,648	2,286,945	2,044,492
	1,165,860	1,252,957	1,082,363	686,144	1,380,821	1,420,185
	4,722,114	4,186,489	4,201,252	5,165,638	4,429,498	3,574,568
	770,369	745,063	840,657	889,212	1,074,985	859,793
	-	-	-	-	-	-
	<u>31,443,393</u>	<u>31,802,486</u>	<u>31,538,258</u>	<u>31,991,107</u>	<u>34,166,407</u>	<u>27,799,640</u>
	4,350,339	4,027,924	3,860,564	2,913,323	3,555,964	4,073,731
	1,155,959	1,005,084	1,032,230	1,130,238	1,194,315	1,328,960
	767,610	844,828	1,180,802	737,255	752,345	1,037,405
	<u>6,273,908</u>	<u>5,877,836</u>	<u>6,073,596</u>	<u>4,780,816</u>	<u>5,502,624</u>	<u>6,440,096</u>
\$	<u>37,717,301</u>	<u>37,680,322</u>	<u>37,611,854</u>	<u>36,771,923</u>	<u>39,669,031</u>	<u>34,239,736</u>
\$	4,380,103	\$ 4,191,996	\$ 4,080,373	\$ 4,156,491	\$ 3,778,715	\$ 1,175,185
	831,052	722,327	645,493	643,889	551,960	602,385
	58,433	71,036	54,824	58,851	47,841	42,465
	320,879	363,581	335,481	295,434	294,675	363,040
	207,271	195,990	187,218	165,268	166,893	235,657
	12,255	18,025	22,955	66,156	81,544	43,775
	\$81,027	\$77,024	15,648	100	44,497	1,002,209
	272,427	155,042	164,835	240,066	159,580	412,760
	20,382	47,633	46,463	52,084	41,912	34,590
	184,830	116,496	49,975	53,580	74,462	149,192
	2,395	89,508	10,237	26,895	109,625	4,547
	2,431,705	1,856,024	1,811,591	2,107,461	1,645,161	1,949,031
	-	-	-	137,134	464,326	831,888
	-	-	-	-	552	365,276
	1,639,994	2,112,844	2,042,998	4,557,230	3,922,217	2,150,731
	<u>10,442,753</u>	<u>10,017,526</u>	<u>9,468,091</u>	<u>12,560,639</u>	<u>11,383,960</u>	<u>9,362,731</u>
	5,194,737	5,249,886	4,999,870	4,934,014	4,824,385	4,937,932
	920,428	806,780	685,125	750,361	890,927	888,706
	828,123	820,731	830,508	818,358	815,747	785,235
	147,668	328,040	225,169	216,000	-	734,860
	<u>7,090,956</u>	<u>7,205,437</u>	<u>6,740,672</u>	<u>6,718,733</u>	<u>6,531,059</u>	<u>7,346,733</u>
\$	<u>17,533,709</u>	<u>17,222,963</u>	<u>16,208,763</u>	<u>19,279,372</u>	<u>17,915,019</u>	<u>16,709,464</u>

**CITY OF STOW, OHIO**

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

	<b>Fiscal Year</b>			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (28,200,536)	\$ (22,534,123)	\$ (23,204,125)	\$ (19,265,592)
Business-type activities	613,821	1,425,508	199,202	893,822
Total primary government net expense	<u>\$ (27,586,715)</u>	<u>\$ (21,108,615)</u>	<u>\$ (23,004,923)</u>	<u>\$ (18,371,770)</u>
<b>General Revenues, Special Items, and Transfers</b>				
Governmental activities:				
Taxes				
Property taxes	\$ 6,914,392	\$ 6,877,774	\$ 6,822,960	\$ 6,933,760
Income taxes	15,246,923	14,987,212	14,777,475	14,164,765
Grants and entitlements not restricted to specific programs	2,264,359	2,294,742	2,241,649	2,497,688
Investment earnings	110,385	118,136	96,332	60,235
Other	578,722	432,587	428,791	340,716
Special item - Municipal Court	-	-	-	-
Transfers	(608,180)	(13,000)	-	(65,500)
Total governmental activities	<u>24,506,601</u>	<u>24,697,451</u>	<u>24,367,207</u>	<u>23,931,664</u>
Business-type activities:				
Municipal income taxes	348,785	346,806	349,841	341,086
Other	218,598	222,734	352,079	261,533
Transfers	608,180	13,000	-	65,500
Total business-type activities	<u>1,175,563</u>	<u>582,540</u>	<u>701,920</u>	<u>668,119</u>
Total primary government	<u>\$ 25,682,164</u>	<u>\$ 25,279,991</u>	<u>\$ 25,069,127</u>	<u>\$ 24,599,783</u>
<b>Change in Net Position</b>				
Governmental activities	\$ (3,693,935)	\$ 2,163,328	\$ 1,163,082	\$ 4,666,072
Business-type activities	1,789,384	2,008,048	901,122	1,561,941
Total primary government	<u>\$ (1,904,551)</u>	<u>\$ 4,171,376</u>	<u>\$ 2,064,204</u>	<u>\$ 6,228,013</u>

