



**Auditor of State
Betty Montgomery**

CITY OF STOW
SUMMIT COUNTY

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

To the Mayor and City Council Members:

We have audited the financial statements of the City of Stow, Summit County, Ohio, (the City) as of and for the year ended December 31, 2002, and have issued our report thereon dated June 23, 2003, in which we noted the City changed its fixed asset capitalization threshold. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

However, we noted a certain immaterial instance of noncompliance that we have reported to the management of the City in a separate letter dated June 23, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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City of Stow
Summit County
Independent Accountants' Report on Compliance and on
Internal Control Required by *Government Auditing Standards*

However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report that we have reported to management on the City in a separate letter date June 23, 2003.

This report is intended for the information and use of the audit committee, management, City Council, and is not intended to be and should not be used by anyone other than these specified parties.

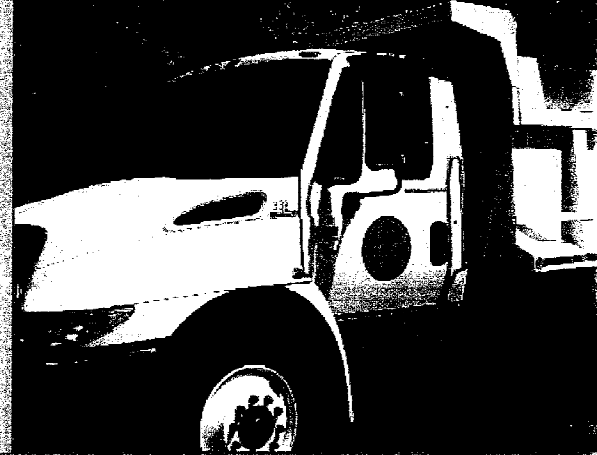
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Betty Montgomery
Auditor of State

June 23, 2003

CITY OF STOW, OHIO

MARSH ROAD PUMP STATION



COMPREHENSIVE ANNUAL FINANCIAL REPORT
for the fiscal year ended December 31, 2002

Introductory Section

CITY OF STOW, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2002

PREPARED BY THE DEPARTMENT OF FINANCE

JOHN M. BARANEK, DIRECTOR OF FINANCE

CITY OF STOW, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2002

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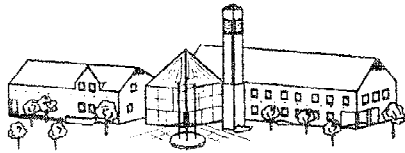
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Stow City Hall

City of Stow

3760 Darrow Road • Stow, Ohio 44224 • Phone (330) 689-2833

John M. Baranek
Director of Finance

June 23, 2003

The Honorable Mayor Lee A. Schaffer,
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 for the fiscal year ended December 31, 2002, is hereby respectfully submitted. It includes information pertaining to all of the City's funds and financial transactions and selected comparative financial and other information for the most recently completed fiscal year (2002) and previous years. 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 various funds and account groups of the City. All disclosures necessary to provide the reader with a better understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report (CAFR) is presented in three sections: Introductory, Financial and Statistical. The Introductory Section includes this transmittal letter, a listing of the principal City officials and an organization chart. The financial section contains the Independent Accountants' Report on the financial statements, the general purpose financial statements and the combining and individual fund and account group statements and schedules. The Statistical Section includes financial and demographic information, generally presented on a multiple year basis.

THE REPORTING ENTITY

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 eight miles northeast of Akron, Ohio. With a population of 32,139 according to the 2000 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.

Proud of our Progress

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. The Mayor and Law Director are limited by the Charter to eight consecutive years in office. All other elected City officials have no term limitations.

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. Three cemeteries and numerous community and neighborhood parks and other recreation facilities are also owned and managed by the City for the benefit of its citizens.

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

ECONOMIC CONDITION AND FUTURE OUTLOOK

The City of Stow was originally founded as a township, eventually became a village and was incorporated as a city in 1960 with a population of 12,194. The 2000 population reached 32,139. Stow became the third largest city in Summit County in 1990 and continued as such in 2002. To accommodate the City's population growth, over 8,000 dwelling units have been constructed in Stow since 1970. It is estimated that there is unused community capacity for an additional 5,000 dwelling units to be constructed in Stow in the future. Recent projections estimate the fully developed population of the City of Stow to be nearly 40,000 residents. This figure could be reached sometime within the next 25 years.

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

Substantial commercial, office and industrial growth has occurred in Stow in recent years. As part of the effort to update the City's Comprehensive Land Use Plan last year, 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 2.1 million square feet. Retail vacancies were found to be in the 8-10 percent range for overall constructed space. The Stow vacancy rate is lower than the rate for the Greater Akron/Summit County area. It is anticipated that the City will take the necessary policy steps to ensure that the local retail sector continues to grow. Estimates place the potential demand for additional retail space in Stow to be as high as 380,000 square feet or more over the next ten years.

City officials have placed a particular emphasis on the development of the office and industrial market in Stow, recognizing the positive revenue implications resulting from this type of development. Approximately 170,000 square feet of office space has been constructed in Stow since 1990. Through the use of development incentive programs, City officials are planning to encourage the construction of a minimum of 240,000 square feet of additional office space alone by 2010. The planned Seasons Road/State Route 8 Interchange Project will accommodate much of the expected office, retail and light industrial development in the northwest sector of the City. The current development of the Steels Corners Road and Seasons Road/State Route 8 Interchange area could eventually account for 100,000-150,000 square feet of the City's expected new office space by the end of this decade. Supporting commercial and service businesses are already being planned in the vicinity of the Interchange.

The City of Stow offers an excellent opportunity for business growth because of a broad network of state and interstate highways which provide the area with access to regional and national markets. Stow is fortunate to have a diversified tax base comprised of many small-to-medium sized industries. Although one significant employer (152 employees) ceased operations in 2002, the City had eight other private industries that employed between 100 and 250 workers. One private employer has more than 400 employees. Additional industrial development is expected to be derived from the City's participation in the Foreign Trade Zone, which is located in the northwest area of Stow and was created for the purpose of promoting local industrial development.

MAJOR INITIATIVES

Current Year – In 2002, the City continued implementation of its voter-approved program to expand the City's Emergency Medical Services (EMS) and fire response capabilities. The City is in the process of building two new fire stations, acquiring three new fire/rescue trucks and hiring fifteen new firefighter/paramedics over a two-year period. The expansion program is being funded through an increase of 2.3 mills in the City's Charter property tax rate. One of the new fire stations will be an additional station to increase emergency coverage on the City's east side, while the other will be a relocated replacement facility to improve response times on the City's west side. The fifteen additional paramedics will enable the City's Fire Department to operate a full EMS transport system throughout the entire community and to fully staff the new fire stations, one of which should be ready for occupancy in late 2003 and the other in mid-2004. The City's centrally located Safety Building will continue to serve the community as its main fire station.

Architectural design of the City's new Service Maintenance and Parks Maintenance, and Urban Forestry Centers was completed in 2001. Construction on both buildings commenced in 2002. These facilities, which will provide almost 100,000 square feet of new space for the City's combined maintenance operations, including Water System maintenance, will enable the City to store almost all of its service and parks vehicles indoors. The new structures will cost approximately \$9.8 million combined. They will replace the existing undersized and outdated buildings, which have been used by Stow for many years. Both Maintenance Centers are scheduled to be completed and ready for occupancy in mid-2003. These two new City structures are major components of the City's ongoing long-term plan to construct new public service facilities for the City government to serve its residents and businesses. Previous new buildings constructed include the Stow City Hall, which was opened in 1986, and the Safety Building (Police, Fire, EMS and Communications), which was completed in 1995.

In cooperation with the City of Hudson, Stow continued with the connection of Norton and Seasons Roads in northwest Stow in 2002. This project, which will cost the two communities a combined \$2.7 million, will provide a continuous major road in a section of Stow in which travel has been inhibited due to the absence of the connection. It will be completed in the second half of 2003.

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 2002, the City allocated \$900,000 for general road repaving. This was more than double the total allocated in the City's capital budget five years earlier. The City also approved funding as part of the 2001-2002 Capital Improvements Budget for five major road-related projects, all which are designed to improve the community's transportation system and the future flow of traffic in Stow.

A program to revitalize older commercial areas of the City by completing improvements in or adjacent to the City right-of-way such as the installation of needed sidewalks, landscape strips, street trees, planters and/or decorative paving blocks was continued by the City in 2002. Each improvement is being completed in cooperation with the property owners who will share the cost with the City. As part of the program, the property owners are also committing to building renovations. The program will help improve the appearance of the City's older commercial areas. Two or three projects are planned to be completed each year.

In order to accommodate the expected continued population and business growth in Stow, the City government will continue to invest in its public facilities, its transportation system, the Stow Water System and the community infrastructure in the years ahead. City officials will be guided in the development of the community in the future by the City's new Comprehensive Land Use Plan, which was updated and approved in 2001. Before it received final approval, the new Plan was the subject of 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 a very successful first full operating year for the System in 2002. Stow continued to provide water in 2002 to its citizens based on a tentative long-term water supply agreement with 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 are expected to be finalized in 2003.

A five-year Operating Budget for the Stow Water System was developed in 2001 to guide the City in managing the operation and maintenance of the System. The five-year Budget is updated each year and is used to assist the administration and City Council in determining and meeting the operating needs of the System and assessing the adequacy and level of future water rates.

In 2002, 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 police bike patrol, adopt-a-spot beautification, the neighborhood playground upgrades, residential storm sewer improvements, sidewalk repair, litter and recycling education and awareness, neighborhood beautification and tree planting programs were important accomplishments of the City again this past year.

A comprehensive ten-year Capital Improvements Financial Plan was prepared by the City in 2002 to guide City officials in undertaking and completing the City's major permanent improvement projects over the period, 2002-2011. The Plan identifies available capital improvement funding sources and all potential general capital projects which are necessary to improve the City's infrastructure, buildings, facilities and major equipment over the next ten years.

Future – Several major initiatives designed to enable the City to accommodate the continued growth and development of Stow and enhance the Stow community were underway in 2003.

The State Route 8 Interchange Project, located at State Route 8 and Seasons Road in both Stow and Hudson, is in the preliminary planning stages. It will be a joint undertaking of the State of Ohio, the City of Stow and the City of Hudson. Along with the Seasons/Norton Roads connection project, it is necessary to expand the industrial and commercial growth areas of Stow. The total construction cost for the interchange is expected to be at least \$6,000,000. Stow and Hudson will be responsible for paying for a combined fifty percent of the cost, or a minimum of \$1,500,000 each. Preliminary planning estimates are that bidding for the construction could be underway in 2005 or 2006. Through the City's annual road paving program and such projects as the Norton/Seasons Roads connection, the State Route 8 Interchange and various other planned road, intersection, traffic light and bridge improvements, the City of Stow will be upgrading the community transportation system significantly over the next decade.

In 2003, the City will also be continuing its ongoing traffic signal upgrade program at major intersections throughout the community. Local funds will be combined with grant funds and other sources to finance the installation of new signals at high traffic volume locations to improve traffic control and/or to meet safety concerns.

In addition to the Seasons/Norton Roads Connection and the State Route 8 Interchange at Seasons Road, eleven major road projects have been identified for inclusion in the City's long-term Capital Improvements Financial Plan as being necessary to be undertaken by the City during the upcoming ten-year period. It is expected that up to ten of the eleven projects will receive state and/or federal funding.

With the assistance of the City's consulting engineering firm, in early 2003 the City of Stow completed a draft long-term Water System Capital Improvements Plan. The purpose of the Plan is to identify and schedule necessary capital improvements for the Water System to be undertaken over the next five-ten years or longer. As part of the long-term Capital Plan, the consultant developed a comprehensive computerized model for the Water Distribution System. The model will be useful in identifying and resolving System problems, undertaking hydraulic analysis when necessary and forecasting future water usage. It will enable the City to make Water System capital investment decisions that are designed to efficiently meet present and future water demands in Stow.

A master plan for the maintenance, development and future management of the City's arboretum/sancturetum was initiated in 2002 and will be further developed in 2003. It will be the intent of the City to enhance the arboretum/sancturetum in several phases and open it fully to the public in the near future. Preservation of this unique outdoor resource is a long-standing commitment of the City.

The City is in the process of adding one new neighborhood park and playground facility on the east side of Stow. The new park should be completed in the second half of 2003.

FINANCIAL INFORMATION

Internal Control Structure – The City is responsible for establishing and maintaining an internal control system designed to protect its assets from loss, theft or misuse. Furthermore, the accounting system must be adequate to ensure that the financial statements are prepared 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 internal control should not exceed the benefits likely to be derived, and that the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls – The objective of budgetary controls is to ensure compliance with the annual appropriated budget approved by City Council and legal restrictions imposed by state and federal statutes. The City Council must adopt an annual appropriations ordinance by April 1st of each year. Appropriations may not exceed amounts certified by the County Budget Commission, including any amendments thereto. The Finance Director may transfer funds between accounts within funds. Council authorization is required to make interfund transfers. Council authorizes appropriation amounts by fund and may amend appropriations from time-to-time during the fiscal year. As a management tool, budgetary control is maintained in all funds at the department and line item level by the encumbrance of estimated purchase amounts before the release of purchase orders to vendors. The City continually evaluates its accounting and reporting system and upgrades it when necessary in an effort to improve internal accounting controls and financial reporting.

General Governmental Functions – The schedules below compare revenues and expenditures for general governmental functions, which include the General, Special Revenue, Debt Service and Capital Projects. A discussion of the material differences in revenues and expenditures from 2001 to 2002 follows.

	2002	2001	Amount of Increase (Decrease)	Percent Increase (Decrease)
Municipal Income Tax	\$11,281,810	\$11,221,994	\$59,816	0.53 %
Property and Other Taxes	6,133,362	5,984,321	149,041	2.49 %
Charges for Services	1,043,272	837,868	205,404	24.52 %
Licenses and Permits	615,963	599,729	16,234	2.71 %
Fines and Forfeitures	77,000	86,298	(9,298)	(10.77) %
Intergovernmental	4,425,388	6,602,441	(2,177,053)	(32.97) %
Special Assessments	52,917	55,319	(2,402)	(4.34) %
Investment Income	457,090	574,944	(117,854)	(20.50) %
Other	718,788	493,111	225,677	45.77 %
Total Revenue	<u>\$24,805,590</u>	<u>\$26,456,025</u>	<u>(\$1,650,435)</u>	(6.24) %

Charges for Services revenue was greater in 2002 due to increased collections of EMS transport fees and cell tower rental fees.

Intergovernmental revenue decreased significantly in 2002 due to federal grant monies received in 2001 for the Fishcreek Road widening project that were not received in 2002.

Investment Income decreased from 2001 as a direct result of lower interest rates.

Other revenue increased due to refunds and reimbursement received upon completion of projects within the capital project funds.

The following schedule represents a summary of all governmental expenditures from General, Special Revenue, Debt Service and Capital Projects Funds for the year ended December 31, 2002 and comparisons to 2001:

	2002	2001	Amount of Increase (Decrease)	Percent Increase (Decrease)
Current:				
General Government	\$4,038,069	\$3,787,262	\$250,807	6.62 %
Security of Persons and Property	8,874,918	8,732,322	142,596	1.63 %
Public Health and Welfare	469,082	462,594	6,488	1.40 %
Transportation	2,352,871	2,217,758	135,113	6.09 %
Community Environment	1,132,509	1,096,685	35,824	3.27 %
Leisure Time Activities	1,486,482	1,492,171	(5,689)	(0.38) %
Other	6,389	23,224	(16,835)	(72.49) %
Capital Outlay	10,434,356	5,548,763	4,885,593	88.05 %
Debt Service				
Principal Retirement	180,000	315,000	(135,000)	(42.86) %
Interest and Fiscal Charges	382,395	402,683	(20,288)	(5.04) %
Total Expenditures	<u>\$29,357,071</u>	<u>\$24,078,462</u>	<u>\$5,278,609</u>	21.92 %

General Government expenditures in 2002 increased by 6.62 percent primarily due to increased operating costs relating to wages and benefits and contractual services.

Capital Outlay in 2002 is significantly higher (88.05 percent) than in 2001 as a result of increased construction activity involving the construction of two new fire stations and related equipment, and the construction of new Service and Parks Maintenance Centers for the City.

Proprietary Operations - Enterprise Fund operations consist of the Water Fund. The Water Fund had a net income of \$1,705,521 in 2002. Retained Earning at December 31, 2002 was \$13,288,066.

Internal Service Funds operations consist of the Administrative Insurance and the Self-Insurance Funds. The combined Internal Service Funds had a net income of \$133,464 in 2002. Retained Earnings increased from \$1,103,818 at January 1, 2002 to \$1,237,282 at December 31, 2002.

Debt Administration – The fund balances and annual cash flows of the City are more than adequate to cover operating expenses budgeted each year. Only selected major capital projects are subject to debt financing. The amount of \$562,395 was allocated to the debt service component of the General Capital Improvements Budget for the payment of debt principal and interest in 2002. The amount of \$121,713 was expended for debt principal and interest for Water System debt in 2002. At year end 2002, the City's outstanding debt totaled \$23,820,000, of which \$6,015,000 was for bonds issued for the financing of the 1995 Stow Safety Center, \$9,830,000 was for notes for the construction of new City Service and Parks Maintenance Centers, \$5,675,000 was for notes for the construction of new fire stations and the purchase of new fire/rescue trucks and \$2,300,000 was for notes issued for the acquisition of the Stow Water System from Summit County in 2001. Also, as indicated in Note 15 – Debt Obligations, page 42, herein, the amount of \$141,294 in OWDA loans assumed by the City of Stow from Summit County as part of the acquisition of the Stow Water System was outstanding at year end 2002.

The City of Stow's debt is currently assigned a rating of A1 by Moody's Investors Services. The City does not expect to issue any new general obligation debt for the foreseeable future, with the possible exception of debt to be issued in connection with the completion of major Water System capital improvements and the State Route 8 Interchange Project.

In accordance with its debt policy, the City will be financing future projects on a pay-as-you-go (cash) basis to the maximum extent possible. The City's ten-year Capital Improvements Financial Plan, which was prepared in 2002, will be revised and updated in 2003 and each year thereafter to assist City officials in budgeting for the many capital improvements to be undertaken by the City in the upcoming ten-year period and achieving an efficient balance between cash allocations for projects and debt reduction.

Cash Management – The primary goal of the City's cash management program is to minimize the level of idle cash on hand to meet the daily cash requirements while simultaneously maximizing the funds available for investment. The City's investment objectives are to ensure the safety of the public funds while investing in accordance with all state and local laws and maintaining sufficient liquidity to meet all reasonably anticipated expenditures. The City's invested balance and deposits on hand at the end of the year 2002 totaled \$29,803,518.

Risk Management – The City of Stow maintains a broad-based insurance program to insure all areas of potential exposure and risk in the various elements of the City's operations. Insurance coverages are reviewed and updated annually. Base insurance coverages are supplemented by additional umbrella policy coverage where appropriate.

The City maintains a partially self-funded employee group health plan. The group health plan is protected against excessive and catastrophic claims and losses through the retention of both individual and aggregate stop-loss insurance coverage and plan limits. A sizeable balance is retained in the group health plan claims fund to ensure the program's long-term financial stability. As of the end of 2002, the balance in the fund was \$1,244,261. This amount is equivalent to 75-95 percent of the value of one year's average claims activity in the fund.

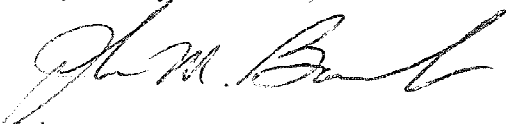
OTHER INFORMATION

Independent Audit – In accordance with Ohio law and with the issuance of the CAFR Report, annual independent audits must be performed on all financial operations of the City. The 2002 audit was completed by the State of Ohio Auditor's office. The Auditors' report on the general purpose financial statements and combining and individual fund statements and schedules are included in the financial section of this report.

