



OHIO AUDITOR OF STATE
KEITH FABER



CITY OF STOW
SUMMIT COUNTY
DECEMBER 31, 2018

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OHIO AUDITOR OF STATE KEITH FABER



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

City of Stow
Summit
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, (the City) as of and for the year ended December 31, 2018, 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 30, 2019 wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

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.



Keith Faber
Auditor of State

Columbus, Ohio

July 30, 2019

City of Stow

OHIO



**Kent State University Airport
Established in Stow in 1917
Originally known as Stow Field**



**Comprehensive Annual Financial Report
for the fiscal year ended December 31, 2018**

CITY OF STOW, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018

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, 2018

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John M. Baranek
Director of Finance

July 30, 2019

The Honorable Mayor John Pribonic,
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, 2018, 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 (2018). 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, 2018, 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 4.2 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 May 2019, there was over 878,000 square feet of office space in Stow. The office vacancy rate was 10.8 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 3.9 percent as of May 2019.

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 2018, the City of Stow completed its tenth 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 2018 operating year with a total of 33 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 12 percent in ten 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 2019 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.

Recent 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 averaging \$1.2 million. The 2015 and 2016 road resurfacing amounts were the highest on record 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 all-time high was exceeded again in 2018 when the road resurfacing program reached \$2.1 million.

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 2019. 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 seventeen very successful full operating years for the System in 2018. 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 2018, 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 2018, 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 fourteen years with funding provided by the enactment of the 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 2018, 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 capital projects over the original period, 2002-2011. The Plan, as now updated each year, was used in 2018 and will continue to be revised in future years to identify available capital improvement funding sources and potential general capital projects 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, 2008-2018, Stow's outstanding general obligation debt, excluding internal debt, has been reduced from \$33.6 million to \$15.5 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, a large 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 2018. 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 2006-2018, not including acquisition debt payments. Even with the golf industry subject to lessening demand nationally in recent years, the City's municipal golf course fared very well in 2018. 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 and 2018.

A unique, special needs playground was completed 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 2018, 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 2018 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 \$9.2 million courthouse commenced in 2007 in northwest Stow near a major interchange and was completed at year-end 2008. The 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 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 2018, 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. Stow's senior citizen facilities are being further evaluated in 2019 for possible upgrade.

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 2019 and beyond.

As referenced earlier, the City will continue to implement its workforce and facilities consolidation plan in 2019 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 and functions.

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 and usage. Similar initiatives are being evaluated for future implementation with the Stow-Munroe Falls School System.

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 communications center, multiple communities in Summit County have joined together to establish a centralized regional computer aided dispatch (CAD) system in 2018-2019. 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 new 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 were installed and became operational in early 2019 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 2019, 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 was completed in 2018. Construction of a new boulevard to provide public access through the large City Hall site has been finished. The 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 activity 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 2017-2018. Various resident and community leadership meetings to gather input on the City Center concept will be completed in 2019. Development proposals also continue to be sought in 2019.

Among the City's priorities for 2019 in the safety area is the programmed replacement of the major fire/EMS response vehicles used 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.

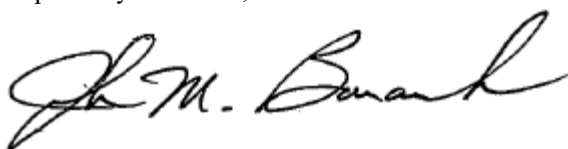
The City administration will continue to emphasize economic development in Stow in 2019 and beyond as a means to enhance our tax base for the future and strengthen the City's financial standing. The existing 2001 city-wide Comprehensive Plan, which guides local development, will be formally updated in 2019.

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 eighteen consecutive years (2000-2017), 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 2018 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 2018 award.

Acknowledgment - I would like to express my sincere appreciation and thanks to those individuals who assisted in the preparation of the 2018 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,

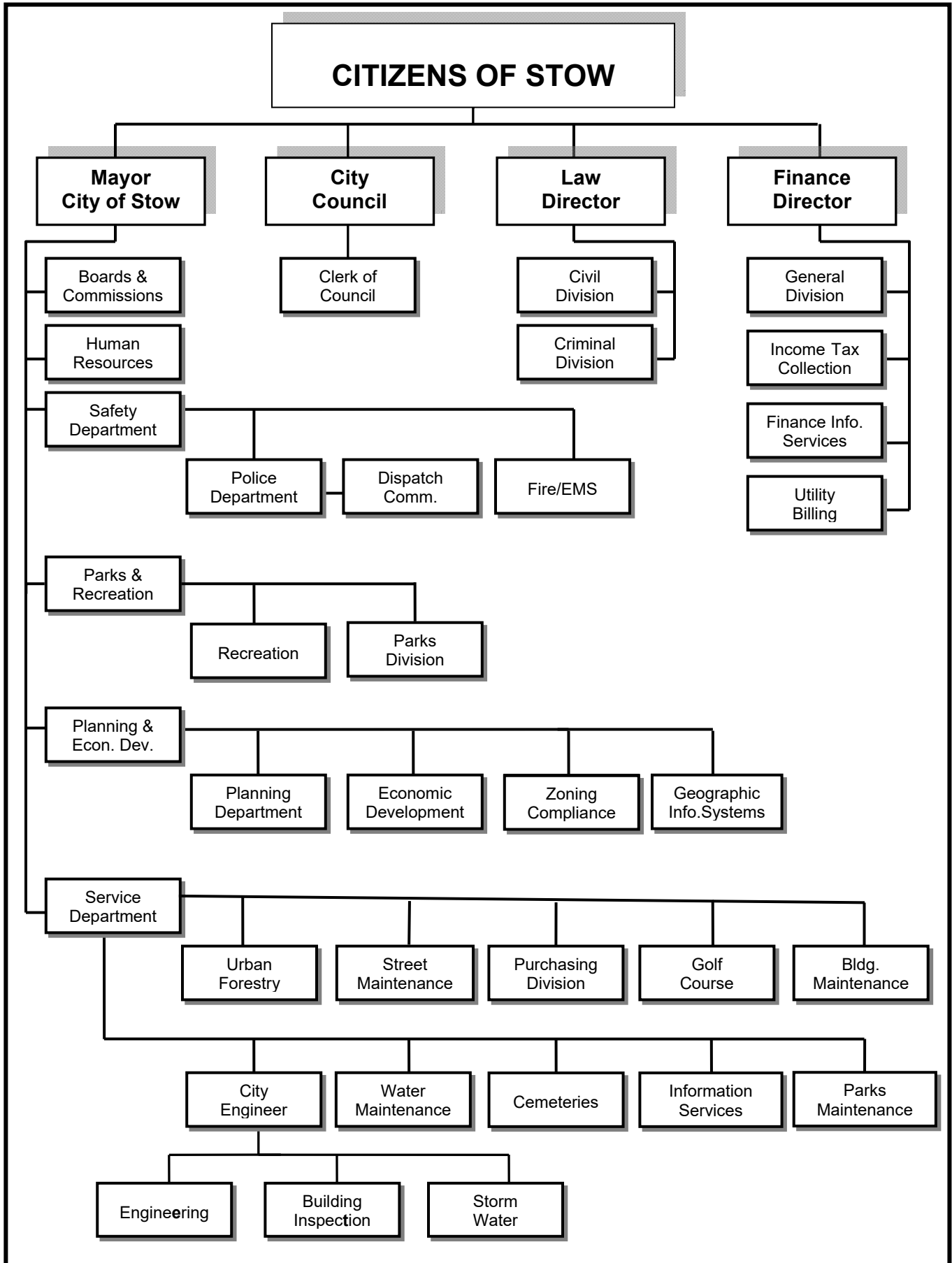


John M. Baranek
Director of Finance

City of Stow, Ohio

General Organization Chart

2018



CITY OF STOW, OHIO
PRINCIPAL CITY OFFICIALS
AS OF DECEMBER 31, 2018

Elected Officials

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

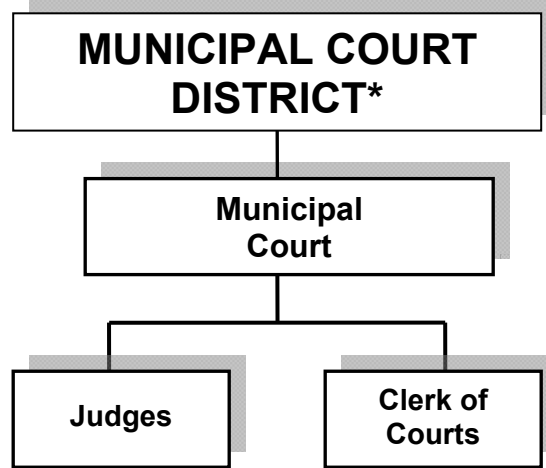
Department Officials

Chief of Staff/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	Bryan Snavely
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	Naoibh Chaplin
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	Danielle Morgan
Recreation Supervisor	Anne Baranek
Golf Course General Manager	Joe Vojtko
Golf Course Superintendent	George Hanson

City of Stow, Ohio

Stow Municipal Court Organizational Chart

2018



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, 2018

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 Angela Hoff



Government Finance Officers Association

**Certificate of
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Reporting**

Presented to

**City of Stow
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrill

Executive Director/CEO

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FINANCIAL SECTION



101 Central Plaza South
700 Chase Tower
Canton, Ohio 44702-1509
(330) 438-0617 or (800) 443-9272
EastRegion@ohioauditor.gov

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 of the City of Stow, Summit County, Ohio (the City), as of and for the year ended December 31, 2018, 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 such 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, 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, 2018, and the respective changes in its financial position and where applicable, its cash flows thereof and the respective budgetary comparisons for the General Fund, EMS/Fire Tax Levy Fund, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended December 31, 2018, the City adopted new accounting guidance in Governmental Accounting Standard Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. We did not modify our opinion regarding this matter.

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 and other post-employment benefit liabilities and pension and other post-employment benefit 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 relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2019, 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 "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State

Columbus, Ohio

July 30, 2019

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CITY OF STOW, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (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, 2018. 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 2018 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, 2018 by \$54,137,072 (net position). Of this amount, \$2,603,875 is considered restricted for various purposes such as capital projects, debt service and other restrictions, and \$86,379,756 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 \$34,846,559 in unrestricted net position.
- Total net position decreased \$2,183,250 or 3.88% as a result of this year's operations. Net position for business-type activities increased \$694,560 or 1.69% from 2017's restated net position, while the net position related to governmental activities decreased \$2,877,810, or 18.76% from 2017's restated net position.
- The City's total revenues amounted to \$44,182,054 in 2018, of which \$35,944,150 related to governmental activities and \$8,237,904 to business-type activities. Program specific revenues in the form of charges for services, grants and contributions accounted for \$16,854,310 or 38.15% of total revenues.
- The City had \$46,365,304 in expenses in 2018, \$38,807,460 of which were for governmental activities and \$7,557,844 for business-type activities.
- Among the major funds, the general fund had \$23,106,147 in revenues and other financing sources and \$22,930,069 in expenditures and other financing uses in 2018. The amount of \$468,030 was transferred to the general fund in 2018, and \$816,452 was transferred to other funds.
- The general fund's balance increased to \$7,074,122, an increase of \$176,078 from the beginning of 2018. The general fund balance was 31.25% of total general fund revenues, which is a slight decrease from the percentage in 2017.
- The City's 2018 total governmental activities long-term obligations decreased from \$73,542,899 to \$73,302,288 from 2017's restated long-term obligations. This decrease of \$240,611 was primarily due to the City paying down its note and bond obligations.

Using this Basic Financial Statements (BFS)

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, 2018 (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 2018?" 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, 2018 (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 92 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 94 through 106 of this report.

CITY OF STOW, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)*

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 2018 the City's total assets and deferred outflows of resources, as shown in Table 1, exceeded liabilities and deferred inflows of resources by \$54,137,072. \$12,459,647 of net position was in governmental activities while \$41,677,425 was in business-type activities. The table below provides a summary of the City's net position for 2018 compared to 2017. The net position at December 31, 2017 has been restated as described in Note 3.A.

Table 1 - Net Position

	Governmental Activities <u>2018</u>	Restated Governmental Activities <u>2017</u>	Business-Type Activities <u>2018</u>	Restated Business-Type Activities <u>2017</u>	2018 Total	Restated 2017 Total
Assets						
Current and other assets	\$ 27,591,581	\$ 26,644,747	\$ 11,300,287	\$ 11,295,660	\$ 38,891,868	\$ 37,940,407
Capital assets, net	<u>63,767,838</u>	<u>64,052,672</u>	<u>39,224,498</u>	<u>38,751,731</u>	<u>102,992,336</u>	<u>102,804,403</u>
Total assets	<u>91,359,419</u>	<u>90,697,419</u>	<u>50,524,785</u>	<u>50,047,391</u>	<u>141,884,204</u>	<u>140,744,810</u>
Deferred outflows of resources						
Pension	6,240,961	9,008,251	421,984	988,720	6,662,945	9,996,971
OPEB	3,160,655	124,035	80,993	15,476	3,241,648	139,511
Unamortized deferred charges on debt refunding	<u>261,087</u>	<u>317,748</u>	<u>101,181</u>	<u>108,334</u>	<u>362,268</u>	<u>426,082</u>
Total deferred outflows	<u>9,662,703</u>	<u>9,450,034</u>	<u>604,158</u>	<u>1,112,530</u>	<u>10,266,861</u>	<u>10,562,564</u>
Liabilities						
Current and other liabilities	2,253,130	1,941,813	462,068	528,775	2,715,198	2,470,588
Long term liabilities:						
Due within one year	1,903,518	2,383,646	349,421	379,253	2,252,939	2,762,899
Net pension liability	30,981,437	34,517,824	1,639,877	2,429,501	32,621,314	36,947,325
OPEB liability	26,123,707	21,511,785	1,094,237	1,042,999	27,217,944	22,554,784
Due in more than one year	<u>14,293,626</u>	<u>15,129,644</u>	<u>5,378,360</u>	<u>5,767,036</u>	<u>19,671,986</u>	<u>20,896,680</u>
Total liabilities	<u>75,555,418</u>	<u>75,484,712</u>	<u>8,923,963</u>	<u>10,147,564</u>	<u>84,479,381</u>	<u>85,632,276</u>
Deferred inflows of resources						
Pension	5,025,760	2,632,266	418,237	29,492	5,443,997	2,661,758
OPEB	709,804	-	109,318	-	819,122	-
Property taxes levied for the next fiscal year	<u>7,271,493</u>	<u>6,693,018</u>	<u>-</u>	<u>-</u>	<u>7,271,493</u>	<u>6,693,018</u>
Total deferred inflows	<u>13,007,057</u>	<u>9,325,284</u>	<u>527,555</u>	<u>29,492</u>	<u>13,534,612</u>	<u>9,354,776</u>
Net Position						
Net investment						
in capital assets	52,589,812	51,399,664	33,789,944	32,987,291	86,379,756	84,386,955
Restricted	2,603,875	3,760,314	-	-	2,603,875	3,760,314
Unrestricted (deficit)	<u>(42,734,040)</u>	<u>(39,822,521)</u>	<u>7,887,481</u>	<u>7,995,574</u>	<u>(34,846,559)</u>	<u>(31,826,947)</u>
Total net position	<u>\$ 12,459,647</u>	<u>\$ 15,337,457</u>	<u>\$ 41,677,425</u>	<u>\$ 40,982,865</u>	<u>\$ 54,137,072</u>	<u>\$ 56,320,322</u>

CITY OF STOW, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For 2018, the City adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). 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 OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 these liabilities. 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 Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *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 retirement system is responsible for the administration of the pension and OPEB plans.

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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities 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 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

CITY OF STOW, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)*

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2017, from \$36,725,207 to \$15,337,457 for governmental activities and \$42,010,388 to \$40,982,865 for business-type activities.

During 2018, the City's overall financial position declined by \$2,183,250 as governmental activities net position decreased by \$2,877,810 and those for business-type activities increased by \$694,560.

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 2018 and 2017. The net position at December 31, 2017 has been restated as described in Note 3.

Table 2 - Change in Net Position

	Governmental	Restated Governmental	Business-Type	Restated Business-Type		Restated
	Activities	Activities	Activities	Activities	2018	2017
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>Total</u>	<u>Total</u>
Revenues						
Program revenues:						
Charges for services and sales	\$ 6,159,309	\$ 5,997,700	\$ 7,652,573	\$ 7,648,872	\$ 13,811,882	\$ 13,646,572
Operating grants and contributions	2,069,660	1,964,202	-	-	2,069,660	1,964,202
Capital grants and contributions	<u>963,905</u>	<u>2,686,442</u>	<u>8,863</u>	<u>71,802</u>	<u>972,768</u>	<u>2,758,244</u>
Total program revenues	<u>9,192,874</u>	<u>10,648,344</u>	<u>7,661,436</u>	<u>7,720,674</u>	<u>16,854,310</u>	<u>18,369,018</u>
General revenues:						
Taxes	23,338,538	22,161,315	358,760	348,785	23,697,298	22,510,100
Grants and entitlements	2,563,481	2,264,359	-	-	2,563,481	2,264,359
Investment income	190,528	110,385	7,000	-	197,528	110,385
Miscellaneous	<u>658,729</u>	<u>578,722</u>	<u>210,708</u>	<u>218,598</u>	<u>869,437</u>	<u>797,320</u>
Total general revenues	<u>26,751,276</u>	<u>25,114,781</u>	<u>576,468</u>	<u>567,383</u>	<u>27,327,744</u>	<u>25,682,164</u>
Total revenues	<u>35,944,150</u>	<u>35,763,125</u>	<u>8,237,904</u>	<u>8,288,057</u>	<u>44,182,054</u>	<u>44,051,182</u>

-- Continued

CITY OF STOW, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)*

Table 2 - Change in Net Position (continued)

	Governmental Activities <u>2018</u>	Restated Governmental Activities <u>2017</u>	Business-Type Activities <u>2018</u>	Restated Business-Type Activities <u>2017</u>	2018 <u>Total</u>	Restated 2017 <u>Total</u>
Expenses:						
General government	\$ 9,832,637	\$ 9,599,480	\$ -	\$ -	\$ 9,832,637	\$ 9,599,480
Security of persons and property	18,511,907	15,824,027	-	-	18,511,907	15,824,027
Public health	493,283	485,650	-	-	493,283	485,650
Leisure time activities	1,844,816	1,654,196	-	-	1,844,816	1,654,196
Community and economic development	1,324,816	1,170,091	-	-	1,324,816	1,170,091
Transportation	6,433,094	9,728,248	-	-	6,433,094	9,728,248
Interest and fiscal charges	366,907	387,188	-	-	366,907	387,188
Water	-	-	5,385,576	4,776,746	5,385,576	4,776,746
Golf	-	-	1,245,960	1,250,516	1,245,960	1,250,516
Storm water utility	-	-	926,308	1,079,591	926,308	1,079,591
Total expenses	<u>38,807,460</u>	<u>38,848,880</u>	<u>7,557,844</u>	<u>7,106,853</u>	<u>46,365,304</u>	<u>45,955,733</u>
Increase (decrease) in net position before transfers	(2,863,310)	(3,085,755)	680,060	1,181,204	(2,183,250)	(1,904,551)
Transfers	<u>(14,500)</u>	<u>(608,180)</u>	<u>14,500</u>	<u>608,180</u>	<u>-</u>	<u>-</u>
Change in net position	(2,877,810)	(3,693,935)	694,560	1,789,384	(2,183,250)	(1,904,551)
Net position at beginning of year (restated)	<u>15,337,457</u>	<u>N/A</u>	<u>40,982,865</u>	<u>N/A</u>	<u>56,320,322</u>	<u>N/A</u>
Net position at end of year	<u>\$ 12,459,647</u>	<u>\$ 15,337,457</u>	<u>\$ 41,677,425</u>	<u>\$ 40,982,865</u>	<u>\$ 54,137,072</u>	<u>\$ 56,320,322</u>

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$139,511 computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of \$2,420,655. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

CITY OF STOW, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)*

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Total 2018 program expenses under GASB 75	\$ 38,807,460	\$ 7,557,844
OPEB expense under GASB 75	2,325,147	95,508
2018 contractually required contributions	<u>40,041</u>	<u>469</u>
Adjusted 2018 program expenses	41,172,648	7,653,821
Total 2017 program expenses under GASB 45	<u>38,848,880</u>	<u>7,106,853</u>
Increase in program expenses not related to OPEB	<u>\$ 2,323,768</u>	<u>\$ 546,968</u>

Governmental Activities

The information in Table 2 indicates that security of persons and property accounted for \$18,511,907, or 47.70% of the \$38,807,460 expensed for governmental activities this past year. General government accounted for \$9,832,637 or 25.34% in the governmental activities category.

Transportation expenses amounted to \$6,433,094 during 2018, a significant decrease compared to 2017. 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.

Some \$23,338,538 in tax revenues was generated for the City in 2018 to support governmental activities. This amount represented 64.93% of total revenues for governmental activities which reached \$35,944,150 in 2018. Other major revenues received by the City included \$2,563,481 in unrestricted grants and entitlements.

Program revenues to support governmental activities amounted to \$9,192,874 in 2018, which included \$6,159,309 in charges for services.

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.

	<u>Total Cost of Services 2018</u>	<u>Net Cost of Services 2018</u>	<u>Total Cost of Services 2017</u>	<u>Net Cost of Services 2017</u>
Program Expenses:				
General government	\$ 9,832,637	\$ 5,262,270	\$ 9,599,480	\$ 5,118,412
Security of persons and property	18,511,907	17,551,923	15,824,027	14,910,370
Public health	493,283	392,875	485,650	361,738
Leisure time activities	1,844,816	1,425,868	1,654,196	1,214,120
Community and economic development	1,324,816	979,183	1,170,091	856,005
Transportation	6,433,094	3,635,560	9,728,248	5,352,703
Interest and fiscal charges	<u>366,907</u>	<u>366,907</u>	<u>387,188</u>	<u>387,188</u>
Total Expenses	<u>\$ 38,807,460</u>	<u>\$ 29,614,586</u>	<u>\$ 38,848,880</u>	<u>\$ 28,200,536</u>

The dependence upon general revenues for governmental activities is apparent, with 76.31% of expenses supported through taxes and other general revenues in 2018 and 72.59% in 2017.

CITY OF STOW, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

Business-Type Activities

Water system expenses were \$5,385,576 for the year, which were primarily offset by the \$5,304,611 in charges for services generated by the water system through the operation of the City's water distribution system in 2018.

Golf expenses were \$1,245,960 for the year, which were offset by \$908,085 in charges for services generated by the Fox Den Golf Course through user fees.

Storm water utility expenses were \$926,308 for the year, which were offset by \$1,439,877 in charges for services generated by the storm water system and \$8,863 in capital grants and contributions in 2018.

The City experienced an increase in net position of \$694,560 in the area of business-type activities in 2018.

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.

As of the end of the current year, the City's governmental funds reported combined ending balances of \$15,755,619, an increase of \$534,417 as compared with the prior year fund balances. Approximately 40.50% of this total year end amount or \$6,380,526 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 (\$4,681,435); 2) nonspendable (\$897,749); 3) restricted (\$3,458,695); and 4) assigned (\$337,214).

The general fund is the City's chief operating fund. The general fund's year-end balance increased by \$176,078 during the current year to reach an ending total of \$7,074,122. The unassigned fund balance of the general fund was \$6,545,950. 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 29.60% of total general fund expenditures, while total fund balance represents 31.99% 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 increased \$100,484 during 2018. The fund balance of the general capital improvements fund increased \$404,549 in 2018 compared to a decrease of \$165,944 during 2017 as a result for a \$1,722,674 decrease in capital outlay expenditures during 2018.

Transfers from the general fund included \$801,952 to other governmental funds, which occurred principally for funding of pensions, and \$14,500 to the storm water utility fund.

CITY OF STOW, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

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 \$7,936,175. Total assets were \$51,223,479 at year-end. The golf fund net position and storm water utility fund net position increased 14.93% and 6.58%, respectively, during 2018 due to tightly controlled expenses. The water fund net position decreased during 2018 with a decrease of \$25,943 bringing the net position to a balance of \$30,985,407.

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 \$27,946,334 and \$28,039,124, respectively. Actual total revenues and other financing sources of \$22,974,527 were \$4,971,807 and \$5,064,597 less than original and final budgeted revenues, respectively. The City's original and final budget estimates for expenditures and other financing uses were \$27,080,737. Actual amounts for 2018 of \$23,357,399 were less than the original and final budgeted amounts by \$3,723,338.

Capital Assets and Debt Administration

Capital Assets

The City's total net capital assets, for both its governmental and business-type activities amounted to \$102,992,336 (net of accumulated depreciation) at year end 2018. Capital assets, which include land, intangible assets, buildings and building improvements, vehicles, equipment, furniture and fixtures, infrastructure and construction in progress, increased by \$187,933 during 2018.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</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	855,249	918,474	2,836,790	1,970,080	3,692,039	2,888,554
Buildings and improvements	20,097,302	20,715,816	1,871,355	1,936,686	21,968,657	22,652,502
Vehicles	3,260,542	3,340,121	733,752	697,789	3,994,294	4,037,910
Equipment, furniture and fixtures	2,535,631	2,089,539	396,444	363,720	2,932,075	2,453,259
Infrastructure	<u>25,801,395</u>	<u>25,771,003</u>	<u>28,035,781</u>	<u>28,433,080</u>	<u>53,837,176</u>	<u>54,204,083</u>
Totals	<u>\$ 63,767,838</u>	<u>\$ 64,052,672</u>	<u>\$ 39,224,498</u>	<u>\$ 38,751,731</u>	<u>\$ 102,992,336</u>	<u>\$ 102,804,403</u>

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

CITY OF STOW, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

Debt

At the end of the current fiscal year, the City's total outstanding general obligation bonded debt for governmental activities amounted to \$9,332,754 (including unamortized premiums). The amount of \$1,700,000 was issued in 2018 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 \$2,106,359 (including unamortized premiums). As can be seen from Table 4, the total debt (long-term and short-term) for governmental activities decreased \$1,531,642 or 11.81% during the year.

Debt related to business-type activity for the City amounted to \$5,535,735 at year-end, which consisted of \$4,305,993 in general obligation bonds and \$1,229,742 in OPWC loans. Total business-type activity debt for the City decreased \$337,039 or 5.74% of the total business-type activity outstanding debt at the commencement of the year.

At December 31, 2018, 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, the net pension and net OPEB liabilities.

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	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 9,332,754	\$ 10,358,648	\$ 4,305,993	\$ 4,565,834	\$ 13,638,747	\$ 14,924,482
General obligation notes - short-term	400,000	400,000	-	-	400,000	400,000
General obligation notes - long-term	1,706,359	2,103,757	-	-	1,706,359	2,103,757
OPWC loans	-	-	1,229,742	1,272,147	1,229,742	1,272,147
Capital lease obligations	-	108,350	-	34,793	-	143,143
Total long-term obligations	<u>\$ 11,439,113</u>	<u>\$ 12,970,755</u>	<u>\$ 5,535,735</u>	<u>\$ 5,872,774</u>	<u>\$ 16,974,848</u>	<u>\$ 18,843,529</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 34,743. Trends in the local economy compare favorably with those of the state and nation. The City's unemployment rate in 2018 stood at 4.0%. The county, state and national unemployment rates were 4.7, 4.6, and 3.9, respectively in 2018.