Source: City of Stow, Financial Records

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ (21,000,640)	\$ (21,784,960)	\$ (22,070,167)	\$ (19,430,468)	\$ (22,782,447)	\$ (18,436,909)
817,048	1,327,601	667,076	1,937,917	1,028,435	906,637
<u>\$ (20,183,592)</u>	<u>\$ (20,457,359)</u>	<u>\$ (21,403,091)</u>	<u>\$ (17,492,551)</u>	<u>\$ (21,754,012)</u>	<u>\$ (17,530,272)</u>
\$ 6,916,433	\$ 6,749,766	\$ 7,506,559	\$ 7,533,686	\$ 7,414,664	\$ 7,052,140
13,944,273	13,440,529	12,346,779	11,573,713	11,415,940	12,504,118
3,434,601	3,146,808	2,945,092	3,933,904	3,881,534	3,942,230
58,986	25,117	70,797	102,494	192,603	470,727
382,470	244,661	396,105	612,143	660,823	321,544
-	-	-	-	1,778,978	-
(38,362)	(353,651)	(366,417)	(215,278)	(346,219)	72,408
<u>24,698,401</u>	<u>23,253,230</u>	<u>22,898,915</u>	<u>23,540,662</u>	<u>24,998,323</u>	<u>24,363,167</u>
361,561	369,843	468,841	361,828	354,440	300,000
180,519	240,160	104,526	128,422	245,021	300,820
38,362	353,651	366,417	215,278	346,219	(72,408)
<u>580,442</u>	<u>963,654</u>	<u>939,784</u>	<u>705,528</u>	<u>945,680</u>	<u>528,412</u>
<u>\$ 25,278,843</u>	<u>\$ 24,216,884</u>	<u>\$ 23,838,699</u>	<u>\$ 24,246,190</u>	<u>\$ 25,944,003</u>	<u>\$ 24,891,579</u>
\$ 3,697,761	\$ 1,468,270	\$ 828,748	\$ 4,110,194	\$ 2,215,876	\$ 5,926,258
1,397,490	2,291,255	1,606,860	2,643,445	1,974,115	1,435,049
<u>\$ 5,095,251</u>	<u>\$ 3,759,525</u>	<u>\$ 2,435,608</u>	<u>\$ 6,753,639</u>	<u>\$ 4,189,991</u>	<u>\$ 7,361,307</u>

**CITY OF STOW, OHIO**

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund				
Nonspendable	\$ 156,787	\$ 153,016	\$ 108,652	\$ 269,002
Committed	37,485	30,804	22,723	21,788
Assigned	404,754	417,810	1,577,695	1,125,419
Unassigned	6,299,018	6,063,255	4,241,169	4,413,302
Reserved	-	-	-	-
Unreserved:				
Designated	-	-	-	-
Undesignated	-	-	-	-
Total general fund	<u>\$ 6,898,044</u>	<u>\$ 6,664,885</u>	<u>\$ 5,950,239</u>	<u>\$ 5,829,511</u>
All Other Governmental Funds				
Nonspendable	\$ 521,546	\$ 493,613	\$ 579,507	\$ 385,910
Restricted	3,828,740	4,009,797	5,221,174	5,287,655
Committed	4,128,248	4,131,358	2,816,933	2,332,839
Unassigned (deficit)	(155,376)	(93,283)	(164,337)	(506,428)
Reserved	-	-	-	-
Unreserved, undesignated reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Total all other governmental funds	<u>\$ 8,323,158</u>	<u>\$ 8,541,485</u>	<u>\$ 8,453,277</u>	<u>\$ 7,499,976</u>

**Source:** City of Stow, Financial Records

(1) The City implemented GASB Statement No. 54 in 2011. Balances beginning in 2011 are presented in accordance with GASB Statement No. 54

<u>2013</u>	<u>2012</u>	<u>2011 (1)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 289,387	\$ 286,318	\$ 320,672	\$ -	\$ -	\$ -
20,793	17,955	64,876	-	-	-
3,933,706	3,471,773	2,485,844	-	-	-
1,628,614	1,222,906	2,502,787	-	-	-
-	-	-	714,764	605,178	493,673
-	-	-	1,000,000	1,000,000	-
-	-	-	2,976,313	2,856,832	5,140,973
<u>\$ 5,872,500</u>	<u>\$ 4,998,952</u>	<u>\$ 5,374,179</u>	<u>\$ 4,691,077</u>	<u>\$ 4,462,010</u>	<u>\$ 5,634,646</u>
\$ 444,569	\$ 455,496	\$ 533,237	\$ -	\$ -	\$ -
4,921,578	5,258,523	5,568,649	-	-	-
2,249,927	1,946,548	1,420,126	-	-	-
(545,855)	(457,853)	(536,592)	-	-	-
-	-	-	1,383,270	1,340,169	1,979,695
-	-	-	2,968,820	3,142,525	2,221,047
-	-	-	2,083,262	1,842,344	6,255,297
<u>\$ 7,070,219</u>	<u>\$ 7,202,714</u>	<u>\$ 6,985,420</u>	<u>\$ 6,435,352</u>	<u>\$ 6,325,038</u>	<u>\$ 10,456,039</u>