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 fiscal year ended December 31, 2000 and for the fiscal year ended December 31, 2001. 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 2002 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 2002 award.

Acknowledgment – I would like to express my sincere appreciation and thanks to those individuals who assisted in the preparation of the 2002 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,

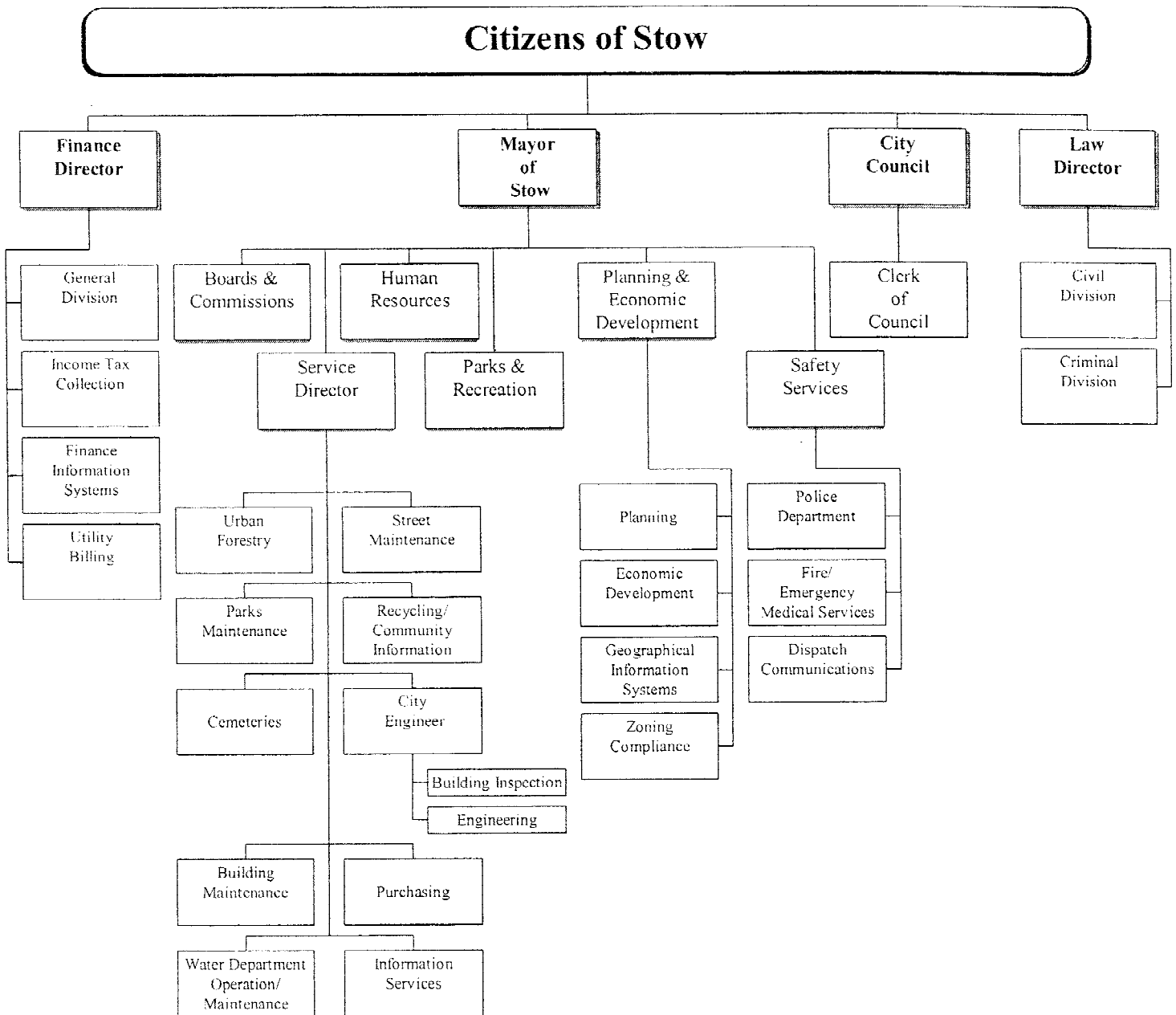


John M. Baranek
Director of Finance

City of Stow, Ohio

General Organization Chart

2002



Elected Officials

(As of December 31, 2002)

Mayor	Lee A. Schaffer
Finance Director	John Baranek
Law Director	Joe Haefner
President of Council	Ron Alexander (At-Large)
Vice President	Janet D'Antonio (At-Large)
President Pro-Tem	Chuck Meier (Ward IV)
Council Member	Ron Gauthier (Ward I)
Council Member	Pat Saltis (At-Large)
Council Member	John Wysmierski (Ward III)
Council Member	John Parker (Ward II)

Department Officials

(As of December 31, 2002)

Service Director	Dano Koehler
Planning & Development Director	Ken Trenner
City Engineer	J. William Drew
Fire Chief	Steve Groves
Police Chief	Richard Myers (Acting)
Assistant Service Director	Dick D'Antonio
Assistant Finance Director	John Earle
Assistant City Engineer	Jim McCleary
Assistant City Engineer	Thom Sheridan
Manager of Information Services	(Vacant)
Tax Administrator	Dennis Bernaciak
Deputy City Engineer	Edward Carey
Deputy Planning Director	Rob Kurtz
Deputy Law Director	Brian Reali
Parks and Recreation Director	Nick Wren
Human Resource Director	Claudia Amrhein
Water Distribution Superintendent	Kathy Vaughn
Chief Building Inspector	Tony Catalona
Parks Manager	Paul Kelly
Assistant Law Director/Prosecutor	Christine Rees
Road Superintendent	Jim Megenhardt
Landscape Arborist	Jim Gray
M. I. S. Coordinator	Lisa Paxton
Clerk of Council	Bonnie Emahiser
Youth Services Coordinator	Renee Armbruster
Community Information Coordinator	Linda Nahrstedt
Recreation Supervisor	Anne Baranek

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Stow,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2001

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



President

Executive Director

Financial Section



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Mayor and City Council Members:

We have audited the accompanying general purpose financial statements of the City of Stow, Summit County, Ohio, (the City) as of and for the year ended December 31, 2002, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Stow, Summit County, as of December 31, 2002, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 3 to the general purpose financial statements, the City changed its fixed asset capitalization threshold during 2002.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2003 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The combining and individual fund and account group financial statements and schedules listed in the Table of Contents are presented for additional analysis and are not a required part of the general purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general purpose financial statements. In our opinion, it is fairly stated in all material respects, in relation to the general purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

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

Betty Montgomery
Auditor of State

June 23, 2003

GENERAL PURPOSE FINANCIAL STATEMENTS

**City of Stow, Ohio
 Combined Balance Sheet
 All Fund Types and Account Groups
 December 31, 2002**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and Other Debits</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$4,894,748	\$8,069,571	\$0	\$11,956,945
Receivables:				
Taxes	6,030,045	1,859,239	0	0
Accounts	1,616	731	0	0
Special Assessments	0	2,296	0	0
Intergovernmental	39,989	33,538	0	0
Materials and Supplies Inventory	72,562	206,669	0	0
Investments in Common Stock	306	0	0	0
Advances to Other Funds	350,000	0	0	39,894
Fixed Assets, (Net, Where Applicable, of Accumulated Depreciation)	0	0	0	0
<u>Other Debits</u>				
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets and Other Debits	<u>\$11,389,266</u>	<u>\$10,172,044</u>	<u>\$0</u>	<u>\$11,996,839</u>
<u>Liabilities, Fund Equity and Other Credits</u>				
<u>Liabilities</u>				
Accounts Payable	\$138,197	\$188,945	\$0	\$125,360
Accrued Wages and Benefits	277,863	18,065	0	0
Compensated Absences Payable	38,582	0	0	0
Intergovernmental Payable	476,276	282,522	0	523,384
Deferred Revenue	4,106,034	1,810,964	0	0
Undistributed Monies	0	0	0	0
Accrued Interest Payable	0	0	0	0
Notes Payable	0	5,674,830	0	9,830,170
Claims Payable	0	0	0	0
Advances from Other Funds	0	39,894	0	0
OWDA Loans Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Total Liabilities	<u>5,036,952</u>	<u>8,015,220</u>	<u>0</u>	<u>10,478,914</u>
<u>Fund Equity and Other Credits</u>				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	380,146	3,430,559	0	5,633,448
Reserved for Inventory	72,562	206,669	0	0
Reserved for Common Stock	306	0	0	0
Reserved for Advances	350,000	0	0	39,894
Reserved for Budget Stabilization	1,000,000	0	0	0
Unreserved:				
Undesignated	4,549,300	(1,480,404)	0	(4,155,417)
Total Fund Equity and Other Credits	<u>6,352,314</u>	<u>2,156,824</u>	<u>0</u>	<u>1,517,925</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$11,389,266</u>	<u>\$10,172,044</u>	<u>\$0</u>	<u>\$11,996,839</u>

See accompanying notes to the general purpose financial statements

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$2,916,148	\$1,413,846	\$552,260	\$0	\$0	\$29,803,518
0	0	0	0	0	7,889,284
306,839	24,620	0	0	0	333,806
0	0	0	0	0	2,296
23,177	0	105	0	0	96,809
96,277	0	0	0	0	375,508
0	0	0	0	0	306
0	0	0	0	0	389,894
14,707,948	0	0	32,630,006	0	47,337,954
0	0	0	0	7,045,838	7,045,838
<u>\$18,050,389</u>	<u>\$1,438,466</u>	<u>\$552,365</u>	<u>\$32,630,006</u>	<u>\$7,045,838</u>	<u>\$93,275,213</u>
\$1,874,399	\$2,700	\$0	\$0	\$0	\$2,329,601
14,582	0	0	0	0	310,510
28,882	0	0	0	874,425	941,889
34,734	0	0	0	156,413	1,473,329
0	0	0	0	0	5,916,998
0	0	549,673	0	0	549,673
18,432	0	0	0	0	18,432
2,300,000	0	0	0	0	17,805,000
0	191,505	0	0	0	191,505
350,000	0	0	0	0	389,894
141,294	0	0	0	0	141,294
0	0	0	0	6,015,000	6,015,000
4,762,323	194,205	549,673	0	7,045,838	36,083,125
0	0	0	32,630,006	0	32,630,006
0	6,979	0	0	0	6,979
13,288,066	1,237,282	0	0	0	14,525,348
0	0	0	0	0	9,444,153
0	0	0	0	0	279,231
0	0	0	0	0	306
0	0	0	0	0	389,894
0	0	0	0	0	1,000,000
0	0	2,692	0	0	(1,083,829)
13,288,066	1,244,261	2,692	32,630,006	0	57,192,088
<u>\$18,050,389</u>	<u>\$1,438,466</u>	<u>\$552,365</u>	<u>\$32,630,006</u>	<u>\$7,045,838</u>	<u>\$93,275,213</u>

City of Stow, Ohio
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types and Expendable Trust Funds
For the Year December 31, 2002

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Revenues</u>				
Municipal Income Tax	\$11,281,810	\$0	\$0	\$0
Property and Other Taxes	4,324,819	1,808,543	0	0
Charges for Services	326,801	716,471	0	0
Licenses and Permits	615,963	0	0	0
Fines and Forfeitures	73,389	3,611	0	0
Intergovernmental	2,558,254	1,348,706	0	518,428
Special Assessments	0	52,917	0	0
Investment Income	288,871	70,260	0	97,959
Other	379,833	145,914	0	193,041
Total Revenues	19,849,740	4,146,422	0	809,428
<u>Expenditures</u>				
Current:				
General Government	4,038,069	0	0	0
Security of Persons and Property	6,758,252	2,116,666	0	0
Public Health and Welfare	322,981	146,101	0	0
Transportation	737,636	1,615,235	0	0
Community Environment	1,111,268	21,241	0	0
Leisure Time Activities	1,392,643	93,839	0	0
Other	0	6,389	0	0
Capital Outlay	430,745	2,112,431	0	7,891,180
Debt Service:				
Principal Retirement	0	0	180,000	0
Interest and Fiscal Charges	0	0	382,395	0
Total Expenditures	14,791,594	6,111,902	562,395	7,891,180
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,058,146	(1,965,480)	(562,395)	(7,081,752)
<u>Other Financing Sources (Uses)</u>				
Proceeds of Notes	0	21,848	0	37,846
Loss on Sale of Common Stock	(6,122)	0	0	0
Operating Transfers - In	0	1,495,379	562,395	4,836,863
Operating Transfers - Out	(4,889,445)	0	0	(2,005,192)
Total Other Financing Sources (Uses)	(4,895,567)	1,517,227	562,395	2,869,517
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	162,579	(448,253)	0	(4,212,235)
Fund Balances at Beginning of Year (Restated, See Note 3)	6,193,298	2,752,637	0	5,730,160
(Decrease) in Reserve for Inventory	(3,563)	(147,560)	0	0
Fund Balances at End of Year	\$6,352,314	\$2,156,824	\$0	\$1,517,925

See accompanying notes to the general purpose financial statements

<u>Fiduciary Fund Type</u>	
<u>Expendable Trust</u>	<u>Totals (Memorandum Only)</u>
\$0	\$11,281,810
0	6,133,362
0	1,043,272
0	615,963
0	77,000
0	4,425,388
0	52,917
0	457,090
0	718,788
<u>0</u>	<u>24,805,590</u>
257	4,038,326
0	8,874,918
0	469,082
0	2,352,871
0	1,132,509
0	1,486,482
0	6,389
0	10,434,356
0	180,000
0	382,395
<u>257</u>	<u>29,357,328</u>
<u>(257)</u>	<u>(4,551,738)</u>
0	59,694
0	(6,122)
0	6,894,637
0	(6,894,637)
<u>0</u>	<u>53,572</u>
(257)	(4,498,166)
2,949	14,679,044
<u>0</u>	<u>(151,123)</u>
<u>\$2,692</u>	<u>\$10,029,755</u>

City of Stow, Ohio
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Budget Basis)
All Governmental Fund Types and Expendable Trust Funds
For the Year Ended December 31, 2002

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Municipal Income Tax	\$11,000,000	\$11,340,716	\$340,716
Property and Other Taxes	4,109,603	4,264,653	155,050
Charges for Services	411,000	325,191	(85,809)
Licenses and Permits	727,500	676,787	(50,713)
Fines and Forfeitures	125,000	73,381	(51,619)
Intergovernmental	2,476,482	2,569,226	92,744
Special Assessments	0	0	0
Investment Income	352,500	307,690	(44,810)
Other	823,617	208,013	(615,604)
Total Revenues	20,025,702	19,765,657	(260,045)
<u>Expenditures</u>			
Current:			
General Government	5,098,353	4,263,011	835,342
Security of Persons and Property	7,425,604	6,901,477	524,127
Public Health and Welfare	350,375	326,762	23,613
Transportation	831,046	731,545	99,501
Community Environment	1,236,158	1,134,087	102,071
Leisure Time Activities	1,585,024	1,424,729	160,295
Capital Outlay	470,189	440,880	29,309
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	16,996,749	15,222,491	1,774,258
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,028,953	4,543,166	1,514,213
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	395,000	176,462	(218,538)
Other Financing Uses	(9,350)	(4,642)	4,708
Proceeds of Bonds	0	0	0
Proceeds of Notes	0	0	0
Sale of Fixed Assets	100,000	0	(100,000)
Operating Transfers - In	1,525,000	0	(1,525,000)
Operating Transfers - Out	(6,265,255)	(4,889,445)	1,375,810
Total Other Financing Sources (Uses)	(4,254,605)	(4,717,625)	(463,020)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(1,225,652)	(174,459)	1,051,193
Fund Balances at Beginning of Year	4,335,961	4,335,961	0
Prior Year Encumbrances Appropriated	211,431	211,431	0
Fund Balances at End of Year	\$3,321,740	\$4,372,933	\$1,051,193

See accompanying notes to the general purpose financial statements

Governmental Fund Types					
Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$0	\$0	\$0
1,758,937	1,753,472	(5,465)	0	0	0
431,000	676,728	245,728	0	0	0
0	0	0	0	0	0
32,300	3,411	(28,889)	0	0	0
2,506,264	1,351,304	(1,154,960)	0	0	0
98,000	52,917	(45,083)	0	0	0
18,230	59,250	41,020	0	0	0
1,300,029	247,411	(1,052,618)	0	0	0
6,144,760	4,144,493	(2,000,267)	0	0	0
0	0	0	0	0	0
2,764,178	2,387,067	377,111	0	0	0
165,279	146,366	18,913	0	0	0
1,777,467	1,738,190	39,277	0	0	0
74,141	24,890	49,251	0	0	0
353,891	102,612	251,279	0	0	0
8,644,404	5,152,680	3,491,724	0	0	0
0	0	0	180,000	180,000	0
0	0	0	382,395	382,395	0
13,779,360	9,551,805	4,227,555	562,395	562,395	0
(7,634,600)	(5,407,312)	2,227,288	(562,395)	(562,395)	0
46,000	323	(45,677)	0	0	0
(109,694)	(31,181)	78,513	0	0	0
5,943,000	5,696,678	(246,322)	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,440,315	1,495,379	55,064	562,395	562,395	0
(25,528)	0	25,528	0	0	0
7,294,093	7,161,199	(132,894)	562,395	562,395	0
(340,507)	1,753,887	2,094,394	0	0	0
2,084,073	2,084,073	0	0	0	0
607,081	607,081	0	0	0	0
\$2,350,647	\$4,445,041	\$2,094,394	\$0	\$0	\$0

(continued)

City of Stow, Ohio
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Budget Basis) (Continued)
All Governmental Fund Types and Expendable Trust Funds
For the Year Ended December 31, 2002

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Municipal Income Tax	\$0	\$0	\$0
Property and Other Taxes	0	0	0
Charges for Services	0	0	0
Licenses and Permits	0	0	0
Fines and Forfeitures	0	0	0
Intergovernmental	525,000	518,428	(6,572)
Special Assessments	0	0	0
Investment Income	0	88,942	88,942
Other	0	20,506	20,506
Total Revenues	525,000	627,876	102,876
<u>Expenditures</u>			
Current:			
General Government	0	0	0
Security of Persons and Property	0	0	0
Public Health and Welfare	0	0	0
Transportation	0	0	0
Community Environment	0	0	0
Leisure Time Activities	0	0	0
Capital Outlay	14,563,830	13,181,792	1,382,038
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	14,563,830	13,181,792	1,382,038
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,038,830)	(12,553,916)	1,484,914
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	539,816	184,558	(355,258)
Other Financing Uses	0	0	0
Proceeds of Bonds	0	0	0
Proceeds of Notes	7,648,156	9,868,016	2,219,860
Sale of Fixed Assets	0	0	0
Operating Transfers - In	14,378,288	4,836,863	(9,541,425)
Operating Transfers - Out	(3,665,148)	(2,005,192)	1,659,956
Total Other Financing Sources (Uses)	18,901,112	12,884,245	(6,016,867)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	4,862,282	330,329	(4,531,953)
Fund Balances at Beginning of Year	4,367,358	4,367,358	0
Prior Year Encumbrances Appropriated	1,491,438	1,491,438	0
Fund Balances at End of Year	\$10,721,078	\$6,189,125	(\$4,531,953)