The City's budgets were forecast conservatively for 2018 and 2019 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.

CITY OF STOW, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)*

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.

CITY OF STOW, OHIO

*STATEMENT OF NET POSITION
DECEMBER 31, 2018*

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets:				
Equity in pooled cash and cash equivalents . . .	\$ 14,554,368	\$ 10,493,037	\$ 25,047,405	\$ 26,652
Receivables:				
Property taxes	7,521,883	-	7,521,883	-
Income taxes	2,413,812	54,737	2,468,549	-
Accounts	253,337	558,190	811,527	-
Intergovernmental	1,788,968	-	1,788,968	-
Accrued interest	55,852	-	55,852	-
Internal balance	48,694	(48,694)	-	-
Materials and supplies inventory	897,749	233,376	1,131,125	-
Net pension asset	56,918	9,641	66,559	-
Capital assets:				
Nondepreciable capital assets	12,072,968	8,187,166	20,260,134	-
Depreciable capital assets, net.	51,694,870	31,037,332	82,732,202	-
Total capital assets, net.	<u>63,767,838</u>	<u>39,224,498</u>	<u>102,992,336</u>	<u>-</u>
Total assets	<u>91,359,419</u>	<u>50,524,785</u>	<u>141,884,204</u>	<u>26,652</u>
Deferred outflows of resources:				
Unamortized deferred charges on debt refunding.	261,087	101,181	362,268	-
Pension	6,240,961	421,984	6,662,945	-
OPEB	3,160,655	80,993	3,241,648	-
Total deferred outflows of resources	<u>9,662,703</u>	<u>604,158</u>	<u>10,266,861</u>	<u>-</u>
Liabilities:				
Accounts payable	627,518	209,246	836,764	-
Accrued wages and benefits payable	150,900	17,899	168,799	-
Intergovernmental payable	480,282	220,687	700,969	-
Accrued interest payable	65,429	14,236	79,665	-
Claims payable	529,001	-	529,001	-
Notes payable	400,000	-	400,000	-
Long-term liabilities:				
Due within one year	1,903,518	349,421	2,252,939	-
Due in more than one year	14,293,626	5,378,360	19,671,986	-
Net pension liability	30,981,437	1,639,877	32,621,314	-
Net OPEB liability	26,123,707	1,094,237	27,217,944	-
Total liabilities	<u>75,555,418</u>	<u>8,923,963</u>	<u>84,479,381</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year . . .	7,271,493	-	7,271,493	-
Pension	5,025,760	418,237	5,443,997	-
OPEB	709,804	109,318	819,122	-
Total deferred inflows of resources	<u>13,007,057</u>	<u>527,555</u>	<u>13,534,612</u>	<u>-</u>
Net position:				
Net investment in capital assets	52,589,812	33,789,944	86,379,756	-
Restricted for:				
Capital projects	264,432	-	264,432	-
Transportation projects	1,069,275	-	1,069,275	-
Public health programs	4,570	-	4,570	-
Leisure time activities	3,511	-	3,511	-
Special assessments	219	-	219	-
Municipal court	928,633	-	928,633	-
Security programs	333,235	-	333,235	-
Unrestricted	<u>(42,734,040)</u>	<u>7,887,481</u>	<u>(34,846,559)</u>	<u>26,652</u>
Total net position	<u>\$ 12,459,647</u>	<u>\$ 41,677,425</u>	<u>\$ 54,137,072</u>	<u>\$ 26,652</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 9,832,637	\$ 4,510,532	\$ 59,835	\$ -
Security of persons and property	18,511,907	851,292	108,692	-
Public health	493,283	49,300	51,108	-
Leisure time activities	1,844,816	337,951	80,997	-
Community and economic development	1,324,816	341,992	3,641	-
Transportation	6,433,094	68,242	1,765,387	963,905
Interest and fiscal charges	366,907	-	-	-
Total governmental activities	<u>38,807,460</u>	<u>6,159,309</u>	<u>2,069,660</u>	<u>963,905</u>
Business-type activities:				
Water	5,385,576	5,304,611	-	-
Golf	1,245,960	908,085	-	-
Storm Water Utility	926,308	1,439,877	-	8,863
Total business-type activities	<u>7,557,844</u>	<u>7,652,573</u>	<u>-</u>	<u>8,863</u>
Total primary government	<u>\$ 46,365,304</u>	<u>\$ 13,811,882</u>	<u>\$ 2,069,660</u>	<u>\$ 972,768</u>
Component Unit:				
Stow Community Improvement Corporation	<u>\$ 3,650</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ -</u>

General revenues:

Property taxes levied for:

 General purposes

 Special revenue

Municipal income taxes

Grants and entitlements not restricted to specific programs

Investment earnings

Miscellaneous

Total general revenues

Transfers

Total general revenues and transfers

Change in net position

Net position at beginning of year (restated) .

Net position at end of year.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Primary Government

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total	Component Unit
\$ (5,262,270)	\$ -	\$ (5,262,270)	\$ -
(17,551,923)	-	(17,551,923)	-
(392,875)	-	(392,875)	-
(1,425,868)	-	(1,425,868)	-
(979,183)	-	(979,183)	-
(3,635,560)	-	(3,635,560)	-
(366,907)	-	(366,907)	-
(29,614,586)	-	(29,614,586)	-
-	(80,965)	(80,965)	-
-	(337,875)	(337,875)	-
-	522,432	522,432	-
-	103,592	103,592	-
(29,614,586)	103,592	(29,510,994)	-
-	-	-	(3,550)
4,984,966	-	4,984,966	-
2,522,804	-	2,522,804	-
15,830,768	358,760	16,189,528	-
2,563,481	-	2,563,481	-
190,528	7,000	197,528	-
658,729	210,708	869,437	-
26,751,276	576,468	27,327,744	-
(14,500)	14,500	-	-
26,736,776	590,968	27,327,744	-
(2,877,810)	694,560	(2,183,250)	(3,550)
15,337,457	40,982,865	56,320,322	30,202
<u>\$ 12,459,647</u>	<u>\$ 41,677,425</u>	<u>\$ 54,137,072</u>	<u>\$ 26,652</u>

CITY OF STOW, OHIO

*BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018*

	<u>General</u>	<u>EMS/Fire Tax Levy</u>	<u>General Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in pooled cash and cash equivalents . . .	\$ 5,915,437	\$ 147,495	\$ 3,182,421	\$ 4,358,075	\$ 13,603,428
Receivables:					
Property taxes	5,175,237	1,803,492	-	543,154	7,521,883
Income taxes.	1,608,492	-	459,911	345,409	2,413,812
Accounts.	35,840	-	15,157	201,444	252,441
Intergovernmental	817,284	113,250	32,261	826,173	1,788,968
Accrued interest	55,852	-	-	-	55,852
Materials and supplies inventory.	147,308	8,670	-	741,771	897,749
Total assets	<u>\$ 13,755,450</u>	<u>\$ 2,072,907</u>	<u>\$ 3,689,750</u>	<u>\$ 7,016,026</u>	<u>\$ 26,534,133</u>
Liabilities:					
Accounts payable.	\$ 227,904	\$ 1,677	\$ 54,917	\$ 343,020	\$ 627,518
Accrued wages and benefits payable	139,395	9,115	-	2,390	150,900
Intergovernmental payable	260,715	47,077	-	172,490	480,282
Accrued interest payable.	-	-	8,022	-	8,022
Notes payable.	-	-	400,000	-	400,000
Total liabilities	<u>628,014</u>	<u>57,869</u>	<u>462,939</u>	<u>517,900</u>	<u>1,666,722</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year . . .	5,051,774	1,760,467	-	459,252	7,271,493
Delinquent property tax revenue not available . .	123,463	43,025	-	11,224	177,712
Accrued interest not available	18,773	-	-	-	18,773
Income tax revenue not available	296,646	-	84,819	63,702	445,167
Intergovernmental nonexchange transactions. . .	562,658	113,250	-	522,739	1,198,647
Total deferred inflows of resources	<u>6,053,314</u>	<u>1,916,742</u>	<u>84,819</u>	<u>1,056,917</u>	<u>9,111,792</u>
Fund balances:					
Nonspendable	147,308	8,670	-	741,771	897,749
Restricted.	-	89,626	264,432	3,104,637	3,458,695
Committed	43,650	-	2,877,560	1,760,225	4,681,435
Assigned	337,214	-	-	-	337,214
Unassigned (deficit)	6,545,950	-	-	(165,424)	6,380,526
Total fund balances (deficit)	<u>7,074,122</u>	<u>98,296</u>	<u>3,141,992</u>	<u>5,441,209</u>	<u>15,755,619</u>
Total liabilities, deferred inflows of resources and fund balances.	<u>\$ 13,755,450</u>	<u>\$ 2,072,907</u>	<u>\$ 3,689,750</u>	<u>\$ 7,016,026</u>	<u>\$ 26,534,133</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, 2018*

Total governmental fund balances		\$	15,755,619
<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.			63,767,838
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Income taxes receivable	\$	445,167	
Real and other taxes receivable		177,712	
Intergovernmental receivable		1,198,647	
Accrued interest receivable		18,773	
Total		1,840,299	1,840,299
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		(5,158,031)	
General obligation bonds payable		(9,332,754)	
Construction notes payable		(1,706,359)	
Total		(16,197,144)	(16,197,144)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(57,407)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.			261,087
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		56,918	
Deferred outflows of resources		6,240,961	
Net pension liability		(30,981,437)	
Deferred inflows of resources		(5,025,760)	
Total		(29,709,318)	(29,709,318)
The net OPEB liability is not not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.			
Deferred outflows of resources		3,160,655	
Net OPEB liability		(26,123,707)	
Deferred inflows of resources		(709,804)	
Total		(23,672,856)	(23,672,856)
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.			422,835
An internal balance is recorded in governmental activities to reflect underpayments to the internal service funds by the business-type activities.			48,694
Net position of governmental activities		\$	12,459,647

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, 2018*

	<u>General</u>	<u>EMS/Fire Tax Levy</u>	<u>General Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property and other local taxes	\$ 5,045,856	\$ 1,758,404	\$ -	\$ 791,156	\$ 7,595,416
Income taxes	10,519,522	-	3,038,963	2,263,864	15,822,349
Special assessments	3,018	-	242	38,515	41,775
Charges for services.	376,316	-	-	813,326	1,189,642
Licenses and permits	1,116,943	-	-	9,100	1,126,043
Fines and forfeitures	2,295,345	-	-	1,132,675	3,428,020
Intergovernmental.	2,242,583	228,231	931,576	1,920,317	5,322,707
Investment income.	189,393	-	-	12,448	201,841
Rent	190,412	-	68,000	115,417	373,829
Contributions and donations.	176,475	-	-	42,456	218,931
Other.	482,254	-	32,329	119,553	634,136
Total revenues	<u>22,638,117</u>	<u>1,986,635</u>	<u>4,071,110</u>	<u>7,258,827</u>	<u>35,954,689</u>
Expenditures:					
Current:					
General government	7,887,819	-	-	502,375	8,390,194
Security of persons and property	10,885,066	1,886,151	-	1,909,298	14,680,515
Public health	407,224	-	-	56,244	463,468
Leisure time activities.	1,395,632	-	-	137,066	1,532,698
Community and economic development	1,044,096	-	-	74,447	1,118,543
Transportation	493,780	-	-	2,040,174	2,533,954
Capital outlay	-	-	3,323,845	1,524,309	4,848,154
Debt service:					
Principal retirement.	-	-	2,340,725	861,525	3,202,250
Interest and fiscal charges	-	-	159,163	196,342	355,505
Total expenditures	<u>22,113,617</u>	<u>1,886,151</u>	<u>5,823,733</u>	<u>7,301,780</u>	<u>37,125,281</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>524,500</u>	<u>100,484</u>	<u>(1,752,623)</u>	<u>(42,953)</u>	<u>(1,170,592)</u>
Other financing sources (uses):					
Sale of notes	-	-	1,700,000	-	1,700,000
Premium on notes	-	-	19,509	-	19,509
Transfers in	468,030	-	437,663	1,066,485	1,972,178
Transfers (out).	(816,452)	-	-	(1,170,226)	(1,986,678)
Total other financing sources (uses)	<u>(348,422)</u>	<u>-</u>	<u>2,157,172</u>	<u>(103,741)</u>	<u>1,705,009</u>
Net change in fund balances	176,078	100,484	404,549	(146,694)	534,417
Fund balances (deficit) at beginning of year.	<u>6,898,044</u>	<u>(2,188)</u>	<u>2,737,443</u>	<u>5,587,903</u>	<u>15,221,202</u>
Fund balances at end of year.	<u>\$ 7,074,122</u>	<u>\$ 98,296</u>	<u>\$ 3,141,992</u>	<u>\$ 5,441,209</u>	<u>\$ 15,755,619</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, 2018*

Net change in fund balances - total governmental funds		\$ 534,417
<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	\$ 3,565,781	
Current year depreciation	<u>(3,813,805)</u>	
Total		(248,024)
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.		
		(36,810)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property taxes	(87,646)	
Intergovernmental	67,553	
Municipal income taxes	8,419	
Interest	<u>1,135</u>	
Total		(10,539)
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.		
		3,202,250
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.		
		(19,509)
In the statement of activities, interest is accrued on outstanding bonds and notes, whereas in governmental funds, interest is expensed when due.		
Accrued interest	(3,642)	
Unamortized charges	(56,661)	
Bond and note premium	<u>48,901</u>	
Total		(11,402)
The sale 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.		
		(1,700,000)
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.		
		(215,496)
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		2,777,563
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.		
		(4,367,740)
Contractually required OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		40,041
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as pension expense in the statement of activities.		
		(2,325,147)
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>(497,414)</u>
Change in net position of governmental activities		<u><u>\$ (2,877,810)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other taxes	\$ 4,991,544	\$ 5,054,130	\$ 5,045,856	\$ (8,274)
Income taxes	11,877,130	11,877,130	10,273,945	(1,603,185)
Special assessments	10,000	10,000	3,018	(6,982)
Charges for services	419,600	419,600	376,506	(43,094)
Licenses and permits.	1,193,150	1,193,150	1,120,826	(72,324)
Fines and forfeitures.	2,290,000	2,290,000	2,365,776	75,776
Intergovernmental	3,124,845	3,155,049	2,244,627	(910,422)
Investment income	240,000	240,000	200,659	(39,341)
Rent	200,000	200,000	190,412	(9,588)
Contributions and donations.	160,500	160,500	176,475	15,975
Other	794,000	794,000	508,397	(285,603)
Total revenues	25,300,769	25,393,559	22,506,497	(2,887,062)
Expenditures:				
Current:				
General government	11,566,447	11,566,447	8,102,535	3,463,912
Security of persons and property	11,178,301	11,178,301	11,026,046	152,255
Public health.	410,342	410,342	408,528	1,814
Leisure time activities	1,505,343	1,505,343	1,431,541	73,802
Community and economic environment.	1,091,301	1,091,301	1,062,071	29,230
Transportation	498,708	498,708	497,726	982
Total expenditures	26,250,442	26,250,442	22,528,447	3,721,995
Excess of expenditures over revenues	(949,673)	(856,883)	(21,950)	834,933
Other financing sources (uses):				
Sale of notes	1,397,850	1,397,850	-	(1,397,850)
Transfers in	1,247,715	1,247,715	468,030	(779,685)
Transfers (out).	(830,295)	(830,295)	(828,952)	1,343
Total other financing sources (uses).	1,815,270	1,815,270	(360,922)	(2,176,192)
Net change in fund balance	865,597	958,387	(382,872)	(1,341,259)
Fund balance at beginning of year	5,390,603	5,390,603	5,390,603	-
Prior year encumbrances appropriated.	548,604	548,604	548,604	-
Fund balance at end of year	\$ 6,804,804	\$ 6,897,594	\$ 5,556,335	\$ (1,341,259)

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, 2018*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other local taxes	\$ 1,737,508	\$ 1,759,318	\$ 1,758,404	\$ (914)
Intergovernmental	480,000	480,000	228,231	(251,769)
Other	21,000	21,000	-	(21,000)
Total revenues	<u>2,238,508</u>	<u>2,260,318</u>	<u>1,986,635</u>	<u>(273,683)</u>
Expenditures:				
Current:				
Security of persons and property	2,000,825	2,250,825	1,878,643	372,182
Total expenditures	<u>2,000,825</u>	<u>2,250,825</u>	<u>1,878,643</u>	<u>372,182</u>
Excess of revenues over expenditures	237,683	9,493	107,992	98,499
Other financing sources:				
Transfers in.	652,500	652,500	-	(652,500)
Total other financing sources	<u>652,500</u>	<u>652,500</u>	<u>-</u>	<u>(652,500)</u>
Net change in fund balance	890,183	661,993	107,992	(554,001)
Fund balance at beginning of year	35,752	35,752	35,752	-
Prior year encumbrances appropriated.	2,073	2,073	2,073	-
Fund balance at end of year	<u>\$ 928,008</u>	<u>\$ 699,818</u>	<u>\$ 145,817</u>	<u>\$ (554,001)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018*

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Golf	Storm Water Utility	Total	
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents	\$ 7,975,690	\$ 593,641	\$ 1,923,706	\$ 10,493,037	\$ 950,940
Receivables:					
Income taxes.	-	54,737	-	54,737	-
Accounts.	406,220	932	151,038	558,190	896
Interfund loans.	650,000	-	-	650,000	-
Materials and supplies inventory.	206,661	26,715	-	233,376	-
Total current assets	9,238,571	676,025	2,074,744	11,989,340	951,836
Noncurrent assets:					
Net pension asset	5,993	2,306	1,342	9,641	-
Capital assets:					
Nondepreciable capital assets.	2,412,577	5,115,365	659,224	8,187,166	-
Depreciable capital assets, net.	23,177,477	271,610	7,588,245	31,037,332	-
Total capital assets, net.	25,590,054	5,386,975	8,247,469	39,224,498	-
Total noncurrent assets	25,596,047	5,389,281	8,248,811	39,234,139	-
Total assets	34,834,618	6,065,306	10,323,555	51,223,479	951,836
Deferred outflows of resources:					
Unamortized deferred charges on debt refunding	12,971	88,210	-	101,181	-
Pension	260,273	99,238	62,473	421,984	-
OPEB	50,344	19,373	11,276	80,993	-
Total deferred outflows of resources	323,588	206,821	73,749	604,158	-
Liabilities:					
Current liabilities:					
Accounts payable.	128,259	44,677	36,310	209,246	-
Accrued wages and benefits payable	14,843	103	2,953	17,899	-
Intergovernmental payable	213,185	3,769	3,733	220,687	-
Interfund loans payable.	-	-	650,000	650,000	-
Accrued interest payable	951	9,132	4,153	14,236	-
Claims payable	-	-	-	-	529,001
Current portion of compensated absences.	38,718	-	11,776	50,494	-
Current portion of general obligation bonds	21,522	235,000	-	256,522	-
Current portion of OPWC loan	42,405	-	-	42,405	-
Total current liabilities	459,883	292,681	708,925	1,461,489	529,001
Long-term liabilities:					
Compensated absences.	106,196	-	35,356	141,552	-
General obligation bonds.	391,659	3,657,812	-	4,049,471	-
OPWC loan	1,187,337	-	-	1,187,337	-
Net pension liability	1,019,310	392,255	228,312	1,639,877	-
Net OPEB liability	680,153	261,739	152,345	1,094,237	-
Total long-term liabilities.	3,384,655	4,311,806	416,013	8,112,474	-
Total liabilities.	3,844,538	4,604,487	1,124,938	9,573,963	529,001

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CITY OF STOW, OHIO

*STATEMENT OF NET POSITION
 PROPRIETARY FUNDS - (Continued)
 DECEMBER 31, 2018*

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Golf	Storm Water Utility	Total	
Deferred inflows of resources:					
Pension	\$ 259,745	\$ 104,128	\$ 54,364	\$ 418,237	\$ -
OPEB	68,516	28,994	11,808	109,318	-
Total deferred inflows of resources	<u>328,261</u>	<u>133,122</u>	<u>66,172</u>	<u>527,555</u>	<u>-</u>
Net position:					
Net investment in capital assets	23,960,102	1,582,373	8,247,469	33,789,944	-
Unrestricted	7,025,305	(47,855)	958,725	7,936,175	422,835
Total net position	<u>\$ 30,985,407</u>	<u>\$ 1,534,518</u>	<u>\$ 9,206,194</u>	41,726,119	<u>\$ 422,835</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				<u>(48,694)</u>	
Net position of business-type activities				<u>\$ 41,677,425</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, 2018*

	Business-type Activities - Enterprise Funds				Governmental
	Water	Golf	Storm Water Utility	Total	Activities - Internal Service Funds
Operating revenues:					
Charges for services	\$ 5,206,909	\$ 908,085	\$ 1,420,614	\$ 7,535,608	\$ 3,341,417
Tap-in fees.	85,598	-	-	85,598	-
Other operating revenues	18,729	167,191	24,788	210,708	200,075
Total operating revenues.	<u>5,311,236</u>	<u>1,075,276</u>	<u>1,445,402</u>	<u>7,831,914</u>	<u>3,541,492</u>
Operating expenses:					
Personal services	1,493,123	500,083	302,723	2,295,929	-
Contract services.	3,128,330	96,058	247,283	3,471,671	387,084
Materials and supplies.	276,149	501,701	1,734	779,584	-
Claims expense	-	-	-	-	3,699,090
Depreciation.	446,376	19,290	357,430	823,096	-
Total operating expenses.	<u>5,343,978</u>	<u>1,117,132</u>	<u>909,170</u>	<u>7,370,280</u>	<u>4,086,174</u>
Operating income (loss)	<u>(32,742)</u>	<u>(41,856)</u>	<u>536,232</u>	<u>461,634</u>	<u>(544,682)</u>
Nonoperating revenues (expenses):					
Income taxes.	-	358,760	-	358,760	-
Interest income.	7,000	-	-	7,000	-
Special assessments	12,104	-	19,263	31,367	-
Interest and fiscal charges	<u>(12,305)</u>	<u>(117,598)</u>	<u>(10,393)</u>	<u>(140,296)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>6,799</u>	<u>241,162</u>	<u>8,870</u>	<u>256,831</u>	<u>-</u>
Income (loss) before transfers and capital contributions	(25,943)	199,306	545,102	718,465	(544,682)
Transfer in.	-	-	14,500	14,500	-
Capital contributions.	<u>-</u>	<u>-</u>	<u>8,863</u>	<u>8,863</u>	<u>-</u>
Change in net position	(25,943)	199,306	568,465	741,828	(544,682)
Net position at beginning of year (restated)	<u>31,011,350</u>	<u>1,335,212</u>	<u>8,637,729</u>		<u>967,517</u>
Net position at end of year	<u>\$ 30,985,407</u>	<u>\$ 1,534,518</u>	<u>\$ 9,206,194</u>		<u>\$ 422,835</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.				<u>(47,268)</u>	
Change in net position of business-type activities.				<u>\$ 694,560</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, 2018*

	Business-type Activities - Enterprise Funds				Governmental
	Water	Golf	Storm Water Utility	Total	Activities - Internal Service Funds
Cash flows from operating activities:					
Cash received from customers.	\$ 5,235,206	\$ 908,505	\$ 1,418,137	\$ 7,561,848	\$ 3,341,417
Cash received from tap-in fees.	85,598	-	-	85,598	-
Cash received from other operations.	18,708	167,191	24,788	210,687	199,995
Cash payments for personal services.	(1,394,474)	(442,989)	(274,257)	(2,111,720)	-
Cash payments for contract services	(3,277,847)	(95,904)	(238,069)	(3,611,820)	(387,084)
Cash payments for materials and supplies	(326,178)	(476,941)	(1,734)	(804,853)	-
Cash payments for claims	-	-	-	-	(3,582,695)
Net cash provided by (used in) operating activities	341,013	59,862	928,865	1,329,740	(428,367)
Cash flows from noncapital financing activities:					
Income taxes	-	349,625	-	349,625	-
Cash received from transfers in.	-	-	14,500	14,500	-
Cash received from interfund loans.	700,000	-	650,000	1,350,000	-
Cash used in interfund loans	(650,000)	-	-	(650,000)	-
Cash used in repayment of interfund loans	-	-	(700,000)	(700,000)	-
Net cash provided by (used in) noncapital financing activities	50,000	349,625	(35,500)	364,125	-
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(1,100,061)	(20,950)	(174,852)	(1,295,863)	-
Special assessments	12,104	-	19,263	31,367	-
Intergovernmental	-	-	8,863	8,863	-
Principal retirement	(63,505)	(235,000)	(34,793)	(333,298)	-
Interest and fiscal charges	(12,207)	(114,625)	(8,457)	(135,289)	-
Net cash (used in) capital and related financing activities.	(1,163,669)	(370,575)	(189,976)	(1,724,220)	-
Cash flows from investing activities:					
Interest received	7,000	-	-	7,000	-
Net cash provided by investing activities.	7,000	-	-	7,000	-
Net increase (decrease) in cash and cash equivalents.	(765,656)	38,912	703,389	(23,355)	(428,367)
Cash and cash equivalents at beginning of year . . .	8,741,346	554,729	1,220,317	10,516,392	1,379,307
Cash and cash equivalents at end of year	\$ 7,975,690	\$ 593,641	\$ 1,923,706	\$ 10,493,037	\$ 950,940

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CITY OF STOW, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS - (Continued)
 FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Golf	Storm Water Utility	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (32,742)	\$ (41,856)	\$ 536,232	\$ 461,634	\$ (544,682)
Adjustments:					
Depreciation	446,376	19,290	357,430	823,096	-
Changes in assets and liabilities:					
(Increase) in materials and supplies inventory	(86,558)	(188)	-	(86,746)	-
(Increase) decrease in accounts receivable	28,276	420	(2,477)	26,219	(80)
(Increase) in net pension asset	(3,471)	(1,320)	(797)	(5,588)	-
Decrease in deferred outflows - pension	353,330	138,645	74,761	566,736	-
Decrease in deferred outflows - OPEB	(40,712)	(15,609)	(9,196)	(65,517)	-
Increase in accounts payable	23,615	25,102	9,214	57,931	-
Increase (decrease) in accrued wages and benefits	6,196	(310)	(1,488)	4,398	-
Increase (decrease) in intergovernmental payable.	(131,483)	404	448	(130,631)	-
(Decrease) in compensated absences payable	(69,938)	-	(11,531)	(81,469)	-
Increase in claims payable.	-	-	-	-	116,395
(Decrease) in net pension liability.	(492,764)	(198,673)	(98,187)	(789,624)	-
Increase in net OPEB liability	31,011	8,050	12,177	51,238	-
Increase in deferred inflows - pension.	241,361	96,913	50,471	388,745	-
Increase in deferred inflows - OPEB	68,516	28,994	11,808	109,318	-
Net cash provided by (used in) operating activities.	<u>\$ 341,013</u>	<u>\$ 59,862</u>	<u>\$ 928,865</u>	<u>\$ 1,329,740</u>	<u>\$ (428,367)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STOW, OHIO

*STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2018*

	<u>Private-Purpose Trust</u>	<u>Agency</u>
Assets:		
Current assets:		
Equity in pooled cash and cash equivalents . . .	\$ 336	\$ 703,757
Cash in segregated accounts.	-	459,804
Receivables:		
Accounts	-	300
Total assets.	<u>336</u>	<u>\$ 1,163,861</u>
Liabilities:		
Current liabilities:		
Accounts payable	\$ -	\$ 10,353
Intergovernmental payable	-	226,732
Deposits held and due to others.	-	2,720
Undistributed monies	-	924,056
Total liabilities.	<u>-</u>	<u>\$ 1,163,861</u>
Net position:		
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, 2018*

	<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, 2018

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, 2015 and 2018.