**CITY OF STOW, OHIO**

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Revenues</b>				
Property and other taxes	\$ 6,927,627	\$ 6,890,772	\$ 6,881,230	\$ 6,869,238
Income taxes	15,194,104	15,224,612	14,710,235	14,151,477
Special assessments	41,470	49,215	64,482	70,989
Charges for services	1,184,172	1,099,248	1,132,110	1,211,598
Licenses and permits	1,021,209	995,610	1,197,634	949,862
Fines and forfeitures	3,477,457	3,543,266	3,564,249	3,345,709
Intergovernmental	6,744,475	7,703,578	6,114,614	8,340,406
Investment income	131,539	133,900	114,347	68,642
Rent	272,451	292,115	294,663	316,572
Contributions and donations	31,268	70,867	33,520	74,081
Other	735,555	754,464	895,591	846,910
Total revenues	<u>35,761,327</u>	<u>36,757,647</u>	<u>35,002,675</u>	<u>36,245,484</u>
<b>Expenditures</b>				
Current:				
General government	8,235,918	8,211,340	8,308,468	7,957,517
Security of persons and property	14,127,975	13,596,998	13,600,998	13,790,021
Public health	445,150	455,255	609,555	440,029
Leisure time activities	1,356,268	1,383,692	1,417,013	1,292,695
Community and economic development	974,126	1,082,900	1,025,771	1,103,909
Transportation	2,534,423	2,657,825	2,640,860	2,539,841
Capital outlay	6,205,552	6,720,189	4,624,188	6,240,117
Debt service:				
Principal retirement	3,578,756	3,954,929	4,283,548	5,145,674
Interest and fiscal charges	385,352	407,288	447,822	681,765
Bond and note issuance costs	-	-	148,496	82,659
Total expenditures	<u>37,843,520</u>	<u>38,470,416</u>	<u>37,106,719</u>	<u>39,274,227</u>
Excess of revenues over (under) expenditures	(2,082,193)	(1,712,769)	(2,104,044)	(3,028,743)
<b>Other Financing Sources (Uses)</b>				
Notes issued	2,100,000	2,500,000	2,900,000	3,300,000
Premium on notes	11,525	28,623	22,308	32,852
Refunding bonds issued	-	-	8,667,680	3,790,000
Premium on bonds	-	-	264,994	47,764
Refunding of notes	-	-	-	-
Payment to refunded bond escrow agent	-	-	(8,676,909)	(3,755,105)
Capital lease transaction	-	-	-	-
Transfers in	1,674,868	1,900,885	1,697,092	1,888,151
Transfers out	(1,689,368)	(1,913,885)	(1,697,092)	(1,888,151)
Total other financing sources (uses)	<u>2,097,025</u>	<u>2,515,623</u>	<u>3,178,073</u>	<u>3,415,511</u>
Special item - Municipal Court	-	-	-	-
Net change in fund balances	<u>\$ 14,832</u>	<u>\$ 802,854</u>	<u>\$ 1,074,029</u>	<u>\$ 386,768</u>
Capital expenditures	1,000,923	6,248,388	3,428,112	5,906,210
Debt service as a percentage of noncapital expenditures	10.76%	13.54%	14.05%	17.46%

Source: City of Stow, Financial Records

2013	2012	2011	2010	2009	2008
\$ 6,971,158	\$ 6,812,959	\$ 7,439,333	\$ 7,440,114	\$ 7,433,923	\$ 7,233,714
14,027,261	13,268,271	12,510,420	11,602,741	10,878,906	12,785,284
70,040	79,414	79,284	79,891	87,235	80,553
1,152,015	1,105,199	989,297	989,314	891,690	998,218
997,249	832,976	610,777	757,871	745,026	646,657
3,354,995	3,278,358	3,318,885	3,290,911	2,931,853	467,519
7,664,557	7,415,284	7,229,340	10,787,212	7,551,001	9,298,787
66,515	78,030	81,151	71,668	198,896	465,201
232,750	263,789	251,610	279,040	283,061	295,768
43,329	94,783	41,899	51,542	538,048	206,791
698,672	405,427	625,040	891,784	3,092,860	1,169,349
<u>35,278,541</u>	<u>33,634,490</u>	<u>33,177,036</u>	<u>36,242,088</u>	<u>34,632,499</u>	<u>33,647,841</u>
7,740,624	7,924,144	8,016,135	8,390,076	9,327,006	6,178,362
13,633,665	13,269,335	12,993,041	13,349,173	13,342,694	12,821,027
467,530	428,843	473,722	430,664	423,408	461,549
1,221,752	1,335,813	1,551,330	1,688,869	2,057,269	1,963,730
1,118,340	1,091,775	1,055,196	1,127,128	1,321,055	1,443,280
2,673,702	2,408,432	2,736,071	3,321,718	2,561,137	3,068,690
4,513,273	4,192,551	3,300,320	5,096,319	9,866,073	13,514,969
6,548,067	935,877	894,177	867,277	742,348	14,955,172
783,668	827,730	879,409	934,179	1,059,124	1,234,812
-	-	-	6,907	48,478	176,146
<u>38,700,621</u>	<u>32,414,500</u>	<u>31,899,401</u>	<u>35,212,310</u>	<u>40,748,592</u>	<u>55,817,737</u>
(3,422,080)	1,219,990	1,277,635	1,029,778	(6,116,093)	(22,169,896)
4,125,000	5,575,000	7,025,000	7,125,000	7,925,000	9,475,000
38,133	72,077	55,535	109,603	77,882	228,069
-	-	-	-	-	8,073,932
-	-	-	-	-	-
-	(7,025,000)	(7,125,000)	(7,925,000)	(9,475,000)	-
-	-	-	-	-	-
-	-	-	-	505,596	907,731
2,150,397	3,048,524	1,948,887	1,831,835	1,771,307	734,445
(2,150,397)	(3,048,524)	(1,948,887)	(1,831,835)	(1,771,307)	(734,445)
<u>4,163,133</u>	<u>(1,377,923)</u>	<u>(44,465)</u>	<u>(690,397)</u>	<u>(966,522)</u>	<u>18,684,732</u>
-	-	-	-	1,778,978	-
<u>\$ 741,053</u>	<u>\$ (157,933)</u>	<u>\$ 1,233,170</u>	<u>\$ 339,381</u>	<u>\$ (5,303,637)</u>	<u>\$ (3,485,164)</u>
4,110,452	2,648,076	2,062,962	4,332,436	8,883,818	15,435,962
21.20%	5.92%	5.94%	5.83%	5.65%	40.09%