See accompanying notes to the general purpose financial statements

Fiduciary Fund Type			Totals		
Expendable Trust Funds			(Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$11,000,000	\$11,340,716	\$340,716
0	0	0	5,868,540	6,018,125	149,585
0	0	0	842,000	1,001,919	159,919
0	0	0	727,500	676,787	(50,713)
0	0	0	157,300	76,792	(80,508)
0	0	0	5,507,746	4,438,958	(1,068,788)
0	0	0	98,000	52,917	(45,083)
0	0	0	370,730	455,882	85,152
1,000	0	(1,000)	2,124,646	475,930	(1,648,716)
1,000	0	(1,000)	26,696,462	24,538,026	(2,158,436)
257	257	0	5,098,610	4,263,268	835,342
0	0	0	10,189,782	9,288,544	901,238
0	0	0	515,654	473,128	42,526
0	0	0	2,608,513	2,469,735	138,778
0	0	0	1,310,299	1,158,977	151,322
0	0	0	1,938,915	1,527,341	411,574
0	0	0	23,678,423	18,775,352	4,903,071
0	0	0	180,000	180,000	0
0	0	0	382,395	382,395	0
257	257	0	45,902,591	38,518,740	7,383,851
743	(257)	(1,000)	(19,206,129)	(13,980,714)	5,225,415
0	0	0	980,816	361,343	(619,473)
0	0	0	(119,044)	(35,823)	83,221
0	0	0	5,943,000	5,696,678	(246,322)
0	0	0	7,648,156	9,868,016	2,219,860
0	0	0	100,000	0	(100,000)
0	0	0	17,905,998	6,894,637	(11,011,361)
0	0	0	(9,955,931)	(6,894,637)	3,061,294
0	0	0	22,502,995	15,890,214	(6,612,781)
743	(257)	(1,000)	3,296,866	1,909,500	(1,387,366)
2,949	2,949	0	10,790,341	10,790,341	0
0	0	0	2,309,950	2,309,950	0
\$3,692	\$2,692	(\$1,000)	\$16,397,157	\$15,009,791	(\$1,387,366)

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**City of Stow, Ohio
 Combined Statement of Revenues,
 Expenses and Changes in Fund Equity
 All Proprietary Fund Types
 For the Year Ended December 31, 2002**

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service Funds	
<u>Operating Revenues</u>			
Charges for Services	\$4,044,896	\$1,828,827	\$5,873,723
Tap-In Fees	273,234	0	273,234
Other Operating Revenues	26,375	4,825	31,200
Total Operating Revenues	4,344,505	1,833,652	6,178,157
<u>Operating Expenses</u>			
Personal Services	697,563	0	697,563
Contractual Services	2,088,218	375,522	2,463,740
Claims	0	1,337,522	1,337,522
Other Operating Expenses	226,897	0	226,897
Depreciation	325,623	0	325,623
Repairs and Maintenance	68,595	0	68,595
Total Operating Expenses	3,406,896	1,713,044	5,119,940
Operating Income	937,609	120,608	1,058,217
<u>Non-Operating Revenues (Expenses)</u>			
Capital Contribution	843,253	0	843,253
Interest Income	11,201	12,856	24,057
Interest and Fiscal Charges	(86,542)	0	(86,542)
Total Non-Operating Revenues (Expenses)	767,912	12,856	780,768
Net Income	1,705,521	133,464	1,838,985
Retained Earnings at Beginning of Year (Restated, See Note 3)	11,582,545	1,103,818	12,686,363
Retained Earnings at End of Year	13,288,066	1,237,282	14,525,348
Contributed Capital at Beginning of Year	0	6,979	6,979
Contributed Capital at End of Year	0	6,979	6,979
Total Fund Equity at End of Year	\$13,288,066	\$1,244,261	\$14,532,327

See accompanying notes to the general purpose financial statements

City of Stow, Ohio
Combined Statement of Revenues, Expenses and
Changes in Fund Equity - Budget and Actual (Budget Basis)
All Proprietary Fund Types
For the Year Ended December 31, 2002

	Enterprise Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$4,072,000	\$3,820,316	(\$251,684)
Tap-In Fees	200,000	273,234	73,234
Interest Income	25,000	0	(25,000)
Other Operating Revenues	3,000	3,198	198
Total Revenues	<u>4,300,000</u>	<u>4,096,748</u>	<u>(203,252)</u>
<u>Expenses</u>			
Current:			
Personal Services	758,235	645,085	113,150
Contractual Services	2,362,290	2,191,352	170,938
Claims	0	0	0
Materials and Supplies	120,973	25,862	95,111
Other Operating Expenses	307,968	302,847	5,121
Capital Outlay	470,074	406,186	63,888
Debt Service:			
Principal Retirement	2,650,000	2,300,000	350,000
Interest and Fiscal Charges	121,713	121,713	0
Total Expenses	<u>6,791,253</u>	<u>5,993,045</u>	<u>798,208</u>
Excess (Deficiency) of Revenues Over (Under) Expenses	(2,491,253)	(1,896,297)	594,956
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	0	0	0
Proceeds of Notes	3,000,000	2,311,201	(688,799)
Operating Transfers - In	100,000	0	(100,000)
Operating Transfers - Out	(216,821)	0	216,821
Total Other Financing Sources (Uses)	<u>2,883,179</u>	<u>2,311,201</u>	<u>(571,978)</u>
Excess of Revenues and Other Financing Sources Over Expenses and Other Financing (Uses)	391,926	414,904	22,978
Fund Equity at Beginning of Year	271,390	271,390	0
Prior Year Encumbrances Appropriated	<u>243,529</u>	<u>243,529</u>	<u>0</u>
Fund Equity at End of Year	<u>\$906,845</u>	<u>\$929,823</u>	<u>\$22,978</u>

See accompanying notes to the general purpose financial statements

Internal Service Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$3,012,917	\$1,804,207	(\$1,208,710)	\$7,084,917	\$5,624,523	(\$1,460,394)
0	0	0	200,000	273,234	73,234
20,000	13,756	(6,244)	45,000	13,756	(31,244)
10,100	4,825	(5,275)	13,100	8,023	(5,077)
<u>3,043,017</u>	<u>1,822,788</u>	<u>(1,220,229)</u>	<u>7,343,017</u>	<u>5,919,536</u>	<u>(1,423,481)</u>
0	0	0	758,235	645,085	113,150
0	0	0	2,362,290	2,191,352	170,938
1,652,216	1,392,035	260,181	1,652,216	1,392,035	260,181
0	0	0	120,973	25,862	95,111
400,100	375,522	24,578	708,068	678,369	29,699
0	0	0	470,074	406,186	63,888
0	0	0	2,650,000	2,300,000	350,000
0	0	0	121,713	121,713	0
<u>2,052,316</u>	<u>1,767,557</u>	<u>284,759</u>	<u>8,843,569</u>	<u>7,760,602</u>	<u>1,082,967</u>
990,701	55,231	(935,470)	(1,500,552)	(1,841,066)	(340,514)
295,216	26,270	(268,946)	295,216	26,270	(268,946)
0	0	0	3,000,000	2,311,201	(688,799)
318,347	0	(318,347)	418,347	0	(418,347)
0	0	0	(216,821)	0	216,821
<u>613,563</u>	<u>26,270</u>	<u>(587,293)</u>	<u>3,496,742</u>	<u>2,337,471</u>	<u>(1,159,271)</u>
1,604,264	81,501	(1,522,763)	1,996,190	496,405	(1,499,785)
1,329,094	1,329,094	0	1,600,484	1,600,484	0
0	0	0	243,529	243,529	0
<u>\$2,933,358</u>	<u>\$1,410,595</u>	<u>(\$1,522,763)</u>	<u>\$3,840,203</u>	<u>\$2,340,418</u>	<u>(\$1,499,785)</u>

City of Stow, Ohio
Combined Statement of Cash Flows
All Proprietary Fund Types
For the Year Ended December 31, 2002

	Proprietary Fund Types		Totals
	Enterprise	Internal Service	(Memorandum Only)
<u>Cash Flows from Operating Activities</u>			
Cash Received from Customers	\$3,820,316	\$1,804,207	\$5,624,523
Tap-In Fees	273,234	0	273,234
Cash Payments to Suppliers for Goods and Services	(401,354)	(372,822)	(774,176)
Cash Payments to Employees for Services	(643,710)	0	(643,710)
Cash Payments for Claims	0	(1,392,035)	(1,392,035)
Other Operating Expenses	(226,897)	0	(226,897)
Other Operating Revenues	3,198	4,825	8,023
Net Cash Provided by Operating Activities	2,824,787	44,175	2,868,962
<u>Cash Flows from Noncapital Financing Activities</u>			
Other Operating Revenues	0	26,270	26,270
Net Cash Provided by Noncapital Financing Activities	0	26,270	26,270
<u>Cash Flows from Capital and Related Financing Activities</u>			
Proceeds from Sale of Notes	2,300,000	0	2,300,000
Acquisition of Capital Assets	(313,049)	0	(313,049)
Principal Payments	(2,300,000)	0	(2,300,000)
Interest Payments	(121,713)	0	(121,713)
Net Cash (Used for) Capital and Related Financing Activities	(434,762)	0	(434,762)
<u>Cash Flows from Investing Activities</u>			
Interest on Investments	11,201	12,856	24,057
Net Cash Provided by Investing Activities	11,201	12,856	24,057
Net Increase in Cash and Cash Equivalents	2,401,226	83,301	2,484,527
Cash and Cash Equivalents at Beginning of Year	514,922	1,330,545	1,845,467
Cash and Cash Equivalents at End of Year	\$2,916,148	\$1,413,846	\$4,329,994
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</u>			
Operating Income	\$937,609	\$120,608	\$1,058,217
<u>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</u>			
Depreciation	325,623	0	325,623
Other Operating Revenue	0	(26,270)	(26,270)
Changes in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	(224,580)	(24,620)	(249,200)
(Increase)/Decrease in Due from Other Governments	(23,177)	0	(23,177)
(Increase)/Decrease in Materials and Supplies Inventory	(96,277)	0	(96,277)
Increase/(Decrease) in Accounts Payable	1,852,583	2,700	1,855,283
Increase/(Decrease) in Accrued Wages and Benefits	553	0	553
Increase/(Decrease) in Compensated Absences	28,882	0	28,882
Increase/(Decrease) in Intergovernmental Payable	23,571	0	23,571
Increase/(Decrease) in Claims Payable	0	(28,243)	(28,243)
Total Adjustments	1,887,178	(76,433)	1,810,745
Net Cash Provided by Operating Activities	\$2,824,787	\$44,175	\$2,868,962

See accompanying notes to the general purpose financial statements

CITY OF STOW, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION

A. Description of the Entity

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 and 2002.

For financial reporting purposes, the City's general purpose financial statements include all funds, account groups, agencies, boards, commissions and departments for which the City is financially accountable. Financial accountability, as defined by the Governmental Accounting Standards Board's (GASB) Statement No. 14, "The Financial Reporting Entity", exists if the City appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the City. The City may also be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the City. The City also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's general purpose financial statements to be misleading or incomplete. Based on these criteria, management has determined the City has no component units.

The City provides various services and consists of many different activities and smaller accounting entities which include police and fire-fighting 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, an outdoor swimming facility, three municipal cemeteries and a group of rental lodges available for public or private events.

B. Basis of Presentation - Fund Accounting

The City uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

CITY OF STOW, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION (continued)

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category is then divided into various fund types. The following are the fund types and account groups utilized by the City:

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions typically are financed. The acquisition, use, and balances of the City's expendable financial resources and the related current liabilities, except those accounted for in proprietary and fiduciary funds, are accounted for through governmental funds. The following are the City's governmental fund types:

General Fund - This fund is used to account for all financial resources of the City 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 general laws of Ohio.

Special Revenue Funds - These funds are used to account for proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Fund - This fund is used to account for the resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

PROPRIETARY FUNDS

The proprietary funds are used to account for the City's ongoing activities which are similar to those found in the private sector. The following are the City's proprietary fund types:

Enterprise Fund - This fund is used to account for an operation that is financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City has decided that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Funds - These funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

CITY OF STOW, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION (continued)

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 governmental units and/or other funds. The following are the City's fiduciary funds:

Expendable Trust Funds - This fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. The expendable trust fund accounts for assets where both the principal and interest may be spent.

Agency Funds - These funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

ACCOUNT GROUPS

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - The general fixed assets account group is used to account for all fixed assets of the City.

General Long-Term Obligations Account Group - The general long-term obligations account group is used to account for all long-term obligations of the City, except those accounted for in the proprietary fund type.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these general purpose financial statements are summarized below. These policies conform to generally accepted accounting principles for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. The City applies Financial Accounting Standards Board Statements and Interpretations issued prior to November 30, 1989 to its proprietary activity provided they do not conflict with Governmental Accounting Standards Board Statements and Interpretations.

CITY OF STOW, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the Combined Balance Sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the Combined Balance Sheet. Fund equity is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g. revenues) and decreases (e.g. expenses) in net total assets.

The modified accrual basis of accounting is used for reporting purposes by all governmental fund types, expendable trust and agency funds. Under this basis of accounting, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current year or soon enough thereafter to be used to pay liabilities of the current year. The available period for the City is considered to be 60 days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: municipal income taxes, federal and state grants, various state and county tax distributions. Major revenue sources not susceptible to accrual include licenses and permits, and fines and forfeitures which are not considered measurable until received.

The City reports deferred revenue on its Combined Balance Sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the Combined Balance Sheet and revenue is recognized. Property taxes measurable as of December 31, 2002, delinquent property taxes, inheritance taxes posted to the credit of the City at year end which are not available as an advance and delinquent special assessments, whose availability is indeterminable and which are not intended to finance the current year operations, have been recorded as deferred revenue.

CITY OF STOW, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The measurement focus of governmental fund and expendable trust fund accounting is on decreases in net financial resources (expenditures) rather than on expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due. The costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocation of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Proprietary fund types are reported using the accrual basis of accounting. Revenues are recognized when they are earned and become measurable, and expenses are recognized when they are incurred, if measurable. Unbilled service charges receivable are recognized as revenue at year end.

B. 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, the Certificate of Estimated Resources and the Annual Appropriation Measure, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Annual Appropriation Measure 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, legally are required to be budgeted and appropriated. The primary level of budgetary control is at the fund level. Budgetary modifications may only be made by resolution of the City Council.

Tax Budget:

A budget of estimated revenue and expenditures is submitted to the County Fiscal Officer, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. The budget includes proposed expenditures and the means of financing all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

Estimated Resources:

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. 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.

CITY OF STOW, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Measure. On or about January 1, the Certificate of Estimated Resources is amended to include any unencumbered balances from the preceding year. The Certificate may be amended further during the year if it is determined by the City, and the Budget Commission agrees, that an estimate needs either to be increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the final amended official Certificate of Estimated Resources issued during 2002.

Appropriations:

A temporary appropriation measure to control expenditures may be passed on or around January 1 of each year for the period January 1 to March 31. The Annual Appropriation Measure must be passed by April 1 of each year for the period January 1 to December 31. Appropriations by fund must be within the estimated resources as certified by the County Budget Commission, and the total of expenditures and encumbrances may not exceed the appropriations at any level of control. Any revisions that alter the appropriations of the legal level of budgetary control must first be approved by City Council. Council may pass supplemental 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 appropriated amounts. During the year, supplemental appropriation measures were legally enacted; however, none of these amendments were significant. The budgetary figures which appear in the statement of budgetary comparisons represent the final appropriation amounts approved before year end.

Encumbrances:

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

CITY OF STOW, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 need not be re-appropriated.

C. 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 City records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the Combined Balance Sheet.

During 2002, investments were limited to STAR Ohio, overnight repurchase agreements and common stock.

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

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during the year 2002. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2002.

Following Ohio statutes, the City has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during the year 2002 amounted to \$288,871, which includes \$188,722 assigned from other City funds.

The City owns common stock obtained when its life insurance companies converted from mutual life insurance companies to shareholder-owned life insurance companies. The account is presented in the Combined Balance Sheet as "Investments in Common Stock" since the stock is not required to be deposited into the City treasury.

For purposes of the Combined Statement of Cash Flows and for presentation on the Combined Balance Sheet, 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 an initial maturity of more than three months are reported as investments.

CITY OF STOW, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Inventory of Supplies

Inventories of governmental funds are stated at cost which is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental fund types when purchased. Reported supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

E. Interfund Assets and Liabilities

Short-term interfund loans or the short-term portion of advances are classified as "Interfund Receivables/Payables". Long-term interfund loans are reported as "Advances to/from Other Funds" and are equally offset by a fund balance reserve account which indicates that they do not constitute available spendable resources since they are not a component of net current assets. The City did not have short-term interfund loans at December 31, 2002.

F. Property, Plant, Equipment and Depreciation

1. General Fixed Assets Account Group

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group at historical cost or estimated historical cost. Assets in the general fixed assets account group are not depreciated. The City increased its capitalization threshold for fixed assets from \$500 to \$5,000 for 2002.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements which extend the useful life or increase the capacity or operating efficiency of the asset are capitalized at cost.

Public domain (infrastructure) general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized or reported, as these assets are immovable and of value only to the City.

2. Proprietary Fund Fixed Assets

Property, plant and equipment reflected in the enterprise funds are stated at historical cost (or estimated historical cost) and are updated for the cost of additions and retirements during the year. Depreciation has been provided on a straight-line basis over the following estimated useful lives:

CITY OF STOW, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Description	Estimated Lives
Buildings and Improvements	4 to 50 years
Infrastructure	28 to 75 years
Equipment, Furniture and Fixtures	3 to 10 years
Vehicles	6 years

3. Valuation

The City’s fixed asset values were determined using original acquisition costs when such information was available. In cases when original costs were not practicably determinable, estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition. Donated fixed assets are capitalized at estimated fair market value on the date donated.

G. Compensated Absences

Governmental Accounting Standards Board Statement No. 16, “Accounting for Compensated Absences,” specifies the methods used to accrue liabilities for leave benefits. Vacation and personal leave benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination payment 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.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account “Compensated Absences Payable” in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is recorded in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

H. Revenues – Exchange and Non-Exchange Transactions

Exchange transactions are those in which each party to a transaction gives and receives essentially something of equal value. Proprietary funds, where the full accrual basis of accounting is used, record revenue when the exchange takes place. Governmental funds, where the modified accrual basis of accounting is used, record revenue in the year in which the resources are both measurable and available.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include municipal income taxes, property and other local taxes, special assessments, fines and forfeitures, grants, entitlements and donations.

CITY OF STOW, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Municipal income taxes are recognized as revenue in the year when the underlying exchange transaction has occurred and the resources are both measurable and available.

Generally, property and other local taxes, special assessments and fines and forfeitures are recognized as revenue in the year when an enforceable legal claim has arisen and the resources are both measurable and available. Revenue from property and other local taxes, net of refunds and uncollectible amounts, is recognized in the year for which the taxes are levied, even if the enforceable legal claim arises or the due date for payment occurs in a different year. Special assessments and fines and forfeitures are recognized in the year when an enforceable legal claim has arisen unless the enabling legislation includes timing requirements. If the enabling legislation includes timing requirements, special assessments and fines and forfeitures are recognized in the year when the resources are required to be used or when use is first permitted.

Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied and the revenues are both measurable and available. 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 specific purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

I. Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions, that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current expendable available resources. In general, payments made more than 60 days after year end are considered not to have been made with current available financial resources. Bonds and long-term purchase agreements are recognized as a liability of the general long-term obligations account group until due.

Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

J. Contributed Capital

Contributed capital represents resources from other funds, other governments, and private sources provided to proprietary funds prior to January 1, 2001, that is not subject to repayment. These private sources are recorded at their fair market value on the date contributed. Depreciation on those assets acquired or constructed with contributed resources is expended and closed to unreserved retained earnings at year end.

CITY OF STOW, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Reserves of Fund Balance

The City records reservations for portions of fund balances which are legally segregated for specific future use or which do not represent available, spendable resources and, therefore, are not available for appropriations for expenditures. Undesignated fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, inventory, common stock, budget stabilization and advances.

L. Interfund Transactions

During the course of normal operations, the City makes numerous transactions between funds. The most significant include operating transfers, reimbursements and residual equity transfers.