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, 2018*

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, 2018

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, 2018*

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, performance bonds pledged by contractors, a flexible spending plan, funds held on behalf of the Metro SWAT, Summit Metro Crash Response Team, 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, 2018*

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, 2018*

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 Notes 15 and 16 for deferred outflows of resources related the City's net pension liability and net OPEB liability, respectively. 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, 2018, but which were levied to finance 2019 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 Notes 15 and 16 for deferred inflows of resources related to the City's net pension liability and net OPEB liability, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

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.

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.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

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 2018.

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 at 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.

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.

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

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

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 2018, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), non-negotiable certificates of deposit, negotiable certificates of deposit (CDs), U.S. Treasury notes 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 2018, 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 a NAV per share that approximates fair value.

For 2018, 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 \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 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 2018 amounted to \$189,393 of which \$150,449 was assigned from other City funds.

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.

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

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

I. Inventory

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

J. Prepaid Items

Payments made to vendors for services that will benefit beyond December 31, 2018, 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, 2018.

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, 2018*

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. The net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan’s fiduciary net position is not sufficient for payment of those benefits.

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

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.

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, 2018*

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, 2018, 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 2018, the storm water utility fund also received contributions of capital in the amount of \$8,863 from grants.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

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 2018.

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/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans 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, 2018*

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles/Restatement of Net Position

For fiscal year 2018, the City has implemented GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”, GASB Statement No. 85, “Omnibus 2017” and GASB Statement No. 86, “Certain Debt Extinguishments”.

GASB Statement No. 75 improves the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The implementation of GASB Statement No. 75 affected the City’s postemployment benefit plan disclosures, as presented in Note 16 to the basic financial statements, and added required supplementary information which is presented after the notes to the basic financial statements.

GASB Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. The implementation of GASB Statement No. 85 did not have an effect on the financial statements of the City.

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the City.

A net position restatement is required in order to implement GASB Statement No 75. The governmental activities and business-type activities at January 1, 2018 have been restated as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>			
Net position as previously reported	\$ 36,725,207	\$ 42,010,388			
Deferred outflows - payments subsequent to measurement date	124,035	15,476			
Net OPEB liability	<u>(21,511,785)</u>	<u>(1,042,999)</u>			
Restated net position at January 1, 2018	<u>\$ 15,337,457</u>	<u>\$ 40,982,865</u>			
			<u>Business-Type Enterprise Funds</u>		
			<u>Water Fund</u>	<u>Golf Fund</u>	<u>Storm Water Utility Fund</u>
Net position as previously reported	\$ 31,650,860	\$ 1,585,137	\$ 8,775,817		
Deferred outflows - payments subsequent to measurement date	9,632	3,764	2,080		
Net OPEB liability	<u>(649,142)</u>	<u>(253,689)</u>	<u>(140,168)</u>		
Restated net position at January 1, 2018	<u>\$ 31,011,350</u>	<u>\$ 1,335,212</u>	<u>\$ 8,637,729</u>		

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available. The restatement had no effect on fund balances.

B. Deficit Fund Balances

Fund balances at December 31, 2018 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Police Pension	\$ 76,898
Fire Pension	87,329
Community Events	1,197

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

NOTE 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 fair 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;

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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, the State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for the a period not to exceed one hundred eighty days and two hundred seventy days, respectively, from the purchase date in an amount not to exceed forty percent of the City's interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate notes rated in either the two highest classifications by at least two national recognized rating agencies.

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 \$459,804 deposited with a financial institution for monies related to the Stow Municipal Court agency fund. As of December 31, 2018, the bank balance held in segregated accounts was \$506,900, of which \$250,000 was covered by the FDIC and \$256,900 was exposed to custodial risk. These amounts are not included in the City's depository balance below.

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Deposits with Financial Institutions

At December 31, 2018, the carrying amount of all City deposits was \$15,057,562, which includes \$1,006,123 in non-negotiable certificates of deposit, and the bank balance of all City deposits was \$15,983,272. Of the bank balance, \$3,761,154 was covered by the FDIC and \$12,222,118 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's and deposited with a qualified trustee by the financial institution as security for repayment whose fair 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 fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2018, the City's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

C. Investments

As of December 31, 2018, the City had the following investments and maturities:

Measurement/ Investment Type	Investment Maturities				
	Measurement Amount	6 months or less	7 to 12 months	19 to 24 months	Greater than 24 months
<i>Fair value:</i>					
FNMA	\$ 2,225,021	\$ 499,120	\$ 1,235,906	\$ 489,995	\$ -
FHLB	1,483,421	-	993,958	-	489,463
FHLMC	2,697,995	-	247,579	1,471,329	979,087
Negotiable CDs	971,845	-	245,799	487,030	239,016
U.S. Treasury Note	1,745,020	1,745,020	-	-	-
<i>Amortized cost:</i>					
STAR Ohio	<u>1,570,634</u>	<u>1,570,634</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 10,693,936</u>	<u>\$ 3,814,774</u>	<u>\$ 2,723,242</u>	<u>\$ 2,448,354</u>	<u>\$ 1,707,566</u>

The City's investments in federal agency securities, U.S. Treasury notes 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.

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the 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.

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. U.S. Treasury notes and 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.

The following table includes the percentage of each investment type held by the City at December 31, 2018:

<u>Measurement/ Investment Type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
<i>Fair value:</i>		
FNMA	\$ 2,225,021	20.80
FHLB	1,483,421	13.87
FHLMC	2,697,995	25.23
Negotiable CDs	971,845	9.09
U.S. Treasury note	1,745,020	16.32
<i>Amortized cost:</i>		
STAR Ohio	<u>1,570,634</u>	<u>14.69</u>
Total	<u>\$ 10,693,936</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, 2018:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 15,057,562
Cash in segregated accounts	459,804
Investments	<u>10,693,936</u>
Total	<u>\$ 26,211,302</u>

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

<u>Equity in pooled cash and investments per statement of net position</u>	
Governmental activities	\$ 14,554,368
Business type activities	10,493,037
Private purpose trust funds	336
Agency funds	<u>1,163,561</u>
Total	<u>\$ 26,211,302</u>

NOTE 5 - INTERFUND TRANSACTIONS

- A. Short-term loans to/from other funds at December 31, 2018, consist of the following interfund loan receivable/payable:

	<u>Receivable Fund</u>
<u>Payable fund</u>	<u>Water</u>
Storm water utility	<u>\$ 650,000</u>

The interfund loan is a City of Stow Storm Water Improvement Note, Series 2018, which represents an amount borrowed from another City fund. The note was issued on September 7, 2018 and matures September 6, 2019, at an interest rate of 2.00%. 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, 2018, consisted of the following:

	<u>Transfers From</u>		
<u>Transfers To</u>	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Total Transfers In</u>
General	\$ -	\$ 468,030	\$ 468,030
General capital improvements	-	437,663	437,663
Nonmajor governmental	801,952	264,533	1,066,485
Storm water utility	<u>14,500</u>	<u>-</u>	<u>14,500</u>
Total Transfers Out	<u>\$ 816,452</u>	<u>\$ 1,170,226</u>	<u>\$ 1,986,678</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.

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 6 - RECEIVABLES

Receivables at December 31, 2018, 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.

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. 2018 public utility property taxes became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2019 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, 2018 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 2018 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, 2018 was \$9.50 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2018 property tax receipts were based are as follows:

Real Property

Residential/Agricultural	\$ 663,313,700
Commercial/Industrial/Mineral	178,963,630

Public Utility

Real	15,270
Personal	<u>11,732,740</u>

Total Assessed Value	<u>\$ 854,025,340</u>
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CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

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 2018, 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 2018, the City's property tax revenues were reduced by \$162,178 as a result of these agreements.

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018, was as follows:

<u>Governmental activities:</u>	<u>Balance</u> <u>12/31/17</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/18</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 11,202,207	\$ -	\$ -	\$ 11,202,207
Intangible assets	15,512	-	-	15,512
Construction in progress	918,474	-	(63,225)	855,249
Total capital assets, not being depreciated	<u>12,136,193</u>	<u>-</u>	<u>(63,225)</u>	<u>12,072,968</u>
<i>Capital assets, being depreciated:</i>				
Buildings and building improvements	32,799,191	156,075	-	32,955,266
Vehicles	7,895,743	395,351	(75,755)	8,215,339
Equipment, furniture and fixtures	7,383,700	860,219	(120,801)	8,123,118
Infrastructure	43,840,045	2,217,361	(203,876)	45,853,530
Total capital assets, being depreciated	<u>91,918,679</u>	<u>3,629,006</u>	<u>(400,432)</u>	<u>95,147,253</u>
<i>Less: accumulated depreciation:</i>				
Buildings and building improvements	(12,083,375)	(774,589)	-	(12,857,964)
Vehicles	(4,555,622)	(474,930)	75,755	(4,954,797)
Equipment, furniture and fixtures	(5,294,161)	(414,127)	120,801	(5,587,487)
Infrastructure	(18,069,042)	(2,150,159)	167,066	(20,052,135)
Total accumulated depreciation	<u>(40,002,200)</u>	<u>(3,813,805)</u>	<u>363,622</u>	<u>(43,452,383)</u>
Total capital assets, being depreciated, net	<u>51,916,479</u>	<u>(184,799)</u>	<u>(36,810)</u>	<u>51,694,870</u>
Governmental activities capital assets, net	<u>\$ 64,052,672</u>	<u>\$ (184,799)</u>	<u>\$ (100,035)</u>	<u>\$ 63,767,838</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 452,347
Security of persons and property	889,317
Public health	12,571
Leisure time activities	144,673
Community and economic development	58,414
Transportation	<u>2,256,483</u>
Total depreciation expense	<u>\$ 3,813,805</u>

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 10 - CAPITAL ASSETS - (Continued)

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

<u>Business-type activities:</u>	Balance <u>12/31/17</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>12/31/18</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 5,350,376	\$ -	\$ -	\$ 5,350,376
Construction in progress	<u>1,970,080</u>	<u>1,155,018</u>	<u>(288,308)</u>	<u>2,836,790</u>
Total capital assets, not being depreciated	<u>7,320,456</u>	<u>1,155,018</u>	<u>(288,308)</u>	<u>8,187,166</u>
<i>Capital assets, being depreciated:</i>				
Buildings and building improvements	2,934,027	-	-	2,934,027
Vehicles	1,244,438	115,278	-	1,359,716
Equipment, furniture and fixtures	700,994	67,998	-	768,992
Infrastructure	<u>37,115,689</u>	<u>245,877</u>	<u>-</u>	<u>37,361,566</u>
Total capital assets, being depreciated	<u>41,995,148</u>	<u>429,153</u>	<u>-</u>	<u>42,424,301</u>
<i>Less: accumulated depreciation:</i>				
Buildings and building improvements	(997,341)	(65,331)	-	(1,062,672)
Vehicles	(546,649)	(79,315)	-	(625,964)
Equipment, furniture and fixtures	(337,274)	(35,274)	-	(372,548)
Infrastructure	<u>(8,682,609)</u>	<u>(643,176)</u>	<u>-</u>	<u>(9,325,785)</u>
Total accumulated depreciation	<u>(10,563,873)</u>	<u>(823,096)</u>	<u>-</u>	<u>(11,386,969)</u>
Total capital assets, being depreciated, net	<u>31,431,275</u>	<u>(393,943)</u>	<u>-</u>	<u>31,037,332</u>
Business-type activities capital assets, net	<u>\$ 38,751,731</u>	<u>\$ 761,075</u>	<u>\$ (288,308)</u>	<u>\$ 39,224,498</u>

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

Water	\$ 446,376
Golf	19,290
Storm water utility	<u>357,430</u>
Total depreciation expense	<u>\$ 823,096</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 were paid from the governmental funds and the principal and interest payments for the vactor truck were paid from the storm water utility enterprise fund.

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

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 was reported.

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. Principal and interest payments in 2018 totaled \$108,350 and \$4,520, respectively. The City fulfilled its long-term obligations for these capital leases during 2018.

Capital assets have been capitalized in the storm water utility enterprise fund in the amount of \$291,483. Principal and interest payments in 2018 totaled \$34,793 and \$1,451, respectively. The City fulfilled its long-term obligations for this capital lease during 2018.

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>(635,412)</u>	<u>(195,941)</u>
Total	<u>\$ 272,319</u>	<u>\$ 95,542</u>

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, 2018 through April 1, 2021 and is renewable for two consecutive three-year periods. Monthly lease payments have been established at \$2,300 per month for thirty-six consecutive months under the first and second lease renewals and \$2,400 per month for thirty-six consecutive months under the third lease renewal.

The amount of the future lease payments required under the operating lease at December 31, 2018 is:

<u>Year Ending December 31,</u>	<u>Amount</u>
2019	\$ 27,600
2020	27,600
2021	<u>6,900</u>
Total	<u>\$ 62,100</u>

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 11 - LEASES - (Continued)

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, 2018 is:

<u>Year Ending December 31,</u>	<u>Amount</u>
2019	\$ 52,080
2020	<u>52,080</u>
Total	<u>\$ 104,160</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.

The amount of the future lease payments required under the operating lease at December 31, 2018 is:

<u>Year Ending December 31,</u>	<u>Amount</u>
2019	\$ 68,000
2020	<u>68,000</u>
Total	<u>\$ 136,000</u>

NOTE 12 - SHORT-TERM NOTES PAYABLE

Changes in the City’s short-term note activity for the year ended December 31, 2018, was as follows:

	<u>Balance 12/31/2017</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/2018</u>
<u>Governmental fund notes</u>				
Municipal courthouse construction - 2.00%	\$ 400,000	\$ -	\$ (400,000)	\$ -
Municipal courthouse construction - 3.00%	<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>

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 12 - SHORT-TERM NOTES PAYABLE - (Continued)

The short-term notes outstanding at December 31, 2018 were issued on May 1, 2018 and represent the portion of the 2018 note issues that will be retired when the notes are refinanced on May 1, 2019 (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.

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>
Business-type activities:			
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
Governmental activities:			
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, 2018*

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

Long-term obligations activity for the year ended December 31, 2018 consist of the following. The long-term obligations at December 31, 2017 have been restated to include the net OPEB liability as described in Note 3.A.

	Restated Balance <u>12/31/2017</u>	<u>Increase</u>	<u>Decrease</u>	Balance <u>12/31/2018</u>	Amounts Due in <u>One Year</u>
Governmental activities:					
<u>General obligation bonds:</u>					
Municipal court refunding, 2014	\$ 3,340,000	\$ -	\$ (150,000)	\$ 3,190,000	\$ 155,000
Add: unamortized premium	39,958	-	(2,230)	37,728	-
Safety center construction refunding, 2015	530,000	-	(530,000)	-	-
Add: unamortized premium	19,862	-	(19,862)	-	-
Fire station construction refunding, 2015	1,665,000	-	(85,000)	1,580,000	85,000
Add: unamortized premium	44,290	-	(2,618)	41,672	-
Service center construction refunding, 2015	4,596,312	-	(228,900)	4,367,412	233,478
Add: unamortized premium	<u>123,226</u>	<u>-</u>	<u>(7,284)</u>	<u>115,942</u>	<u>-</u>
Total general obligation bonds	<u>10,358,648</u>	<u>-</u>	<u>(1,025,894)</u>	<u>9,332,754</u>	<u>473,478</u>
<u>Long-term notes:</u>					
2017 Municipal court construction	2,100,000	-	(2,100,000)	-	-
2018 Municipal court construction	-	1,700,000	-	1,700,000	-
Add: unamortized premium	<u>3,757</u>	<u>19,509</u>	<u>(16,907)</u>	<u>6,359</u>	<u>-</u>
Total long-term notes	<u>2,103,757</u>	<u>1,719,509</u>	<u>(2,116,907)</u>	<u>1,706,359</u>	<u>-</u>
<u>Other debt:</u>					
Capital lease obligation	108,350	-	(108,350)	-	-
Net pension liability	34,517,824	392,740	(3,929,127)	30,981,437	-
Net OPEB liability	21,511,785	4,611,922	-	26,123,707	-
Compensated absences	<u>4,942,535</u>	<u>1,456,552</u>	<u>(1,241,056)</u>	<u>5,158,031</u>	<u>1,430,040</u>
Total other debt	<u>61,080,494</u>	<u>6,461,214</u>	<u>(5,278,533)</u>	<u>62,263,175</u>	<u>1,430,040</u>
Total governmental activities	<u>\$ 73,542,899</u>	<u>\$ 8,180,723</u>	<u>\$ (8,421,334)</u>	<u>\$ 73,302,288</u>	<u>\$ 1,903,518</u>

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

	Restated Balance <u>12/31/2017</u>	<u>Increase</u>	<u>Decrease</u>	Balance <u>12/31/2018</u>	Amounts Due in <u>One Year</u>
Business-type activities:					
<u>General obligation bonds:</u>					
Golf course refunding, 2014	\$ 4,085,000	\$ -	\$ (235,000)	\$ 3,850,000	\$ 235,000
Add: unamortized premium	45,888	-	(3,076)	42,812	-
Service center refunding, 2015	423,688	-	(21,100)	402,588	21,522
Add: unamortized premium	<u>11,258</u>	<u>-</u>	<u>(665)</u>	<u>10,593</u>	<u>-</u>
Total general obligation bonds	<u>4,565,834</u>	<u>-</u>	<u>(259,841)</u>	<u>4,305,993</u>	<u>256,522</u>
<u>Other debt:</u>					
OPWC loan	1,272,147	-	(42,405)	1,229,742	42,405
Capital lease obligation	34,793	-	(34,793)	-	-
Net pension liability	2,429,501	-	(789,624)	1,639,877	-
Net OPEB liability	1,042,999	51,238	-	1,094,237	-
Compensated absences	<u>273,515</u>	<u>-</u>	<u>(81,469)</u>	<u>192,046</u>	<u>50,494</u>
Total other debt	<u>5,052,955</u>	<u>51,238</u>	<u>(948,291)</u>	<u>4,155,902</u>	<u>92,899</u>
Total business-type activities	<u>\$ 9,618,789</u>	<u>\$ 51,238</u>	<u>\$ (1,208,132)</u>	<u>\$ 8,461,895</u>	<u>\$ 349,421</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, 2018*

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 \$2,100,000 for municipal courthouse construction bore an interest rate of 2.00% and matured on May 1, 2018. The City reissued \$1,700,000 in municipal courthouse construction long-term notes on May 1, 2018 that bear an interest rate of 3.00% and mature on May 1, 2019.

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 2018 note issue that was retired on May 1, 2019 (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 and Net OPEB Liability:

See Notes 15 and 16 for details on the net pension liability and net OPEB liability, respectively. The net pension and OPEB liabilities 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, 2018, the City's overall legal debt margin (the ability to issue additional amounts of general obligation debt) was \$78,151,568 and the unvoted legal debt margin was \$35,331,394.

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

The annual requirements to amortize all long-term debt outstanding as of December 31, 2018 are as follows:

Year Ended	Governmental Activities			Business-Type Activities		
	General Obligation Bonds Payable			General Obligation Bonds Payable		
	Principal	Interest	Total	Principal	Interest	Total
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	530,524	218,333	748,857	284,476	100,992	385,468
2024 - 2028	2,871,648	895,918	3,767,566	1,513,352	389,982	1,903,334
2029 - 2033	3,310,970	445,533	3,756,503	1,389,030	131,405	1,520,435
2034 - 2035	455,000	27,400	482,400	-	-	-
Total	<u>\$ 9,137,412</u>	<u>\$ 2,595,332</u>	<u>\$ 11,732,744</u>	<u>\$ 4,252,588</u>	<u>\$ 1,084,031</u>	<u>\$ 5,336,619</u>

Year Ended	Business-Type Activities		
	OPWC Loan Payable		
	Principal	Interest	Total
2019	\$ 42,405	\$ -	\$ 42,405
2020	42,405	-	42,405
2021	42,405	-	42,405
2022	42,405	-	42,405
2023	42,405	-	42,405
2024 - 2028	212,025	-	212,025
2029 - 2033	212,025	-	212,025
2034 - 2038	212,025	-	212,025
2039 - 2043	212,023	-	212,023
2044 - 2047	169,619	-	169,619
Total	<u>\$ 1,229,742</u>	<u>\$ -</u>	<u>\$ 1,229,742</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, 2018*

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 2018 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 \$2,787,599 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 \$529,001 reported in the self-insurance internal service fund at December 31, 2018 is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Services", which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The claims liability is based on an estimate supplied by the City's third party administrator. The claims liability is expected to be paid within one year.

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

	<u>Balance at Beginning of Year</u>	<u>Current Claims</u>	<u>Claims Payment</u>	<u>Balance at End of Year</u>
2018	\$ 412,606	\$ 3,699,090	\$ (3,582,695)	\$ 529,001
2017	449,964	2,540,610	(2,577,968)	412,606

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

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/asset 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.

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.

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.

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

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):

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

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 2.25% COLA adjustment on the defined benefit portion of their benefit.

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

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
2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2018 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0 %
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 \$1,376,398 for 2018. Of this amount, \$151,616 is reported as intergovernmental payable.

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 OP&F website at 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.

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 OP&F 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.

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

	Police	Firefighters
2018 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2018 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50 %	0.50 %
Total Employer	19.50 %	24.00 %
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 \$1,600,551 for 2018. Of this amount, \$207,865 is reported as intergovernmental payable.

Net 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, 2017, 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, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. 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.

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

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&F</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.070631%	0.047862%	0.026558%	0.330100%	
Proportion of the net pension liability/asset current measurement date	<u>0.072159%</u>	<u>0.048334%</u>	<u>0.021824%</u>	<u>0.347065%</u>	
Change in proportionate share	<u>0.001528%</u>	<u>0.000472%</u>	<u>-0.004734%</u>	<u>0.016965%</u>	
Proportionate share of the net pension liability	\$ 11,320,349	\$ -	\$ -	\$ 21,300,965	\$ 32,621,314
Proportionate share of the net pension asset	-	(65,797)	(762)	-	(66,559)
Pension expense	2,489,411	10,622	(247)	2,227,610	4,727,396

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&F</u>	<u>Total</u>
Deferred outflows of resources					
Differences between expected and actual experience	\$ 11,561	\$ -	\$ 1,483	\$ 323,257	\$ 336,301
Changes of assumptions	1,352,859	5,751	90	928,195	2,286,895
Changes in employer's proportionate percentage/difference between employer contributions	232,457	-	-	830,343	1,062,800
City contributions subsequent to the measurement date	<u>1,343,303</u>	<u>24,996</u>	<u>8,099</u>	<u>1,600,551</u>	<u>2,976,949</u>
Total deferred outflows of resources	<u>\$ 2,940,180</u>	<u>\$ 30,747</u>	<u>\$ 9,672</u>	<u>\$ 3,682,346</u>	<u>\$ 6,662,945</u>

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Deferred inflows of resources					
Differences between expected and actual experience	\$ 223,088	\$ 19,604	\$ -	\$ 38,533	\$ 281,225
Net difference between projected and actual earnings on pension plan investments	2,430,332	10,383	213	736,849	3,177,777
Changes in employer's proportionate percentage/ difference between employer contributions	40,309	-	-	1,944,686	1,984,995
Total deferred inflows of resources	<u>\$ 2,693,729</u>	<u>\$ 29,987</u>	<u>\$ 213</u>	<u>\$ 2,720,068</u>	<u>\$ 5,443,997</u>

\$2,976,949 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, 2019.

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Year Ending December 31:					
2019	\$ 1,125,048	\$ (3,299)	\$ 169	\$ 217,033	\$ 1,338,951
2020	(153,054)	(3,584)	165	23,309	(133,164)
2021	(1,070,188)	(5,909)	137	(732,384)	(1,808,344)
2022	(998,658)	(5,666)	140	(588,199)	(1,592,383)
2023	-	(2,020)	206	347,371	345,557
Thereafter	-	(3,758)	543	94,597	91,382
Total	<u>\$ (1,096,852)</u>	<u>\$ (24,236)</u>	<u>\$ 1,360</u>	<u>\$ (638,273)</u>	<u>\$ (1,758,001)</u>

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.

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

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, 2017, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

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

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. 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 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. 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 was 16.82% for 2017.

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	23.00 %	2.20 %
Domestic equities	19.00	6.37
Real estate	10.00	5.26
Private equity	10.00	8.97
International equities	20.00	7.88
Other investments	18.00	5.26
Total	100.00 %	5.66 %

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. 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	\$ 20,102,054	\$ 11,320,349	\$ 3,999,052
Combined Plan	(35,767)	(65,797)	(86,518)
Member-Directed Plan	(436)	(762)	(1,091)

Changes between Measurement Date and Report Date - In October of 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 7.5 percent to 7.2 percent. This change will be effective for the 2018 valuation. The exact amount of the impact to the City's net pension liability/asset is not known.

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2017 is based on the results of an actuarial valuation date of January 1, 2017, 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, 2017, are presented below. The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the investment rate of return from 8.25% to 8.00%, (b) projected salary increases decreased from 4.25% - 11.00% to 3.75% - 10.50%, (c) payroll increases decreased from 3.75% to 3.25%, (d) inflation assumptions decreased from 3.25% to 2.75% and (e) Cost of Living Adjustments (COLAs) decreased from 2.60% to 2.20%.

Valuation date	January 1, 2017 with actuarial liabilities rolled forward to December 31, 2017
Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25%
Inflation assumptions	2.75%
Cost of living adjustments	2.20% and 3.00% simple for increases based on the lesser of the increase in CPI and 3.00%

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, 2016. The recommended assumption changes based on this experience study were adopted by OP&F's Board and were effective beginning with the January 1, 2017 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 and Guidelines. 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.