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## REVENUE CAPACITY

**CITY OF STOW, OHIO**

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

Collection Year	Real Property (1)		Public Utility Property (2)		Tangible Personal Property (3)	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2017	\$ 787,352,220	\$ 2,249,577,771	\$ 11,319,090	\$ 45,276,360	\$ -	\$ -
2016	778,836,400	2,225,246,857	10,486,030	41,944,120	-	-
2015	776,329,550	2,218,084,429	10,329,360	41,317,440	-	-
2014	783,377,280	2,238,220,800	9,871,680	39,486,720	-	-
2013	780,992,660	2,231,407,600	8,924,610	35,698,440	-	-
2012	786,224,690	2,246,356,257	8,225,020	32,900,080	-	-
2011	856,833,320	2,448,095,200	7,884,350	31,537,400	-	-
2010	856,851,080	2,448,145,943	7,716,670	30,866,680	824,295	13,188,720
2009	849,550,200	2,427,286,286	7,155,660	28,622,640	1,772,229	28,355,664
2008	818,636,300	2,338,960,857	6,903,620	27,614,480	13,619,113	217,905,808

**Source:** Summit County Fiscal Officer

- (1) Real property is assessed at 35% of actual value. Real property taxes collected in a calendar year are levied as of January 1 of that year based on assessed values as of January 1 of the preceding year.
- (2) Public utility is assessed at 25% of actual value. Public utility real and tangible property taxes collected in a calendar year are levied in the preceding calendar year based on assessed values determined as of December 31 of the second preceding year.
- (3) For 2007, tangible personal personal property tax is assessed at 12.50% of property value, including inventory.  
 For 2008, tangible personal personal property tax is assessed at 6.25% of property value, including inventory.  
 For 2009, tangible personal personal property tax is assessed at 0.00% of property value, including inventory, except for telephone tangible personal property which is assessed at 10% of property value, including inventory. In 2009 and 2010 telephone tangible is the only taxable tangible personal property.  
 Tangible personal personal property tax was phased out in 2011.

<b>Total</b>			
<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Total Direct Rate</b>	<b>Ratio</b>
\$ 798,671,310	\$ 2,294,854,131	9.50	34.80%
789,322,430	2,267,190,977	9.50	34.81%
786,658,910	2,259,401,869	9.50	34.82%
793,248,960	2,277,707,520	9.50	34.83%
789,917,270	2,267,106,040	9.50	34.84%
794,449,710	2,279,256,337	9.50	34.86%
864,717,670	2,479,632,600	9.50	34.87%
865,392,045	2,492,201,343	9.50	34.72%
858,478,089	2,484,264,590	9.50	34.56%
839,159,033	2,584,481,145	9.50	32.47%

**CITY OF STOW, OHIO**

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

<b>Collection Year</b>	<b>City Direct Rates</b>					<b>Overlapping Rates</b>		
	<b>General Operating</b>	<b>Police Pension</b>	<b>Fire Pension</b>	<b>EMS</b>	<b>Total Direct</b>	<b>Stow-Munroe Falls City School District</b>	<b>Summit County</b>	<b>Stow-Munroe Falls Public Library</b>
2017	6.60	0.30	0.30	2.30	9.50	55.34	14.16	2.00
2016	6.60	0.30	0.30	2.30	9.50	53.58	14.16	2.00
2015	6.60	0.30	0.30	2.30	9.50	53.66	14.16	2.00
2014	6.60	0.30	0.30	2.30	9.50	53.47	14.16	2.00
2013	6.60	0.30	0.30	2.30	9.50	53.55	14.16	2.00
2012	6.60	0.30	0.30	2.30	9.50	53.24	14.16	2.00
2011	6.60	0.30	0.30	2.30	9.50	45.62	14.57	1.00
2010	6.60	0.30	0.30	2.30	9.50	45.15	14.16	1.00
2009	6.60	0.30	0.30	2.30	9.50	45.25	14.16	1.00
2008	6.60	0.30	0.30	2.30	9.50	45.93	14.26	1.00