1. Transfers of resources from one fund to another fund through which resources are to be expended are recorded as operating transfers.
2. Reimbursements from one fund to another fund are treated as expenditures/expenses in the reimbursing fund and a reduction in expenditures/expenses in the reimbursed fund except for the Internal Service Fund which treats reimbursements as revenue.
3. Nonrecurring and non-routine transfers of equity between funds, capital contributions to the proprietary fund type, the subsequent return of all or part of such contributions, and the transfer of residual balances of discontinued funds or projects to the general fund, capital projects funds, or debt service fund are classified as residual equity transfers. The City had no such transfers in 2002.

M. Estimates

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

N. Total Columns on General Purpose Financial Statements

Total columns on the general purpose financial statements are captioned “(Memorandum Only)” to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

CITY OF STOW, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 3 – RESTATEMENT OF PRIOR YEAR FUND BALANCE

As part of the cost of the Stow Water System, the City of Stow assumed an OWDA Loan from the County that was not reported in 2001.

In 2002, the City of Stow changed its fixed asset threshold to \$5,000. See Note 10 for impact on GFAAG.

In 2001, the City of Stow reported a transfer that was subsequently changed to an advance.

	<u>General Fund</u>	<u>Enterprise Fund</u>
<u>GAAP Basis</u>		
Excess as Previously Reported	\$424,302	\$11,683,521
OWDA Loan	0	(168,274)
Change in Threshold	0	183,800
Advance to (from) Other Funds	<u>350,000</u>	<u>(350,000)</u>
Excess as Restated December 31, 2001	<u>\$774,302</u>	<u>\$11,349,047</u>

The restatement to the Beginning Fund Balance on the GAAP basis is as follows:

Fund Balance as Previously Reported	\$5,843,298	\$11,917,019
OWDA Loan	0	(168,274)
Change in Threshold	0	183,800
Advance to (from) Other Funds	<u>350,000</u>	<u>(350,000)</u>
Fund Balance as Restated December 31, 2001	<u>\$6,193,298</u>	<u>\$11,582,545</u>

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis), All Governmental Fund Types and Expendable Trust Funds and the Combined Statement of Revenues, Expenses and Changes in Fund Equity – Budget and Actual (Budget Basis) – All Proprietary Fund Types are 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:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

CITY OF STOW, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (continued)

2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures/expenses (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).
4. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the GAAP basis are as follows:

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under)
 Expenditures and Other Financing (Uses)
 All Governmental Fund Types and Expendable Trust Funds

	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
GAAP Basis	\$162,579	(\$448,253)	\$0	(\$4,212,235)	(\$257)
Net Adjustment for Revenue Accruals	92,379	5,673,224	0	9,833,176	0
Net Adjustment for Expenditure Accruals	(927,761)	(7,090,746)	0	(11,049,421)	0
Encumbrances	498,344	3,619,662	0	5,758,809	0
Budget Basis	<u>(\$174,459)</u>	<u>\$1,753,887</u>	<u>\$0</u>	<u>\$330,329</u>	<u>(\$257)</u>

Net Income/Excess of Revenues Over
 Expenses and Operating Transfers
 Proprietary Fund Types

	Enterprise	Internal Service
GAAP Basis	\$1,705,521	\$133,464
Net Adjustment for Revenue Accruals	1,208,990	2,550
Net Adjustment for Expenditure Accruals	(4,485,930)	(57,213)
Encumbrances	1,986,323	2,700
Budget Basis	<u>\$414,904</u>	<u>\$81,501</u>

CITY OF STOW, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 5 - ACCOUNTABILITY AND COMPLIANCE

Deficit Fund Balances

The following funds had a deficit fund balance caused by the recognition of expenditures and/or nonrecognition of revenues on the modified accrual basis of accounting which substantially differ from those recognized on the cash basis of accounting:

<u>Fund</u>	<u>Deficit</u>
Special Revenue Funds	
Police Pension and Disability	\$(78,542)
Fire Pension and Disability	(138,581)
ODNR Recycling Grant	(3,530)
Special Assessment Improvements	(29,427)
EMS/Fire Tax Levy	(54,485)

NOTE 6 - DEPOSITS AND INVESTMENTS

Deposits and investments are restricted by provisions of the Ohio Revised Code.

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 two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

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 treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public money deposited with the institution.

Interim monies are permitted to be deposited or invested in the following securities:

CITY OF STOW, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

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

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; and
3. Obligations of the City.

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.

CITY OF STOW, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3 “Deposits With Financial Institutions, Investments (Including Repurchase Agreements) and Reverse Repurchase Agreements”.

Deposits - At year end, the carrying amount of the City’s deposits was \$(372,147) and the bank balance was \$122,833. Of the bank balance:

1. \$100,635 was covered by federal depository insurance; and
2. \$22,198 was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

Investments - The City’s investments are required to be categorized to give an indication of the level of custodial credit risk assumed by the City at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City’s name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty’s trust department or agent in the City’s name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City’s name. STAR Ohio is unclassified since it is not evidenced by securities that exist in physical or book entry form.

At year end, the City’s investment balances were as follows:

	1	Category 2	3	Fair Value
Overnight Repurchase Agreements	\$0	\$0	\$1,240,000	\$1,240,000
Common Stock	306	0	0	306
Total	<u>\$306</u>	<u>\$0</u>	<u>\$1,240,000</u>	1,240,306
STAR Ohio				<u>28,935,665</u>
Total Investments				<u>\$30,175,971</u>

The classification of cash and cash equivalents and investments on the general purpose financial statements is based on criteria set forth in GASB Statement No. 9, “Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting”. A reconciliation between the classifications of cash and cash equivalents and investments on the general purpose financial statements and the classifications of deposits and investments per GASB Statement No. 3 is as follows:

CITY OF STOW, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$29,803,518	\$306
Investments of Cash Management Pool:		
Overnight Repurchase Agreements	(1,240,000)	1,240,000
STAR Ohio	<u>(28,935,665)</u>	<u>28,935,665</u>
GASB Statement No. 3	<u>(\$372,147)</u>	<u>\$30,175,971</u>

NOTE 7 – PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2000. Real property taxes are payable annually or semiannually. If paid annually, payment is due January 20; if paid semiannually, the first payment is due January 20, with the remainder payable June 20, unless extended.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

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 year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 80 percent of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Fiscal Officer collects property tax on behalf of all taxing districts within the County. The County Fiscal Officer periodically remits to the taxing districts their portions of the taxes collected.

Accrued property taxes receivable represents delinquent taxes outstanding and real, tangible personal, and public utility taxes which were measurable as of December 31, 2002. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, 2002 and are not intended to finance 2003 operations. The receivable is therefore offset by a credit to deferred revenue.

CITY OF STOW, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 7 – PROPERTY TAXES (continued)

The full tax rate for all City operations for the year ended December 31, 2002 was \$7.20 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2002 property tax receipts were based are as follows:

Category	Total Assessed Value	%
Real Property Valuation:		
Residential/Agriculture	\$485,339,520	71.70%
Commercial/Industrial/Mineral	126,575,860	18.70%
Public Utilities	17,810	0.00%
Tangible Personal Property Valuation:		
General	54,307,489	8.02%
Public Utilities	10,647,060	1.58%
Total Valuation	<u>\$676,887,739</u>	<u>100.00%</u>

NOTE 8 – INCOME TAX

The City levies and collects an income tax of two percent on all income earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100 percent for the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Withheld income taxes and other various income tax collections for 2002 received 60 days after year end have been recognized as revenue in 2002.

Corporations and other individual taxpayers are also required to pay their estimated taxes at least quarterly and to file a final return annually.

Income tax revenues are distributed among the General Fund (60 percent) and Capital Projects Funds (40 percent). In accordance with the City’s Charter, all income tax revenues are first recorded in the General Fund. Subsequently, 40 percent of those revenues are distributed to the Capital Projects Funds. These distributions are made periodically throughout the year using interfund transfers. Accordingly, the Capital Projects portion of income tax revenues, which approximated \$4,512,724 for 2002, are reported within the Capital Projects Operating Transfers-In line item. Additionally, all income tax receivable amounts are reported within the General Fund. The portion of the receivable to be later distributed to the Capital Projects Funds approximates \$707,000.

NOTE 9 – INTERGOVERNMENTAL RECEIVABLES

Receivables at December 31, 2002 consisted of taxes, accounts, special assessments, advances to other funds and intergovernmental arising from grants, entitlements, and shared revenues. All receivables are considered collectible in full. Delinquent accounts receivable may be certified and collected as a special assessment, subject to foreclosure for nonpayment.

CITY OF STOW, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 9 – INTERGOVERNMENTAL RECEIVABLES (continued)

A summary of the items of intergovernmental receivables follows:

<u>Fund</u>	<u>Amount</u>
General	<u>\$39,989</u>
Special Revenue	
Street Construction	12,521
State Highway Improvement	1,015
Police Pension and Disability	1,032
Fire Pension and Disability	1,032
EMS/Fire Tax Levy	7,912
Motor Vehicle License Tax	5,326
ODNR Litter Prevention Grant	4,500
Police Enforcement and Education	<u>200</u>
Total Special Revenue	<u>33,538</u>
Enterprise	
Water	<u>23,177</u>
Agency	<u>105</u>
Grand Total	<u><u>\$96,809</u></u>

NOTE 10 - FIXED ASSETS

For 2002, the City increased its capitalization threshold from \$500 to \$5,000.

A summary of the changes in general fixed assets during 2002 follows:

	Balance	Restatements	Restated		Deletions	Balance
			Beginning			
	01/01/2002	01/01/2002	01/01/2002	Additions		12/31/2002
Land and Improvements	\$8,527,399	(\$137,305)	\$8,390,094	\$1,546,541	\$0	\$9,936,635
Buildings	9,060,737	14,991	9,075,728	50,698	0	9,126,426
Vehicles	4,192,421	59,941	4,252,362	506,781	(32,260)	4,726,883
Equipment, Furniture and Fixtures	4,487,644	(1,517,119)	2,970,525	206,187	0	3,176,712
Construction in Progress	0	0	0	5,663,350	0	5,663,350
Total	<u>\$26,268,201</u>	<u>(\$1,579,492)</u>	<u>\$24,688,709</u>	<u>\$7,973,557</u>	<u>(\$32,260)</u>	<u>\$32,630,006</u>

CITY OF STOW, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 10 - FIXED ASSETS (continued)

A summary of the proprietary funds' fixed assets at December 31, 2002 follows:

	Balance	Restatements	Restated Beginning Balance	Additions	Deletions	Balance
	01/01/2002	01/01/2002	01/01/2002			12/31/2002
Enterprise Funds:						
Land	\$0	\$262,011	\$262,011	\$0	\$0	\$262,011
Buildings and Improvements	3,118,251	0	3,118,251	18,147	0	3,136,398
Infrastructure	10,439,114	0	10,439,114	843,253	0	11,282,367
Equipment, Furniture and Fixtures	91,649	(63,811)	27,838	169,180	0	197,018
Vehicles	68,637	0	68,637	125,722	0	194,359
Sub-Total	13,717,651	198,200	13,915,851	1,156,302	0	15,072,153
Less: Accumulated Depreciation	(24,182)	(14,400)	(38,582)	(325,623)	0	(364,205)
Total	\$13,693,469	\$183,800	\$13,877,269	\$830,679	\$0	\$14,707,948

NOTE 11 - DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System:

All employees of the City, with the exclusion of City police officers and firefighters, participate in the Ohio Public Employees Retirement System (OPERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the Public Employees Retirement Board. The OPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. The OPERS issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614)466-2085 or 1-800-222-7377.

Plan members are required to contribute eight and one-half percent of their annual covered salary to fund pension benefit obligations. The rate for local government employers was 13.55 percent of covered payroll. Contributions are authorized by state statute. The contribution rates are determined actuarially. The City's required contributions for pension obligations to the OPERS for the years ended December 31, 2002, 2001 and 2000 were \$953,070, \$769,182 and \$565,879, respectively. The full amount has been contributed for 2001 and 2000. 77.61 percent has been contributed for 2002.

CITY OF STOW, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

B. Ohio Police and Fire Pension Fund:

All City police officers and firefighters are required to be members of the Ohio Police and Fire Pension Fund (OP&F Ohio), a cost-sharing, multiple-employer defined benefit pension plan administered by the OP&F Ohio's Board of Trustees. The OP&F Ohio provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established and may be amended by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F Ohio issues a publicly available stand-alone financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F Ohio, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute ten percent of their annual covered salary, while employers are required to contribute 19.5 percent and 24.0 percent, respectively, for police officers and firefighters. Contributions are authorized by State statute. The City's required contributions for pension obligations to the OP&F Ohio for the years ended December 31, 2002, 2001 and 2000 were \$885,747, \$703,259 and \$874,202, respectively. The full amount has been contributed for 2001 and 2000. 73.97 percent has been contributed in 2002.

NOTE 12 - POST-EMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System:

The Ohio Public Employees Retirement System (OPERS) provides post-retirement health care coverage to age and service retirants with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Post-Employment Benefits Other Than Pension Benefits by State and Local Governmental Employers". A portion of each employer's contribution to the OPERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 2002 employer contribution rate was 13.55 percent of covered payroll; 5.00 percent was the portion that was used to fund health care for the year 2002. The City's actual contributions for 2002 which were used to fund post-employment benefits were \$351,686.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2001, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.00 percent annually.

CITY OF STOW, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 12 - POST-EMPLOYMENT BENEFITS (continued)

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

The number of active contributing participants was 402,041. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2001, (the latest information available) were \$11.6 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$16.4 billion and \$4.8 billion, respectively.

In December, 2001, the board adopted the Health Care "Choices" Plan in its continuing effort to respond to the rise in the cost of Health Care. The Choices Plan will be offered to all persons newly hired under OPERS after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices, as the name suggests, will incorporate a cafeteria approach, offering a more broad range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

B. Ohio Police and Fire Pension Fund:

The Ohio Police and Fire Pension Fund (OP&F Ohio) provides post-retirement health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care cost paid from the funds of the OP&F Ohio shall be included in the employer's contribution rate. The total police officer employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll. The City's actual contributions for 2002 which were used to fund post-employment benefits were \$313,624.

The Ohio Revised Code provides the statutory authority allowing the OP&F Ohio's Board of Trustees to provide health care coverage to all eligible individuals.

CITY OF STOW, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 12 - POST-EMPLOYMENT BENEFITS (continued)

Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 7.50 percent and 7.75 percent of covered payroll in 2001 and 2002, respectively. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. The number of participants eligible statewide to receive health care benefits as of December 31, 2001, the date of the last actuarial valuation available, are 13,174 for police officers and 10,239 for firefighters. The OP&F Ohio's total health care expense for the year ending December 31, 2001, the date of the last actuarial valuation available, was \$122,298,771, which was net of member contributions of \$6,874,699.

NOTE 13 - COMPENSATED ABSENCES

Full-time City employees earn and accumulate paid vacation leave for each paid 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 the length of service, employees 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 or estate.

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 to a maximum of 1,000 hours and 50 percent of unused sick leave up to a maximum 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. Firefighters hired prior to July 1, 1996 are entitled to payment for additional hours upon retirement or death. 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 the cash payment of 50 percent of unused sick leave up to a maximum of an additional 1,000 hours.

Full-time police officers 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, 2002, the liability for compensated absences was \$941,889 for the entire City.

CITY OF STOW, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

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 \$500 collision deductible; vehicles with a cost of over \$100,000 have a \$2,000 deductible. All Council members, administrators and employees are covered under a City liability policy. The limits of this coverage are \$1,000,000 per occurrence and \$2,000,000 in aggregate with a \$10,000,000 umbrella over all coverages. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction of coverage from the prior year.

B. Fidelity Bond

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

C. Workers' Compensation

The City pays the State Workers' Compensation System, an insurance purchasing pool, a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

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 plan provides a medical plan with a \$400.00 family and \$200.00 single deductible and a dental plan with a \$75.00 family and \$25.00 single deductible. A third party administrator, Klais & Company, Inc., reviews all medical and dental claims which are then paid by the City. The City has purchased stop-loss coverage of \$75,000 per employee and for claims in excess of \$1,924,560 in the aggregate from Pan American Life Insurance. The City pays into the self-insurance internal service fund \$641.74 per month for each employee with family medical coverage and \$194.56 per month for each employee with individual medical coverage. Premiums for dental coverage are \$71.32 monthly for each employee with family coverage and \$31.44 monthly for each employee with individual coverage. All premiums are paid by the fund that pays the salary for the employee.

CITY OF STOW, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 14 - RISK MANAGEMENT (continued)

The claims liability of \$191,505 reported in the self-insurance internal service fund at December 31, 2002 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. A summary of the fund's claims liability during the past two years are as follows:

	Beginning of Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Year End
2001	\$197,009	\$1,097,484	(\$1,074,745)	\$219,748
2002	\$219,748	\$1,363,792	(\$1,392,035)	\$191,505

NOTE 15 - DEBT OBLIGATIONS

The City's note activity, including amounts outstanding, interest rates and maturity dates is as follows:

	Balance 01/01/2002	Additions	Deletions	Balance 12/31/2002
Special Revenue Funds				
2002 Construction Note 2.5%, Due 4/14/2003	\$0	\$5,674,830	\$0	\$5,674,830
Capital Projects Funds				
2002 Construction Note 2.5%, Due 4/14/2003	0	9,830,170	0	9,830,170
Enterprise Fund				
Water System Anticipation 3.25%, Due 8/23/2002	2,300,000	0	(2,300,000)	0
Water System Anticipation 3.25%, Due 5/14/2003	0	2,300,000	0	2,300,000
Total Enterprise Fund	2,300,000	2,300,000	(2,300,000)	2,300,000
Grand Total	<u>\$2,300,000</u>	<u>\$17,805,000</u>	<u>(\$2,300,000)</u>	<u>\$17,805,000</u>

All notes are backed by the full faith and credit of the City of Stow. The notes are generally issued in anticipation of long-term bond financing and are refinanced until such bonds are issued.

CITY OF STOW, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 15 - DEBT OBLIGATIONS (continued)

Changes in the long-term obligations of the City during 2002 are as follows:

	<u>Balance</u> <u>01/01/2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2002</u>
Enterprise Fund				
OWDA Loan				
8.09%, Due 1/01/2009	\$153,293	\$0	(\$23,825)	\$129,468
OWDA Loan				
7.86%, Due 7/01/2007	14,981	0	(3,155)	11,826
Total Enterprise Fund	<u>168,274</u>	<u>0</u>	<u>(26,980)</u>	<u>141,294</u>
General Long-Term Obligations				
Account Group				
5.5% - 7.75%, Safety Center				
Construction General Obligation				
Bonds, Due through 2020	6,195,000	0	(180,000)	6,015,000
Compensated Absences	846,477	27,948	0	874,425
Intergovernmental Payables	123,043	33,370	0	156,413
Total General Long-Term Obligations	<u>7,164,520</u>	<u>61,318</u>	<u>(180,000)</u>	<u>7,045,838</u>
Total Long-Term Obligations	<u>\$7,332,794</u>	<u>\$61,318</u>	<u>(\$206,980)</u>	<u>\$7,187,132</u>

The general obligation bonds will be repaid from income tax monies transferred into the debt service fund from the capital projects funds. Compensated Absences and the Intergovernmental Payables that represent contractually required pension contributions will be paid from the funds, which the employees' salaries are paid. The OWDA Loan will be repaid with operating revenue from the water fund. The OWDA Loan was assumed by the City from Summit County.