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2017 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income*	20.00	2.37
Global Inflation Protected Securities*	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	<u>120.00 %</u>	

Note: Assumptions are geometric.

*levered 2x

OP&F'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 the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - The total pension liability was calculated using the discount rate of 8.00%. A discount rate of 8.25% was used in the prior measurement period. 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 8.00%. 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.

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00%), or one percentage point higher (9.00%) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$ 29,528,697	\$ 21,300,965	\$ 14,590,463

NOTE 16 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions - between an employer and its employees - of salaries and benefits for employee services. OPEB 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the City's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability 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 these estimates annually.

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 OPEB are financed; however, the City does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (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 postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty 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 75. See OPERS' CAFR referenced below for additional information.

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 Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

CITY OF STOW, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

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

The City's contractually required contribution was \$3,239 for 2018. Of this amount, \$357 is reported as intergovernmental payable.

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

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, 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 Government Accounting Standards Board (GASB) Statement No. 75.

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 information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also 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.

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

The City's contractually required contribution to OP&F was \$37,271 for 2018. Of this amount, \$4,840 is reported as intergovernmental payable.

Net OPEB Liabilities, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2017, and was determined by rolling forward the total OPEB liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS	OP&F	Total
Proportion of the net OPEB liability prior measurement date	0.068173%	0.330100%	
Proportion of the net OPEB liability current measurement date	<u>0.069560%</u>	<u>0.347065%</u>	
Change in proportionate share	<u>0.001387%</u>	<u>0.016965%</u>	
Proportionate share of the net OPEB liability	\$ 7,553,704	\$ 19,664,240	\$ 27,217,944
OPEB expense	\$ 756,311	\$ 1,664,344	\$ 2,420,655

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 5,885	\$ -	\$ 5,885
Changes of assumptions	549,988	1,918,809	2,468,797
Changes in employer's proportionate percentage/difference between employer contributions	48,518	677,938	726,456
City contributions subsequent to the measurement date	<u>3,239</u>	<u>37,271</u>	<u>40,510</u>
Total deferred outflows of resources	<u>\$ 607,630</u>	<u>\$ 2,634,018</u>	<u>\$ 3,241,648</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 99,178	\$ 99,178
Net difference between projected and actual earnings on pension plan investments	562,702	129,438	692,140
Changes in employer's proportionate percentage/difference between employer contributions	<u>27,804</u>	<u>-</u>	<u>27,804</u>
Total deferred inflows of resources	<u>\$ 590,506</u>	<u>\$ 228,616</u>	<u>\$ 819,122</u>

\$40,510 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2019.

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 16 - DEFINED BENEFIT OPEB 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	OP&F	Total
2019	\$ 134,994	\$ 332,782	\$ 467,776
2020	134,994	332,782	467,776
2021	(115,425)	332,782	217,357
2022	(140,675)	332,784	192,109
2023	(3)	365,142	365,139
Thereafter	-	671,859	671,859
Total	\$ 13,885	\$ 2,368,131	\$ 2,382,016

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 and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.85 percent
Prior Measurement date	4.23 percent
Investment Rate of Return	6.50 percent
Municipal Bond Rate	3.31 percent
Health Care Cost Trend Rate	7.5 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

The long-term expected rate of return on health care 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 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. 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 Health Care portfolio is 15.2 percent for 2017.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 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	34.00 %	1.88 %
Domestic Equities	21.00	6.37
Real Estate Investment Trust	6.00	5.91
International Equities	22.00	7.88
Other investments	17.00	5.39
Total	<u>100.00 %</u>	<u>4.98 %</u>

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

Discount Rate A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate
The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
City's proportionate share of the net OPEB liability	\$ 10,035,421	\$ 7,553,704	\$ 5,546,019

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 7,227,284	\$ 7,553,704	\$ 7,890,886

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

Changes between Measurement Date and Report Date - In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 6.5 percent to 6.0 percent. This change will be effective for the 2018 valuation. The exact amount of the impact to the City’s net OPEB liability/asset is not known.

Actuarial Assumptions - OP&F

OP&F’s total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, 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.

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 and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee’s entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	3.24 percent
Prior measurement date	3.79 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB 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 averaged 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 OP&F's target asset allocation as of December 31, 2017, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income*	20.00	2.37
Global Inflation Protected Securities*	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	120.00 %	

Note: Assumptions are geometric.

*levered 2x

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

OP&F'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.

Discount Rate - The total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.16 percent at December 31, 2017 and 3.71 percent at December 31, 2016, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.24 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.24 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.24 percent), or one percentage point higher (4.24 percent) than the current rate.

	1% Decrease (2.24%)	Current Discount Rate (3.24%)	1% Increase (4.24%)
City's proportionate share of the net OPEB liability	\$ 24,580,508	\$ 19,664,240	\$ 15,881,346

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

	Non-Medicare	Non-AARP	AARP	Rx Drug	Medicare Part B
Year					
2017	-0.47%	-2.50%	4.50%	-0.47%	5.20%
2018	7.00%	7.00%	4.50%	7.00%	5.10%
2019	6.50%	6.50%	4.50%	6.50%	5.00%
2020	6.00%	6.00%	4.50%	6.00%	5.00%
2021	5.50%	5.50%	4.50%	5.50%	5.00%
2022	5.00%	5.00%	4.50%	5.00%	5.00%
2023 and Later	4.50%	4.50%	4.50%	4.50%	5.00%

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

To illustrate the potential impact, the following table presents the net OPEB liability calculated using the current healthcare cost trend current rates as outlined in the table above, a one percent decrease in the trend rates and a one percent increase in the trend rates.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 15,275,517	\$ 19,664,240	\$ 25,578,699

Changes between Measurement Date and Report Date - In March 2018, the OP&F Board of Trustees approved the implementation date and framework for a new health care model. Beginning January 1, 2019, the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. The impact to the City's net OPEB liability is not known.

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 50th week of employment had been reached. In the case of death, unused vacation leave is paid in the name of the employee to his or her spouse.

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

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

As of December 31, 2018, the liability for compensated absences was \$5,350,077 for the entire City.

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

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 \$278,498, which includes \$64,633 in accounts payable, during 2018 to the City of Akron as a result of this agreement.

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).

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

NOTE 19 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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:

	<u>General</u>	<u>EMS/Fire Tax Levy</u>
Budget basis	\$ (382,872)	\$ 107,992
Net adjustment for revenue accruals	119,120	-
Net adjustment for expenditure accruals	(33,268)	(9,186)
Net adjustment for other sources (uses)	12,500	-
Funds budgeted elsewhere	6,165	-
Adjustment for encumbrances	<u>454,433</u>	<u>1,678</u>
GAAP basis	<u>\$ 176,078</u>	<u>\$ 100,484</u>

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CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

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	\$ 147,308	\$ 8,670	\$ -	\$ 741,771	\$ 897,749
Total nonspendable	<u>147,308</u>	<u>8,670</u>	<u>-</u>	<u>741,771</u>	<u>897,749</u>
Restricted:					
Police and fire	-	89,626	-	333,235	422,861
Street repair and maintenance	-	-	-	1,717,644	1,717,644
Public health	-	-	-	37,399	37,399
Leisure time activities	-	-	-	3,511	3,511
Special assessments	-	-	-	219	219
Municipal court	-	-	-	1,012,629	1,012,629
Capital outlay	-	-	264,432	-	264,432
Total restricted	<u>-</u>	<u>89,626</u>	<u>264,432</u>	<u>3,104,637</u>	<u>3,458,695</u>
Committed:					
General government	43,650	-	-	714,567	758,217
Police and fire	-	-	-	606,350	606,350
Leisure time activities	-	-	-	152,101	152,101
Community & economic development	-	-	-	168,300	168,300
Debt service	-	-	-	118,907	118,907
Capital outlay	-	-	2,877,560	-	2,877,560
Total committed	<u>43,650</u>	<u>-</u>	<u>2,877,560</u>	<u>1,760,225</u>	<u>4,681,435</u>
Assigned:					
General government	152,661	-	-	-	152,661
Police and fire	127,499	-	-	-	127,499
Street repair and maintenance	814	-	-	-	814
Leisure time activities	37,047	-	-	-	37,047
Community & economic development	19,193	-	-	-	19,193
Total assigned	<u>337,214</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>337,214</u>
Unassigned (deficit)	<u>6,545,950</u>	<u>-</u>	<u>-</u>	<u>(165,424)</u>	<u>6,380,526</u>
Total fund balances	<u>\$ 7,074,122</u>	<u>\$ 98,296</u>	<u>\$ 3,141,992</u>	<u>\$ 5,441,209</u>	<u>\$ 15,755,619</u>

CITY OF STOW, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

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, 2018.

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	\$ 357,958
Fire/EMS levy fund	1,033
General capital improvements fund	243,962
Other governmental	<u>780,130</u>
Total	<u>\$ 1,383,083</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, 2018*

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.

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 \$100 to support operations of the CIC for fiscal year 2018.

NOTE 24 - SIGNIFICANT SUBSEQUENT EVENTS

The \$2,100,000 municipal courthouse construction notes issued in 2018 were retired and \$1,700,000 was refinanced on May 1, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF STOW, OHIO

SCHEDULES OF THE 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 FIVE YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>					
City's proportion of the net pension liability	0.072159%	0.070631%	0.069249%	0.071445%	0.071445%
City's proportionate share of the net pension liability	\$ 11,320,349	\$ 16,039,100	\$ 11,994,799	\$ 8,617,065	\$ 8,422,435
City's covered payroll	\$ 9,547,523	\$ 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	118.57%	180.97%	135.49%	98.31%	99.61%
Plan fiduciary net position as a percentage of the total pension liability	84.66%	77.25%	81.08%	86.45%	86.36%
<i>Combined Plan:</i>					
City's proportion of the net pension asset	0.048334%	0.047862%	0.065050%	0.076689%	0.076689%
City's proportionate share of the net pension asset	\$ 65,797	\$ 26,640	\$ 31,655	\$ 29,527	\$ 8,047
City's covered payroll	\$ 197,954	\$ 186,308	\$ 266,867	\$ 280,325	\$ 317,638
City's proportionate share of the net pension asset as a percentage of its covered payroll	33.24%	14.30%	11.86%	10.53%	2.53%
Plan fiduciary net position as a percentage of the total pension asset	137.28%	116.55%	116.90%	114.83%	104.56%
<i>Member Directed Plan:</i>					
City's proportion of the net pension asset	0.021824%	0.026558%	0.025389%		
City's proportionate share of the net pension asset	\$ 762	\$ 111	\$ 97		
City's covered payroll	\$ 117,920	\$ 174,147	\$ 178,611		
City's proportionate share of the net pension asset as a percentage of its covered payroll	0.65%	0.06%	0.05%		
Plan fiduciary net position as a percentage of the total pension asset	124.46%	103.40%	103.91%		

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 THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability	0.347065%	0.330100%	0.382183%	0.381624%	0.381624%
City's proportionate share of the net pension liability	\$ 21,300,965	\$ 20,908,225	\$ 24,586,105	\$ 19,769,710	\$ 18,586,281
City's covered payroll	\$ 7,467,841	\$ 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	285.24%	308.80%	324.22%	277.02%	280.71%
Plan fiduciary net position as a percentage of the total pension liability	70.91%	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 THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 1,343,303	\$ 1,241,178	\$ 1,063,550	\$ 1,062,310
Contributions in relation to the contractually required contribution	<u>(1,343,303)</u>	<u>(1,241,178)</u>	<u>(1,063,550)</u>	<u>(1,062,310)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 9,595,021	\$ 9,547,523	\$ 8,862,917	\$ 8,852,583
Contributions as a percentage of covered payroll	14.00%	13.00%	12.00%	12.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 24,996	\$ 25,734	\$ 22,357	\$ 32,024
Contributions in relation to the contractually required contribution	<u>(24,996)</u>	<u>(25,734)</u>	<u>(22,357)</u>	<u>(32,024)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 178,543	\$ 197,954	\$ 186,308	\$ 266,867
Contributions as a percentage of covered payroll	14.00%	13.00%	12.00%	12.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 8,099	\$ 11,792	\$ 16,544	\$ 16,968
Contributions in relation to the contractually required contribution	<u>(8,099)</u>	<u>(11,792)</u>	<u>(16,544)</u>	<u>(16,968)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 80,990	\$ 117,920	\$ 174,147	\$ 178,611
Contributions as a percentage of covered payroll	10.00%	10.00%	9.50%	9.50%

Note: Information prior to 2010 for the City's Combined Plan and information prior to 2015 for the City's Member Directed Plan was unavailable. 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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 1,051,862	\$ 1,099,194	\$ 840,192	\$ 899,909	\$ 849,466	\$ 872,531
<u>(1,051,862)</u>	<u>(1,099,194)</u>	<u>(840,192)</u>	<u>(899,909)</u>	<u>(849,466)</u>	<u>(872,531)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,765,517	\$ 8,455,338	\$ 8,401,920	\$ 8,999,090	\$ 9,523,161	\$ 10,732,239
12.00%	13.00%	10.00%	10.00%	8.92%	8.13%
\$ 33,639	\$ 41,293	\$ 24,226	\$ 23,359	\$ 30,543	
<u>(33,639)</u>	<u>(41,293)</u>	<u>(24,226)</u>	<u>(23,359)</u>	<u>(30,543)</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ 280,325	\$ 317,638	\$ 304,730	\$ 293,824	\$ 315,201	
12.00%	13.00%	7.95%	7.95%	9.69%	

CITY OF STOW, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<i>Police:</i>				
Contractually required contribution	\$ 638,448	\$ 626,944	\$ 565,437	\$ 627,507
Contributions in relation to the contractually required contribution	<u>(638,448)</u>	<u>(626,944)</u>	<u>(565,437)</u>	<u>(627,507)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,360,253	\$ 3,299,705	\$ 2,975,984	\$ 3,302,668
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
 <i>Fire:</i>				
Contractually required contribution	\$ 962,103	\$ 979,512	\$ 891,776	\$ 1,005,906
Contributions in relation to the contractually required contribution	<u>(962,103)</u>	<u>(979,512)</u>	<u>(891,776)</u>	<u>(1,005,906)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 4,094,055	\$ 4,168,136	\$ 3,794,791	\$ 4,280,451
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 601,854	\$ 458,153	\$ 358,771	\$ 366,291	\$ 371,980	\$ 382,592
<u>(601,854)</u>	<u>(458,153)</u>	<u>(358,771)</u>	<u>(366,291)</u>	<u>(371,980)</u>	<u>(382,592)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,167,653	\$ 2,884,489	\$ 2,813,890	\$ 2,872,871	\$ 2,917,490	\$ 3,000,722
19.00%	15.88%	12.75%	12.75%	12.75%	12.75%
\$ 932,687	\$ 761,664	\$ 643,400	\$ 631,257	\$ 614,776	\$ 617,398
<u>(932,687)</u>	<u>(761,664)</u>	<u>(643,400)</u>	<u>(631,257)</u>	<u>(614,776)</u>	<u>(617,398)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,968,881	\$ 3,736,700	\$ 3,729,855	\$ 3,659,461	\$ 3,563,919	\$ 3,579,119
23.50%	20.38%	17.25%	17.25%	17.25%	17.25%

CITY OF STOW, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TWO YEARS

	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.069560%	0.068173%
City's proportionate share of the net OPEB liability	\$ 7,553,704	\$ 6,885,679
City's covered payroll	\$ 9,863,397	\$ 9,223,372
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	76.58%	74.65%
Plan fiduciary net position as a percentage of the total OPEB liability	54.14%	54.05%

Note: Information prior to 2017 was 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 THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TWO YEARS

	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.347065%	0.330100%
City's proportionate share of the net OPEB liability	\$ 19,664,240	\$ 15,669,105
City's covered payroll	\$ 7,467,841	\$ 6,770,775
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	263.32%	231.42%
Plan fiduciary net position as a percentage of the total OPEB liability	14.13%	15.96%

Note: Information prior to 2017 was 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 THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 3,239	\$ 102,171	\$ 183,741	\$ 182,389
Contributions in relation to the contractually required contribution	<u>(3,239)</u>	<u>(102,171)</u>	<u>(183,741)</u>	<u>(182,389)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 9,854,554	\$ 9,863,397	\$ 9,223,372	\$ 9,298,061
Contributions as a percentage of covered payroll	0.03%	1.04%	1.99%	1.96%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 180,507	\$ 87,730	\$ 354,513	\$ 377,740	\$ 497,876	\$ 631,408
<u>(180,507)</u>	<u>(87,730)</u>	<u>(354,513)</u>	<u>(377,740)</u>	<u>(497,876)</u>	<u>(631,408)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 9,045,842	\$ 8,772,976	\$ 8,706,650	\$ 9,292,914	\$ 9,838,362	\$ 10,732,239
2.00%	1.00%	4.07%	4.06%	5.06%	5.88%

CITY OF STOW, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<i>Police:</i>				
Contractually required contribution	\$ 16,801	\$ 16,499	\$ 14,880	\$ 16,960
Contributions in relation to the contractually required contribution	<u>(16,801)</u>	<u>(16,499)</u>	<u>(14,880)</u>	<u>(16,960)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,360,253	\$ 3,299,705	\$ 2,975,984	\$ 3,302,668
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%
 <i>Fire:</i>				
Contractually required contribution	\$ 20,470	\$ 20,841	\$ 18,974	\$ 21,402
Contributions in relation to the contractually required contribution	<u>(20,470)</u>	<u>(20,841)</u>	<u>(18,974)</u>	<u>(21,402)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 4,094,055	\$ 4,168,136	\$ 3,794,791	\$ 4,280,451
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 14,570	\$ 105,132	\$ 189,938	\$ 193,919	\$ 196,930	\$ 202,548
<u>(14,570)</u>	<u>(105,132)</u>	<u>(189,938)</u>	<u>(193,919)</u>	<u>(196,930)</u>	<u>(202,548)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,167,653	\$ 2,884,489	\$ 2,813,890	\$ 2,872,871	\$ 2,917,490	\$ 3,000,722
0.46%	3.64%	6.75%	6.75%	6.75%	6.75%
\$ 18,115	\$ 136,413	\$ 251,765	\$ 247,013	\$ 240,564	\$ 241,590
<u>(18,115)</u>	<u>(136,413)</u>	<u>(251,765)</u>	<u>(247,013)</u>	<u>(240,564)</u>	<u>(241,590)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,968,881	\$ 3,736,700	\$ 3,729,855	\$ 3,659,461	\$ 3,563,919	\$ 3,579,119
0.46%	3.65%	6.75%	6.75%	6.75%	6.75%

CITY OF STOW, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2018.

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%. There were no changes in assumptions for 2018.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2018.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following were the most significant changes of assumptions that affected the total pension since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.50% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017-2018.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017-2018.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%.

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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other taxes	\$ 4,991,544	\$ 5,054,130	\$ 5,045,856	\$ (8,274)
Income taxes	11,877,130	11,877,130	10,273,945	(1,603,185)
Special assessments	10,000	10,000	3,018	(6,982)
Charges for services	419,600	419,600	376,506	(43,094)
Licenses and permits.	1,193,150	1,193,150	1,120,826	(72,324)
Fines and forfeitures.	2,290,000	2,290,000	2,365,776	75,776
Intergovernmental	3,124,845	3,155,049	2,244,627	(910,422)
Investment income	240,000	240,000	200,659	(39,341)
Rental	200,000	200,000	190,412	(9,588)
Contributions and donations.	160,500	160,500	176,475	15,975
Other	794,000	794,000	508,397	(285,603)
Total revenues	<u>25,300,769</u>	<u>25,393,559</u>	<u>22,506,497</u>	<u>(2,887,062)</u>
Expenditures:				
Current:				
General government				
City Council				
Personal services	213,472	213,472	213,470	2
Other	10,472	10,472	10,470	2
Mayor's Office				
Personal services	258,702	258,702	258,566	136
Other	26,170	26,170	23,237	2,933
Finance Department				
Personal services	413,553	413,553	413,551	2
Other	61,471	61,471	61,067	404
Law Department				
Personal services	439,885	439,885	437,883	2,002
Other	63,330	63,330	61,466	1,864
Civil Service Commission				
Other	828	828	826	2
Computer Services				
Personal services	334,795	334,795	332,795	2,000
Other	173,664	173,664	145,559	28,105
Service-Administration				
Personal services	260,156	260,156	260,100	56
Other	15,978	15,978	13,772	2,206
Service-Engineer				
Personal services	294,579	294,579	294,575	4
Other	53,971	53,971	48,387	5,584
Service-City Hall				
Personal services	422,252	422,252	422,249	3
Other	310,370	310,370	259,197	51,173
Service-Office				
Personal services	233,656	233,656	233,544	112
Other	21,574	21,574	14,545	7,029
Income Tax				
Personal services	274,998	274,998	274,996	2
Other	772,299	772,299	758,618	13,681
Human Resources				
Personal services	28,661	28,661	28,658	3
Other	16,801	16,801	16,801	-

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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, 2018*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<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	15,677	15,677	15,677	-
Municipal Court - Judges				
Personal services	1,351,685	1,351,685	1,340,034	11,651
Other	145,826	145,826	117,763	28,063
Clerk of Courts				
Personal services	1,160,493	1,160,493	1,160,490	3
Other	173,025	173,025	157,276	15,749
County and State Fees				
Other	162,974	162,974	158,683	4,291
Miscellaneous				
Other	3,849,130	3,849,130	565,050	3,284,080
Total general government.	<u>11,566,447</u>	<u>11,566,447</u>	<u>8,102,535</u>	<u>3,463,912</u>
Security of persons and property				
Police				
Personal services	4,763,689	4,763,689	4,763,684	5
Other	836,971	836,971	751,232	85,739
Fire				
Personal services	3,597,041	3,597,041	3,597,034	7
Other	630,051	630,051	570,783	59,268
Police/Fire Communications				
Personal services	1,065,893	1,065,893	1,065,890	3
Other	170,059	170,059	162,827	7,232
Public Safety Service				
Other	114,597	114,597	114,596	1
Total security of persons and property.	<u>11,178,301</u>	<u>11,178,301</u>	<u>11,026,046</u>	<u>152,255</u>
Public health				
Service - Cemetery				
Personal services	99,797	99,797	99,579	218
Other	22,290	22,290	22,195	95
County Health - Subsidy				
Other	288,255	288,255	286,754	1,501
Total public health.	<u>410,342</u>	<u>410,342</u>	<u>408,528</u>	<u>1,814</u>
Leisure time activities				
Parks and Recreation - Administration				
Personal services	122,161	122,161	120,676	1,485
Other	10,471	10,471	10,257	214
Parks and Recreation - Recreation				
Personal services	464,041	464,041	464,037	4
Other	183,719	183,719	158,709	25,010
Parks and Recreation - Facility				
Other	7,577	7,577	7,130	447

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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, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Parks and Recreation - Service				
Personal services	\$ 459,880	\$ 459,880	\$ 459,877	\$ 3
Other	257,494	257,494	210,855	46,639
Total leisure time activities	<u>1,505,343</u>	<u>1,505,343</u>	<u>1,431,541</u>	<u>73,802</u>
Community and economic environment				
Planning and Development				-
Personal services	278,294	278,294	278,292	2
Other	28,196	28,196	22,873	5,323
Service - Tree Program				
Personal services	303,530	303,530	303,527	3
Other	73,557	73,557	55,386	18,171
Service - Building Inspection				
Personal services	388,162	388,162	384,948	3,214
Other	19,562	19,562	17,045	2,517
Total community and economic development	<u>1,091,301</u>	<u>1,091,301</u>	<u>1,062,071</u>	<u>29,230</u>
Transportation				
Street Repair				
Personal services	208,541	208,541	208,541	-
Other	283,161	283,161	282,179	982
AMATS - Subsidy				
Other	7,006	7,006	7,006	-
Total transportation	<u>498,708</u>	<u>498,708</u>	<u>497,726</u>	<u>982</u>
Total expenditures	<u>26,250,442</u>	<u>26,250,442</u>	<u>22,528,447</u>	<u>3,721,995</u>
Excess of expenditures over revenues	<u>(949,673)</u>	<u>(856,883)</u>	<u>(21,950)</u>	<u>834,933</u>
Other financing sources (uses):				
Sale of notes	1,397,850	1,397,850	-	(1,397,850)
Transfers in	1,247,715	1,247,715	468,030	(779,685)
Transfers (out)	(830,295)	(830,295)	(828,952)	1,343
Total other financing sources (uses)	<u>1,815,270</u>	<u>1,815,270</u>	<u>(360,922)</u>	<u>(2,176,192)</u>
Net change in fund balance	865,597	958,387	(382,872)	(1,341,259)
Fund balance at beginning of year	5,390,603	5,390,603	5,390,603	-
Prior year encumbrances appropriated	548,604	548,604	548,604	-
Fund balance at end of year	<u>\$ 6,804,804</u>	<u>\$ 6,897,594</u>	<u>\$ 5,556,335</u>	<u>\$ (1,341,259)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMS/FIRE TAX LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other local taxes	\$ 1,737,508	\$ 1,759,318	\$ 1,758,404	\$ (914)
Intergovernmental.	480,000	480,000	228,231	(251,769)
Other	21,000	21,000	-	(21,000)
Total revenues.	<u>2,238,508</u>	<u>2,260,318</u>	<u>1,986,635</u>	<u>(273,683)</u>
Expenditures:				
Current:				
Security of persons and property				
Personal services	1,770,551	1,991,779	1,830,020	161,759
Other	230,274	259,046	48,623	210,423
Total expenditures.	<u>2,000,825</u>	<u>2,250,825</u>	<u>1,878,643</u>	<u>372,182</u>
Excess of revenues over expenditures	<u>237,683</u>	<u>9,493</u>	<u>107,992</u>	<u>98,499</u>
Other financing sources:				
Transfers in.	652,500	652,500	-	(652,500)
Total other financing sources	<u>652,500</u>	<u>652,500</u>	<u>-</u>	<u>(652,500)</u>
Net change in fund balance	890,183	661,993	107,992	(554,001)
Fund balance at beginning of year	35,752	35,752	35,752	-
Prior year encumbrances appropriated.	<u>2,073</u>	<u>2,073</u>	<u>2,073</u>	<u>-</u>
Fund balance at end of year	<u>\$ 928,008</u>	<u>\$ 699,818</u>	<u>\$ 145,817</u>	<u>\$ (554,001)</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, 2018*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Income taxes	\$ 4,979,653	\$ 4,979,653	\$ 2,937,603	\$ (2,042,050)
Intergovernmental.	4,376,752	4,376,752	985,032	(3,391,720)
Special assessments	-	-	242	242
Rental	-	-	68,000	68,000
Other	45,000	45,000	17,172	(27,828)
Total revenues	<u>9,401,405</u>	<u>9,401,405</u>	<u>4,008,049</u>	<u>(5,393,356)</u>
Expenditures:				
Capital outlay				
Other	3,739,947	4,739,947	4,023,260	716,687
Debt service:				
Principal retirement.	2,940,425	2,940,425	2,740,725	199,700
Interest and fiscal charges.	156,814	156,814	156,489	325
Total expenditures	<u>6,837,186</u>	<u>7,837,186</u>	<u>6,920,474</u>	<u>916,712</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>2,564,219</u>	<u>1,564,219</u>	<u>(2,912,425)</u>	<u>(4,476,644)</u>
Other financing sources:				
Sale of notes	2,500,000	2,500,000	2,100,000	(400,000)
Premium on notes	-	-	19,509	19,509
Transfers in.	400,000	400,000	437,663	37,663
Total other financing sources.	<u>2,900,000</u>	<u>2,900,000</u>	<u>2,557,172</u>	<u>(342,828)</u>
Net change in fund balance.	5,464,219	4,464,219	(355,253)	(4,819,472)
Fund balance at beginning of year	2,413,698	2,413,698	2,413,698	-
Prior year encumbrances appropriated . . .	<u>416,705</u>	<u>416,705</u>	<u>416,705</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 8,294,622</u>	<u>\$ 7,294,622</u>	<u>\$ 2,475,150</u>	<u>\$ (4,819,472)</u>