**Source:** Summit County Fiscal Officer

**CITY OF STOW, OHIO**

*PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS*

<u>Year (1)</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections to Current Tax Levy</u>	<u>Delinquent Tax Collections (1)</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Current Tax Levy</u>
2017	\$ 7,588,911	\$ 7,405,455	97.58%	\$ 183,455	\$ 7,588,910	100.00%
2016	7,498,898	7,344,065	97.94%	154,834	7,498,899	100.00%
2015	7,473,391	7,320,850	97.96%	152,540	7,473,390	100.00%
2014	7,535,886	7,336,995	97.36%	198,891	7,535,886	100.00%
2013	7,504,237	7,326,910	97.64%	177,327	7,504,237	100.00%
2012	7,547,293	7,242,454	95.96%	304,839	7,547,293	100.00%
2011	8,214,843	7,899,776	96.16%	315,067	8,214,843	100.00%
2010	8,213,417	7,951,169	96.81%	262,248	8,213,417	100.00%
2009	8,138,730	7,896,204	97.02%	232,571	8,128,775	99.88%
2008	7,846,181	7,632,381	97.28%	232,412	7,864,793	100.24%

**Source:** Summit County Fiscal Officer

(1) The Summit County Fiscal Officer does not identify delinquent tax collections by tax year.

**CITY OF STOW, OHIO**

*PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO*

<b>December 31, 2017</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
DDR Ohio Opportunity II LLC	\$ 8,559,290	1	1.07%
Wyndham Ridge LTD	7,803,120	2	0.98%
Ohio Edison	7,658,440	3	0.96%
Heron Springs Associates LLC	6,962,400	4	0.87%
JVM Hidden Lake Apartments LLC	4,410,020	5	0.55%
Stow Glen Properties LLC	4,347,830	6	0.54%
Bemis Company, Inc.*	4,275,820	7	0.54%
Stow Associates	3,336,500	8	0.42%
Albrecht Incorporated	3,178,730	9	0.40%
Steels Corners Apartment Co. LTD	3,149,270	10	0.39%
<b>Total</b>	<b>\$ 53,681,420</b>		<b>6.72%</b>
 Total Assessed Value of Property	 <u>\$ 798,671,310</u>		

\*formerly Morgan Adhesive Co.

<b>December 31, 2008</b>			
<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>	
Heron Springs Associates, LLC	\$ 8,382,140	1	1.00%
DDR Ohio Opportunity II, LLC	6,670,820	2	0.79%
Wyndham Ridge, LTD	5,054,620	3	0.60%
Marcliff Hidden Lake Apartments Limited	4,653,450	4	0.55%
Stow-Glen Properties	4,606,350	5	0.55%
SFC Enterprises LTD	4,549,930	6	0.54%
Morgan Adhesive Company	4,314,820	7	0.51%
Steels Corners Apartment Company	3,731,030	8	0.44%
Wyndham Ridge, LTD	2,788,870	9	0.33%
WalMart Real Estate Business Trust	2,547,290	10	0.30%
<b>Total</b>	<b>\$ 47,299,320</b>		<b>5.64%</b>
 Total Assessed Value of Property	 <u>\$ 839,159,033</u>		

**Source:** Summit County Fiscal Officer

**CITY OF STOW, OHIO**

*INCOME TAX REVENUE BASE AND COLLECTIONS  
LAST TEN YEARS*

<u>Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected (1)</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes from Individuals</u>	<u>Percentage of Taxes from Individuals</u>
2017	2.00%	\$ 15,665,060	\$ 11,079,908	70.73%	\$ 1,965,813 (2)	12.55%	\$ 2,619,339	16.72%
2016	2.00%	15,498,799	10,695,075	69.01%	2,056,247 (2)	13.27%	2,747,477	17.73%
2015	2.00%	15,076,795	10,212,537	67.74%	2,305,163 (2)	15.29%	2,559,095	16.97%
2014	2.00%	14,415,996	9,926,987	68.86%	1,953,337 (2)	13.55%	2,535,672	17.59%
2013	2.00%	14,402,090	9,764,242	67.80%	2,121,313 (2)	14.73%	2,516,535	17.47%
2012	2.00%	13,564,116	9,585,454	70.67%	1,578,203 (2)	11.64%	2,400,459	17.70%
2011	2.00%	12,825,200	8,790,473	68.54%	1,696,480 (2)	13.23%	2,338,247	18.23%
2010	2.00%	11,614,488	8,351,420	71.91%	1,137,763 (2)	9.80%	2,125,305	18.30%
2009	2.00%	11,952,908	8,275,950	69.24%	1,399,666 (2)	11.71%	2,277,292	19.05%
2008	2.00%	12,936,136	8,733,340	67.51%	1,672,184 (2)	12.93%	2,530,611	19.56%