CITY OF STOW, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 15 - DEBT OBLIGATIONS (continued)

The annual requirements to amortize all long-term debt outstanding as of December 31, 2002, including interest payments of \$4,115,207, are as follows:

Year Ending December 31,	Safety Center Construction General Obligation Bonds	OWDA Loans	Total
2003	\$563,445	\$31,309	\$594,754
2004	568,333	31,309	599,642
2005	566,508	31,309	597,817
2006	563,908	31,309	595,217
2007	565,512	29,694	595,206
2008-2012	2,795,187	28,081	2,823,268
2013-2017	2,792,737	0	2,792,737
2018-2020	1,672,860	0	1,672,860
Total Principal and Interest	10,088,490	183,011	10,271,501
Less Interest	(4,073,490)	(41,717)	(4,115,207)
Total	<u>\$6,015,000</u>	<u>\$141,294</u>	<u>\$6,156,294</u>

NOTE 16 - ADVANCES

A summary of advances to/from other funds by fund type follows:

Fund	Advances to Other Funds	Advances From Other Funds
General Fund	\$350,000	\$0
Special Revenue:		
ODNR Litter Prevention Grant	0	6,364
ODNR Recycling Grant	0	3,530
Special Assessment Improvements	0	30,000
Total Special Revenue	<u>0</u>	<u>39,894</u>
Capital Projects:		
General Capital Improvements	<u>39,894</u>	<u>0</u>
Enterprise Funds:		
Water	0	350,000
Grand Total	<u>\$389,894</u>	<u>\$389,894</u>

CITY OF STOW, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 17 - CONTINGENT LIABILITIES

A. Litigation

Several claims and lawsuits are pending against the City. It is management's opinion that the ultimate liability will be covered by insurance, and/or will not have a material effect on the general purpose financial statements.

B. Grants

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, City management believes such disallowances, if any, will be immaterial.

NOTE 18 – CONTRACTUAL COMMITMENTS

During 2002, the City entered into various contracts for building construction and renovations totaling \$11,255,687. The amount paid on the contracts was \$5,348,037, leaving an outstanding contractual commitment of \$5,907,650.

GENERAL FUND

The General Fund accounts for financial resources and expenses associated with general government operations of the City that are not required to be accounted for in another fund.

Since there is only one General Fund and the level of budgetary control is not greater than that presented in the Combined Financial Statements. No additional financial statements have been presented herein.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by law and administrative action to expenditures for specified purposes. Descriptions of the City's Special Revenue Funds are as follows:

Street Construction – Accounts for the portion of State gasoline tax and motor vehicle registration fees designated for maintenance and repair of streets within the City.

State Highway Improvement – Accounts for the portion of the State gasoline tax and motor vehicle registration fees designated for maintenance and repair of State highways within the City.

Police Pension and Disability – Accounts for property taxes levied for the payment of current employer contributions for police disability and pension benefits.

Fire Pension and Disability – Accounts for property taxes levied for the payment of current employer contributions for fire disability and pension benefits.

EMS/Fire Tax Levy – Accounts for property taxes levied for operation and capital improvements for emergency medical services and fire services.

Motor Vehicle License Tax – Accounts for the additional motor vehicle registration fees designated for maintenance and repair of streets within the City.

ODNR Litter Prevention Grant – Accounts for grants received from the Ohio Department of Natural Resources and Summit County for the City's litter prevention program.

EMS Transport Fees – Accounts for EMS transport fees collected and to disburse collections in accordance with City policy.

Police Enforcement and Education – 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.

Special Assessment Improvements – 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 – Accounts for donations or restitutions for damages for planting and relocation of trees and other greenery within the City.

**SPECIAL REVENUE FUNDS
(CONTINUED)**

Communications Tower Fund – Accounts for monies received from carriers using the GTE MobilNet Communication Tower. Monies are used for park improvements.

Cemetery Trust – Accounts for sale of graves, opening and closing of same, sale of monuments, tombs or vaults, burying ashes and disinterment.

Park Improvements – Accounts for contributions from residents, civic groups, industries or other gratuitous donors for improvements of City parks.

Other Special Revenue Funds

Commission of the Arts
Safety Town Fund
COPFAST
DARE Program
ODNR Recycling Grant
Youth Division Donations
Fire Department Emergency Equipment
SKiP Maintenance
Parks Youth Fund
Police Department Emergency Equipment
Skatepark Fund
Sidewalk Repair Program

Police Vehicle Etching
Youth Division Teen Center
Parks Lodge Improvement
Community Relations
SS Ballfield Complex
Park and Recreation Scholarship
Police Bike Patrol Fund
Police Explorer Fund
Building Education/Seminar Fund
Community Development
Project Plan/Bid Specification

City of Stow, Ohio
Combining Balance Sheet
All Special Revenue Funds
December 31, 2002

	Street Construction	State Highway Improvement	Police Pension and Disability
<u>Assets</u>			
Equity in Pooled Cash and Investments	\$487,970	\$25,330	\$0
Receivables:			
Taxes	0	0	192,336
Accounts	0	0	0
Special Assessments	0	0	0
Intergovernmental	12,521	1,015	1,032
Materials and Supplies Inventory	198,371	0	0
Total Assets	<u>\$698,862</u>	<u>\$26,345</u>	<u>\$193,368</u>
<u>Liabilities</u>			
Accounts Payable	\$88,702	\$3,182	\$0
Accrued Wages and Benefits	0	0	0
Intergovernmental Payable	19,859	663	85,271
Deferred Revenue	0	0	186,639
Notes Payable	0	0	0
Advances from Other Funds	0	0	0
Total Liabilities	<u>108,561</u>	<u>3,845</u>	<u>271,910</u>
<u>Fund Equity</u>			
Fund Balance:			
Reserved for Encumbrances	153,628	2,061	0
Reserved for Inventory	198,371	0	0
Unreserved:			
Undesignated	238,302	20,439	(78,542)
Total Fund Equity	<u>590,301</u>	<u>22,500</u>	<u>(78,542)</u>
Total Liabilities and Fund Equity	<u>\$698,862</u>	<u>\$26,345</u>	<u>\$193,368</u>

Fire Pension and Disability	EMS/Fire Tax Levy	Motor Vehicle License Tax	ODNR Litter Prevention Grant	EMS Transport Fees
\$0	\$5,694,879	\$158,733	\$12,926	\$604,576
192,336	1,474,567	0	0	0
0	0	0	0	731
0	0	0	0	0
1,032	7,912	5,326	4,500	0
0	0	0	8,298	0
<u>\$193,368</u>	<u>\$7,177,358</u>	<u>\$164,059</u>	<u>\$25,724</u>	<u>\$605,307</u>
\$0	\$84,410	\$0	\$1,178	\$5,326
0	16,690	0	1,375	0
145,310	25,023	0	5,784	0
186,639	1,430,890	0	4,500	0
0	5,674,830	0	0	0
0	0	0	6,364	0
<u>331,949</u>	<u>7,231,843</u>	<u>0</u>	<u>19,201</u>	<u>5,326</u>
0	3,171,003	20,000	296	67,227
0	0	0	8,298	0
<u>(138,581)</u>	<u>(3,225,488)</u>	<u>144,059</u>	<u>(2,071)</u>	<u>532,754</u>
<u>(138,581)</u>	<u>(54,485)</u>	<u>164,059</u>	<u>6,523</u>	<u>599,981</u>
<u>\$193,368</u>	<u>\$7,177,358</u>	<u>\$164,059</u>	<u>\$25,724</u>	<u>\$605,307</u>

(continued)

City of Stow, Ohio
Combining Balance Sheet
All Special Revenue Funds (Continued)
December 31, 2002

	Police Enforcement and Education	Special Assessment Improvements	Tree Trust
<u>Assets</u>			
Equity in Pooled Cash and Investments	\$10,550	\$662	\$253,416
Receivables:			
Taxes	0	0	0
Accounts	0	0	0
Special Assessments	0	2,296	0
Intergovernmental	200	0	0
Materials and Supplies Inventory	0	0	0
 Total Assets	<u>\$10,750</u>	<u>\$2,958</u>	<u>\$253,416</u>
<u>Liabilities</u>			
Accounts Payable	\$0	\$89	\$0
Accrued Wages and Benefits	0	0	0
Intergovernmental Payable	0	0	0
Deferred Revenue	0	2,296	0
Notes Payable	0	0	0
Advances from Other Funds	0	30,000	0
 Total Liabilities	<u>0</u>	<u>32,385</u>	<u>0</u>
<u>Fund Equity</u>			
Fund Balance:			
Reserved for Encumbrances	0	117	0
Reserved for Inventory	0	0	0
Unreserved:			
Undesignated	10,750	(29,544)	253,416
 Total Fund Equity	<u>10,750</u>	<u>(29,427)</u>	<u>253,416</u>
 Total Liabilities and Fund Equity	<u>\$10,750</u>	<u>\$2,958</u>	<u>\$253,416</u>

Communications Tower Fund	Cemetery Trust	Park Improvements	Commission of the Arts	Safety Town Fund
\$322,754	\$181,647	\$147,922	\$724	\$4,531
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>\$322,754</u>	<u>\$181,647</u>	<u>\$147,922</u>	<u>\$724</u>	<u>\$4,531</u>
\$0	\$1,613	\$0	\$0	\$0
0	0	0	0	0
0	0	0	177	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>0</u>	<u>1,613</u>	<u>0</u>	<u>177</u>	<u>0</u>
2,667	4,580	5,617	406	798
0	0	0	0	0
<u>320,087</u>	<u>175,454</u>	<u>142,305</u>	<u>141</u>	<u>3,733</u>
<u>322,754</u>	<u>180,034</u>	<u>147,922</u>	<u>547</u>	<u>4,531</u>
<u>\$322,754</u>	<u>\$181,647</u>	<u>\$147,922</u>	<u>\$724</u>	<u>\$4,531</u>

(continued)

City of Stow, Ohio
Combining Balance Sheet
All Special Revenue Funds (Continued)
December 31, 2002

	COPFAST	DARE Program	ODNR Recycling Grant
<u>Assets</u>			
Equity in Pooled Cash and Investments	\$0	\$3,431	\$0
Receivables:			
Taxes	0	0	0
Accounts	0	0	0
Special Assessments	0	0	0
Intergovernmental	0	0	0
Materials and Supplies Inventory	0	0	0
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$0</u>	<u>\$3,431</u>	<u>\$0</u>
<u>Liabilities</u>			
Accounts Payable	\$0	\$2,464	\$0
Accrued Wages and Benefits	0	0	0
Intergovernmental Payable	0	379	0
Deferred Revenue	0	0	0
Notes Payable	0	0	0
Advances from Other Funds	0	0	3,530
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>0</u>	<u>2,843</u>	<u>3,530</u>
<u>Fund Equity</u>			
Fund Balance:			
Reserved for Encumbrances	0	0	0
Reserved for Inventory	0	0	0
Unreserved:			
Undesignated	0	588	(3,530)
	<hr/>	<hr/>	<hr/>
Total Fund Equity	<u>0</u>	<u>588</u>	<u>(3,530)</u>
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Equity	<u>\$0</u>	<u>\$3,431</u>	<u>\$0</u>

Youth Division Donations	Fire Department Emergency Equipment	SKiP Maintenance	Parks Youth Fund	Police Department Emergency Equipment
\$5,854	\$22,823	\$0	\$862	\$6,856
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>\$5,854</u>	<u>\$22,823</u>	<u>\$0</u>	<u>\$862</u>	<u>\$6,856</u>
\$0	\$0	\$0	\$0	\$0
0	0	0	0	0
21	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>21</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0
0	0	0	0	0
<u>5,833</u>	<u>22,823</u>	<u>0</u>	<u>862</u>	<u>6,856</u>
<u>5,833</u>	<u>22,823</u>	<u>0</u>	<u>862</u>	<u>6,856</u>
<u>\$5,854</u>	<u>\$22,823</u>	<u>\$0</u>	<u>\$862</u>	<u>\$6,856</u>

(continued)

City of Stow, Ohio
Combining Balance Sheet
All Special Revenue Funds (Continued)
December 31, 2002

	Skatepark Fund	Sidewalk Repair Program	Police Vehicle Etching
<u>Assets</u>			
Equity in Pooled Cash and Investments	\$0	\$52,500	\$0
Receivables:			
Taxes	0	0	0
Accounts	0	0	0
Special Assessments	0	0	0
Intergovernmental	0	0	0
Materials and Supplies Inventory	0	0	0
Total Assets	<u>\$0</u>	<u>\$52,500</u>	<u>\$0</u>
<u>Liabilities</u>			
Accounts Payable	\$0	\$0	\$0
Accrued Wages and Benefits	0	0	0
Intergovernmental Payable	0	0	0
Deferred Revenue	0	0	0
Notes Payable	0	0	0
Advances from Other Funds	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
<u>Fund Equity</u>			
Fund Balance:			
Reserved for Encumbrances	0	0	0
Reserved for Inventory	0	0	0
Unreserved:			
Undesignated	0	52,500	0
Total Fund Equity	<u>0</u>	<u>52,500</u>	<u>0</u>
Total Liabilities and Fund Equity	<u>\$0</u>	<u>\$52,500</u>	<u>\$0</u>

Youth Division Teen Center	Parks Lodge Improvement	Community Relations	SS Ballfield Complex	Park and Recreation Scholarship
\$6,206	\$39,694	\$935	\$20,245	\$1,330
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>\$6,206</u>	<u>\$39,694</u>	<u>\$935</u>	<u>\$20,245</u>	<u>\$1,330</u>
\$646	\$510	\$511	\$260	\$0
0	0	0	0	0
35	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>681</u>	<u>510</u>	<u>511</u>	<u>260</u>	<u>0</u>
291	1,373	0	495	0
0	0	0	0	0
<u>5,234</u>	<u>37,811</u>	<u>424</u>	<u>19,490</u>	<u>1,330</u>
<u>5,525</u>	<u>39,184</u>	<u>424</u>	<u>19,985</u>	<u>1,330</u>
<u>\$6,206</u>	<u>\$39,694</u>	<u>\$935</u>	<u>\$20,245</u>	<u>\$1,330</u>

(continued)

City of Stow, Ohio
Combining Balance Sheet
All Special Revenue Funds (Continued)
December 31, 2002

	Police Bike Patrol Fund	Police Explorer Fund	Building Education/ Seminar Fund
<u>Assets</u>			
Equity in Pooled Cash and Investments	\$0	\$573	\$1,642
Receivables:			
Taxes	0	0	0
Accounts	0	0	0
Special Assessments	0	0	0
Intergovernmental	0	0	0
Materials and Supplies Inventory	0	0	0
 Total Assets	<u>\$0</u>	<u>\$573</u>	<u>\$1,642</u>
<u>Liabilities</u>			
Accounts Payable	\$0	\$54	\$0
Accrued Wages and Benefits	0	0	0
Intergovernmental Payable	0	0	0
Deferred Revenue	0	0	0
Notes Payable	0	0	0
Advances from Other Funds	0	0	0
 Total Liabilities	<u>0</u>	<u>54</u>	<u>0</u>
<u>Fund Equity</u>			
Fund Balance:			
Reserved for Encumbrances	0	0	0
Reserved for Inventory	0	0	0
Unreserved:			
Undesignated	0	519	1,642
 Total Fund Equity	<u>0</u>	<u>519</u>	<u>1,642</u>
 Total Liabilities and Fund Equity	<u>\$0</u>	<u>\$573</u>	<u>\$1,642</u>

Community Development	Project Plan/ Bid Specification	Totals
\$0	\$0	\$8,069,571
0	0	1,859,239
0	0	731
0	0	2,296
0	0	33,538
0	0	206,669
<u>\$0</u>	<u>\$0</u>	<u>\$10,172,044</u>
\$0	\$0	\$188,945
0	0	18,065
0	0	282,522
0	0	1,810,964
0	0	5,674,830
0	0	39,894
<u>0</u>	<u>0</u>	<u>8,015,220</u>
0	0	3,430,559
0	0	206,669
<u>0</u>	<u>0</u>	<u>(1,480,404)</u>
<u>0</u>	<u>0</u>	<u>2,156,824</u>
<u>\$0</u>	<u>\$0</u>	<u>\$10,172,044</u>

City of Stow, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds
For the Year Ended December 31, 2002

	Street Construction	State Highway Improvement	Police Pension and Disability	Fire Pension and Disability
<u>Revenues</u>				
Property and Other Taxes	\$0	\$0	\$187,387	\$187,387
Charges for Services	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	961,862	65,622	21,683	21,683
Special Assessments	0	0	0	0
Investment Income	5,491	388	0	0
Other	2,049	0	0	0
Total Revenues	969,402	66,010	209,070	209,070
<u>Expenditures</u>				
Current:				
Security of Persons and Property	0	0	372,969	517,940
Public Health and Welfare	0	0	0	0
Transportation	1,546,926	67,606	0	0
Community Environment	0	0	0	0
Leisure Time Activities	0	0	0	0
Other	0	0	0	0
Capital Outlay	99,769	0	0	0
Total Expenditures	1,646,695	67,606	372,969	517,940
Excess (Deficiency) of Revenues Over (Under) Expenditures	(677,293)	(1,596)	(163,899)	(308,870)
<u>Other Financing Sources</u>				
Proceeds of Notes	0	0	0	0
Operating Transfers - In	825,000	0	172,535	313,832
Total Other Financing Sources	825,000	0	172,535	313,832
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	147,707	(1,596)	8,636	4,962
Fund Balances (Deficit) at Beginning of Year	579,844	24,096	(87,178)	(143,543)
(Decrease) in Reserve for Inventory	(137,250)	0	0	0
Fund Balances (Deficits) at End of Year	\$590,301	\$22,500	(\$78,542)	(\$138,581)

EMS/Fire Tax Levy	Motor Vehicle License Tax	ODNR Litter Prevention Grant	EMS Transport Fees	Police Enforcement and Education
\$1,433,769	\$0	\$0	\$0	\$0
0	0	0	626,923	0
0	0	0	0	3,611
166,234	77,788	18,000	0	0
0	0	0	0	0
56,551	2,026	0	0	0
0	0	0	0	0
<u>1,656,554</u>	<u>79,814</u>	<u>18,000</u>	<u>626,923</u>	<u>3,611</u>
1,086,824	0	0	56,578	797
0	0	146,101	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>1,474,973</u>	<u>30,000</u>	<u>0</u>	<u>487,591</u>	<u>4,112</u>
<u>2,561,797</u>	<u>30,000</u>	<u>146,101</u>	<u>544,169</u>	<u>4,909</u>
<u>(905,243)</u>	<u>49,814</u>	<u>(128,101)</u>	<u>82,754</u>	<u>(1,298)</u>
21,848	0	0	0	0
0	0	137,000	0	0
<u>21,848</u>	<u>0</u>	<u>137,000</u>	<u>0</u>	<u>0</u>
(883,395)	49,814	8,899	82,754	(1,298)
828,910	114,245	7,934	517,227	12,048
0	0	(10,310)	0	0
<u>(\$54,485)</u>	<u>\$164,059</u>	<u>\$6,523</u>	<u>\$599,981</u>	<u>\$10,750</u>

(continued)

City of Stow, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds (Continued)
For the Year Ended December 31, 2002

	Special Assessment Improvements	Tree Trust	Communications Tower Fund	Cemetery Trust
<u>Revenues</u>				
Property and Other Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	61,538	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	0	0	0	0
Special Assessments	52,917	0	0	0
Investment Income	0	0	0	0
Other	0	63,301	0	44,026
Total Revenues	52,917	63,301	61,538	44,026
<u>Expenditures</u>				
Current:				
Security of Persons and Property	53,335	0	0	0
Public Health and Welfare	0	0	0	0
Transportation	0	0	0	0
Community Environment	0	0	21,241	0
Leisure Time Activities	0	23,830	0	0
Other	0	0	0	0
Capital Outlay	572	0	2,696	2,125
Total Expenditures	53,907	23,830	23,937	2,125
Excess (Deficiency) of Revenues Over (Under) Expenditures	(990)	39,471	37,601	41,901
<u>Other Financing Sources</u>				
Proceeds of Notes	0	0	0	0
Operating Transfers - In	0	0	0	0
Total Other Financing Sources	0	0	0	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(990)	39,471	37,601	41,901
Fund Balances (Deficit) at Beginning of Year	(28,437)	213,945	285,153	138,133
(Decrease) in Reserve for Inventory	0	0	0	0
Fund Balances (Deficits) at End of Year	(\$29,427)	\$253,416	\$322,754	\$180,034