CITY OF STOW, OHIO

*BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 4,358,075	\$ -	\$ 4,358,075
Receivables:			
Property taxes	543,154	-	543,154
Income taxes	199,614	145,795	345,409
Accounts	201,444	-	201,444
Intergovernmental	826,173	-	826,173
Materials and supplies inventory	741,771	-	741,771
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 6,870,231</u>	<u>\$ 145,795</u>	<u>\$ 7,016,026</u>
Liabilities:			
Accounts payable	\$ 343,020	\$ -	\$ 343,020
Accrued wages and benefits payable.	2,390	-	2,390
Intergovernmental payable.	172,490	-	172,490
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>517,900</u>	<u>-</u>	<u>517,900</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year. . . .	459,252	-	459,252
Delinquent property tax revenue not available. . .	11,224	-	11,224
Income tax revenue not available	36,814	26,888	63,702
Intergovernmental nonexchange transactions . . .	522,739	-	522,739
	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources.	<u>1,030,029</u>	<u>26,888</u>	<u>1,056,917</u>
Fund balances:			
Nonspendable	741,771	-	741,771
Restricted.	3,104,637	-	3,104,637
Committed	1,641,318	118,907	1,760,225
Unassigned (deficit)	(165,424)	-	(165,424)
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>5,322,302</u>	<u>118,907</u>	<u>5,441,209</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,870,231</u>	<u>\$ 145,795</u>	<u>\$ 7,016,026</u>

CITY OF STOW, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:			
Property and other local taxes	\$ 791,156	\$ -	\$ 791,156
Income taxes	1,308,647	955,217	2,263,864
Special assessments	38,515	-	38,515
Charges for services	813,326	-	813,326
Licenses and permits	9,100	-	9,100
Fines and forfeitures	1,132,675	-	1,132,675
Intergovernmental	1,920,317	-	1,920,317
Investment income	12,448	-	12,448
Rent	115,417	-	115,417
Contributions and donations	42,456	-	42,456
Other	119,553	-	119,553
Total revenues	<u>6,303,610</u>	<u>955,217</u>	<u>7,258,827</u>
Expenditures:			
Current:			
General government	502,375	-	502,375
Security of persons and property	1,909,298	-	1,909,298
Public health	56,244	-	56,244
Leisure time activities	137,066	-	137,066
Community and economic development	74,447	-	74,447
Transportation	2,040,174	-	2,040,174
Capital outlay	1,524,309	-	1,524,309
Debt service:			
Principal retirement	102,625	758,900	861,525
Interest and fiscal charges	24,000	172,342	196,342
Total expenditures	<u>6,370,538</u>	<u>931,242</u>	<u>7,301,780</u>
Excess of expenditures over revenues	<u>(66,928)</u>	<u>23,975</u>	<u>(42,953)</u>
Other financing sources (uses):			
Transfers in	1,066,485	-	1,066,485
Transfers (out)	<u>(1,170,226)</u>	<u>-</u>	<u>(1,170,226)</u>
Total other financing sources (uses)	<u>(103,741)</u>	<u>-</u>	<u>(103,741)</u>
Net change in fund balances	(170,669)	23,975	(146,694)
Fund balances at beginning of year	<u>5,492,971</u>	<u>94,932</u>	<u>5,587,903</u>
Fund balances at end of year	<u>\$ 5,322,302</u>	<u>\$ 118,907</u>	<u>\$ 5,441,209</u>

CITY OF STOW, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2018

	<u>Street Construction</u>	<u>State Highway Improvement</u>	<u>Police Pension and Disability</u>	<u>Fire Pension and Disability</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 1,394,300	\$ 40,578	\$ -	\$ -
Receivables:				
Property taxes.	-	-	235,238	235,238
Income taxes	199,614	-	-	-
Accounts				
Intergovernmental.	653,580	52,993	14,750	14,750
Materials and supplies inventory	741,771	-	-	-
Total assets	<u>\$ 2,989,265</u>	<u>\$ 93,571</u>	<u>\$ 249,988</u>	<u>\$ 249,988</u>
Liabilities:				
Accounts payable	\$ 228,030	\$ 11,192	\$ -	\$ -
Accrued wages and benefits payable.	-	-	-	-
Intergovernmental payable	2,456	1,024	76,898	87,329
Total liabilities.	<u>230,486</u>	<u>12,216</u>	<u>76,898</u>	<u>87,329</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	-	229,626	229,626
Delinquent property tax revenue not available	-	-	5,612	5,612
Income tax revenue not available.	36,814	-	-	-
Intergovernmental nonexchange transactions	456,246	36,993	14,750	14,750
Total deferred inflows of resources.	<u>493,060</u>	<u>36,993</u>	<u>249,988</u>	<u>249,988</u>
Fund balances:				
Nonspendable	741,771	-	-	-
Restricted.	1,523,948	44,362	-	-
Committed	-	-	-	-
Unassigned (deficit)	-	-	(76,898)	(87,329)
Total fund balances (deficit)	<u>2,265,719</u>	<u>44,362</u>	<u>(76,898)</u>	<u>(87,329)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,989,265</u>	<u>\$ 93,571</u>	<u>\$ 249,988</u>	<u>\$ 249,988</u>

Motor Vehicle License Tax	ODNR Litter	EMS Transport	Police Enforcement and Education	Special Assessment Improvement	Tree Trust
\$ 129,459	\$ 37,580	\$ 424,400	\$ 5,507	\$ 3,797	\$ 122,192
-	-	-	-	-	-
-	-	201,444	-	-	-
19,875	-	-	104	-	-
-	-	-	-	-	-
<u>\$ 149,334</u>	<u>\$ 37,580</u>	<u>\$ 625,844</u>	<u>\$ 5,611</u>	<u>\$ 3,797</u>	<u>\$ 122,192</u>
\$ -	\$ -	\$ 24,958	\$ -	\$ 3,420	\$ 1,225
-	29	-	-	-	-
-	152	836	-	158	-
-	181	25,794	-	3,578	1,225
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
149,334	37,399	-	5,611	219	-
-	-	600,050	-	-	120,967
-	-	-	-	-	-
<u>149,334</u>	<u>37,399</u>	<u>600,050</u>	<u>5,611</u>	<u>219</u>	<u>120,967</u>
<u>\$ 149,334</u>	<u>\$ 37,580</u>	<u>\$ 625,844</u>	<u>\$ 5,611</u>	<u>\$ 3,797</u>	<u>\$ 122,192</u>

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CITY OF STOW, OHIO

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 DECEMBER 31, 2018

	<u>Communications Tower</u>	<u>Cemetary Trust</u>	<u>Park Improvements</u>	<u>Federal Law Enforcement Forfeited Fees</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 168,708	\$ 6,299	\$ 16,616	\$ 15,619
Receivables:				
Property taxes.	-	-	-	-
Income taxes	-	-	-	-
Accounts	-	-	-	-
Intergovernmental.	-	-	-	-
Materials and supplies inventory	-	-	-	-
Total assets	<u>\$ 168,708</u>	<u>\$ 6,299</u>	<u>\$ 16,616</u>	<u>\$ 15,619</u>
Liabilities:				
Accounts payable	\$ 408	\$ 2,732	\$ -	\$ -
Accrued wages and benefits payable.	-	-	-	-
Intergovernmental payable	-	56	-	-
Total liabilities.	<u>408</u>	<u>2,788</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
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>
Fund balances:				
Nonspendable	-	-	-	-
Restricted.	-	3,511	-	15,619
Committed	168,300	-	16,616	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	<u>168,300</u>	<u>3,511</u>	<u>16,616</u>	<u>15,619</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 168,708</u>	<u>\$ 6,299</u>	<u>\$ 16,616</u>	<u>\$ 15,619</u>

<u>Community Events</u>	<u>Safety Town</u>	<u>D.A.R.E. Program</u>	<u>Fire Department Emergency Equipment</u>	<u>Police Department Emergency Equipment</u>	<u>Parks Lodge Improvements</u>
\$ 1,561	\$ 2,760	\$ 690	\$ 3,540	\$ 17,044	\$ 9,933
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,561</u>	<u>\$ 2,760</u>	<u>\$ 690</u>	<u>\$ 3,540</u>	<u>\$ 17,044</u>	<u>\$ 9,933</u>
\$ 2,758	\$ -	\$ -	\$ -	\$ 1,113	\$ -
-	-	-	-	-	-
-	-	38	-	-	-
<u>2,758</u>	<u>-</u>	<u>38</u>	<u>-</u>	<u>1,113</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	652	-	15,931	-
-	2,760	-	3,540	-	9,933
-	-	-	-	-	-
<u>(1,197)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(1,197)</u>	<u>2,760</u>	<u>652</u>	<u>3,540</u>	<u>15,931</u>	<u>9,933</u>
<u>\$ 1,561</u>	<u>\$ 2,760</u>	<u>\$ 690</u>	<u>\$ 3,540</u>	<u>\$ 17,044</u>	<u>\$ 9,933</u>

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CITY OF STOW, OHIO

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 DECEMBER 31, 2018

	<u>Community Relations</u>	<u>SS Ballfield Complex</u>	<u>City Lodging</u>	<u>Enhanced 911</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 6,668	\$ 2,085	\$ 637,938	\$ 288,585
Receivables:				
Property taxes.	-	-	72,678	-
Income taxes	-	-	-	-
Accounts	-	-	-	-
Intergovernmental.	-	-	-	6,588
Materials and supplies inventory	-	-	-	-
Total assets	<u>\$ 6,668</u>	<u>\$ 2,085</u>	<u>\$ 710,616</u>	<u>\$ 295,173</u>
Liabilities:				
Accounts payable	\$ 148	\$ -	\$ -	\$ -
Accrued wages and benefits payable.	-	-	441	-
Intergovernmental payable	-	-	2,128	-
Total liabilities.	<u>148</u>	<u>-</u>	<u>2,569</u>	<u>-</u>
Deferred inflows of resources:				
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>
Fund balances:				
Nonspendable	-	-	-	-
Restricted.	-	-	-	295,173
Committed	6,520	2,085	708,047	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	<u>6,520</u>	<u>2,085</u>	<u>708,047</u>	<u>295,173</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,668</u>	<u>\$ 2,085</u>	<u>\$ 710,616</u>	<u>\$ 295,173</u>

<u>Police Officer Training</u>	<u>Court Special Projects</u>	<u>Probation Services</u>	<u>Indigent Drivers</u>	<u>Court Technology</u>	<u>Court Clerk Technology</u>
\$ 10,755	\$ 368,038	\$ 69,659	\$ 330,661	\$ 21,642	\$ 218,961
-	-	-	-	-	-
-	-	-	-	-	-
-	31,926	15,781	1,660	3,560	7,832
-	-	-	-	-	-
<u>\$ 10,755</u>	<u>\$ 399,964</u>	<u>\$ 85,440</u>	<u>\$ 332,321</u>	<u>\$ 25,202</u>	<u>\$ 226,793</u>
\$ 10,506	\$ -	\$ 18,468	\$ -	\$ 17,915	\$ 20,147
-	-	-	-	960	960
-	-	-	-	708	707
<u>10,506</u>	<u>-</u>	<u>18,468</u>	<u>-</u>	<u>19,583</u>	<u>21,814</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
249	399,964	66,972	332,321	5,619	204,979
-	-	-	-	-	-
-	-	-	-	-	-
<u>249</u>	<u>399,964</u>	<u>66,972</u>	<u>332,321</u>	<u>5,619</u>	<u>204,979</u>
<u>\$ 10,755</u>	<u>\$ 399,964</u>	<u>\$ 85,440</u>	<u>\$ 332,321</u>	<u>\$ 25,202</u>	<u>\$ 226,793</u>

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CITY OF STOW, OHIO

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 DECEMBER 31, 2018

	IDIA Monitoring	911 Memorial	Total Nonmajor Special Revenue Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ -	\$ 2,500	\$ 4,358,075
Receivables:			
Property taxes	-	-	543,154
Income taxes	-	-	199,614
Accounts	-	-	201,444
Intergovernmental	2,774	-	826,173
Materials and supplies inventory	-	-	741,771
Total assets	<u>\$ 2,774</u>	<u>\$ 2,500</u>	<u>\$ 6,870,231</u>
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 343,020
Accrued wages and benefits payable	-	-	2,390
Intergovernmental payable	-	-	172,490
Total liabilities	<u>-</u>	<u>-</u>	<u>517,900</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	-	-	459,252
Delinquent property tax revenue not available	-	-	11,224
Income tax revenue not available	-	-	36,814
Intergovernmental nonexchange transactions	-	-	522,739
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>1,030,029</u>
Fund balances:			
Nonspendable	-	-	741,771
Restricted	2,774	-	3,104,637
Committed	-	2,500	1,641,318
Unassigned (deficit)	-	-	(165,424)
Total fund balances (deficit)	<u>2,774</u>	<u>2,500</u>	<u>5,322,302</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,774</u>	<u>\$ 2,500</u>	<u>\$ 6,870,231</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, 2018*

	<u>Street Construction</u>	<u>State Highway Improvement</u>	<u>Police Pension and Disability</u>	<u>Fire Pension and Disability</u>
Revenues:				
Property and other local taxes	\$ -	\$ -	\$ 229,357	\$ 229,357
Income taxes	1,308,647	-	-	-
Special assessments	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	1,313,161	106,437	29,653	29,653
Investment income	10,833	276	-	-
Rent	-	-	-	-
Contributions and donations	-	-	-	-
Other	29,842	1,728	-	-
Total revenues	<u>2,662,483</u>	<u>108,441</u>	<u>259,010</u>	<u>259,010</u>
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	657,178	665,758
Public health	-	-	-	-
Leisure time activities	-	-	-	-
Community and economic development	-	-	-	-
Transportation	1,927,702	112,472	-	-
Capital outlay	647,792	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>2,575,494</u>	<u>112,472</u>	<u>657,178</u>	<u>665,758</u>
Excess (deficiency) of revenues over (under) expenditures	<u>86,989</u>	<u>(4,031)</u>	<u>(398,168)</u>	<u>(406,748)</u>
Other financing sources (uses):				
Transfers in	-	-	394,154	392,598
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>394,154</u>	<u>392,598</u>
Net change in fund balances	86,989	(4,031)	(4,014)	(14,150)
Fund balances (deficits) at beginning of year . .	<u>2,178,730</u>	<u>48,393</u>	<u>(72,884)</u>	<u>(73,179)</u>
Fund balances (deficits) at end of year	<u>\$ 2,265,719</u>	<u>\$ 44,362</u>	<u>\$ (76,898)</u>	<u>\$ (87,329)</u>

Motor Vehicle License Tax	ODNR Litter	EMS Transport	Police Enforcement and Education	Special Assessment Improvement	Tree Trust
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	38,100	415
-	-	806,681	-	-	-
-	-	-	2,061	-	-
267,579	34,837	-	-	-	-
1,339	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	55,731
<u>268,918</u>	<u>34,837</u>	<u>806,681</u>	<u>2,061</u>	<u>38,100</u>	<u>56,146</u>
-	-	-	-	-	-
-	-	488,657	-	36,934	-
-	35,663	-	-	-	-
-	-	-	-	-	81,811
-	-	-	-	-	-
300,000	-	30,076	5,604	-	-
-	-	102,625	-	-	-
-	-	24,000	-	-	-
<u>300,000</u>	<u>35,663</u>	<u>645,358</u>	<u>5,604</u>	<u>36,934</u>	<u>81,811</u>
<u>(31,082)</u>	<u>(826)</u>	<u>161,323</u>	<u>(3,543)</u>	<u>1,166</u>	<u>(25,665)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(31,082)	(826)	161,323	(3,543)	1,166	(25,665)
<u>180,416</u>	<u>38,225</u>	<u>438,727</u>	<u>9,154</u>	<u>(947)</u>	<u>146,632</u>
<u>\$ 149,334</u>	<u>\$ 37,399</u>	<u>\$ 600,050</u>	<u>\$ 5,611</u>	<u>\$ 219</u>	<u>\$ 120,967</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, 2018

	<u>Communications Tower</u>	<u>Cemetary Trust</u>	<u>Park Improvements</u>	<u>Federal Law Enforcement Forfeited Fees</u>
Revenues:				
Property and other local taxes	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-
Special assessments	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	-
Investment income	-	-	-	-
Rent	115,417	-	-	-
Contributions and donations	3,641	-	-	-
Other	-	16,101	-	205
Total revenues	<u>119,058</u>	<u>16,101</u>	<u>-</u>	<u>205</u>
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Public health	-	20,411	-	-
Leisure time activities	-	-	-	-
Community and economic development	73,287	-	-	-
Transportation	-	-	-	-
Capital outlay	123,344	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>196,631</u>	<u>20,411</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(77,573)</u>	<u>(4,310)</u>	<u>-</u>	<u>205</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(77,573)	(4,310)	-	205
Fund balances (deficits) at beginning of year	<u>245,873</u>	<u>7,821</u>	<u>16,616</u>	<u>15,414</u>
Fund balances (deficits) at end of year	<u>\$ 168,300</u>	<u>\$ 3,511</u>	<u>\$ 16,616</u>	<u>\$ 15,619</u>

<u>Community Events</u>	<u>Safety Town</u>	<u>D.A.R.E. Program</u>	<u>Fire Department Emergency Equipment</u>	<u>Police Department Emergency Equipment</u>	<u>Parks Lodge Improvements</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
6,645	-	-	-	-	-
9,100	-	-	-	-	-
-	-	-	-	-	-
-	-	7,249	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
16,625	7,845	-	922	10,753	-
3,116	-	-	-	1,081	-
<u>35,486</u>	<u>7,845</u>	<u>7,249</u>	<u>922</u>	<u>11,834</u>	<u>-</u>
-	-	-	-	-	-
-	9,856	15,285	249	15,360	-
-	-	-	-	-	-
45,244	-	-	-	-	4,238
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>45,244</u>	<u>9,856</u>	<u>15,285</u>	<u>249</u>	<u>15,360</u>	<u>4,238</u>
<u>(9,758)</u>	<u>(2,011)</u>	<u>(8,036)</u>	<u>673</u>	<u>(3,526)</u>	<u>(4,238)</u>
5,000	-	8,000	-	-	-
-	-	-	-	-	-
<u>5,000</u>	<u>-</u>	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
(4,758)	(2,011)	(36)	673	(3,526)	(4,238)
<u>3,561</u>	<u>4,771</u>	<u>688</u>	<u>2,867</u>	<u>19,457</u>	<u>14,171</u>
<u>\$ (1,197)</u>	<u>\$ 2,760</u>	<u>\$ 652</u>	<u>\$ 3,540</u>	<u>\$ 15,931</u>	<u>\$ 9,933</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, 2018*

	Community Relations	SS Ballfield Complex	City Lodging	Enhanced 911
Revenues:				
Property and other local taxes	\$ -	\$ -	\$ 332,442	\$ -
Income taxes	-	-	-	-
Special assessments	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	64,327
Investment income	-	-	-	-
Rent	-	-	-	-
Contributions and donations	-	-	-	-
Other	-	3,025	-	-
Total revenues	-	3,025	332,442	64,327
Expenditures:				
Current:				
General government	-	-	151,611	-
Security of persons and property	-	-	-	2,372
Public health	-	-	-	-
Leisure time activities	-	4,000	-	-
Community and economic development	1,160	-	-	-
Transportation	-	-	-	-
Capital outlay	-	-	-	367,341
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	1,160	4,000	151,611	369,713
Excess (deficiency) of revenues over (under) expenditures	(1,160)	(975)	180,831	(305,386)
Other financing sources (uses):				
Transfers in	2,200	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	2,200	-	-	-
Net change in fund balances	1,040	(975)	180,831	(305,386)
Fund balances (deficits) at beginning of year	5,480	3,060	527,216	600,559
Fund balances (deficits) at end of year	\$ 6,520	\$ 2,085	\$ 708,047	\$ 295,173

<u>Police Officer Training</u>	<u>Court Special Projects</u>	<u>Probation Services</u>	<u>Indigent Drivers</u>	<u>Court Technology</u>	<u>Court Clerk Technology</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	683,251	286,209	26,730	53,942	66,540
16,310	-	-	27,612	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	8,724	-	-	-	-
<u>16,310</u>	<u>691,975</u>	<u>286,209</u>	<u>54,342</u>	<u>53,942</u>	<u>66,540</u>
-	-	147,330	-	108,968	94,466
17,649	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10,000	-	17,098	-	10,724	12,330
-	-	-	-	-	-
-	-	-	-	-	-
<u>27,649</u>	<u>-</u>	<u>164,428</u>	<u>-</u>	<u>119,692</u>	<u>106,796</u>
<u>(11,339)</u>	<u>691,975</u>	<u>121,781</u>	<u>54,342</u>	<u>(65,750)</u>	<u>(40,256)</u>
-	210,745	-	10,050	-	-
-	<u>(830,693)</u>	<u>(75,000)</u>	<u>(161,019)</u>	<u>-</u>	<u>-</u>
-	<u>(619,948)</u>	<u>(75,000)</u>	<u>(150,969)</u>	<u>-</u>	<u>-</u>
(11,339)	72,027	46,781	(96,627)	(65,750)	(40,256)
<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>\$ 249</u>	<u>\$ 399,964</u>	<u>\$ 66,972</u>	<u>\$ 332,321</u>	<u>\$ 5,619</u>	<u>\$ 204,979</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, 2018*

	IDIA Monitoring	911 Memorial	Skip Project 2014	Disaster Relief
Revenues:				
Property and other local taxes	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-
Special assessments	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	13,942	-	-	-
Intergovernmental	23,499	-	-	-
Investment income	-	-	-	-
Rent	-	-	-	-
Contributions and donations	-	2,500	-	170
Other	-	-	-	-
Total revenues	37,441	2,500	-	170
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Public health	-	-	-	170
Leisure time activities	-	1,250	523	-
Community and economic development	-	-	-	-
Transportation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	1,250	523	170
Excess (deficiency) of revenues over (under) expenditures	37,441	1,250	(523)	-
Other financing sources (uses):				
Transfers in	43,738	-	-	-
Transfers out	(103,514)	-	-	-
Total other financing sources (uses)	(59,776)	-	-	-
Net change in fund balances	(22,335)	1,250	(523)	-
Fund balances (deficits) at beginning of year	25,109	1,250	523	-
Fund balances (deficits) at end of year	\$ 2,774	\$ 2,500	\$ -	\$ -