**Source:** City of Stow, Income Tax Department

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

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



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## DEBT CAPACITY

**CITY OF STOW, OHIO**

*RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN YEARS*

Fiscal Year	Governmental Activities			Business-Type Activities			
	General Obligation Bonds	Notes	Capital Lease	OPWC Loans	General Obligation Bonds	Notes	Capital Lease
2017	\$ 10,358,648	\$ 2,103,757	\$ 108,350	\$ 1,272,147	\$ 4,565,834	\$ -	\$ 34,793
2016	11,367,193	2,509,409	212,362	1,229,717	4,819,831	-	68,192
2015	12,362,713	2,907,333	312,210	1,092,885	5,073,898	-	100,254
2014	12,777,921	3,310,799	408,060	-	5,292,001	-	131,032
2013	13,422,824	4,137,787	609,854	139,015	5,273,097	-	180,607
2012	14,211,028	5,575,000	803,451	156,392	5,457,452	-	228,137
2011	14,969,908	7,025,000	989,182	167,976	5,636,131	200,000	273,704
2010	15,490,265	7,125,000	1,167,369	173,768	5,719,735	600,000	317,393
2009	16,186,592	7,925,000	1,338,319	191,144	5,878,408	800,000	359,280
2008	16,853,932	9,475,000	907,731	196,936	6,036,068	1,200,000	291,483

**Source:** City of Stow, Financial Records

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

(1) Population and personal income data is presented on page 209.

<b>Total Primary Government</b>	<b>Percentage of Personal Income (1)</b>	<b>Per Capita (1)</b>
\$ 18,443,529	1.59%	530
20,206,704	1.77%	581
21,849,293	1.96%	628
21,919,813	2.02%	630
23,763,184	2.19%	761
26,431,460	2.26%	782
29,261,901	2.75%	955
30,593,530	2.88%	1,005
32,678,743	2.99%	1,013
34,961,150	2.70%	919

**CITY OF STOW, OHIO**

*RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN YEARS*

<b>Fiscal Year</b>	<b>General Bonded Debt Outstanding</b>		<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
	<b>General Obligation Bonds</b>	<b>Total</b>		
2017	\$ 14,924,482	\$ 14,924,482	0.65%	429
2016	16,187,024	16,187,024	0.71%	465
2015	17,436,611	17,436,611	0.77%	501
2014	18,069,922	18,069,922	0.79%	520
2013	18,695,921	18,695,921	0.82%	539
2012	19,668,480	19,668,480	0.86%	567
2011	20,606,039	20,606,039	0.83%	594
2010	21,210,000	21,210,000	0.85%	609
2009	22,065,000	22,065,000	0.89%	651
2008	22,890,000	22,890,000	0.89%	672

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

**Source:** City of Stow, Financial Records

**CITY OF STOW, OHIO**

*DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2017*

<u>Governmental Unit</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
City of Stow	\$ 12,570,755	100.00%	\$ 12,570,755
Overlapping Debt:			
Summit County	42,675,000	6.86%	2,927,505
Stow-Munroe Falls City School District	3,342,551	87.34%	<u>2,919,384</u>
Subtotal, overlapping debt			<u>5,846,889</u>
Total direct and overlapping debt			<u><u>\$ 18,417,644</u></u>

**Source:** Ohio Municipal Advisory Council

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

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

**CITY OF STOW, OHIO**

*LEGAL DEBT MARGIN INFORMATION  
LAST TEN YEARS*

<b>Fiscal Year</b>	<b>Debt Limit - Voted</b>	<b>Debt Limit - Unvoted</b>	<b>Net Debt Applicable to Limit</b>	<b>Legal Debt Margin - Voted</b>	<b>Legal Debt Margin - Unvoted</b>	<b>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</b>
2017	\$ 83,860,488	\$ 30,871,922	\$ 13,055,000	\$ 70,900,420	\$ 30,871,922	15.57%
2016	82,878,855	28,962,734	14,450,000	68,535,179	28,962,734	17.44%
2015	82,599,186	27,441,240	15,825,000	66,882,917	27,441,240	19.16%
2014	83,291,141	26,438,693	17,190,000	66,209,872	26,438,693	20.64%
2013	82,941,313	24,150,450	19,295,000	63,750,211	24,150,450	23.26%
2012	83,417,220	22,154,734	21,540,000	61,984,631	22,154,734	25.82%
2011	90,795,355	47,559,472	23,155,000	67,787,963	47,559,472	25.50%
2010	90,866,165	47,551,226	23,935,000	66,931,165	47,551,226	26.34%
2009	90,013,021	47,149,678	22,065,000	67,948,021	47,149,678	24.51%
2008	86,681,692	45,404,696	22,890,000	63,791,692	45,404,696	26.41%

**Source:** City of Stow, Financial Records

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

## DEMOGRAPHIC AND ECONOMIC INFORMATION



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**CITY OF STOW, OHIO**

*DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS*

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (1)</u>	<u>School Enrollment</u>	<u>Unemployment Rate (3)</u>
2017	34,797	\$ 1,162,045,315	\$ 33,395	5,137	4.4%
2016	34,797	1,139,253,780	32,740	5,092	4.3%
2015	34,797	1,116,914,106	32,098	5,140	4.3%
2014	34,768	1,087,091,056	31,267	5,139	4.6%
2013	34,768	1,086,187,088	31,241	5,336	6.0%
2012	34,674	1,171,606,685	33,789	6,019	5.7%
2011	34,711	1,063,302,063	30,633	6,019	7.3%
2010	34,837	1,060,473,117	30,441	5,554	8.5%
2009	33,873	1,093,217,202	32,274	5,517	8.5%
2008	34,051	1,295,981,060	38,060	5,688	5.3%