<u>Park Improvements</u>	<u>Commission of the Arts</u>	<u>Safety Town Fund</u>	<u>COPFAST</u>	<u>DARE Program</u>
\$0	\$0	\$0	\$0	\$0
0	0	0	0	0
0	0	0	0	0
0	1,140	0	0	14,694
0	0	0	0	0
0	0	0	0	0
<u>600</u>	<u>0</u>	<u>5,175</u>	<u>338</u>	<u>2,336</u>
<u>600</u>	<u>1,140</u>	<u>5,175</u>	<u>338</u>	<u>17,030</u>
0	0	3,048	0	23,220
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
22,666	21,348	0	0	0
0	0	0	0	0
<u>4,912</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,752</u>
<u>27,578</u>	<u>21,348</u>	<u>3,048</u>	<u>0</u>	<u>25,972</u>
<u>(26,978)</u>	<u>(20,208)</u>	<u>2,127</u>	<u>338</u>	<u>(8,942)</u>
0	0	0	0	0
<u>212</u>	<u>20,500</u>	<u>0</u>	<u>0</u>	<u>8,000</u>
<u>212</u>	<u>20,500</u>	<u>0</u>	<u>0</u>	<u>8,000</u>
(26,766)	292	2,127	338	(942)
174,688	255	2,404	(338)	1,530
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$147,922</u>	<u>\$547</u>	<u>\$4,531</u>	<u>\$0</u>	<u>\$588</u>

(continued)

City of Stow, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds (Continued)
For the Year Ended December 31, 2002

	ODNR Recycling Grant	Youth Division Donations	Fire Department Emergency Equipment	SKiP Maintenance
<u>Revenues</u>				
Property and Other Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	0	0	0	0
Special Assessments	0	0	0	0
Investment Income	0	0	0	0
Other	0	2,400	11,830	0
Total Revenues	0	2,400	11,830	0
<u>Expenditures</u>				
Current:				
Security of Persons and Property	0	0	1,901	0
Public Health and Welfare	0	0	0	0
Transportation	0	0	0	0
Community Environment	0	0	0	0
Leisure Time Activities	0	808	0	0
Other	0	0	0	0
Capital Outlay	0	0	694	0
Total Expenditures	0	808	2,595	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	1,592	9,235	0
<u>Other Financing Sources</u>				
Proceeds of Notes	0	0	0	0
Operating Transfers - In	0	0	0	0
Total Other Financing Sources	0	0	0	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	0	1,592	9,235	0
Fund Balances (Deficit) at Beginning of Year	(3,530)	4,241	13,588	0
(Decrease) in Reserve for Inventory	0	0	0	0
Fund Balances (Deficits) at End of Year	(\$3,530)	\$5,833	\$22,823	\$0

Parks Youth Fund	Police Department Emergency Equipment	Skatepark Fund	Sidewalk Repair Program	Police Vehicle Etching
\$0	\$0	\$0	\$0	\$0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	1,284	0	0	0
0	1,284	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	1,284	0	0	0
0	0	0	0	0
0	0	0	17,500	0
0	0	0	17,500	0
0	1,284	0	17,500	0
862	5,572	0	35,000	0
0	0	0	0	0
<u>\$862</u>	<u>\$6,856</u>	<u>\$0</u>	<u>\$52,500</u>	<u>\$0</u>

(continued)

City of Stow, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds (Continued)
For the Year Ended December 31, 2002

	Youth Division Teen Center	Parks Lodge Improvement	Community Relations	SS Ballfield Complex
<u>Revenues</u>				
Property and Other Taxes	\$0	\$0	\$0	\$0
Charges for Services	15,060	12,950	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	0	0	0	0
Special Assessments	0	0	0	0
Investment Income	0	0	0	0
Other	232	75	0	12,220
Total Revenues	<u>15,292</u>	<u>13,025</u>	<u>0</u>	<u>12,220</u>
<u>Expenditures</u>				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare	0	0	0	0
Transportation	0	0	703	0
Community Environment	0	0	0	0
Leisure Time Activities	19,836	2,778	0	2,573
Other	0	0	0	0
Capital Outlay	0	10	0	2,225
Total Expenditures	<u>19,836</u>	<u>2,788</u>	<u>703</u>	<u>4,798</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,544)</u>	<u>10,237</u>	<u>(703)</u>	<u>7,422</u>
<u>Other Financing Sources</u>				
Proceeds of Notes	0	0	0	0
Operating Transfers - In	0	0	800	0
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>800</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	<u>(4,544)</u>	<u>10,237</u>	<u>97</u>	<u>7,422</u>
Fund Balances (Deficit) at Beginning of Year	10,069	28,947	327	12,563
(Decrease) in Reserve for Inventory	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances (Deficits) at End of Year	<u><u>\$5,525</u></u>	<u><u>\$39,184</u></u>	<u><u>\$424</u></u>	<u><u>\$19,985</u></u>

Park and Recreation Scholarship	Police Bike Patrol Fund	Police Explorer Fund	Building Education/ Seminar Fund	Community Development
\$0	\$0	\$0	\$0	\$0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	5,804
48	0	0	0	0
48	0	0	0	5,804
0	0	54	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
585	0	0	0	5,804
0	0	0	0	0
585	0	54	0	5,804
(537)	0	(54)	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
(537)	0	(54)	0	0
1,867	0	573	1,642	0
0	0	0	0	0
<u>\$1,330</u>	<u>\$0</u>	<u>\$519</u>	<u>\$1,642</u>	<u>\$0</u>

(continued)

City of Stow, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds (Continued)
For the Year Ended December 31, 2002

	Project Plan/ Bid Specification	Totals
<u>Revenues</u>		
Property and Other Taxes	\$0	\$1,808,543
Charges for Services	0	716,471
Fines and Forfeitures	0	3,611
Intergovernmental	0	1,348,706
Special Assessments	0	52,917
Investment Income	0	70,260
Other	0	145,914
	<hr/>	<hr/>
Total Revenues	0	4,146,422
<u>Expenditures</u>		
Current:		
Security of Persons and Property	0	2,116,666
Public Health and Welfare	0	146,101
Transportation	0	1,615,235
Community Environment	0	21,241
Leisure Time Activities	0	93,839
Other	0	6,389
Capital Outlay	0	2,112,431
	<hr/>	<hr/>
Total Expenditures	0	6,111,902
Excess (Deficiency) of Revenues Over (Under) Expenditures	<hr/>	<hr/>
	0	(1,965,480)
<u>Other Financing Sources</u>		
Proceeds of Notes	0	21,848
Operating Transfers - In	0	1,495,379
	<hr/>	<hr/>
Total Other Financing Sources	0	1,517,227
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	0	(448,253)
Fund Balances (Deficit) at Beginning of Year	0	2,752,637
(Decrease) in Reserve for Inventory	0	(147,560)
	<hr/>	<hr/>
Fund Balances (Deficits) at End of Year	<u>\$0</u>	<u>\$2,156,824</u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Street Construction
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$1,785,800	\$961,565	(\$824,235)
Investment Income	10,000	5,491	(4,509)
Other	3,200	2,129	(1,071)
Total Revenues	<u>1,799,000</u>	<u>969,185</u>	<u>(829,815)</u>
<u>Expenditures</u>			
Current:			
Transportation	1,683,209	1,668,596	14,613
Capital Outlay	<u>175,900</u>	<u>157,671</u>	<u>18,229</u>
Total Expenditures	<u>1,859,109</u>	<u>1,826,267</u>	<u>32,842</u>
(Deficiency) Revenues (Under) Expenditures	<u>(60,109)</u>	<u>(857,082)</u>	<u>(796,973)</u>
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	1,000	253	(747)
Other Financing Uses	(80)	(80)	0
Operating Transfers - In	<u>717,000</u>	<u>825,000</u>	<u>108,000</u>
Total Other Financing Sources (Uses)	<u>717,920</u>	<u>825,173</u>	<u>107,253</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	657,811	(31,909)	(689,720)
Fund Balance at Beginning of Year	244,903	244,903	0
Prior Year Encumbrances Appropriated	<u>32,643</u>	<u>32,643</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$935,357</u></u>	<u><u>\$245,738</u></u>	<u><u>(\$689,720)</u></u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
State Highway Improvement
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$66,758	\$65,599	(\$1,159)
Investment Income	3,230	388	(2,842)
Total Revenues	<u>69,988</u>	<u>65,987</u>	<u>(4,001)</u>
<u>Expenditures</u>			
Current:			
Transportation	94,258	69,594	24,664
Total Expenditures	<u>94,258</u>	<u>69,594</u>	<u>24,664</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(24,270)</u>	<u>(3,607)</u>	<u>20,663</u>
<u>Other Financing Sources</u>			
Other Financing Sources	45,000	0	(45,000)
Operating Transfers - In	25,250	0	(25,250)
Total Other Financing Sources	<u>70,250</u>	<u>0</u>	<u>(70,250)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	45,980	(3,607)	(49,587)
Fund Balance at Beginning of Year	19,193	19,193	0
Prior Year Encumbrances Appropriated	4,500	4,500	0
Fund Balance at End of Year	<u>\$69,673</u>	<u>\$20,086</u>	<u>(\$49,587)</u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Police Pension and Disability
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Property and Other Taxes	\$182,255	\$181,690	(\$565)
Intergovernmental	21,528	21,397	(131)
Total Revenues	<u>203,783</u>	<u>203,087</u>	<u>(696)</u>
<u>Expenditures</u>			
Current:			
Security of Persons and Property	380,222	375,622	4,600
Total Expenditures	<u>380,222</u>	<u>375,622</u>	<u>4,600</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(176,439)</u>	<u>(172,535)</u>	<u>3,904</u>
<u>Other Financing Sources</u>			
Operating Transfers - In	198,875	172,535	(26,340)
Total Other Financing Sources	<u>198,875</u>	<u>172,535</u>	<u>(26,340)</u>
Excess of Revenues and Other Financing Sources Over Expenditures	22,436	0	(22,436)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$22,436</u></u>	<u><u>\$0</u></u>	<u><u>(\$22,436)</u></u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Fire Pension and Disability
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Property and Other Taxes	\$182,255	\$181,690	(\$565)
Intergovernmental	21,528	21,397	(131)
Total Revenues	<u>203,783</u>	<u>203,087</u>	<u>(696)</u>
<u>Expenditures</u>			
Current:			
Security of Persons and Property	557,661	516,919	40,742
Total Expenditures	<u>557,661</u>	<u>516,919</u>	<u>40,742</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(353,878)</u>	<u>(313,832)</u>	<u>40,046</u>
<u>Other Financing Sources</u>			
Operating Transfers - In	375,724	313,832	(61,892)
Total Other Financing Sources	<u>375,724</u>	<u>313,832</u>	<u>(61,892)</u>
Excess of Revenues and Other Financing Sources Over Expenditures	21,846	0	(21,846)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$21,846</u></u>	<u><u>\$0</u></u>	<u><u>(\$21,846)</u></u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
EMS/Fire Tax Levy
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Property and Other Taxes	\$1,394,427	\$1,390,092	(\$4,335)
Intergovernmental	165,050	164,042	(1,008)
Investment Income	0	51,345	51,345
Total Revenues	<u>1,559,477</u>	<u>1,605,479</u>	<u>46,002</u>
<u>Expenditures</u>			
Current:			
Security of Persons and Property	1,597,563	1,317,140	280,423
Capital Outlay	<u>6,452,561</u>	<u>4,401,840</u>	<u>2,050,721</u>
Total Expenditures	<u>8,050,124</u>	<u>5,718,980</u>	<u>2,331,144</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(6,490,647)</u>	<u>(4,113,501)</u>	<u>2,377,146</u>
<u>Other Financing Sources</u>			
Other Financing Sources	0	70	70
Proceeds of Bonds	<u>5,943,000</u>	<u>5,696,678</u>	<u>(246,322)</u>
Total Other Financing Sources	<u>5,943,000</u>	<u>5,696,748</u>	<u>(246,252)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(547,647)	1,583,247	2,130,894
Fund Balance at Beginning of Year	297,640	297,640	0
Prior Year Encumbrances Appropriated	<u>553,374</u>	<u>553,374</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$303,367</u></u>	<u><u>\$2,434,261</u></u>	<u><u>\$2,130,894</u></u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Motor Vehicle License Tax
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$135,000	\$77,666	(\$57,334)
Investment Income	5,000	2,026	(2,974)
Total Revenues	<u>140,000</u>	<u>79,692</u>	<u>(60,308)</u>
<u>Expenditures</u>			
Capital Outlay	<u>125,000</u>	<u>50,000</u>	<u>75,000</u>
Total Expenditures	<u>125,000</u>	<u>50,000</u>	<u>75,000</u>
Excess of Revenues Over Expenditures	15,000	29,692	14,692
Fund Balance at Beginning of Year	<u>109,041</u>	<u>109,041</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$124,041</u></u>	<u><u>\$138,733</u></u>	<u><u>\$14,692</u></u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
ODNR Litter Prevention Grant
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$21,500	\$18,000	(\$3,500)
Other	100,000	0	(100,000)
Total Revenues	<u>121,500</u>	<u>18,000</u>	<u>(103,500)</u>
<u>Expenditures</u>			
Current:			
Public Health and Welfare	165,279	146,366	18,913
Total Expenditures	<u>165,279</u>	<u>146,366</u>	<u>18,913</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(43,779)</u>	<u>(128,366)</u>	<u>(84,587)</u>
<u>Other Financing Sources</u>			
Operating Transfers - In	105,000	137,000	32,000
Total Other Financing Sources	<u>105,000</u>	<u>137,000</u>	<u>32,000</u>
Excess of Revenues and Other Financing Sources Over Expenditures	61,221	8,634	(52,587)
Fund Balance at Beginning of Year	1,525	1,525	0
Prior Year Encumbrances Appropriated	<u>1,293</u>	<u>1,293</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$64,039</u></u>	<u><u>\$11,452</u></u>	<u><u>(\$52,587)</u></u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
EMS Transport Fees
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$406,000	\$648,718	\$242,718
Total Revenues	<u>406,000</u>	<u>648,718</u>	<u>242,718</u>
<u>Expenditures</u>			
Current:			
Security of Persons and Property	116,143	93,495	22,648
Capital Outlay	<u>611,687</u>	<u>518,191</u>	<u>93,496</u>
Total Expenditures	<u>727,830</u>	<u>611,686</u>	<u>116,144</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(321,830)</u>	<u>37,032</u>	<u>358,862</u>
<u>Other Financing (Uses)</u>			
Other Financing Uses	<u>(3,000)</u>	<u>0</u>	<u>3,000</u>
Total Other Financing (Uses)	<u>(3,000)</u>	<u>0</u>	<u>3,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing (Uses)	(324,830)	37,032	361,862
Fund Balance at Beginning of Year	489,162	489,162	0
Prior Year Encumbrances Appropriated	<u>5,830</u>	<u>5,830</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$170,162</u></u>	<u><u>\$532,024</u></u>	<u><u>\$361,862</u></u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Police Enforcement and Education
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Fines and Forfeitures	\$32,300	\$3,411	(\$28,889)
Total Revenues	<u>32,300</u>	<u>3,411</u>	<u>(28,889)</u>
<u>Expenditures</u>			
Current:			
Security of Persons and Property	2,748	797	1,951
Capital Outlay	<u>5,252</u>	<u>4,116</u>	<u>1,136</u>
Total Expenditures	<u>8,000</u>	<u>4,913</u>	<u>3,087</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	24,300	(1,502)	(25,802)
Fund Balance at Beginning of Year	<u>12,391</u>	<u>12,391</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$36,691</u></u>	<u><u>\$10,889</u></u>	<u><u>(\$25,802)</u></u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Special Assessment Improvements
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Special Assessments	\$98,000	\$52,917	(\$45,083)
Total Revenues	<u>98,000</u>	<u>52,917</u>	<u>(45,083)</u>
<u>Expenditures</u>			
Current:			
Security of Persons and Property	56,426	53,451	2,975
Capital Outlay	<u>574</u>	<u>572</u>	<u>2</u>
Total Expenditures	<u>57,000</u>	<u>54,023</u>	<u>2,977</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	41,000	(1,106)	(42,106)
Fund Balance at Beginning of Year	<u>1,563</u>	<u>1,563</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$42,563</u></u>	<u><u>\$457</u></u>	<u><u>(\$42,106)</u></u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Tree Trust
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Other	\$93,097	\$87,788	(\$5,309)
Total Revenues	93,097	87,788	(5,309)
<u>Expenditures</u>			
Current:			
Leisure Time Activities	198,543	23,830	174,713
Total Expenditures	198,543	23,830	174,713
Excess (Deficiency) of Revenues Over (Under) Expenditures	(105,446)	63,958	169,404
<u>Other Financing (Uses)</u>			
Other Financing Uses	(100,000)	(24,487)	75,513
Operating Transfers - Out	(2,078)	0	2,078
Total Other Financing (Uses)	(102,078)	(24,487)	77,591
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing (Uses)	(207,524)	39,471	246,995
Fund Balance at Beginning of Year	213,945	213,945	0
Fund Balance at End of Year	<u>\$6,421</u>	<u>\$253,416</u>	<u>\$246,995</u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Communications Tower Fund
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Other	\$0	\$76,705	\$76,705
Total Revenues	<u>0</u>	<u>76,705</u>	<u>76,705</u>
<u>Expenditures</u>			
Current:			
Community Environment	68,741	23,908	44,833
Capital Outlay	<u>199,075</u>	<u>2,696</u>	<u>196,379</u>
Total Expenditures	<u>267,816</u>	<u>26,604</u>	<u>241,212</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(267,816)	50,101	317,917
Fund Balance at Beginning of Year	267,855	267,855	0
Prior Year Encumbrances Appropriated	<u>2,131</u>	<u>2,131</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$2,170</u></u>	<u><u>\$320,087</u></u>	<u><u>\$317,917</u></u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Cemetery Trust
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Other	\$5,000	\$44,201	\$39,201
Total Revenues	5,000	44,201	39,201
<u>Expenditures</u>			
Capital Outlay	9,825	6,705	3,120
Total Expenditures	9,825	6,705	3,120
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,825)	37,496	42,321
<u>Other Financing (Uses)</u>			
Other Financing Uses	(175)	(175)	0
Total Other Financing (Uses)	(175)	(175)	0
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing (Uses)	(5,000)	37,321	42,321
Fund Balance at Beginning of Year	138,133	138,133	0
Fund Balance at End of Year	<u>\$133,133</u>	<u>\$175,454</u>	<u>\$42,321</u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Park Improvements
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Other	\$7,000	\$600	(\$6,400)
Total Revenues	7,000	600	(6,400)
<u>Expenditures</u>			
Current:			
Leisure Time Activities	53,169	28,284	24,885
Capital Outlay	5,920	4,912	1,008
Total Expenditures	59,089	33,196	25,893
(Deficiency) of Revenues (Under) Expenditures	(52,089)	(32,596)	19,493
<u>Other Financing Sources</u>			
Operating Transfers - In	0	212	212
Total Other Sources	0	212	212
(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures	(52,089)	(32,384)	19,705
Fund Balance at Beginning of Year	170,099	170,099	0
Prior Year Encumbrances Appropriated	4,589	4,589	0
Fund Balance at End of Year	<u>\$122,599</u>	<u>\$142,304</u>	<u>\$19,705</u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Commission of the Arts
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$14,100	\$1,140	(\$12,960)
Total Revenues	14,100	1,140	(12,960)
<u>Expenditures</u>			
Current:			
Leisure Time Activities	25,454	21,576	3,878
Total Expenditures	25,454	21,576	3,878
(Deficiency) of Revenues (Under) Expenditures	(11,354)	(20,436)	(9,082)
<u>Other Financing Sources</u>			
Operating Transfers - In	18,466	20,500	2,034
Total Other Financing Sources	18,466	20,500	2,034
Excess of Revenues and Other Financing Sources Over Expenditures	7,112	64	(7,048)
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	254	254	0
Fund Balance at End of Year	<u>\$7,366</u>	<u>\$318</u>	<u>(\$7,048)</u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Safety Town Fund
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Other	\$7,524	\$5,225	(\$2,299)
Total Revenues	7,524	5,225	(2,299)
<u>Expenditures</u>			
Current:			
Security of Persons and Property	7,000	3,846	3,154
Total Expenditures	7,000	3,846	3,154
Excess of Revenues Over Expenditures	524	1,379	855
<u>Other Financing (Uses)</u>			
Other Financing Uses	(50)	(50)	0
Total Other Financing (Uses)	(50)	(50)	0
Excess of Revenues Over Expenditures and Other Financing (Uses)	474	1,329	855
Fund Balance at Beginning of Year	2,404	2,404	0
Fund Balance at End of Year	<u>\$2,878</u>	<u>\$3,733</u>	<u>\$855</u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
COPFAST
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Other	\$0	\$338	\$338
Total Revenues	0	338	338
<u>Expenditures</u>			
Current:			
Security of Persons and Property	338	338	0
Total Expenditures	338	338	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(338)	0	338
Fund Balance at Beginning of Year	0	0	0
Fund Balance (Deficits) at End of Year	<u>(\$338)</u>	<u>\$0</u>	<u>\$338</u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
DARE Program
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$45,000	\$14,694	(\$30,306)
Other	20,000	2,336	(17,664)
Total Revenues	<u>65,000</u>	<u>17,030</u>	<u>(47,970)</u>
<u>Expenditures</u>			
Current:			
Security of Persons and Property	36,877	23,356	13,521
Capital Outlay	2,753	2,752	1
Total Expenditures	<u>39,630</u>	<u>26,108</u>	<u>13,522</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>25,370</u>	<u>(9,078)</u>	<u>(34,448)</u>
<u>Other Financing Sources</u>			
Operating Transfers - In	0	8,000	8,000
Total Other Financing Sources	<u>0</u>	<u>8,000</u>	<u>8,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	25,370	(1,078)	(26,448)
Fund Balance at Beginning of Year	1,552	1,552	0
Prior Year Encumbrances Appropriated	396	396	0
Fund Balance at End of Year	<u>\$27,318</u>	<u>\$870</u>	<u>(\$26,448)</u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
ODNR Recycling Grant
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenditures	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Youth Division Donations
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Other	\$0	\$2,400	\$2,400
Total Revenues	0	2,400	2,400
<u>Expenditures</u>			
Current:			
Leisure Time Activities	1,000	804	196
Total Expenditures	1,000	804	196
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,000)	1,596	2,596
Fund Balance at Beginning of Year	4,258	4,258	0
Fund Balance at End of Year	<u>\$3,258</u>	<u>\$5,854</u>	<u>\$2,596</u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Fire Department Emergency Equipment
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Other	\$0	\$11,830	\$11,830
Total Revenues	0	11,830	11,830
<u>Expenditures</u>			
Current:			
Security of Persons and Property	6,200	1,901	4,299
Capital Outlay	800	694	106
Total Expenditures	7,000	2,595	4,405
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,000)	9,235	16,235
Fund Balance at Beginning of Year	13,588	13,588	0
Fund Balance at End of Year	<u>\$6,588</u>	<u>\$22,823</u>	<u>\$16,235</u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
SKiP Maintenance
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Other	\$1,000	\$0	(\$1,000)
Total Revenues	1,000	0	(1,000)
<u>Expenditures</u>			
Current:			
Leisure Time Activities	1,000	0	1,000
Total Expenditures	1,000	0	1,000
Excess of Revenues Over Expenditures	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Parks Youth Fund
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at Beginning of Year	<u>862</u>	<u>862</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$862</u></u>	<u><u>\$862</u></u>	<u><u>\$0</u></u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Police Department Emergency Equipment
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Other	\$0	\$1,284	\$1,284
Total Revenues	0	1,284	1,284
<u>Expenditures</u>	0	0	0
Excess of Revenues Over Expenditures	0	1,284	1,284
Fund Balance at Beginning of Year	5,571	5,571	0
Fund Balance at End of Year	<u>\$5,571</u>	<u>\$6,855</u>	<u>\$1,284</u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Skatepark
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Other	\$4,000	\$0	(\$4,000)
Total Revenues	4,000	0	(4,000)
<u>Expenditures</u>			
Capital Outlay	1,000	0	1,000
Total Expenditures	1,000	0	1,000
Excess of Revenues Over Expenditures	3,000	0	(3,000)
<u>Other Financing (Uses)</u>			
Operating Transfers - Out	(2,500)	0	2,500
Total Other Financing (Uses)	(2,500)	0	2,500
Excess of Revenues Over Expenditures and Other Financing (Uses)	500	0	(500)
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$500</u>	<u>\$0</u>	<u>(\$500)</u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Sidewalk Repair Program
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Other	\$969,900	\$0	(\$969,900)
Total Revenues	969,900	0	(969,900)
<u>Expenditures</u>			
Capital Outlay	1,004,900	0	1,004,900
Total Expenditures	1,004,900	0	1,004,900
Excess (Deficiency) of Revenues Over (Under) Expenditures	(35,000)	0	35,000
<u>Other Financing Sources</u>			
Operating Transfers - In	0	17,500	17,500
Total Other Financing Sources	0	17,500	17,500
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(35,000)	17,500	52,500
Fund Balance at Beginning of Year	35,000	35,000	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$52,500</u>	<u>\$52,500</u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Police Vehicle Etching
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Other	\$1,000	\$0	(\$1,000)
Total Revenues	1,000	0	(1,000)
<u>Expenditures</u>	0	0	0
Excess of Revenues Over Expenditures	1,000	0	(1,000)
<u>Other Financing (Uses)</u>			
Operating Transfers - Out	(1,000)	0	1,000
Total Other Financing (Uses)	(1,000)	0	1,000
Excess of Revenues Over Other Financing (Uses)	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Youth Division Teen Center
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$25,000	\$15,060	(\$9,940)
Other	15,517	232	(15,285)
Total Revenues	<u>40,517</u>	<u>15,292</u>	<u>(25,225)</u>
<u>Expenditures</u>			
Current:			
Leisure Time Activities	28,790	21,195	7,595
Capital Outlay	4,000	0	4,000
Total Expenditures	<u>32,790</u>	<u>21,195</u>	<u>11,595</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,727</u>	<u>(5,903)</u>	<u>(13,630)</u>
<u>Other Financing (Uses)</u>			
Operating Transfers - Out	<u>(9,754)</u>	<u>0</u>	<u>9,754</u>
Total Other Financing (Uses)	<u>(9,754)</u>	<u>0</u>	<u>9,754</u>
Excess of Revenues (Under) Expenditures and Other Financing (Uses)	(2,027)	(5,903)	(3,876)
Fund Balance at Beginning of Year	9,728	9,728	0
Prior Year Encumbrances Appropriated	<u>1,444</u>	<u>1,444</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$9,145</u></u>	<u><u>\$5,269</u></u>	<u><u>(\$3,876)</u></u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Parks Lodge Improvement
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$0	\$12,950	\$12,950
Other	12,500	75	(12,425)
Total Revenues	<u>12,500</u>	<u>13,025</u>	<u>525</u>
<u>Expenditures</u>			
Current:			
Leisure Time Activities	25,450	3,854	21,596
Capital Outlay	15,000	306	14,694
Total Expenditures	<u>40,450</u>	<u>4,160</u>	<u>36,290</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,950)	8,865	36,815
Fund Balance at Beginning of Year	<u>28,946</u>	<u>28,946</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$996</u></u>	<u><u>\$37,811</u></u>	<u><u>\$36,815</u></u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Community Relations
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Other	\$5,200	\$0	(\$5,200)
Total Revenues	5,200	0	(5,200)
<u>Expenditures</u>			
Current:			
Community Environment	5,400	982	4,418
Total Expenditures	5,400	982	4,418
(Deficiency) of Revenues (Under) Expenditures	(200)	(982)	(782)
<u>Other Financing Sources</u>			
Operating Transfers - In	0	800	800
Total Other Financing Sources	0	800	800
(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures	(200)	(182)	18
Fund Balance at Beginning of Year	210	210	0
Prior Year Encumbrances Appropriated	400	400	0
Fund Balance at End of Year	<u>\$410</u>	<u>\$428</u>	<u>\$18</u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
SS Ballfield Complex
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Other	\$33,310	\$12,221	(\$21,089)
Total Revenues	<u>33,310</u>	<u>12,221</u>	<u>(21,089)</u>
<u>Expenditures</u>			
Current:			
Leisure Time Activities	20,485	3,069	17,416
Capital Outlay	<u>25,158</u>	<u>2,225</u>	<u>22,933</u>
Total Expenditures	<u>45,643</u>	<u>5,294</u>	<u>40,349</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,333)	6,927	19,260
Fund Balance at Beginning of Year	12,336	12,336	0
Prior Year Encumbrances Appropriated	<u>227</u>	<u>227</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$230</u></u>	<u><u>\$19,490</u></u>	<u><u>\$19,260</u></u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Park and Recreation Scholarship
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Other	\$5,000	\$48	(\$4,952)
Total Revenues	5,000	48	(4,952)
<u>Expenditures</u>	0	0	0
Excess of Revenues Over Expenditures	5,000	48	(4,952)
<u>Other Financing (Uses)</u>			
Other Financing Uses	(585)	(585)	0
Total Other Financing (Uses)	(585)	(585)	0
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing (Uses)	4,415	(537)	(4,952)
Fund Balance at Beginning of Year	1,867	1,867	0
Fund Balance at End of Year	<u>\$6,282</u>	<u>\$1,330</u>	<u>(\$4,952)</u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Police Bike Patrol Fund
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Other	\$10,000	\$0	(\$10,000)
Total Revenues	10,000	0	(10,000)
<u>Expenditures</u>			
Current:			
Security of Persons and Property	2,000	0	2,000
Total Expenditures	2,000	0	2,000
Excess of Revenues Over Expenditures	8,000	0	(8,000)
<u>Other Financing (Uses)</u>			
Operating Transfers - Out	(1,000)	0	1,000
Total Other Financing (Uses)	(1,000)	0	1,000
Excess of Revenues Over Expenditures and Other Financing (Uses)	7,000	0	(7,000)
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$7,000</u>	<u>\$0</u>	<u>(\$7,000)</u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Police Explorer Fund
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Other	\$1,500	\$0	(\$1,500)
Total Revenues	1,500	0	(1,500)
<u>Expenditures</u>			
Current:			
Security of Persons and Property	1,000	202	798
Total Expenditures	1,000	202	798
Excess (Deficiency) of Revenues Over (Under) Expenditures	500	(202)	(702)
Fund Balance at Beginning of Year	659	659	0
Fund Balance at End of Year	<u>\$1,159</u>	<u>\$457</u>	<u>(\$702)</u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Building Education/Seminar Fund
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Other	\$4,281	\$0	(\$4,281)
Total Revenues	4,281	0	(4,281)
<u>Expenditures</u>			
Capital Outlay	5,000	0	5,000
Total Expenditures	5,000	0	5,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(719)	0	719
Fund Balance at Beginning of Year	1,642	1,642	0
Fund Balance at End of Year	<u>\$923</u>	<u>\$1,642</u>	<u>\$719</u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Community Development
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$230,000	\$5,804	(\$224,196)
Total Revenues	230,000	5,804	(224,196)
<u>Expenditures</u>			
	0	0	0
Excess of Revenues Over Expenditures	230,000	5,804	(224,196)
<u>Other Financing (Uses)</u>			
Other Financing Uses	(5,804)	(5,804)	0
Operating Transfers - Out	(9,196)	0	9,196
Total Other Financing (Uses)	(15,000)	(5,804)	9,196
Excess of Revenues Over Expenditures and Other Financing (Uses)	215,000	0	(215,000)
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$215,000</u>	<u>\$0</u>	<u>(\$215,000)</u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Project Plan/Bid Specification
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Other	\$1,000	\$0	(\$1,000)
Total Revenues	1,000	0	(1,000)
<u>Expenditures</u>	0	0	0
Excess of Revenues Over Expenditures	1,000	0	(1,000)
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$1,000</u>	<u>\$0</u>	<u>(\$1,000)</u>