**Nonmajor
Special Revenue
Funds**

\$	791,156
	1,308,647
	38,515
	813,326
	9,100
	1,132,675
	1,920,317
	12,448
	115,417
	42,456
	119,553
	<hr/>
	6,303,610
	<hr/>
	502,375
	1,909,298
	56,244
	137,066
	74,447
	2,040,174
	1,524,309
	102,625
	24,000
	<hr/>
	6,370,538
	<hr/>
	(66,928)
	<hr/>
	1,066,485
	(1,170,226)
	<hr/>
	(103,741)
	<hr/>
	(170,669)
	<hr/>
	5,492,971
	<hr/>
\$	<u>5,322,302</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Income taxes	3,000,000	3,000,000	1,275,000	\$ (1,725,000)
Intergovernmental.	1,482,000	1,482,000	1,326,590	(155,410)
Investment income	6,000	6,000	10,833	4,833
Other	412,000	412,000	29,842	(382,158)
Total revenues.	<u>4,900,000</u>	<u>4,900,000</u>	<u>2,642,265</u>	<u>(2,257,735)</u>
Expenditures:				
Current:				
Transportation				
Personal services	1,115,939	1,221,643	1,210,895	10,748
Other	2,269,654	2,484,641	1,201,116	1,283,525
Capital outlay				
Other	837,278	916,587	732,474	184,113
Total expenditures.	<u>4,222,871</u>	<u>4,622,871</u>	<u>3,144,485</u>	<u>1,478,386</u>
Net change in fund balance.	677,129	277,129	(502,220)	(779,349)
Fund balance at beginning of year	1,182,423	1,182,423	1,182,423	-
Prior year encumbrances appropriated . . .	297,348	297,348	297,348	-
Fund balance at end of year.	<u>\$ 2,156,900</u>	<u>\$ 1,756,900</u>	<u>\$ 977,551</u>	<u>\$ (779,349)</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 284,800	\$ 284,800	\$ 107,526	\$ (177,274)
Investment income	100	100	276	176
Other	5,100	5,100	1,728	(3,372)
Total revenues	<u>290,000</u>	<u>290,000</u>	<u>109,530</u>	<u>(180,470)</u>
Expenditures:				
Current:				
Transportation				
Personal services	48,862	55,800	51,391	4,409
Other	91,994	105,056	68,739	36,317
Total expenditures	<u>140,856</u>	<u>160,856</u>	<u>120,130</u>	<u>40,726</u>
Net change in fund balance	149,144	129,144	(10,600)	(139,744)
Fund balance at beginning of year	34,471	34,471	34,471	-
Prior year encumbrances appropriated	<u>4,699</u>	<u>4,699</u>	<u>4,699</u>	<u>-</u>
Fund balance at end of year	<u>\$ 188,314</u>	<u>\$ 168,314</u>	<u>\$ 28,570</u>	<u>\$ (139,744)</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other local taxes.	\$ 225,479	\$ 228,324	\$ 229,357	\$ 1,033
Intergovernmental.	68,660	68,660	29,653	(39,007)
Other	35,000	35,000	-	(35,000)
Total revenues.	<u>329,139</u>	<u>331,984</u>	<u>259,010</u>	<u>(72,974)</u>
Expenditures:				
Current:				
Security of persons and property				
Personal services	649,443	698,081	649,652	48,429
Other	3,721	4,000	3,512	488
Total expenditures	<u>653,164</u>	<u>702,081</u>	<u>653,164</u>	<u>48,917</u>
Excess of expenditures over revenues	<u>(324,025)</u>	<u>(370,097)</u>	<u>(394,154)</u>	<u>(24,057)</u>
Other financing sources:				
Transfers in	471,240	471,240	394,154	(77,086)
Total other financing sources.	<u>471,240</u>	<u>471,240</u>	<u>394,154</u>	<u>(77,086)</u>
Net change in fund balance	147,215	101,143	-	(101,143)
Fund balance at beginning of year.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 147,215</u>	<u>\$ 101,143</u>	<u>\$ -</u>	<u>\$ (101,143)</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other local taxes	\$ 219,155	\$ 222,000	\$ 229,357	\$ 7,357
Intergovernmental	74,984	74,984	29,653	(45,331)
Other	64,827	64,827	-	(64,827)
Total revenues.	<u>358,966</u>	<u>361,811</u>	<u>259,010</u>	<u>(102,801)</u>
Expenditures:				
Current:				
Security of persons and property				
Personal services	635,697	700,328	648,097	52,231
Other	3,631	4,000	3,511	489
Total expenditures	<u>639,328</u>	<u>704,328</u>	<u>651,608</u>	<u>52,720</u>
Excess of expenditures over revenues	<u>(280,362)</u>	<u>(342,517)</u>	<u>(392,598)</u>	<u>(50,081)</u>
Other financing sources:				
Transfers in.	471,240	471,240	392,598	(78,642)
Total other financing sources.	<u>471,240</u>	<u>471,240</u>	<u>392,598</u>	<u>(78,642)</u>
Net change in fund balance.	190,878	128,723	-	(128,723)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 190,878</u>	<u>\$ 128,723</u>	<u>\$ -</u>	<u>\$ (128,723)</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 549,200	\$ 549,200	\$ 247,704	\$ (301,496)
Investment income	800	800	1,339	539
Total revenues.	<u>550,000</u>	<u>550,000</u>	<u>249,043</u>	<u>(300,957)</u>
Expenditures:				
Capital outlay				
Other	<u>425,216</u>	<u>525,216</u>	<u>300,000</u>	<u>225,216</u>
Total expenditures	<u>425,216</u>	<u>525,216</u>	<u>300,000</u>	<u>225,216</u>
Net change in fund balance	124,784	24,784	(50,957)	(75,741)
Fund balance at beginning of year.	<u>180,416</u>	<u>180,416</u>	<u>180,416</u>	<u>-</u>
Fund balance at end of year	<u>\$ 305,200</u>	<u>\$ 205,200</u>	<u>\$ 129,459</u>	<u>\$ (75,741)</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 43,000	\$ 43,000	\$ 69,674	\$ 26,674
Total revenues.	<u>43,000</u>	<u>43,000</u>	<u>69,674</u>	<u>26,674</u>
Expenditures:				
Current:				
Public health				
Personal services	8,731	15,658	10,332	5,326
Other	<u>22,778</u>	<u>40,851</u>	<u>25,271</u>	<u>15,580</u>
Total expenditures.	<u>31,509</u>	<u>56,509</u>	<u>35,603</u>	<u>20,906</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>11,491</u>	<u>(13,509)</u>	<u>34,071</u>	<u>47,580</u>
Other financing sources:				
Transfers in	<u>87,000</u>	<u>87,000</u>	<u>-</u>	<u>(87,000)</u>
Total other financing sources	<u>87,000</u>	<u>87,000</u>	<u>-</u>	<u>(87,000)</u>
Net change in fund balance	98,491	73,491	34,071	(39,420)
Fund balance at beginning of year	<u>3,509</u>	<u>3,509</u>	<u>3,509</u>	<u>-</u>
Fund balance at end of year	<u>\$ 102,000</u>	<u>\$ 77,000</u>	<u>\$ 37,580</u>	<u>\$ (39,420)</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, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 760,000	\$ 760,000	\$ 786,452	\$ 26,452
Other.	10,200	10,200	3,275	(6,925)
Total revenues	<u>770,200</u>	<u>770,200</u>	<u>789,727</u>	<u>19,527</u>
Expenditures:				
Current:				
Security of persons and property				
Personal services	347,990	374,686	360,617	14,069
Other.	474,069	510,438	131,244	379,194
Capital outlay				
Other.	37,150	40,000	30,076	9,924
Debt service:				
Principal retirement	95,313	102,625	102,625	-
Interest and fiscal charges	23,115	24,888	24,000	888
Total expenditures	<u>977,637</u>	<u>1,052,637</u>	<u>648,562</u>	<u>404,075</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(207,437)</u>	<u>(282,437)</u>	<u>141,165</u>	<u>(384,548)</u>
Other financing sources:				
Transfers in.	419,450	419,450	-	(419,450)
Total other financing sources	<u>419,450</u>	<u>419,450</u>	<u>-</u>	<u>(419,450)</u>
Net change in fund balance	212,013	137,013	141,165	4,152
Fund balance at beginning of year	257,271	257,271	257,271	-
Prior year encumbrances appropriated. . .	10,166	10,166	10,166	-
Fund balance at end of year	<u>\$ 479,450</u>	<u>\$ 404,450</u>	<u>\$ 408,602</u>	<u>\$ 4,152</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 6,525	\$ 6,525	\$ 2,077	\$ (4,448)
Total revenues	<u>6,525</u>	<u>6,525</u>	<u>2,077</u>	<u>(4,448)</u>
Expenditures:				
Capital outlay				
Other	10,534	10,534	5,604	4,930
Total expenditures	<u>10,534</u>	<u>10,534</u>	<u>5,604</u>	<u>4,930</u>
Net change in fund balance.	(4,009)	(4,009)	(3,527)	482
Fund balance at beginning of year	3,430	3,430	3,430	-
Prior year encumbrances appropriated . . .	<u>5,604</u>	<u>5,604</u>	<u>5,604</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,025</u>	<u>\$ 5,025</u>	<u>\$ 5,507</u>	<u>\$ 482</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, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special assessments.	\$ 105,000	\$ 105,000	\$ 38,100	\$ (66,900)
Total revenues.	105,000	105,000	38,100	(66,900)
Expenditures:				
Current:				
Security of persons and property				
Other	27,807	47,807	37,110	10,697
Total expenditures.	27,807	47,807	37,110	10,697
Net change in fund balance.	77,193	57,193	990	(56,203)
Fund balance at beginning of year	2,807	2,807	2,807	-
Fund balance at end of year.	\$ 80,000	\$ 60,000	\$ 3,797	\$ (56,203)

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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special assessments.	\$ 4,000	\$ 4,000	\$ 415	\$ (3,585)
Other	56,000	56,000	55,731	(269)
Total revenues.	<u>60,000</u>	<u>60,000</u>	<u>56,146</u>	<u>(3,854)</u>
Expenditures:				
Current:				
Leisure time activities				
Other	96,424	96,424	91,561	4,863
Total expenditures	<u>96,424</u>	<u>96,424</u>	<u>91,561</u>	<u>4,863</u>
Net change in fund balance.	(36,424)	(36,424)	(35,415)	1,009
Fund balance at beginning of year	150,068	150,068	150,068	-
Prior year encumbrances appropriated . . .	<u>2,914</u>	<u>2,914</u>	<u>2,914</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 116,558</u>	<u>\$ 116,558</u>	<u>\$ 117,567</u>	<u>\$ 1,009</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Rental	\$ 120,000	\$ 120,000	\$ 115,417	\$ (4,583)
Contributions and donations	5,000	5,000	3,641	(1,359)
Total revenues.	<u>125,000</u>	<u>125,000</u>	<u>119,058</u>	<u>(5,942)</u>
Expenditures:				
Current:				
Community and economic development				
Other	271,642	271,642	80,787	190,855
Capital outlay				
Other	850,790	850,790	124,332	726,458
Total expenditures.	<u>1,122,432</u>	<u>1,122,432</u>	<u>205,119</u>	<u>917,313</u>
Excess of expenditures over revenues	<u>(997,432)</u>	<u>(997,432)</u>	<u>(86,061)</u>	<u>911,371</u>
Other financing sources:				
Transfers in.	1,200,750	1,200,750	-	(1,200,750)
Total other financing sources.	<u>1,200,750</u>	<u>1,200,750</u>	<u>-</u>	<u>(1,200,750)</u>
Net change in fund balance.	203,318	203,318	(86,061)	(289,379)
Fund balance at beginning of year	231,231	231,231	231,231	-
Prior year encumbrances appropriated	<u>14,642</u>	<u>14,642</u>	<u>14,642</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 449,191</u>	<u>\$ 449,191</u>	<u>\$ 159,812</u>	<u>\$ (289,379)</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 35,000	\$ 35,000	\$ 16,403	\$ (18,597)
Total revenues.	<u>35,000</u>	<u>35,000</u>	<u>16,403</u>	<u>(18,597)</u>
Expenditures:				
Current:				
Public health				
Other	44,857	44,857	22,734	22,123
Total expenditures	<u>44,857</u>	<u>44,857</u>	<u>22,734</u>	<u>22,123</u>
Net change in fund balance.	(9,857)	(9,857)	(6,331)	3,526
Fund balance at beginning of year	1,019	1,019	1,019	-
Prior year encumbrances appropriated . . .	<u>7,857</u>	<u>7,857</u>	<u>7,857</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (981)</u>	<u>\$ (981)</u>	<u>\$ 2,545</u>	<u>\$ 3,526</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Fund balance at beginning of year	\$ 16,616	\$ 16,616	\$ 16,616	\$ -
Fund balance at end of year	<u>\$ 16,616</u>	<u>\$ 16,616</u>	<u>\$ 16,616</u>	<u>\$ -</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 25,000	\$ 25,000	\$ -	\$ (25,000)
Other	-	-	205	205
Total revenues.	<u>25,000</u>	<u>25,000</u>	<u>205</u>	<u>(24,795)</u>
Net change in fund balance.	25,000	25,000	205	(24,795)
Fund balance at beginning of year	<u>15,414</u>	<u>15,414</u>	<u>15,414</u>	<u>-</u>
Fund balance at end of year	<u>\$ 40,414</u>	<u>\$ 40,414</u>	<u>\$ 15,619</u>	<u>\$ (24,795)</u>

CITY OF STOW, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY EVENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 9,500	\$ 9,500	\$ 6,645	\$ (2,855)
Licenses and permits.	-	-	9,100	9,100
Contributions and donations.	23,500	23,500	16,625	(6,875)
Other	21,000	21,000	3,116	(17,884)
Total revenues.	<u>54,000</u>	<u>54,000</u>	<u>35,486</u>	<u>(18,514)</u>
Expenditures:				
Current:				
Leisure time activities				
Other	42,658	67,658	42,486	25,172
Total expenditures	<u>42,658</u>	<u>67,658</u>	<u>42,486</u>	<u>25,172</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>11,342</u>	<u>(13,658)</u>	<u>(7,000)</u>	<u>6,658</u>
Other financing sources:				
Transfers in.	71,600	71,600	5,000	(66,600)
Total other financing sources.	<u>71,600</u>	<u>71,600</u>	<u>5,000</u>	<u>(66,600)</u>
Net change in fund balance.	82,942	57,942	(2,000)	(59,942)
Fund balance at beginning of year	1,903	1,903	1,903	-
Prior year encumbrances appropriated	<u>1,658</u>	<u>1,658</u>	<u>1,658</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 86,503</u>	<u>\$ 61,503</u>	<u>\$ 1,561</u>	<u>\$ (59,942)</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Contributions and donations.	\$ 14,000	\$ 14,000	\$ 7,845	\$ (6,155)
Total revenues.	<u>14,000</u>	<u>14,000</u>	<u>7,845</u>	<u>(6,155)</u>
Expenditures:				
Current:				
Security of persons and property				
Other.	10,771	13,771	10,053	3,718
Total expenditures	<u>10,771</u>	<u>13,771</u>	<u>10,053</u>	<u>3,718</u>
Net change in fund balance.	3,229	229	(2,208)	(2,437)
Fund balance at beginning of year	<u>4,771</u>	<u>4,771</u>	<u>4,771</u>	<u>-</u>
Fund balance at end of year	<u>\$ 8,000</u>	<u>\$ 5,000</u>	<u>\$ 2,563</u>	<u>\$ (2,437)</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 59,000	\$ 59,000	\$ 7,249	\$ (51,751)
Total revenues.	<u>59,000</u>	<u>59,000</u>	<u>7,249</u>	<u>(51,751)</u>
Expenditures:				
Current:				
Security of persons and property				
Personal services.	21,000	31,000	7,249	23,751
Other.	11,050	11,050	8,007	3,043
Total expenditures	<u>32,050</u>	<u>42,050</u>	<u>15,256</u>	<u>26,794</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>26,950</u>	<u>16,950</u>	<u>(8,007)</u>	<u>(24,957)</u>
Other financing sources:				
Transfers in.	12,000	12,000	8,000	(4,000)
Total other financing sources.	<u>12,000</u>	<u>12,000</u>	<u>8,000</u>	<u>(4,000)</u>
Net change in fund balance.	38,950	28,950	(7)	(28,957)
Fund balance at beginning of year	<u>697</u>	<u>697</u>	<u>697</u>	<u>-</u>
Fund balance at end of year	<u>\$ 39,647</u>	<u>\$ 29,647</u>	<u>\$ 690</u>	<u>\$ (28,957)</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Contributions and donations	\$ 20,000	\$ 20,000	\$ 922	\$ (19,078)
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>922</u>	<u>(19,078)</u>
Expenditures:				
Current:				
Security of persons and property				
Other.	2,300	2,300	249	2,051
Total expenditures	<u>2,300</u>	<u>2,300</u>	<u>249</u>	<u>2,051</u>
Net change in fund balance.	17,700	17,700	673	(17,027)
Fund balance at beginning of year	<u>2,867</u>	<u>2,867</u>	<u>2,867</u>	<u>-</u>
Fund balance at end of year	<u>\$ 20,567</u>	<u>\$ 20,567</u>	<u>\$ 3,540</u>	<u>\$ (17,027)</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Contributions and donations.	\$ -	\$ -	\$ 10,753	\$ 10,753
Other	-	-	1,081	1,081
Total revenues	<u>-</u>	<u>-</u>	<u>11,834</u>	<u>11,834</u>
Expenditures:				
Current:				
Security of persons and property				
Other.	16,088	16,088	14,931	1,157
Total expenditures	<u>16,088</u>	<u>16,088</u>	<u>14,931</u>	<u>1,157</u>
Net change in fund balance.	(16,088)	(16,088)	(3,097)	12,991
Fund balance at beginning of year	18,468	18,468	18,468	-
Prior year encumbrances appropriated . . .	<u>989</u>	<u>989</u>	<u>989</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,369</u>	<u>\$ 3,369</u>	<u>\$ 16,360</u>	<u>\$ 12,991</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 3,500	\$ 3,500	\$ -	\$ (3,500)
Total revenues.	<u>3,500</u>	<u>3,500</u>	<u>-</u>	<u>(3,500)</u>
Net change in fund balance.	3,500	3,500	-	(3,500)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,500</u>	<u>\$ 3,500</u>	<u>\$ -</u>	<u>\$ (3,500)</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Leisure time activities				
Other	\$ 8,770	\$ 8,770	\$ 4,238	\$ 4,532
Total expenditures	<u>8,770</u>	<u>8,770</u>	<u>4,238</u>	<u>4,532</u>
Net change in fund balance.	(8,770)	(8,770)	(4,238)	4,532
Fund balance at beginning of year	10,401	10,401	10,401	-
Prior year encumbrances appropriated . . .	<u>3,770</u>	<u>3,770</u>	<u>3,770</u>	-
Fund balance at end of year	<u>\$ 5,401</u>	<u>\$ 5,401</u>	<u>\$ 9,933</u>	<u>\$ 4,532</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, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Contributions and donations	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Total revenues.	1,000	1,000	-	(1,000)
Expenditures:				
Current:				
Community and economic development				
Other	1,575	1,575	1,049	526
Total expenditures	1,575	1,575	1,049	526
Excess of expenditures over revenues	(575)	(575)	(1,049)	(474)
Other financing sources:				
Transfers in.	-	-	2,200	2,200
Total other financing sources.	-	-	2,200	2,200
Net change in fund balance.	(575)	(575)	1,151	1,726
Fund balance at beginning of year	5,042	5,042	5,042	-
Prior year encumbrances appropriated . . .	475	475	475	-
Fund balance at end of year.	\$ 4,942	\$ 4,942	\$ 6,668	\$ 1,726

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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 5,000	\$ 5,000	\$ 3,025	\$ (1,975)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>3,025</u>	<u>(1,975)</u>
Expenditures:				
Current:				
Leisure time activities				
Other	5,000	5,000	4,000	1,000
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>4,000</u>	<u>1,000</u>
Net change in fund balance	-	-	(975)	(975)
Fund balance at beginning of year	<u>3,060</u>	<u>3,060</u>	<u>3,060</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 3,060</u>	<u>\$ 3,060</u>	<u>\$ 2,085</u>	<u>\$ (975)</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 215,000	\$ 215,000	\$ -	\$ (215,000)
Total revenues.	<u>215,000</u>	<u>215,000</u>	<u>-</u>	<u>(215,000)</u>
Expenditures:				
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.	115,000	115,000	-	(115,000)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 115,000</u>	<u>\$ 115,000</u>	<u>\$ -</u>	<u>\$ (115,000)</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 19,400	\$ 19,400	\$ -	\$ (19,400)
Total revenues.	<u>19,400</u>	<u>19,400</u>	<u>-</u>	<u>(19,400)</u>
Expenditures:				
Capital outlay				
Other	10,000	10,000	-	10,000
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net change in fund balance.	9,400	9,400	-	(9,400)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 9,400</u>	<u>\$ 9,400</u>	<u>\$ -</u>	<u>\$ (9,400)</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other local taxes	\$ 367,500	\$ 367,500	\$ 308,289	\$ (59,211)
Total revenues	<u>367,500</u>	<u>367,500</u>	<u>308,289</u>	<u>(59,211)</u>
Expenditures:				
Current:				
General government				
Personal services	199,925	199,925	150,830	49,095
Other	<u>560,429</u>	<u>560,429</u>	<u>4,875</u>	<u>555,554</u>
Total expenditures	<u>760,354</u>	<u>760,354</u>	<u>155,705</u>	<u>604,649</u>
Net change in fund balance.	(392,854)	(392,854)	152,584	545,438
Fund balance at beginning of year	472,554	472,554	472,554	-
Prior year encumbrances appropriated . .	<u>12,800</u>	<u>12,800</u>	<u>12,800</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 92,500</u>	<u>\$ 92,500</u>	<u>\$ 637,938</u>	<u>\$ 545,438</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 69,024	\$ 69,024
Total revenues.	-	-	69,024	69,024
Expenditures:				
Current:				
Security of persons and property				
Other	41,683	41,683	14,711	26,972
Capital outlay				
Other	475,000	475,000	464,723	10,277
Total expenditures	516,683	516,683	479,434	37,249
Net change in fund balance.	(516,683)	(516,683)	(410,410)	106,273
Fund balance at beginning of year	573,302	573,302	573,302	-
Prior year encumbrances appropriated . .	16,683	16,683	16,683	-
Fund balance at end of year.	<u>\$ 73,302</u>	<u>\$ 73,302</u>	<u>\$ 179,575</u>	<u>\$ 106,273</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 16,310	\$ 16,310
Other	40,000	40,000	-	(40,000)
Total revenues	<u>40,000</u>	<u>40,000</u>	<u>16,310</u>	<u>(23,690)</u>
Expenditures:				
Current:				
Security of persons and property				
Other	20,000	20,000	17,649	2,351
Capital outlay				
Other	15,000	15,000	10,000	5,000
Total expenditures	<u>35,000</u>	<u>35,000</u>	<u>27,649</u>	<u>7,351</u>
Net change in fund balance.	5,000	5,000	(11,339)	(16,339)
Fund balance at beginning of year	<u>11,588</u>	<u>11,588</u>	<u>11,588</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 16,588</u>	<u>\$ 16,588</u>	<u>\$ 249</u>	<u>\$ (16,339)</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 665,000	\$ 665,000	\$ 708,634	\$ 43,634
Other	6,000	6,000	8,724	2,724
Total revenues.	<u>671,000</u>	<u>671,000</u>	<u>717,358</u>	<u>46,358</u>
Expenditures:				
Current:				
General government				
Other	419,815	560,878	-	560,878
Total expenditures	<u>419,815</u>	<u>560,878</u>	<u>-</u>	<u>560,878</u>
Excess of revenues over expenditures	<u>251,185</u>	<u>110,122</u>	<u>717,358</u>	<u>607,236</u>
Other financing sources (uses):				
Transfers in	625,750	625,750	210,745	(415,005)
Transfers (out)	(621,813)	(830,750)	(830,693)	57
Total other financing sources (uses)	<u>3,937</u>	<u>(205,000)</u>	<u>(619,948)</u>	<u>(414,948)</u>
Net change in fund balance.	255,122	(94,878)	97,410	192,288
Fund balance at beginning of year	<u>270,628</u>	<u>270,628</u>	<u>270,628</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 525,750</u>	<u>\$ 175,750</u>	<u>\$ 368,038</u>	<u>\$ 192,288</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 373,000	\$ 373,000	\$ 296,182	\$ (76,818)
Total revenues.	<u>373,000</u>	<u>373,000</u>	<u>296,182</u>	<u>(76,818)</u>
Expenditures:				
Current:				
General government				
Other	215,238	248,044	184,642	63,402
Capital outlay				
Other	<u>26,032</u>	<u>30,000</u>	<u>17,768</u>	<u>12,232</u>
Total expenditures	<u>241,270</u>	<u>278,044</u>	<u>202,410</u>	<u>75,634</u>
Excess of revenues over expenditures	<u>131,730</u>	<u>94,956</u>	<u>93,772</u>	<u>(1,184)</u>
Other financing sources (uses):				
Transfers in.	105,525	105,525	-	(105,525)
Transfers (out)	<u>(86,774)</u>	<u>(100,000)</u>	<u>(75,000)</u>	<u>25,000</u>
Total other financing sources (uses)	<u>18,751</u>	<u>5,525</u>	<u>(75,000)</u>	<u>(80,525)</u>
Net change in fund balance.	150,481	100,481	18,772	(81,709)
Fund balance at beginning of year	<u>30,044</u>	<u>30,044</u>	<u>30,044</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 180,525</u>	<u>\$ 130,525</u>	<u>\$ 48,816</u>	<u>\$ (81,709)</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 40,000	\$ 40,000	\$ 27,543	\$ (12,457)
Intergovernmental	48,000	48,000	28,381	(19,619)
Total revenues.	<u>88,000</u>	<u>88,000</u>	<u>55,924</u>	<u>(32,076)</u>
Expenditures:				
Current:				
General government				
Other	328,706	328,706	-	328,706
Total expenditures.	<u>328,706</u>	<u>328,706</u>	<u>-</u>	<u>328,706</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(240,706)</u>	<u>(240,706)</u>	<u>55,924</u>	<u>296,630</u>
Other financing sources (uses):				
Transfers in	47,150	47,150	10,050	(37,100)
Transfers (out)	(165,000)	(165,000)	(161,019)	3,981
Total other financing sources (uses)	<u>(117,850)</u>	<u>(117,850)</u>	<u>(150,969)</u>	<u>(33,119)</u>
Net change in fund balance.	(358,556)	(358,556)	(95,045)	263,511
Fund balance at beginning of year	<u>425,706</u>	<u>425,706</u>	<u>425,706</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 67,150</u>	<u>\$ 67,150</u>	<u>\$ 330,661</u>	<u>\$ 263,511</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 61,000	\$ 61,000	\$ 54,343	\$ (6,657)
Total revenues	<u>61,000</u>	<u>61,000</u>	<u>54,343</u>	<u>(6,657)</u>
Expenditures:				
Current:				
General government				
Personal services	31,774	51,541	48,649	2,892
Other.	75,159	121,916	47,093	74,823
Capital outlay				
Other.	<u>13,624</u>	<u>22,100</u>	<u>7,340</u>	<u>14,760</u>
Total expenditures	<u>120,557</u>	<u>195,557</u>	<u>103,082</u>	<u>92,475</u>
Excess of expenditures over revenues	<u>(59,557)</u>	<u>(134,557)</u>	<u>(48,739)</u>	<u>85,818</u>
Other financing sources:				
Transfers in	91,250	91,250	-	(91,250)
Total other financing sources.	<u>91,250</u>	<u>91,250</u>	<u>-</u>	<u>(91,250)</u>
Net change in fund balance.	31,693	(43,307)	(48,739)	(5,432)
Fund balance at beginning of year	69,482	69,482	69,482	-
Prior year encumbrances appropriated	<u>75</u>	<u>75</u>	<u>75</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 101,250</u>	<u>\$ 26,250</u>	<u>\$ 20,818</u>	<u>\$ (5,432)</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 70,000	\$ 70,000	\$ 63,945	\$ (6,055)
Total revenues	<u>70,000</u>	<u>70,000</u>	<u>63,945</u>	<u>(6,055)</u>
Expenditures:				
Current:				
General government				
Personal services	41,375	51,591	48,649	2,942
Other	221,405	276,070	35,563	240,507
Capital outlay				
Other	40,981	51,100	5,266	45,834
Total expenditures	<u>303,761</u>	<u>378,761</u>	<u>89,478</u>	<u>289,283</u>
Excess of expenditures over revenues	<u>(233,761)</u>	<u>(308,761)</u>	<u>(25,533)</u>	<u>283,228</u>
Other financing sources:				
Transfers in	84,513	84,513	-	(84,513)
Total other financing sources	<u>84,513</u>	<u>84,513</u>	<u>-</u>	<u>(84,513)</u>
Net change in fund balance.	(149,248)	(224,248)	(25,533)	198,715
Fund balance at beginning of year	243,647	243,647	243,647	-
Prior year encumbrances appropriated	<u>114</u>	<u>114</u>	<u>114</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 94,513</u>	<u>\$ 19,513</u>	<u>\$ 218,228</u>	<u>\$ 198,715</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 15,000	\$ 15,000	\$ 14,715	\$ (285)
Intergovernmental	38,000	38,000	22,341	(15,659)
Total revenues.	<u>53,000</u>	<u>53,000</u>	<u>37,056</u>	<u>(15,944)</u>
Expenditures:				
Current:				
Capital outlay				
Other	18,131	45,720	-	45,720
Total expenditures	<u>18,131</u>	<u>45,720</u>	<u>-</u>	<u>45,720</u>
Excess of revenues over expenditures	<u>34,869</u>	<u>7,280</u>	<u>37,056</u>	<u>29,776</u>
Other financing sources (uses):				
Transfers in	130,850	130,850	43,738	(87,112)
Transfers (out)	(47,589)	(120,000)	(103,514)	16,486
Total other financing sources (uses)	<u>83,261</u>	<u>10,850</u>	<u>(59,776)</u>	<u>(70,626)</u>
Net change in fund balance.	118,130	18,130	(22,720)	(40,850)
Fund balance at beginning of year	<u>22,720</u>	<u>22,720</u>	<u>22,720</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 140,850</u>	<u>\$ 40,850</u>	<u>\$ -</u>	<u>\$ (40,850)</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Contributions and donations.	\$ 5,000	\$ 5,000	\$ 2,500	\$ (2,500)
Total revenues.	<u>5,000</u>	<u>5,000</u>	<u>2,500</u>	<u>(2,500)</u>
Expenditures:				
Current:				
Leisure time activities				
Other	<u>1,500</u>	<u>1,500</u>	<u>1,250</u>	<u>250</u>
Total expenditures	<u>1,500</u>	<u>1,500</u>	<u>1,250</u>	<u>250</u>
Net change in fund balance.	3,500	3,500	1,250	(2,250)
Fund balance at beginning of year	<u>1,250</u>	<u>1,250</u>	<u>1,250</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,750</u>	<u>\$ 4,750</u>	<u>\$ 2,500</u>	<u>\$ (2,250)</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Leisure time activities				
Other	\$ 523	\$ 523	\$ 523	\$ -
Total expenditures	<u>523</u>	<u>523</u>	<u>523</u>	<u>-</u>
Net change in fund balance.	(523)	(523)	(523)	-
Fund balance at beginning of year	<u>523</u>	<u>523</u>	<u>523</u>	<u>-</u>
Fund balance at end of year	<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)
DISASTER RELIEF FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Contributions and donations.	\$ 10,000	\$ 10,000	\$ 170	\$ (9,830)
Total revenues.	10,000	10,000	170	(9,830)
Expenditures:				
Current:				
Public health				
Other	5,000	5,000	170	4,830
Total expenditures	5,000	5,000	170	4,830
Net change in fund balance.	5,000	5,000	-	(5,000)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)