**Sources:**

- (1) U.S. Census Estimates
- (2) Bureau of Economic Analysis (BEA)
- (3) Ohio Department of Job and Family Services, Ohio Labor Market Information

**CITY OF STOW, OHIO**

*PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO*

<b>2017</b>		
<b>Employer (a)</b>	<b>Employees</b>	<b>Rank</b>
Stow-Munroe Falls City Schools	619	1
NMG Aerospace	298	2
Akron General Health & Wellness Center	250	3
City of Stow	232	4
Matco Tools Corporation	200	5
Vizmeg Landscape	110	6
Audio Technica	105	7
MACTac - Morgan Adhesives	105	7
Anderson International	95	9
J.D. Clunk & Associates	97	10
Total	<u>2,111</u>	

<b>2008</b>		
<b>Employer (a)</b>	<b>Employees</b>	<b>Rank</b>
MacTac - Morgan Adhesives	300	1
City of Stow	237	2
National Machine Co.	228	3
Matco Tools Corporation	215	4
Wrayco Industries, Inc.	145	5
Centimark Corporation	130	6
Akron General Health & Wellness Center	110	7
Audio Technica U.S. Inc.	104	8
Saint-Gobain Norpro Corporation	78	9
Spectrum Surgical	75	10
Total	<u>1,622</u>	

**Source:** City of Stow, Department of Planning & Development

(a) Includes only non-retail employers.

## OPERATING INFORMATION

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**CITY OF STOW, OHIO**

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

**Full-time Equivalent Employees as of December 31**

<b>Function/Program</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
General government										
Management service	20	20	19	20	21	23	24	23	29	31
Finance	9	9	9	9	8	8	9	9	13	13
Planning	4	4	4	5	5	4	6	6	6	6
Building	4	4	4	4	4	4	4	4	6	6
Other - Public Utilities	13	14	13	13	12	11	12	9	13	14
Municipal court personnel (a)	37	37	32	29	32	35	36	35	33	-
Security of persons and property										
Officers	40	38	40	39	37	39	39	40	40	44
Civilians	78	76	80	79	79	78	78	80	81	83
Public health and welfare	1	1	1	1	1	1	1	1	1	1
Transportation	15	15	16	15	15	13	13	17	22	22
Community environment	3	3	3	3	3	3	3	3	3	3
Leisure time activity	8	10	11	10	10	12	15	15	14	14
<b>Total</b>	<b>232</b>	<b>231</b>	<b>232</b>	<b>227</b>	<b>227</b>	<b>231</b>	<b>240</b>	<b>242</b>	<b>261</b>	<b>237</b>

**Source:** City of Stow Finance Office

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

**CITY OF STOW, OHIO**

*OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN YEARS*

<b>Function/Program</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>General Government</b>				
<b>Council</b>				
Number of Ordinances & resolutions	144	144	181	167
<b>Court</b>				
Number of court cases	19,777	20,029	18,955	18,011
Number of tickets	12,121	12,543	11,322	10,687
Number of court appearances - criminal	4,129	4,335	4,211	3,936
<b>Finance</b>				
Checks issued	5,145	5,159	5,157	5,201
Purchase orders issued	2,151	2,257	2,277	2,405
Number of W-2 forms issued	481	465	477	472
City W-2 Wages	\$ 17,045,741	\$ 17,021,048	\$ 16,671,461	\$ 16,249,048
<b>Security of persons and property</b>				
<b>Police</b>				
Physical arrests	685	668	718	696
Parking violations	144	129	195	203
Traffic citations	3,121	2,864	2,484	2,027
Traffic accidents	827	841	783	653
Marked patrol units	18	24	20	20
Unmarked patrol units	9	8	10	10
Calls for service answered	13,865	12,755	11,985	11,452
<b>Fire</b>				
Fire engines	4	4	4	4
Calls answered	4,089	4,049	3,887	3,772
Number of inspections by Fire Prevention Bureau	3,359	3,431	3,036	1,382
<b>Transportation</b>				
Number of bridges	13	13	13	13
Number of street lights	1,247	1,247	1,247	1,247
Number of signalized intersections	47	47	47	47
<b>Community Environment</b>				
<b>Building</b>				
Building permits issued	605	551	509	626
Inspections performed	2,271	2,520	2,256	2,221
Estimated value of construction	\$ 42,325,731	\$ 33,590,714	\$ 38,243,672	\$ 30,696,120
Number of plans examined	87	106	68	75
<b>Public Health and Welfare</b>				
Cemetery (plots sold)	70	68	72	45
<b>Water</b>				
Miles of water mains	165	165	165	165
Number of water tanks	1	1	1	1
Maximum holding capacity of water tank in gallons	2,500,000	2,500,000	2,500,000	2,500,000
Number of service connections	12,300	12,300	12,000	12,000
Number of fire hydrants	2,500	2,500	2,500	2,500
Daily average consumption in gallons	3,000,000	3,000,000	3,000,000	3,000,000