City of Stow, Ohio
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Budget Basis)
All Special Revenue Funds
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Property and Other Taxes	\$1,758,937	\$1,753,472	(\$5,465)
Charges for Services	431,000	676,728	245,728
Fines and Forfeitures	32,300	3,411	(28,889)
Intergovernmental	2,506,264	1,351,304	(1,154,960)
Special Assessments	98,000	52,917	(45,083)
Investment Income	18,230	59,250	41,020
Other	<u>1,300,029</u>	<u>247,411</u>	<u>(1,052,618)</u>
 Total Revenue	 <u>6,144,760</u>	 <u>4,144,493</u>	 <u>(2,000,267)</u>
<u>Expenditures</u>			
Current:			
Security of Persons and Property	2,764,178	2,387,067	377,111
Public Health and Welfare	165,279	146,366	18,913
Transportation	1,777,467	1,738,190	39,277
Community Environment	74,141	24,890	49,251
Leisure Time Activities	353,891	102,612	251,279
Capital Outlay	<u>8,644,404</u>	<u>5,152,680</u>	<u>3,491,724</u>
 Total Expenditures	 <u>13,779,360</u>	 <u>9,551,805</u>	 <u>4,227,555</u>
 (Deficiency) of Revenues (Under) Expenditures	 <u>(7,634,600)</u>	 <u>(5,407,312)</u>	 <u>2,227,288</u>
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	46,000	323	(45,677)
Other Financing Uses	(109,694)	(31,181)	78,513
Proceeds of Bonds	5,943,000	5,696,678	(246,322)
Operating Transfers - In	1,440,315	1,495,379	55,064
Operating Transfers - Out	<u>(25,528)</u>	<u>0</u>	<u>25,528</u>
 Total Other Sources (Uses)	 <u>7,294,093</u>	 <u>7,161,199</u>	 <u>(132,894)</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	 <u>(340,507)</u>	 <u>1,753,887</u>	 <u>2,094,394</u>
 Fund Balances at Beginning of Year	 <u>2,084,073</u>	 <u>2,084,073</u>	 <u>0</u>
 Prior Year Encumbrances Appropriated	 <u>607,081</u>	 <u>607,081</u>	 <u>0</u>
 Fund Balances at End of Year	 <u>\$2,350,647</u>	 <u>\$4,445,041</u>	 <u>\$2,094,394</u>

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs.

Since there is only one Debt Service Fund and the level of budgetary control is not greater than that presented in the Combined Financial Statements, no additional financial statements have been presented herein.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds account for the receipts and disbursements of monies used for the acquisition, construction or major renovation of capital facilities. Descriptions of the City's Capital Projects Funds are as follows:

General Capital Improvements – Accounts for resources allocated for specific major capital improvements and the related expenditures.

Fishcreek Road Improvement – Accounts for Federal, State and local funds received for Fishcreek Road Improvements.

City of Stow, Ohio
Combining Balance Sheet
All Capital Projects Funds
December 31, 2002

	General Capital Improvements	Fishcreek Road Improvement	Totals
<u>Assets</u>			
Equity in Pooled Cash and Investments	\$11,956,945	\$0	\$11,956,945
Advances to Other Funds	39,894	0	39,894
	<u>11,996,839</u>	<u>0</u>	<u>11,996,839</u>
Total Assets	<u>\$11,996,839</u>	<u>\$0</u>	<u>\$11,996,839</u>
<u>Liabilities</u>			
Accounts Payable	\$125,360	\$0	\$125,360
Intergovernmental Payable	523,384	0	523,384
Notes Payable	9,830,170	0	9,830,170
	<u>10,478,914</u>	<u>0</u>	<u>10,478,914</u>
Total Liabilities	<u>10,478,914</u>	<u>0</u>	<u>10,478,914</u>
<u>Fund Equity</u>			
Fund Balance:			
Reserved for Encumbrances	5,633,448	0	5,633,448
Reserved for Advances	39,894	0	39,894
Undesignated	(4,155,417)	0	(4,155,417)
	<u>1,517,925</u>	<u>0</u>	<u>1,517,925</u>
Total Fund Equity	<u>1,517,925</u>	<u>0</u>	<u>1,517,925</u>
Total Liabilities and Fund Equity	<u>\$11,996,839</u>	<u>\$0</u>	<u>\$11,996,839</u>

City of Stow, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Capital Projects Funds
For the Year Ended December 31, 2002

	General Capital Improvements	Fishcreek Road Improvement	Totals
<u>Revenues</u>			
Intergovernmental	\$29,299	\$489,129	\$518,428
Investment Income	97,959	0	97,959
Other	191,985	1,056	193,041
	<u>319,243</u>	<u>490,185</u>	<u>809,428</u>
<u>Expenditures</u>			
Capital Outlay	7,553,135	338,045	7,891,180
	<u>7,553,135</u>	<u>338,045</u>	<u>7,891,180</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,233,892)</u>	<u>152,140</u>	<u>(7,081,752)</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds of Notes	37,846	0	37,846
Operating Transfers - In	4,836,863	0	4,836,863
Operating Transfers - Out	(1,404,894)	(600,298)	(2,005,192)
	<u>3,469,815</u>	<u>(600,298)</u>	<u>2,869,517</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	<u>(3,764,077)</u>	<u>(448,158)</u>	<u>(4,212,235)</u>
Fund Balances at Beginning of Year	<u>5,282,002</u>	<u>448,158</u>	<u>5,730,160</u>
Fund Balances at End of Year	<u><u>\$1,517,925</u></u>	<u><u>\$0</u></u>	<u><u>\$1,517,925</u></u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Capital Improvements
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$25,000	\$29,299	\$4,299
Investment Income	0	88,942	88,942
Other	0	19,450	19,450
Total Revenues	25,000	137,691	112,691
<u>Expenditures</u>			
Capital Outlay	13,815,629	12,828,179	987,450
Total Expenditures	13,815,629	12,828,179	987,450
(Deficiency) of Revenues (Under) Expenditures	(13,790,629)	(12,690,488)	1,100,141
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	539,816	172,535	(367,281)
Proceeds of Notes	7,648,156	9,868,016	2,219,860
Operating Transfers - In	12,990,290	4,836,863	(8,153,427)
Operating Transfers - Out	(3,059,850)	(1,404,894)	1,654,956
Total Other Financing Sources (Uses)	18,118,412	13,472,520	(4,645,892)
Excess of Revenues and Other Financing Sources Over Expenditures and Other (Uses)	4,327,783	782,032	(3,545,751)
Fund Balance at Beginning of Year	4,196,415	4,196,415	0
Prior Year Encumbrances Appropriated	1,210,678	1,210,678	0
Fund Balance at End of Year	<u>\$9,734,876</u>	<u>\$6,189,125</u>	<u>(\$3,545,751)</u>

City of Stow, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Fishcreek Road Improvement
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$500,000	\$489,129	(\$10,871)
Other	0	1,056	1,056
Total Revenues	<u>500,000</u>	<u>490,185</u>	<u>(9,815)</u>
<u>Expenditures</u>			
Capital Outlay	748,201	353,613	394,588
Total Expenditures	<u>748,201</u>	<u>353,613</u>	<u>394,588</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(248,201)</u>	<u>136,572</u>	<u>384,773</u>
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	0	12,023	12,023
Operating Transfers - In	1,387,998	0	(1,387,998)
Operating Transfers - Out	<u>(605,298)</u>	<u>(600,298)</u>	<u>5,000</u>
Total Other Financing Sources (Uses)	<u>782,700</u>	<u>(588,275)</u>	<u>(1,370,975)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	534,499	(451,703)	(986,202)
Fund Balance at Beginning of Year	170,943	170,943	0
Prior Year Encumbrances Appropriated	<u>280,760</u>	<u>280,760</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$986,202</u></u>	<u><u>\$0</u></u>	<u><u>(\$986,202)</u></u>

City of Stow, Ohio
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Budget Basis)
All Capital Projects Funds
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$525,000	\$518,428	(\$6,572)
Investment Income	0	88,942	88,942
Other	0	20,506	20,506
Total Revenues	<u>525,000</u>	<u>627,876</u>	<u>102,876</u>
<u>Expenditures</u>			
Capital Outlay	<u>14,563,830</u>	<u>13,181,792</u>	<u>1,382,038</u>
Total Expenditures	<u>14,563,830</u>	<u>13,181,792</u>	<u>1,382,038</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(14,038,830)</u>	<u>(12,553,916)</u>	<u>1,484,914</u>
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	539,816	184,558	(355,258)
Proceeds of Notes	7,648,156	9,868,016	2,219,860
Operating Transfers - In	14,378,288	4,836,863	(9,541,425)
Operating Transfers - Out	<u>(3,665,148)</u>	<u>(2,005,192)</u>	<u>1,659,956</u>
Total Other Financing Sources (Uses)	<u>18,901,112</u>	<u>12,884,245</u>	<u>(6,016,867)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	4,862,282	330,329	(4,531,953)
Fund Balances at Beginning of Year	4,367,358	4,367,358	0
Prior Year Encumbrances Appropriated	<u>1,491,438</u>	<u>1,491,438</u>	<u>0</u>
Fund Balances at End of Year	<u>\$10,721,078</u>	<u>\$6,189,125</u>	<u>(\$4,531,953)</u>

ENTERPRISE FUND

The Water Fund is used to account for the provision of water treatment and distribution to residential and commercial users within the City.