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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Security of persons and property				
Other	\$ 51,480	\$ 51,480	\$ 28,575	\$ 22,905
Total expenditures	<u>51,480</u>	<u>51,480</u>	<u>28,575</u>	<u>22,905</u>
Excess of expenditures over revenues	<u>(51,480)</u>	<u>(51,480)</u>	<u>(28,575)</u>	<u>22,905</u>
Other financing sources:				
Transfers in	<u>32,500</u>	<u>32,500</u>	<u>12,500</u>	<u>(20,000)</u>
Total other financing sources	<u>32,500</u>	<u>32,500</u>	<u>12,500</u>	<u>(20,000)</u>
Net change in fund balance	(18,980)	(18,980)	(16,075)	2,905
Fund balance at beginning of year	<u>38,980</u>	<u>38,980</u>	<u>38,980</u>	<u>-</u>
Fund balance at end of year	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 22,905</u>	<u>\$ 2,905</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, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Income taxes	\$ 1,207,000	\$ 1,207,000	\$ 931,242	\$ (275,758)
Total revenues	1,207,000	1,207,000	931,242	(275,758)
Expenditures:				
Debt service:				
Principal retirement.	780,692	955,000	758,900	196,100
Interest and fiscal charges.	159,858	195,550	172,342	23,208
Total expenditures	940,550	1,150,550	931,242	219,308
Net change in fund balance.	266,450	56,450	-	(56,450)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year.	\$ 266,450	\$ 56,450	\$ -	\$ (56,450)

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 5,233,000	\$ 5,233,000	\$ 5,235,206	\$ 2,206
Tap-in fees	140,000	140,000	85,598	(54,402)
Other.	66,500	66,500	18,708	(47,792)
Total revenues	<u>5,439,500</u>	<u>5,439,500</u>	<u>5,339,512</u>	<u>(99,988)</u>
Operating expenses:				
Personal services.	1,527,380	1,527,380	1,406,237	121,143
Materials and supplies	476,626	476,626	371,702	104,924
Contractual services	2,680,353	2,680,353	2,458,584	221,769
Capital outlay	9,348,579	9,348,579	2,473,358	6,875,221
Total expenses	<u>14,032,938</u>	<u>14,032,938</u>	<u>6,709,881</u>	<u>7,323,057</u>
Operating (loss).	<u>(8,593,438)</u>	<u>(8,593,438)</u>	<u>(1,370,369)</u>	<u>7,223,069</u>
Nonoperating revenues (expenses):				
Special assessments	25,000	25,000	12,104	(12,896)
Advances in	700,000	700,000	700,000	-
Advances out.	(650,000)	(650,000)	(650,000)	-
Investment earnings	7,000	7,000	7,000	-
Capital contributions	100,000	100,000	-	(100,000)
Debt service:				
Principal retirement	(63,505)	(63,505)	(63,505)	-
Interest and fiscal charges	(12,803)	(12,803)	(12,207)	596
Total nonoperating revenues (expenses).	<u>105,692</u>	<u>105,692</u>	<u>(6,608)</u>	<u>(112,300)</u>
Net change in fund equity	(8,487,746)	(8,487,746)	(1,376,977)	7,110,769
Fund equity at beginning of year.	7,990,597	7,990,597	7,990,597	-
Prior year encumbrances appropriated	<u>750,749</u>	<u>750,749</u>	<u>750,749</u>	<u>-</u>
Fund equity at end of year	<u>\$ 253,600</u>	<u>\$ 253,600</u>	<u>\$ 7,364,369</u>	<u>\$ 7,110,769</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 918,000	\$ 918,000	\$ 908,505	\$ (9,495)
Other.	260,500	260,500	167,191	(93,309)
Total revenues.	<u>1,178,500</u>	<u>1,178,500</u>	<u>1,075,696</u>	<u>(102,804)</u>
Operating expenses:				
Personal services.	461,613	461,613	442,989	18,624
Materials and supplies	694,816	694,816	554,011	140,805
Contractual services	122,711	122,711	106,546	16,165
Capital outlay	249,089	249,089	71,342	177,747
Total expenses	<u>1,528,229</u>	<u>1,528,229</u>	<u>1,174,888</u>	<u>353,341</u>
Operating (loss).	<u>(349,729)</u>	<u>(349,729)</u>	<u>(99,192)</u>	<u>250,537</u>
Nonoperating revenues (expenses):				
Income taxes.	606,500	606,500	349,625	(256,875)
Debt service:				
Principal retirement	(235,000)	(235,000)	(235,000)	-
Interest and fiscal charges.	<u>(114,625)</u>	<u>(114,625)</u>	<u>(114,625)</u>	<u>-</u>
Total nonoperating revenues (expenses).	<u>256,875</u>	<u>256,875</u>	<u>-</u>	<u>(256,875)</u>
Net change in fund equity	(92,854)	(92,854)	(99,192)	(6,338)
Fund equity at beginning of year.	460,315	460,315	460,315	-
Prior year encumbrances appropriated	<u>94,414</u>	<u>94,414</u>	<u>94,414</u>	<u>-</u>
Fund equity at end of year	<u>\$ 461,875</u>	<u>\$ 461,875</u>	<u>\$ 455,537</u>	<u>\$ (6,338)</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 1,380,000	\$ 1,380,000	\$ 1,418,137	\$ 38,137
Other.	15,000	15,000	24,788	9,788
Total revenues.	<u>1,395,000</u>	<u>1,395,000</u>	<u>1,442,925</u>	<u>47,925</u>
Operating expenses:				
Personal services.	343,573	353,957	301,748	52,209
Materials and supplies	11,491	11,838	1,746	10,092
Contractual services	36,475	37,577	22,058	15,519
Capital outlay	<u>2,195,589</u>	<u>2,261,945</u>	<u>1,323,747</u>	<u>938,198</u>
Total expenses	<u>2,587,128</u>	<u>2,665,317</u>	<u>1,649,299</u>	<u>1,016,018</u>
Operating (loss).	<u>(1,192,128)</u>	<u>(1,270,317)</u>	<u>(206,374)</u>	<u>1,063,943</u>
Nonoperating revenues (expenses):				
Special assessments	28,500	28,500	19,263	(9,237)
Transfers in	294,000	294,000	14,500	(279,500)
Advance in	650,000	650,000	650,000	-
Advance out	(679,465)	(700,000)	(700,000)	-
Capital contributions	20,000	20,000	8,863	(11,137)
Debt service:				
Principal retirement	(34,258)	(35,293)	(34,793)	500
Interest and fiscal charges.	<u>(7,966)</u>	<u>(8,207)</u>	<u>(8,457)</u>	<u>(250)</u>
Total nonoperating revenues (expenses).	<u>270,811</u>	<u>249,000</u>	<u>(50,624)</u>	<u>(299,624)</u>
Net change in fund equity	(921,317)	(1,021,317)	(256,998)	764,319
Fund equity at beginning of year.	1,015,116	1,015,116	1,015,116	-
Prior year encumbrances appropriated	<u>205,201</u>	<u>205,201</u>	<u>205,201</u>	<u>-</u>
Fund equity at end of year	<u>\$ 299,000</u>	<u>\$ 199,000</u>	<u>\$ 963,319</u>	<u>\$ 764,319</u>

CITY OF STOW, OHIO

*COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2018*

	Administrative Insurance	Self-Insurance	Total Internal Service Funds
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents . . .	\$ 10,894	\$ 940,046	\$ 950,940
Receivables:			
Accounts	-	896	896
Total assets	10,894	940,942	951,836
Liabilities:			
Current liabilities:			
Claims payable.	-	529,001	529,001
Total liabilities	-	529,001	529,001
Net position:			
Unrestricted	10,894	411,941	422,835
Total net position	\$ 10,894	\$ 411,941	\$ 422,835

CITY OF STOW, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018*

	Administrative Insurance	Self-Insurance	Total Internal Service Funds
Operating revenues:			
Charges for services	\$ 387,124	\$ 2,954,293	\$ 3,341,417
Other operating revenues	-	200,075	200,075
Total operating revenues	<u>387,124</u>	<u>3,154,368</u>	<u>3,541,492</u>
Operating expenses:			
Contract services	387,084	-	387,084
Claims expense	-	3,699,090	3,699,090
Total operating expenses	<u>387,084</u>	<u>3,699,090</u>	<u>4,086,174</u>
Operating (loss)/change in net position	40	(544,722)	(544,682)
Net position at beginning of year	<u>10,854</u>	<u>956,663</u>	<u>967,517</u>
Net position at end of year	<u>\$ 10,894</u>	<u>\$ 411,941</u>	<u>\$ 422,835</u>

CITY OF STOW, OHIO

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Administrative Insurance	Self-Insurance	Total Internal Service Funds
Cash flows from operating activities:			
Cash received from customers	\$ 387,124	\$ 2,954,293	\$ 3,341,417
Cash received from other operations	-	199,995	199,995
Cash payments for contract services	(387,084)	-	(387,084)
Cash payments for claims.	-	(3,582,695)	(3,582,695)
Net cash provided by (used in) operating activities	<u>40</u>	<u>(428,407)</u>	<u>(428,367)</u>
Net increase (decrease) in cash and cash equivalents.	40	(428,407)	(428,367)
Cash and cash equivalents at beginning of year	<u>10,854</u>	<u>1,368,453</u>	<u>1,379,307</u>
Cash and cash equivalents at end of year	<u>\$ 10,894</u>	<u>\$ 940,046</u>	<u>\$ 950,940</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss).	\$ 40	\$ (544,722)	\$ (544,682)
Changes in assets and liabilities:			
(Increase) in accounts receivable.	-	(80)	(80)
Increase in claims payable	-	116,395	116,395
Net cash provided by (used in) operating activities.	<u>\$ 40</u>	<u>\$ (428,407)</u>	<u>\$ (428,367)</u>

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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 526,250	\$ 526,250	\$ 387,124	\$ (139,126)
Total revenues	<u>526,250</u>	<u>526,250</u>	<u>387,124</u>	<u>(139,126)</u>
Operating expenses:				
Contractual services	425,853	455,854	387,084	68,770
Total expenses	<u>425,853</u>	<u>455,854</u>	<u>387,084</u>	<u>68,770</u>
Operating income.	<u>100,397</u>	<u>70,396</u>	<u>40</u>	<u>(70,356)</u>
Nonoperating revenues:				
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	125,397	95,396	40	(95,356)
Fund equity at beginning of year.	<u>10,854</u>	<u>10,854</u>	<u>10,854</u>	<u>-</u>
Fund equity at end of year	<u>\$ 136,251</u>	<u>\$ 106,250</u>	<u>\$ 10,894</u>	<u>\$ (95,356)</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 2,910,000	\$ 2,910,000	\$ 2,954,293	\$ 44,293
Other.	555,000	555,000	199,995	(355,005)
Total revenues.	<u>3,465,000</u>	<u>3,465,000</u>	<u>3,154,288</u>	<u>(310,712)</u>
Operating expenses:				
Claims	4,268,453	4,268,453	3,582,695	685,758
Total expenses	<u>4,268,453</u>	<u>4,268,453</u>	<u>3,582,695</u>	<u>685,758</u>
Net change in fund equity	(803,453)	(803,453)	(428,407)	375,046
Fund equity at beginning of year.	<u>1,368,453</u>	<u>1,368,453</u>	<u>1,368,453</u>	<u>-</u>
Fund equity at end of year	<u>\$ 565,000</u>	<u>\$ 565,000</u>	<u>\$ 940,046</u>	<u>\$ 375,046</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.

Metro SWAT Fund

To account for assets held by the City for the Summit Metro Crash Response Team.

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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Fund equity at beginning of year	\$ 336	\$ 336	\$ 336	\$ -
Fund equity at end of year.	<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, 2018*

	<u>Beginning Balance 1/1/2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance 12/31/2018</u>
Road Construction Bonds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 27,722	\$ 23,060	\$ 11,261	\$ 39,521
Total assets	<u>\$ 27,722</u>	<u>\$ 23,060</u>	<u>\$ 11,261</u>	<u>\$ 39,521</u>
Liabilities:				
Undistributed monies	\$ 27,722	\$ 23,060	\$ 11,261	\$ 39,521
Total liabilities	<u>\$ 27,722</u>	<u>\$ 23,060</u>	<u>\$ 11,261</u>	<u>\$ 39,521</u>
 Metro SWAT				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 205,186	\$ 10,801	\$ 194,385
Total assets	<u>\$ -</u>	<u>\$ 205,186</u>	<u>\$ 10,801</u>	<u>\$ 194,385</u>
Liabilities:				
Accounts payable	\$ -	\$ 5,890	\$ -	\$ 5,890
Undistributed monies	-	199,296	10,801	188,495
Total liabilities	<u>\$ -</u>	<u>\$ 205,186</u>	<u>\$ 10,801</u>	<u>\$ 194,385</u>
 Allotment Deposits				
Assets:				
Equity in pooled cash and cash equivalents	\$ 64,612	\$ -	\$ -	\$ 64,612
Total assets	<u>\$ 64,612</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,612</u>
Liabilities:				
Undistributed monies	\$ 64,612	\$ -	\$ -	\$ 64,612
Total liabilities	<u>\$ 64,612</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,612</u>
 Miscellaneous Service Deposits				
Assets:				
Equity in pooled cash and cash equivalents	\$ 12,298	\$ 165,979	\$ 1,000	\$ 177,277
Total assets	<u>\$ 12,298</u>	<u>\$ 165,979</u>	<u>\$ 1,000</u>	<u>\$ 177,277</u>
Liabilities:				
Undistributed monies	\$ 12,298	\$ 165,979	\$ 1,000	\$ 177,277
Total liabilities	<u>\$ 12,298</u>	<u>\$ 165,979</u>	<u>\$ 1,000</u>	<u>\$ 177,277</u>
 Park and Recreation Deposits				
Assets:				
Equity in pooled cash and cash equivalents	\$ 25,132	\$ 261,943	\$ 260,291	\$ 26,784
Receivables:				
Accounts	395	-	395	-
Total assets	<u>\$ 25,527</u>	<u>\$ 261,943</u>	<u>\$ 260,686</u>	<u>\$ 26,784</u>
Liabilities:				
Undistributed monies	\$ 25,527	\$ 261,943	\$ 260,686	\$ 26,784
Total liabilities	<u>\$ 25,527</u>	<u>\$ 261,943</u>	<u>\$ 260,686</u>	<u>\$ 26,784</u>

CITY OF STOW, OHIO

*STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018*

	Beginning Balance 1/1/2018	Additions	Reductions	Ending Balance 12/31/2018
Municipal Court Fund				
Assets:				
Cash in segregated accounts	\$ 572,721	\$ 459,804	\$ 572,721	\$ 459,804
Total assets	<u>\$ 572,721</u>	<u>\$ 459,804</u>	<u>\$ 572,721</u>	<u>\$ 459,804</u>
Liabilities:				
Intergovernmental payable.	\$ 270,679	\$ 206,194	\$ 270,679	\$ 206,194
Undistributed monies	302,042	253,610	302,042	253,610
Total liabilities	<u>\$ 572,721</u>	<u>\$ 459,804</u>	<u>\$ 572,721</u>	<u>\$ 459,804</u>
Summit Metro Crash Unit				
Assets:				
Equity in pooled cash and cash equivalents	\$ 23,777	\$ 12,735	\$ 15,974	\$ 20,538
Total assets	<u>\$ 23,777</u>	<u>\$ 12,735</u>	<u>\$ 15,974</u>	<u>\$ 20,538</u>
Liabilities:				
Accounts payable	\$ 253	\$ -	\$ 253	\$ -
Intergovernmental payable	23,524	12,735	15,721	20,538
Total liabilities	<u>\$ 23,777</u>	<u>\$ 12,735</u>	<u>\$ 15,974</u>	<u>\$ 20,538</u>
Payroll Advance Rotary				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 110,872	\$ 110,872	\$ -
Total assets	<u>\$ -</u>	<u>\$ 110,872</u>	<u>\$ 110,872</u>	<u>\$ -</u>
Liabilities:				
Undistributed monies	\$ -	\$ 110,872	\$ 110,872	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 110,872</u>	<u>\$ 110,872</u>	<u>\$ -</u>
Police Forfeited Cash				
Assets:				
Equity in pooled cash and cash equivalents	\$ 929	\$ -	\$ -	\$ 929
Total assets	<u>\$ 929</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 929</u>
Liabilities:				
Undistributed monies	\$ 929	\$ -	\$ -	\$ 929
Total liabilities	<u>\$ 929</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 929</u>

-- Continued

CITY OF STOW, OHIO

*STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Beginning Balance 1/1/2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance 12/31/2018</u>
Police Drug Forfeiture Cash				
Assets:				
Equity in pooled cash and cash equivalents	\$ 38,046	\$ 30,617	\$ -	\$ 68,663
Receivables:				
Accounts	576	300	576	300
Total assets	<u>\$ 38,622</u>	<u>\$ 30,917</u>	<u>\$ 576</u>	<u>\$ 68,963</u>
Liabilities:				
Accounts payable.	\$ -	\$ 4,463	\$ -	\$ 4,463
Undistributed monies	38,622	26,454	576	64,500
Total liabilities	<u>\$ 38,622</u>	<u>\$ 30,917</u>	<u>\$ 576</u>	<u>\$ 68,963</u>
 Ohio BBS 3% Surcharge				
Assets:				
Equity in pooled cash and cash equivalents	\$ 237	\$ 7,957	\$ 7,593	\$ 601
Receivables:				
Accounts	2	-	2	-
Total assets	<u>\$ 239</u>	<u>\$ 7,957</u>	<u>\$ 7,595</u>	<u>\$ 601</u>
Liabilities:				
Undistributed monies	\$ 239	\$ 7,957	\$ 7,595	\$ 601
Total liabilities	<u>\$ 239</u>	<u>\$ 7,957</u>	<u>\$ 7,595</u>	<u>\$ 601</u>
 Unclaimed Money				
Assets:				
Equity in pooled cash and cash equivalents	\$ 45,114	\$ 7,941	\$ 5,539	\$ 47,516
Total assets	<u>\$ 45,114</u>	<u>\$ 7,941</u>	<u>\$ 5,539</u>	<u>\$ 47,516</u>
Liabilities:				
Undistributed monies	\$ 45,114	\$ 7,941	\$ 5,539	\$ 47,516
Total liabilities	<u>\$ 45,114</u>	<u>\$ 7,941</u>	<u>\$ 5,539</u>	<u>\$ 47,516</u>
 Unclaimed Court Bonds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 43,258	\$ 17,083	\$ 130	\$ 60,211
Total assets	<u>\$ 43,258</u>	<u>\$ 17,083</u>	<u>\$ 130</u>	<u>\$ 60,211</u>
Liabilities:				
Undistributed monies	\$ 43,258	\$ 17,083	\$ 130	\$ 60,211
Total liabilities	<u>\$ 43,258</u>	<u>\$ 17,083</u>	<u>\$ 130</u>	<u>\$ 60,211</u>

- - Continued

CITY OF STOW, OHIO

*STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018*

	Beginning Balance 1/1/2018	Additions	Reductions	Ending Balance 12/31/2018
Fire Bond Insurance				
Assets:				
Equity in pooled cash and cash equivalents	\$ 19,820	\$ 54,850	\$ 74,670	\$ -
Total assets	<u>\$ 19,820</u>	<u>\$ 54,850</u>	<u>\$ 74,670</u>	<u>\$ -</u>
Liabilities:				
Undistributed monies	\$ 19,820	\$ 54,850	\$ 74,670	\$ -
Total liabilities	<u>\$ 19,820</u>	<u>\$ 54,850</u>	<u>\$ 74,670</u>	<u>\$ -</u>
Flexible Spending Plan				
Assets:				
Equity in pooled cash and cash equivalents	\$ 7,598	\$ 120,197	\$ 125,075	\$ 2,720
Total assets	<u>\$ 7,598</u>	<u>\$ 120,197</u>	<u>\$ 125,075</u>	<u>\$ 2,720</u>
Liabilities:				
Deposits held and due to others	\$ 7,598	\$ 120,197	\$ 125,075	\$ 2,720
Total liabilities	<u>\$ 7,598</u>	<u>\$ 120,197</u>	<u>\$ 125,075</u>	<u>\$ 2,720</u>
Total Agency				
Assets:				
Equity in pooled cash and cash equivalents	\$ 308,543	\$ 1,018,420	\$ 623,206	\$ 703,757
Cash in segregated accounts	572,721	459,804	572,721	459,804
Receivables:				
Accounts	973	300	973	300
Total assets	<u>\$ 882,237</u>	<u>\$ 1,478,524</u>	<u>\$ 1,196,900</u>	<u>\$ 1,163,861</u>
Liabilities:				
Accounts payable.	\$ 253	\$ 10,353	\$ 253	\$ 10,353
Intergovernmental payable.	294,203	218,929	286,400	226,732
Deposits held and due to others	7,598	120,197	125,075	2,720
Undistributed monies	580,183	1,129,045	785,172	924,056
Total liabilities	<u>\$ 882,237</u>	<u>\$ 1,478,524</u>	<u>\$ 1,196,900</u>	<u>\$ 1,163,861</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.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	193
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the income tax and property tax.	205
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	213
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	219
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	223

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)*

	Fiscal Year			
	2018	2017 (2)	2016	2015
Governmental activities				
Net investment in capital assets	\$ 52,589,812	\$ 51,399,664	\$ 52,816,080	\$ 48,357,523
Restricted	2,603,875	3,760,314	4,166,978	5,623,410
Unrestricted	(42,734,040)	(39,822,521)	(16,563,916)	(15,725,119)
Total governmental activities net assets	<u>\$ 12,459,647</u>	<u>\$ 15,337,457</u>	<u>\$ 40,419,142</u>	<u>\$ 38,255,814</u>
Business-type activities				
Net investment in capital assets	\$ 33,789,944	\$ 32,987,291	\$ 32,415,187	\$ 31,259,046
Unrestricted	7,887,481	7,995,574	7,805,817	6,953,910
Total business-type activities net assets	<u>\$ 41,677,425</u>	<u>\$ 40,982,865</u>	<u>\$ 40,221,004</u>	<u>\$ 38,212,956</u>
Primary government				
Net investment in capital assets	\$ 86,379,756	\$ 84,386,955	\$ 85,231,267	\$ 79,616,569
Restricted	2,603,875	3,760,314	4,166,978	5,623,410
Unrestricted	(34,846,559)	(31,826,947)	(8,758,099)	(8,771,209)
Total primary government net position	<u>\$ 54,137,072</u>	<u>\$ 56,320,322</u>	<u>\$ 80,640,146</u>	<u>\$ 76,468,770</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.
- (2) Amounts have been restated to reflect the implementation of GASB Statement No. 75.