Source: City of Stow, various departments

2013	2012	2011	2010	2009	2008
192	199	141	201	280	268
18,696	19,011	20,098	19,631	18,826	4,135
11,392	10,937	12,021	11,292	10,661	7,026
3,911	4,134	3,769	3,339	3,436	1,073
5,425	5,380	5,295	5,680	6,277	6,262
2,549	2,461	2,403	2,459	2,987	3,310
468	475	478	478	511	459
\$ 15,945,791	\$ 15,742,029	\$ 16,522,771	\$ 16,824,239	\$ 17,590,450	\$ 15,606,792
670	785	771	868	885	1,826
231	387	189	152	201	457
2,225	2,411	2,214	2,073	2,950	7,026
683	733	660	662	697	621
24	18	21	19	20	20
7	8	8	9	9	9
11,386	11,990	11,899	12,087	12,060	12,226
4	4	4	4	4	4
3,618	3,582	3,412	3,311	3,352	3,433
3,330	1,830	1,364	1,125	1,437	1,439
13	13	13	13	13	13
1,247	1,247	1,247	1,247	1,246	1,246
47	47	47	47	47	47
635	641	572	490	542	596
2,055	1,802	1,624	1,522	1,024	1,288
\$ 34,272,193	\$ 15,406,124	\$ 26,150,449	\$ 11,675,618	\$ 13,998,794	\$ 30,356,224
87	109	128	85	94	61
54	85	48	64	49	40
165	165	165	165	152	152
1	1	1	1	1	1
2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
12,000	12,000	12,000	12,000	12,000	12,000
2,500	2,500	2,500	2,500	2,225	2,225
3,000,000	3,000,000	3,000,000	3,000,000	3,100,000	3,200,000



**CITY OF STOW, OHIO**

*CAPITAL ASSET INDICATORS  
LAST TEN YEARS*

<b>Function/Program</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Public Safety</b>				
Police:				
Stations	1.00	1.00	1.00	1.00
Fire:				
Stations	3.00	3.00	3.00	3.00
<b>Leisure Time Activities</b>				
City Parks	4.00	4.00	4.00	4.00
Neighborhood Parks	6.00	6.00	6.00	6.00
Park Acreage	407.75	407.75	407.75	407.75
Lodges	2.00	2.00	3.00	3.00
Ballfields	15.00	15.00	15.00	15.00
Tennis Courts	4.00	4.00	4.00	4.00
Camp Sites	27.00	27.00	27.00	27.00
Golf Course	1.00	1.00	1.00	1.00
<b>Transportation</b>				
City Lanes (Paved Miles)	293.00	293.00	293.00	293.00
State Highways (Paved Miles)	48.00	48.00	48.00	48.00

**Source:** City of Stow, various departments

<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
1.00	1.00	1.00	1.00	1.00	1.00
3.00	3.00	3.00	3.00	3.00	3.00
4.00	4.00	4.00	4.00	4.00	4.00
6.00	6.00	6.00	6.00	6.00	6.00
407.75	407.75	407.75	407.75	407.75	407.75
3.00	3.00	3.00	3.00	3.00	3.00
15.00	15.00	15.00	15.00	15.00	15.00
4.00	4.00	4.00	4.00	4.00	4.00
27.00	27.00	27.00	27.00	27.00	27.00
1.00	1.00	1.00	1.00	1.00	1.00
293.00	293.00	293.00	293.00	293.00	293.00
48.00	48.00	48.00	48.00	48.00	48.00

**CITY OF STOW, OHIO**

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Land	\$ 11,202,207	\$ 11,202,207	\$ 11,202,207	\$ 11,202,207
Intangible assets	15,512	15,512	15,512	15,512
Construction in progress	918,474	4,571,484	1,226,023	3,459,378
Buildings and building improvements	20,715,816	21,194,375	21,953,817	22,719,198
Vehicles	3,340,121	3,178,969	3,190,624	3,136,673
Equipment, furniture and fixtures	2,089,539	2,038,371	1,936,345	2,191,092
Infrastructure	<u>25,771,003</u>	<u>24,726,030</u>	<u>24,815,251</u>	<u>22,339,662</u>
 Total Capital Assets, Net	 <u>\$ 64,052,672</u>	 <u>\$ 66,926,948</u>	 <u>\$ 64,339,779</u>	 <u>\$ 65,063,722</u>

**Source:** City of Stow, Financial Records

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 11,202,207	\$ 11,202,207	\$ 11,202,207	\$ 11,202,207	\$ 11,202,207	\$ 11,327,515
-	-	-	-	-	-
2,077,928	1,300,837	3,110,833	1,761,672	7,798,151	15,820,309
23,437,074	24,303,362	25,073,391	25,757,410	26,493,723	15,875,007
2,975,727	3,124,833	3,343,819	3,641,213	4,049,487	3,897,629
2,311,581	2,389,853	2,338,082	2,602,336	2,674,827	1,495,720
22,751,861	21,891,292	19,789,030	20,780,748	12,040,957	13,123,310
<u>\$ 64,756,378</u>	<u>\$ 64,212,384</u>	<u>\$ 64,857,362</u>	<u>\$ 65,745,586</u>	<u>\$ 64,259,352</u>	<u>\$ 61,539,490</u>

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# Dave Yost • Auditor of State

CITY OF STOW

SUMMIT COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
AUGUST, 14 2018