2014 (1)	2013	2012	2011	2010	2009
\$ 47,970,497	\$ 45,313,451	\$ 42,370,606	\$ 41,520,421	\$ 41,222,186	\$ 38,242,890
6,245,011	5,905,788	6,323,180	6,958,099	7,658,087	7,561,593
(17,122,776)	6,905,379	5,733,071	4,480,067	3,516,064	2,481,660
<u>\$ 37,092,732</u>	<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>
\$ 30,187,216	\$ 29,369,155	\$ 29,113,459	\$ 27,562,287	\$ 26,282,921	\$ 24,875,802
7,124,618	7,514,211	6,372,417	5,632,334	5,385,246	4,148,920
<u>\$ 37,311,834</u>	<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>
\$ 78,157,713	\$ 74,682,606	\$ 71,484,065	\$ 69,082,708	\$ 67,505,107	\$ 63,118,692
6,245,011	5,905,788	6,323,180	6,958,099	7,658,087	7,561,593
(9,998,158)	14,419,590	12,105,488	10,112,401	8,901,310	6,630,580
<u>\$ 74,404,566</u>	<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>

CITY OF STOW, OHIO

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

	Fiscal Year			
	2018	2017	2016	2015
Expenses				
Governmental activities:				
General government	\$ 9,832,637	\$ 9,599,480	\$ 9,163,530	\$ 9,697,067
Security of persons and property	18,511,907	15,824,027	16,618,710	15,209,594
Public health	493,283	485,650	478,066	638,916
Leisure time activities	1,844,816	1,654,196	1,595,972	1,586,402
Community and economic development	1,324,816	1,170,091	1,226,751	1,107,688
Transportation	6,433,094	9,728,248	4,868,751	5,200,034
Interest and fiscal charges	366,907	387,188	411,713	416,865
Bond and note issuance costs	-	-	-	-
Total governmental activities expenses	<u>38,807,460</u>	<u>38,848,880</u>	<u>34,363,493</u>	<u>33,856,566</u>
Business-type activities:				
Water	5,385,576	4,776,746	4,627,806	4,911,480
Golf	1,245,960	1,250,516	1,163,712	1,109,867
Storm Water Utility	926,308	1,079,591	1,332,939	856,262
Total business-type activities expenses	<u>7,557,844</u>	<u>7,106,853</u>	<u>7,124,457</u>	<u>6,877,609</u>
Total primary government expenses	<u>\$ 46,365,304</u>	<u>\$ 45,955,733</u>	<u>\$ 41,487,950</u>	<u>\$ 40,734,175</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 4,510,532	\$ 4,398,031	\$ 4,464,848	\$ 4,737,376
Security of persons and property	851,292	808,659	733,242	781,214
Public health	49,300	68,071	61,127	64,795
Leisure time activities	337,951	345,348	350,441	351,179
Community and economic development	341,992	311,535	313,803	258,697
Transportation	68,242	66,056	55,993	59,877
Operating grants and contributions				
General government	59,835	83,037	63,036	131,108
Security of persons and property	108,692	104,998	147,057	195,437
Public health	51,108	55,841	47,128	74,101
Leisure time activities	80,997	94,728	98,836	143,511
Community and economic development	3,641	2,551	1,583	101,315
Transportation	1,765,387	1,623,047	1,895,979	1,937,569
Capital grants and contributions				
General government	-	-	-	-
Leisure time activities	-	-	-	-
Transportation	963,905	2,686,442	3,596,297	1,816,262
Total governmental program revenues	<u>9,192,874</u>	<u>10,648,344</u>	<u>11,829,370</u>	<u>10,652,441</u>
Business-type activities:				
Charges for services:				
Water	5,304,611	5,264,755	5,329,501	5,306,036
Golf	908,085	973,398	964,926	910,919
Storm Water Utility	1,439,877	1,410,719	966,739	837,428
Capital grants and contributions	8,863	71,802	1,288,799	22,428
Total business-type activities program revenues	<u>7,661,436</u>	<u>7,720,674</u>	<u>8,549,965</u>	<u>7,076,811</u>
Total primary government program revenue	<u>\$ 16,854,310</u>	<u>\$ 18,369,018</u>	<u>\$ 20,379,335</u>	<u>\$ 17,729,252</u>

	2014	2013	2012	2011	2010	2009
\$	8,518,703	\$ 8,351,841	\$ 8,752,518	\$ 8,669,487	\$ 8,737,033	\$ 10,154,101
	14,823,706	14,576,858	14,882,885	14,453,109	14,199,929	14,418,225
	456,152	483,060	460,036	497,770	445,503	421,832
	1,458,229	1,373,291	1,522,538	1,793,620	1,867,648	2,286,945
	1,188,870	1,165,860	1,252,957	1,082,363	686,144	1,380,821
	4,251,589	4,722,114	4,186,489	4,201,252	5,165,638	4,429,498
	662,439	770,369	745,063	840,657	889,212	1,074,985
	82,659	-	-	-	-	-
	<u>31,442,347</u>	<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>
	3,937,944	4,350,339	4,027,924	3,860,564	2,913,323	3,555,964
	1,247,335	1,155,959	1,005,084	1,032,230	1,130,238	1,194,315
	771,375	767,610	844,828	1,180,802	737,255	752,345
	<u>5,956,654</u>	<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>37,399,001</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>
\$	4,026,473	\$ 4,380,103	\$ 4,191,996	\$ 4,080,373	\$ 4,156,491	\$ 3,778,715
	864,313	831,052	722,327	645,493	643,889	551,960
	48,820	58,433	71,036	54,824	58,851	47,841
	355,879	320,879	363,581	335,481	295,434	294,675
	247,686	207,271	195,990	187,218	165,268	166,893
	61,938	12,255	18,025	22,955	66,156	81,544
	364,652	\$81,027	\$77,024	15,648	100	44,497
	171,794	272,427	155,042	164,835	240,066	159,580
	46,795	20,382	47,633	46,463	52,084	41,912
	109,894	184,830	116,496	49,975	53,580	74,462
	101,851	2,395	89,508	10,237	26,895	109,625
	1,871,783	2,431,705	1,856,024	1,811,591	2,107,461	1,645,161
	-	-	-	-	137,134	464,326
	-	-	-	-	-	552
	3,904,877	1,639,994	2,112,844	2,042,998	4,557,230	3,922,217
	<u>12,176,755</u>	<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>
	5,132,114	5,194,737	5,249,886	4,999,870	4,934,014	4,824,385
	892,237	920,428	806,780	685,125	750,361	890,927
	826,125	828,123	820,731	830,508	818,358	815,747
	-	147,668	328,040	225,169	216,000	-
	<u>6,850,476</u>	<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>19,027,231</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>

CITY OF STOW, OHIO

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

	Fiscal Year			
	2018	2017	2016	2015
Net (Expense)/Revenue				
Governmental activities	\$ (29,614,586)	\$ (28,200,536)	\$ (22,534,123)	\$ (23,204,125)
Business-type activities	103,592	613,821	1,425,508	199,202
Total primary government net expense	<u>\$ (29,510,994)</u>	<u>\$ (27,586,715)</u>	<u>\$ (21,108,615)</u>	<u>\$ (23,004,923)</u>
General Revenues, Special Items, and Transfers				
Governmental activities:				
Taxes				
Property taxes	\$ 7,507,770	\$ 6,914,392	\$ 6,877,774	\$ 6,822,960
Income taxes	15,830,768	15,246,923	14,987,212	14,777,475
Grants and entitlements not restricted to specific programs	2,563,481	2,264,359	2,294,742	2,241,649
Investment earnings	190,528	110,385	118,136	96,332
Other	658,729	578,722	432,587	428,791
Special item - Municipal Court	-	-	-	-
Transfers	(14,500)	(608,180)	(13,000)	-
Total governmental activities	<u>26,736,776</u>	<u>24,506,601</u>	<u>24,697,451</u>	<u>24,367,207</u>
Business-type activities:				
Municipal income taxes	358,760	348,785	346,806	349,841
Investment earnings	7,000	-	-	-
Other	210,708	218,598	222,734	352,079
Transfers	14,500	608,180	13,000	-
Total business-type activities	<u>590,968</u>	<u>1,175,563</u>	<u>582,540</u>	<u>701,920</u>
Total primary government	<u>\$ 27,327,744</u>	<u>\$ 25,682,164</u>	<u>\$ 25,279,991</u>	<u>\$ 25,069,127</u>
Change in Net Position				
Governmental activities	\$ (2,877,810)	\$ (3,693,935)	\$ 2,163,328	\$ 1,163,082
Business-type activities	694,560	1,789,384	2,008,048	901,122
Total primary government	<u>\$ (2,183,250)</u>	<u>\$ (1,904,551)</u>	<u>\$ 4,171,376</u>	<u>\$ 2,064,204</u>

Source: City of Stow, Financial Records

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ (19,265,592)	\$ (21,000,640)	\$ (21,784,960)	\$ (22,070,167)	\$ (19,430,468)	\$ (22,782,447)
893,822	817,048	1,327,601	667,076	1,937,917	1,028,435
<u>\$ (18,371,770)</u>	<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>
\$ 6,933,760	\$ 6,916,433	\$ 6,749,766	\$ 7,506,559	\$ 7,533,686	\$ 7,414,664
14,164,765	13,944,273	13,440,529	12,346,779	11,573,713	11,415,940
2,497,688	3,434,601	3,146,808	2,945,092	3,933,904	3,881,534
60,235	58,986	25,117	70,797	102,494	192,603
340,716	382,470	244,661	396,105	612,143	660,823
-	-	-	-	-	1,778,978
(65,500)	(38,362)	(353,651)	(366,417)	(215,278)	(346,219)
<u>23,931,664</u>	<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>
341,086	361,561	369,843	468,841	361,828	354,440
-	-	-	-	-	-
261,533	180,519	240,160	104,526	128,422	245,021
65,500	38,362	353,651	366,417	215,278	346,219
<u>668,119</u>	<u>580,442</u>	<u>963,654</u>	<u>939,784</u>	<u>705,528</u>	<u>945,680</u>
<u>\$ 24,599,783</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>
\$ 4,666,072	\$ 3,697,761	\$ 1,468,270	\$ 828,748	\$ 4,110,194	\$ 2,215,876
1,561,941	1,397,490	2,291,255	1,606,860	2,643,445	1,974,115
<u>\$ 6,228,013</u>	<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>

CITY OF STOW, OHIO

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund				
Nonspendable	\$ 147,308	\$ 156,787	\$ 153,016	\$ 108,652
Committed	43,650	37,485	30,804	22,723
Assigned	337,214	404,754	417,810	1,577,695
Unassigned	6,545,950	6,299,018	6,063,255	4,241,169
Reserved	-	-	-	-
Unreserved:				
Designated	-	-	-	-
Undesignated	-	-	-	-
Total general fund	<u>\$ 7,074,122</u>	<u>\$ 6,898,044</u>	<u>\$ 6,664,885</u>	<u>\$ 5,950,239</u>
All Other Governmental Funds				
Nonspendable	\$ 750,441	\$ 521,546	\$ 493,613	\$ 579,507
Restricted	3,458,695	3,828,740	4,009,797	5,221,174
Committed	4,637,785	4,128,248	4,131,358	2,816,933
Unassigned (deficit)	(165,424)	(155,376)	(93,283)	(164,337)
Reserved	-	-	-	-
Unreserved, undesignated reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Total all other governmental funds	<u>\$ 8,681,497</u>	<u>\$ 8,323,158</u>	<u>\$ 8,541,485</u>	<u>\$ 8,453,277</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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 (1)</u>	<u>2010</u>	<u>2009</u>
\$ 269,002	\$ 289,387	\$ 286,318	\$ 320,672	\$ -	\$ -
21,788	20,793	17,955	64,876	-	-
1,125,419	3,933,706	3,471,773	2,485,844	-	-
4,413,302	1,628,614	1,222,906	2,502,787	-	-
-	-	-	-	714,764	605,178
-	-	-	-	1,000,000	1,000,000
-	-	-	-	2,976,313	2,856,832
<u>\$ 5,829,511</u>	<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>
\$ 385,910	\$ 444,569	\$ 455,496	\$ 533,237	\$ -	\$ -
5,287,655	4,921,578	5,258,523	5,568,649	-	-
2,332,839	2,249,927	1,946,548	1,420,126	-	-
(506,428)	(545,855)	(457,853)	(536,592)	-	-
-	-	-	-	1,383,270	1,340,169
-	-	-	-	2,968,820	3,142,525
-	-	-	-	2,083,262	1,842,344
<u>\$ 7,499,976</u>	<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>

CITY OF STOW, OHIO

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenues				
Property and other taxes	\$ 7,595,416	\$ 6,927,627	\$ 6,890,772	\$ 6,881,230
Income taxes	15,822,349	15,194,104	15,224,612	14,710,235
Special assessments	41,775	41,470	49,215	64,482
Charges for services	1,189,642	1,184,172	1,099,248	1,132,110
Licenses and permits	1,126,043	1,021,209	995,610	1,197,634
Fines and forfeitures	3,428,020	3,477,457	3,543,266	3,564,249
Intergovernmental	5,322,707	6,744,475	7,703,578	6,114,614
Investment income	201,841	131,539	133,900	114,347
Rent	373,829	272,451	292,115	294,663
Contributions and donations	218,931	31,268	70,867	33,520
Other	634,136	735,555	754,464	895,591
Total revenues	<u>35,954,689</u>	<u>35,761,327</u>	<u>36,757,647</u>	<u>35,002,675</u>
Expenditures				
Current:				
General government	8,390,194	8,235,918	8,211,340	8,308,468
Security of persons and property	14,680,515	14,127,975	13,596,998	13,600,998
Public health	463,468	445,150	455,255	609,555
Leisure time activities	1,532,698	1,356,268	1,383,692	1,417,013
Community and economic development	1,118,543	974,126	1,082,900	1,025,771
Transportation	2,533,954	2,534,423	2,657,825	2,640,860
Capital outlay	4,848,154	6,205,552	6,720,189	4,624,188
Debt service:				
Principal retirement	3,202,250	3,578,756	3,954,929	4,283,548
Interest and fiscal charges	355,505	385,352	407,288	447,822
Bond and note issuance costs	-	-	-	148,496
Total expenditures	<u>37,125,281</u>	<u>37,843,520</u>	<u>38,470,416</u>	<u>37,106,719</u>
Excess of revenues over (under) expenditures	(1,170,592)	(2,082,193)	(1,712,769)	(2,104,044)
Other Financing Sources (Uses)				
Notes issued	1,700,000	2,100,000	2,500,000	2,900,000
Premium on notes	19,509	11,525	28,623	22,308
Refunding bonds issued	-	-	-	8,667,680
Premium on bonds	-	-	-	264,994
Refunding of notes	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	(8,676,909)
Capital lease transaction	-	-	-	-
Transfers in	1,972,178	1,674,868	1,900,885	1,697,092
Transfers out	(1,986,678)	(1,689,368)	(1,913,885)	(1,697,092)
Total other financing sources (uses)	<u>1,705,009</u>	<u>2,097,025</u>	<u>2,515,623</u>	<u>3,178,073</u>
Special item - Municipal Court	-	-	-	-
Net change in fund balances	<u>\$ 534,417</u>	<u>\$ 14,832</u>	<u>\$ 802,854</u>	<u>\$ 1,074,029</u>
Capital expenditures	3,565,781	1,000,923	6,248,388	3,428,112
Debt service as a percentage of noncapital expenditures	10.60%	10.76%	13.54%	14.05%

Source: City of Stow, Financial Records

2014	2013	2012	2011	2010	2009
\$ 6,869,238	\$ 6,971,158	\$ 6,812,959	\$ 7,439,333	\$ 7,440,114	\$ 7,433,923
14,151,477	14,027,261	13,268,271	12,510,420	11,602,741	10,878,906
70,989	70,040	79,414	79,284	79,891	87,235
1,211,598	1,152,015	1,105,199	989,297	989,314	891,690
949,862	997,249	832,976	610,777	757,871	745,026
3,345,709	3,354,995	3,278,358	3,318,885	3,290,911	2,931,853
8,340,406	7,664,557	7,415,284	7,229,340	10,787,212	7,551,001
68,642	66,515	78,030	81,151	71,668	198,896
316,572	232,750	263,789	251,610	279,040	283,061
74,081	43,329	94,783	41,899	51,542	538,048
846,910	698,672	405,427	625,040	891,784	3,092,860
36,245,484	35,278,541	33,634,490	33,177,036	36,242,088	34,632,499
7,957,517	7,740,624	7,924,144	8,016,135	8,390,076	9,327,006
13,790,021	13,633,665	13,269,335	12,993,041	13,349,173	13,342,694
440,029	467,530	428,843	473,722	430,664	423,408
1,292,695	1,221,752	1,335,813	1,551,330	1,688,869	2,057,269
1,103,909	1,118,340	1,091,775	1,055,196	1,127,128	1,321,055
2,539,841	2,673,702	2,408,432	2,736,071	3,321,718	2,561,137
6,240,117	4,513,273	4,192,551	3,300,320	5,096,319	9,866,073
5,145,674	6,548,067	935,877	894,177	867,277	742,348
681,765	783,668	827,730	879,409	934,179	1,059,124
82,659	-	-	-	6,907	48,478
39,274,227	38,700,621	32,414,500	31,899,401	35,212,310	40,748,592
(3,028,743)	(3,422,080)	1,219,990	1,277,635	1,029,778	(6,116,093)
3,300,000	4,125,000	5,575,000	7,025,000	7,125,000	7,925,000
32,852	38,133	72,077	55,535	109,603	77,882
3,790,000	-	-	-	-	-
47,764	-	-	-	-	-
-	-	(7,025,000)	(7,125,000)	(7,925,000)	(9,475,000)
(3,755,105)	-	-	-	-	-
-	-	-	-	-	505,596
1,888,151	2,150,397	3,048,524	1,948,887	1,831,835	1,771,307
(1,888,151)	(2,150,397)	(3,048,524)	(1,948,887)	(1,831,835)	(1,771,307)
3,415,511	4,163,133	(1,377,923)	(44,465)	(690,397)	(966,522)
-	-	-	-	-	1,778,978
\$ 386,768	\$ 741,053	\$ (157,933)	\$ 1,233,170	\$ 339,381	\$ (5,303,637)
5,906,210	4,110,452	2,648,076	2,062,962	4,332,436	8,883,818
17.46%	21.20%	5.92%	5.94%	5.83%	5.65%

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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
2018	\$ 842,292,600	\$ 2,406,550,286	\$ 11,732,740	\$ 46,930,960	\$ -	\$ -
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

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 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.

Total			
Assessed Value	Estimated Actual Value	Total Direct Rate	Ratio
\$ 854,025,340	\$ 2,453,481,246	9.50	34.81%
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%

CITY OF STOW, OHIO

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

Collection Year	City Direct Rates					Overlapping Rates		
	General Operating	Police Pension	Fire Pension	EMS	Total Direct	Stow-Munroe Falls City School District	Summit County	Stow-Munroe Falls Public Library
2018	6.60	0.30	0.30	2.30	9.50	53.87	12.70	2.00
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

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>
2018	\$ 8,113,773	\$ 7,981,420	98.37%	\$ 132,353	\$ 8,113,773	100.00%
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%

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*

December 31, 2018			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Ohio Edison	\$ 7,881,910	1	0.92%
DDR Ohio Opportunity II, LLC	7,718,940	2	0.90%
Wyndham Ridge LTD	7,433,050	3	0.87%
Heron Springs Associates, LLC	6,962,400	4	0.82%
JVM Hidden Lake Apartments, LLC	4,410,030	5	0.52%
Stow Glen Properties, LLC	3,940,860	6	0.46%
Stow Associates	3,336,500	7	0.39%
Albrecht Incorporated	3,023,280	8	0.35%
Steels Corners Apartment Co., LTD	2,994,910	9	0.35%
Schroer Properties of Stow Inc.	2,830,030	10	0.33%
Total	\$ 50,531,910		5.92%
Total Assessed Value of Property	\$ 854,025,340		

December 31, 2009			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Wyndham Ridge, LTD	\$ 8,784,620	1	1.02%
DDR Ohio Opportunity II, LLC	8,598,290	2	1.00%
Heron Springs Associates, LLC	8,597,890	3	1.00%
JVM Hidden Lake Apartments, LLC	5,879,200	4	0.68%
Ohio Edison	5,624,040	5	0.66%
Stow Glen Properties, LLC	5,168,020	6	0.60%
Morgan Adhesive Co.	4,664,320	7	0.54%
SFC Enterprises, LTD	4,485,470	8	0.52%
Steels Corners Apartment Co., LTD	3,915,990	9	0.46%
NHF RE 2, LLC	3,600,770	10	0.42%
Total	\$ 59,318,610		6.91%
Total Assessed Value of Property	\$ 858,478,089		

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>
2018	2.00%	\$ 15,767,289	\$ 11,201,964	71.05%	\$ 2,151,293 (2)	13.64%	\$ 2,414,033	15.31%
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%

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
2018	\$ 9,332,754	\$ 1,706,359	\$ -	\$ 1,229,742	\$ 4,305,993	\$ -	\$ -
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

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 221.

Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
\$ 16,574,848	1.33%	476
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

CITY OF STOW, OHIO

*RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS*

Fiscal Year	General Bonded Debt Outstanding		Percentage of Estimated Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Total		
2018	\$ 13,638,747	\$ 13,638,747	0.56%	391
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%	521
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

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, 2018*

<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	\$ 11,039,113	100.00%	\$ 11,039,113
Overlapping Debt:			
Summit County	37,290,000	6.89%	2,569,281
Stow-Munroe Falls City School District	3,130,520	87.36%	<u>2,734,822</u>
Subtotal, overlapping debt			<u>5,304,103</u>
Total direct and overlapping debt			<u><u>\$ 16,343,216</u></u>

Source: Ohio Municipal Advisory Council

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

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

CITY OF STOW, OHIO

*LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS*

Fiscal Year	Debt Limit - Voted	Debt Limit - Unvoted	Net Debt Applicable to Limit	Legal Debt Margin - Voted	Legal Debt Margin - Unvoted	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2018	\$ 89,672,661	\$ 35,331,394	\$ 11,640,000	\$ 78,151,568	\$ 35,331,394	12.98%
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%

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>
2018	34,857	\$ 1,243,000,620	\$ 35,660	5,286	4.0%
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%

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*

2018		
Employer (a)	Employees	Rank
Stow-Munroe Falls City Schools	643	1
NMG Aerospace	325	2
City of Stow	235	3
Matco Tools Corporation	200	4
RMG	200	5
Cleveland Clinic (Akron General) Wellness	175	6
Innovative Fabrications	150	7
Audio Technica U.S. Corporation	130	7
MACTac - Morgan Adhesives	125	9
Esterle Mold	110	10
Total	<u>2,293</u>	

2009		
Employer (a)	Employees	Rank
Stow-Munroe Falls City Schools	771	1
City of Stow	271	2
MACTac - Morgan Adhesives	260	3
National Machine Co.	176	4
Matco Tools Corporation	172	5
J.D. Clunk & Associates	158	6
Akron General Health & Wellness Center	144	7
Centimark Corporation	130	8
Wrayco Industries, Inc.	116	9
Audio Technica U.S. Corporation	102	10
Total	<u>2,300</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

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government										
Management service	20	20	20	19	20	21	23	24	23	29
Finance	9	9	9	9	9	8	8	9	9	13
Planning	4	4	4	4	5	5	4	6	6	6
Building	4	4	4	4	4	4	4	4	4	6
Other - Public Utilities	16	13	14	13	13	12	11	12	9	13
Municipal court personnel (a)	37	37	37	32	29	32	35	36	35	33
Security of persons and property										
Officers	42	40	38	40	39	37	39	39	40	40
Civilians	78	78	76	80	79	79	78	78	80	81
Public health and welfare	1	1	1	1	1	1	1	1	1	1
Transportation	16	15	15	16	15	15	13	13	17	22
Community environment	3	3	3	3	3	3	3	3	3	3
Leisure time activity	7	8	10	11	10	10	12	15	15	14
Total	237	232	231	232	227	227	231	240	242	261

Source: City of Stow Finance Office

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

CITY OF STOW, OHIO

*OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS*

Function/Program	2018	2017	2016	2015
General Government				
Council				
Number of Ordinances & resolutions	165	144	144	181
Court				
Number of court cases	20,291	19,777	20,029	18,955
Number of tickets	12,257	12,121	12,543	11,322
Number of court appearances - criminal	4,146	4,129	4,335	4,211
Finance				
Checks issued	5,299	5,145	5,159	5,157
Purchase orders issued	2,224	2,151	2,257	2,277
Number of W-2 forms issued	466	481	465	477
City W-2 Wages	\$ 17,199,849	\$ 17,045,741	\$ 17,021,048	\$ 16,671,461
Security of persons and property				
Police				
Physical arrests	521	685	668	718
Parking violations	111	144	129	195
Traffic citations	2,813	3,121	2,864	2,484
Traffic accidents	849	827	841	783
Marked patrol units	18	18	24	20
Unmarked patrol units	9	9	8	10
Calls for service answered	13,332	13,865	12,755	11,985
Fire				
Fire engines	4	4	4	4
Calls answered	4,386	4,089	4,049	3,887
Number of inspections by Fire Prevention Bureau	3,181	3,359	3,431	3,036
Transportation				
Number of bridges	13	13	13	13
Number of street lights	1,247	1,247	1,247	1,247
Number of signalized intersections	48	47	47	47
Community Environment				
Building				
Building permits issued	555	605	551	509
Inspections performed	2,211	2,271	2,520	2,256
Estimated value of construction	\$ 58,361,368	\$ 42,325,731	\$ 33,590,714	\$ 38,243,672
Number of plans examined	117	87	106	68
Public Health and Welfare				
Cemetery (plots sold)	48	70	68	72
Water				
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	12,300	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

2014	2013	2012	2011	2010	2009
167	192	199	141	201	280
18,011	18,696	19,011	20,098	19,631	18,826
10,687	11,392	10,937	12,021	11,292	10,661
3,936	3,911	4,134	3,769	3,339	3,436
5,201	5,425	5,380	5,295	5,680	6,277
2,405	2,549	2,461	2,403	2,459	2,987
472	468	475	478	478	511
\$ 16,249,048	\$ 15,945,791	\$ 15,742,029	\$ 16,522,771	\$ 16,824,239	\$ 17,590,450
696	670	785	771	868	885
203	231	387	189	152	201
2,027	2,225	2,411	2,214	2,073	2,950
653	683	733	660	662	697
20	24	18	21	19	20
10	7	8	8	9	9
11,452	11,386	11,990	11,899	12,087	12,060
4	4	4	4	4	4
3,772	3,618	3,582	3,412	3,311	3,352
1,382	3,330	1,830	1,364	1,125	1,437
13	13	13	13	13	13
1,247	1,247	1,247	1,247	1,247	1,246
47	47	47	47	47	47
626	635	641	572	490	542
2,221	2,055	1,802	1,624	1,522	1,024
\$ 30,696,120	\$ 34,272,193	\$ 15,406,124	\$ 26,150,449	\$ 11,675,618	\$ 13,998,794
75	87	109	128	85	94
45	54	85	48	64	49
165	165	165	165	165	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	2,500	2,225
3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,100,000

CITY OF STOW, OHIO

*CAPITAL ASSET INDICATORS
LAST TEN YEARS*

Function/Program	2018	2017	2016	2015
Public Safety				
Police:				
Stations	1.00	1.00	1.00	1.00
Fire:				
Stations	3.00	3.00	3.00	3.00
Leisure Time Activities				
City Parks	4.00	4.00	4.00	4.00
Neighborhood Parks	6.00	6.00	6.00	6.00
Park Acreage	407.75	407.75	407.75	407.75
Lodges	2.00	2.00	2.00	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
Transportation				
City Lanes (Paved Miles)	293.00	293.00	293.00	293.00
State Highways (Paved Miles)	48.00	48.00	48.00	48.00

Source: City of Stow, various departments

2014	2013	2012	2011	2010	2009
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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</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	855,249	918,474	4,571,484	1,226,023
Buildings and building improvements	20,097,302	20,715,816	21,194,375	21,953,817
Vehicles	3,260,542	3,340,121	3,178,969	3,190,624
Equipment, furniture and fixtures	2,535,631	2,089,539	2,038,371	1,936,345
Infrastructure	25,801,395	25,771,003	24,726,030	24,815,251
Total Capital Assets, Net	<u><u>\$ 63,767,838</u></u>	<u><u>\$ 64,052,672</u></u>	<u><u>\$ 66,926,948</u></u>	<u><u>\$ 64,339,779</u></u>

Source: City of Stow, Financial Records

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 11,202,207	\$ 11,202,207	\$ 11,202,207	\$ 11,202,207	\$ 11,202,207	\$ 11,202,207
15,512	-	-	-	-	-
3,459,378	2,077,928	1,300,837	3,110,833	1,761,672	7,798,151
22,719,198	23,437,074	24,303,362	25,073,391	25,757,410	26,493,723
3,136,673	2,975,727	3,124,833	3,343,819	3,641,213	4,049,487
2,191,092	2,311,581	2,389,853	2,338,082	2,602,336	2,674,827
22,339,662	22,751,861	21,891,292	19,789,030	20,780,748	12,040,957
<u>\$ 65,063,722</u>	<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>

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OHIO AUDITOR OF STATE
KEITH FABER



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 27, 2019**