Since there is only one Enterprise Fund and the level of budgetary control is not greater than that presented in the Combined Financial Statements, no additional financial statements have been presented herein.

INTERNAL SERVICE FUNDS

The Internal Service Funds are used 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. Descriptions of the City's Internal Service Funds are as follows:

Administrative Insurance – 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 for life, accidental death and dismemberment insurance.

Self-Insurance – Accounts for the operation of the City's self-insurance program for employee health benefits.

City of Stow, Ohio
Combining Balance Sheet
All Internal Service Funds
December 31, 2002

	Administrative Insurance	Self-Insurance	Totals
<u>Assets</u>			
Equity in Pooled Cash and Investments	\$4,995	\$1,408,851	\$1,413,846
Receivable:			
Accounts	0	24,620	24,620
 Total Assets	<u>\$4,995</u>	<u>\$1,433,471</u>	<u>\$1,438,466</u>
<u>Liabilities</u>			
Accounts Payable	\$2,700	\$0	\$2,700
Claims Payable	0	191,505	191,505
 Total Liabilities	<u>2,700</u>	<u>191,505</u>	<u>194,205</u>
<u>Fund Equity</u>			
Contributed Capital	0	6,979	6,979
Retained Earnings:			
Unreserved	2,295	1,234,987	1,237,282
 Total Fund Equity	<u>2,295</u>	<u>1,241,966</u>	<u>1,244,261</u>
 Total Liabilities and Fund Equity	<u>\$4,995</u>	<u>\$1,433,471</u>	<u>\$1,438,466</u>

City of Stow, Ohio
Combining Statement of Revenues,
Expenses and Changes in Retained Earnings
All Internal Service Funds
For the Year Ended December 31, 2002

	Administrative Insurance	Self-Insurance	Totals
<u>Operating Revenues</u>			
Charges for Services	\$375,916	\$1,452,911	\$1,828,827
Other Operating Revenue	247	4,578	4,825
Total Operating Revenues	<u>376,163</u>	<u>1,457,489</u>	<u>1,833,652</u>
<u>Operating Expenses</u>			
Claims	0	1,337,522	1,337,522
Contractual Services	375,193	329	375,522
Total Operating Expenses	<u>375,193</u>	<u>1,337,851</u>	<u>1,713,044</u>
Operating Income	<u>970</u>	<u>119,638</u>	<u>120,608</u>
<u>Non-Operating Revenues</u>			
Interest Income	0	12,856	12,856
Total Non-Operating Revenues	<u>0</u>	<u>12,856</u>	<u>12,856</u>
Net Income	<u>970</u>	<u>132,494</u>	<u>133,464</u>
Retained Earnings at Beginning of Year	<u>1,325</u>	<u>1,102,493</u>	<u>1,103,818</u>
Retained Earnings at End of Year	<u>2,295</u>	<u>1,234,987</u>	<u>1,237,282</u>
Contributed Capital at Beginning of Year	<u>0</u>	<u>6,979</u>	<u>6,979</u>
Contributed Capital at End of Year	<u>0</u>	<u>6,979</u>	<u>6,979</u>
Total Fund Equity at End of Year	<u><u>\$2,295</u></u>	<u><u>\$1,241,966</u></u>	<u><u>\$1,244,261</u></u>

City of Stow, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget and Actual (Budget Basis)
Administrative Insurance
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$159,074	\$375,916	\$216,842
Other Operating Revenues	100	247	147
Total Revenues	<u>159,174</u>	<u>376,163</u>	<u>216,989</u>
<u>Expenditures</u>			
Current:			
Other Operating Expenses	399,700	375,193	24,507
Total Expenditures	<u>399,700</u>	<u>375,193</u>	<u>24,507</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(240,526)	970	241,496
<u>Other Financing Sources</u>			
Operating Transfers - In	318,347	0	(318,347)
Total Other Financing Sources	<u>318,347</u>	<u>0</u>	<u>(318,347)</u>
Excess of Revenues and Other Financing Sources Over Expenditures	77,821	970	(76,851)
Fund Equity at Beginning of Year	<u>1,325</u>	<u>1,325</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$79,146</u></u>	<u><u>\$2,295</u></u>	<u><u>(\$76,851)</u></u>

City of Stow, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget and Actual (Budget Basis)
Self-Insurance
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$2,853,843	\$1,428,291	(\$1,425,552)
Interest Income	20,000	13,756	(6,244)
Other Operating Revenues	10,000	4,578	(5,422)
Total Revenues	<u>2,883,843</u>	<u>1,446,625</u>	<u>(1,437,218)</u>
<u>Expenditures</u>			
Current:			
Claims	1,652,216	1,392,035	260,181
Other Non-Operating Expenses	400	329	71
Total Expenditures	<u>1,652,616</u>	<u>1,392,364</u>	<u>260,252</u>
Excess of Revenues Over Expenditures	<u>1,231,227</u>	<u>54,261</u>	<u>(1,176,966)</u>
<u>Other Financing Sources</u>			
Other Financing Sources	295,216	26,270	(268,946)
Total Other Financing Sources	<u>295,216</u>	<u>26,270</u>	<u>(268,946)</u>
Excess of Revenues and Other Financing Sources Over Expenditures	1,526,443	80,531	(1,445,912)
Fund Equity at Beginning of Year	<u>1,327,769</u>	<u>1,327,769</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$2,854,212</u></u>	<u><u>\$1,408,300</u></u>	<u><u>(\$1,445,912)</u></u>

City of Stow, Ohio
Combining Statement of Revenues, Expenditures and
Changes in Fund Equity - Budget and Actual (Budget Basis)
All Internal Service Funds
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$3,012,917	\$1,804,207	(\$1,208,710)
Interest Income	20,000	13,756	(6,244)
Other Operating Revenues	10,100	4,825	(5,275)
Total Revenues	<u>3,043,017</u>	<u>1,822,788</u>	<u>(1,220,229)</u>
<u>Expenditures</u>			
Current:			
Claims	1,652,216	1,392,035	260,181
Other Operating Expenses	400,100	375,522	24,578
Total Expenditures	<u>2,052,316</u>	<u>1,767,557</u>	<u>284,759</u>
Excess of Revenues Over Expenditures	<u>990,701</u>	<u>55,231</u>	<u>(935,470)</u>
<u>Other Financing Sources</u>			
Other Financing Sources	295,216	26,270	(268,946)
Operating Transfers - In	318,347	0	(318,347)
Total Other Financing Sources	<u>613,563</u>	<u>26,270</u>	<u>(587,293)</u>
Excess of Revenues and Other Financing Sources Over Expenditures	1,604,264	81,501	(1,522,763)
Fund Equity at Beginning of Year	<u>1,329,094</u>	<u>1,329,094</u>	<u>0</u>
Fund Equity at End of Year	<u>\$2,933,358</u>	<u>\$1,410,595</u>	<u>(\$1,522,763)</u>

City of Stow, Ohio
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended December 31, 2002

	Administrative Insurance	Self-Insurance	Total
<u>Cash Flows from Operating Activities</u>			
Cash Received from Customers	\$375,916	1,428,291	\$1,804,207
Cash Payments for Claims	0	(1,392,035)	(1,392,035)
Cash Payments to Suppliers for Goods and Services	(372,493)	(329)	(372,822)
Other Operating Revenues	247	4,578	4,825
	<u>3,670</u>	<u>40,505</u>	<u>44,175</u>
<u>Net Cash Provided by Operating Activities</u>			
<u>Cash Flows from Noncapital Financing Activities</u>			
Other Non-Operating Revenues	0	26,270	26,270
	<u>0</u>	<u>26,270</u>	<u>26,270</u>
<u>Net Cash Provided by Noncapital Financing Activities</u>			
<u>Cash Flows from Investing Activities</u>			
Interest on Investments	0	12,856	12,856
	<u>0</u>	<u>12,856</u>	<u>12,856</u>
<u>Net Cash Provided by Investing Activities</u>			
Net Increase (Decrease) in Cash and Cash Equivalents	3,670	79,631	83,301
Cash and Cash Equivalents at Beginning of Year	1,325	1,329,220	1,330,545
	<u>\$4,995</u>	<u>\$1,408,851</u>	<u>\$1,413,846</u>
<u>Cash and Cash Equivalents at End of Year</u>			
Reconciliation of Operating Income to Net			
<u>Cash Provided by Operating Activities</u>			
Operating Income	\$970	\$119,638	\$120,608
<u>Adjustments to Reconcile Operating Income to</u>			
<u>Net Cash Provided by Operating Activities</u>			
Other Non-Operating Revenue	0	(26,270)	(26,270)
Changes in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	0	(24,620)	(24,620)
Increase/(Decrease) in Accounts Payable	2,700	0	2,700
Increase/(Decrease) in Claims Payable	0	(28,243)	(28,243)
	<u>2,700</u>	<u>(79,133)</u>	<u>(76,433)</u>
<u>Total Adjustments</u>			
Net Cash Provided by Operating Activities	<u>\$3,670</u>	<u>\$40,505</u>	<u>\$44,175</u>

TRUST AND AGENCY FUND TYPES

The Trust and Agency Funds are used to account for assets held by the City in a trustee capacity and/or as an agent for individuals, private organizations, other governmental units and/or other funds. These include expendable trust funds and agency funds:

Expendable Trust Fund: The following fund is accounted for in essentially the same manner as governmental funds:

Miscellaneous Trusts – To account for scholarship trusts.

Agency Funds: The following funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operation. The following are the City's material agency funds:

Road Construction Bonds – Accounts for deposits from contractors, held by the City to insure compliance with the contract.

Allotment Deposits – Accounts for deposits from subdivision developers for engineering oversight.

Miscellaneous Service Deposits – Accounts for various service department non-recurring deposits.

Bond Forfeitures – Accounts for forfeitures of bonds by developers and/or contractors.

Park and Recreation Deposits – Accounts for the receipt and subsequent refund of Parks and Recreation deposit monies for rentals to cover extraordinary events or damages.

Other Agency Funds

Deferred Compensation Rotary
Well Performance Bond
Police Forfeited Cash
Police Drug Forfeiture Cash

Ohio BBS 3% Surcharge
Fire Bond Insurance Fund
Unclaimed Money Fund

City of Stow, Ohio
Combining Balance Sheet
All Trust and Agency Funds
December 31, 2002

	Expendable Trust Fund		
	Miscellaneous Trusts	Total Agency Funds	Totals
<u>Assets</u>			
Equity in Pooled Cash and Investments	\$2,692	\$549,568	\$552,260
Intergovernmental Receivables	0	105	105
	<u>0</u>	<u>105</u>	<u>105</u>
Total Assets	<u>\$2,692</u>	<u>\$549,673</u>	<u>\$552,365</u>
<u>Liabilities</u>			
Undistributed Monies	\$0	\$549,673	\$549,673
	<u>0</u>	<u>549,673</u>	<u>549,673</u>
Total Liabilities	<u>0</u>	<u>549,673</u>	<u>549,673</u>
<u>Fund Equity</u>			
Fund Balance:			
Unreserved:			
Undesignated	2,692	0	2,692
	<u>2,692</u>	<u>0</u>	<u>2,692</u>
Total Fund Equity	<u>2,692</u>	<u>0</u>	<u>2,692</u>
Total Liabilities and Fund Equity	<u>\$2,692</u>	<u>\$549,673</u>	<u>\$552,365</u>

City of Stow, Ohio
Combining Statement of Changes in
Assets and Liabilities - All Agency Funds
For the Year Ended December 31, 2002

Road Construction Bonds

	Balance 12/31/2001	Additions	Reductions	Balance 12/31/2002
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$250,195	\$51,900	\$26,650	\$275,445
Total Assets	<u>\$250,195</u>	<u>\$51,900</u>	<u>\$26,650</u>	<u>\$275,445</u>
<u>Liabilities</u>				
Undistributed Monies	\$250,195	\$51,900	\$26,650	\$275,445
Total Liabilities	<u>\$250,195</u>	<u>\$51,900</u>	<u>\$26,650</u>	<u>\$275,445</u>

Allotment Deposits

	Balance 12/31/2001	Additions	Reductions	Balance 12/31/2002
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$138,898	\$0	\$6,500	\$132,398
Total Assets	<u>\$138,898</u>	<u>\$0</u>	<u>\$6,500</u>	<u>\$132,398</u>
<u>Liabilities</u>				
Undistributed Monies	\$138,898	\$0	\$6,500	\$132,398
Total Liabilities	<u>\$138,898</u>	<u>\$0</u>	<u>\$6,500</u>	<u>\$132,398</u>

Miscellaneous Service Deposits

	Balance 12/31/2001	Additions	Reductions	Balance 12/31/2002
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$8,198	\$3,100	\$2,000	\$9,298
Total Assets	<u>\$8,198</u>	<u>\$3,100</u>	<u>\$2,000</u>	<u>\$9,298</u>
<u>Liabilities</u>				
Undistributed Monies	\$8,198	\$3,100	\$2,000	\$9,298
Total Liabilities	<u>\$8,198</u>	<u>\$3,100</u>	<u>\$2,000</u>	<u>\$9,298</u>

Bond Forfeitures

	Balance 12/31/2001	Additions	Reductions	Balance 12/31/2002
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$20,557	\$0	\$0	\$20,557
Total Assets	<u>\$20,557</u>	<u>\$0</u>	<u>\$0</u>	<u>\$20,557</u>
<u>Liabilities</u>				
Undistributed Monies	\$20,557	\$0	\$0	\$20,557
Total Liabilities	<u>\$20,557</u>	<u>\$0</u>	<u>\$0</u>	<u>\$20,557</u>

(continued)

City of Stow, Ohio
Combining Statement of Changes in
Assets and Liabilities - All Agency Funds (Continued)
For the Year Ended December 31, 2002

Park and Recreations Deposits

	Balance 12/31/2001	Additions	Reductions	Balance 12/31/2002
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$30,234	\$208,321	\$188,991	\$49,564
Total Assets	<u>\$30,234</u>	<u>\$208,321</u>	<u>\$188,991</u>	<u>\$49,564</u>
<u>Liabilities</u>				
Undistributed Monies	\$30,234	\$208,321	\$188,991	\$49,564
Total Liabilities	<u>\$30,234</u>	<u>\$208,321</u>	<u>\$188,991</u>	<u>\$49,564</u>

Deferred Compensation Rotary

	Balance 12/31/2001	Additions	Reductions	Balance 12/31/2002
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$0	\$2,272	\$2,272	\$0
Total Assets	<u>\$0</u>	<u>\$2,272</u>	<u>\$2,272</u>	<u>\$0</u>
<u>Liabilities</u>				
Undistributed Monies	\$0	\$2,272	\$2,272	\$0
Total Liabilities	<u>\$0</u>	<u>\$2,272</u>	<u>\$2,272</u>	<u>\$0</u>

Well Performance Bond

	Balance 12/31/2001	Additions	Reductions	Balance 12/31/2002
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$40,000	\$0	\$0	\$40,000
Total Assets	<u>\$40,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$40,000</u>
<u>Liabilities</u>				
Undistributed Monies	\$40,000	\$0	\$0	\$40,000
Total Liabilities	<u>\$40,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$40,000</u>

Police Forfeited Cash

	Balance 12/31/2001	Additions	Reductions	Balance 12/31/2002
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$3,378	\$0	\$1,549	\$1,829
Total Assets	<u>\$3,378</u>	<u>\$0</u>	<u>\$1,549</u>	<u>\$1,829</u>
<u>Liabilities</u>				
Undistributed Monies	\$3,378	\$0	\$1,549	\$1,829
Total Liabilities	<u>\$3,378</u>	<u>\$0</u>	<u>\$1,549</u>	<u>\$1,829</u>

(continued)

City of Stow, Ohio
Combining Statement of Changes in
Assets and Liabilities - All Agency Funds (Continued)
For the Year Ended December 31, 2002

Police Drug Forfeiture Cash

	Balance 12/31/2001	Additions	Reductions	Balance 12/31/2002
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$25,970	\$9,260	\$24,536	\$10,694
Intergovernmental Receivables	0	105	0	105
Total Assets	<u>\$25,970</u>	<u>\$9,365</u>	<u>\$24,536</u>	<u>\$10,799</u>
<u>Liabilities</u>				
Undistributed Monies	\$25,970	\$9,365	\$24,536	\$10,799
Total Liabilities	<u>\$25,970</u>	<u>\$9,365</u>	<u>\$24,536</u>	<u>\$10,799</u>

Ohio BBS 3% Surcharge

	Balance 12/31/2001	Additions	Reductions	Balance 12/31/2002
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$223	\$1,953	\$1,811	\$365
Total Assets	<u>\$223</u>	<u>\$1,953</u>	<u>\$1,811</u>	<u>\$365</u>
<u>Liabilities</u>				
Undistributed Monies	\$223	\$1,953	\$1,811	\$365
Total Liabilities	<u>\$223</u>	<u>\$1,953</u>	<u>\$1,811</u>	<u>\$365</u>

Fire Bond Insurance Fund

	Balance 12/31/2001	Additions	Reductions	Balance 12/31/2002
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$13,315	\$15,000	\$28,315	\$0
Total Assets	<u>\$13,315</u>	<u>\$15,000</u>	<u>\$28,315</u>	<u>\$0</u>
<u>Liabilities</u>				
Undistributed Monies	\$13,315	\$15,000	\$28,315	\$0
Total Liabilities	<u>\$13,315</u>	<u>\$15,000</u>	<u>\$28,315</u>	<u>\$0</u>

Unclaimed Money Fund

	Balance 12/31/2001	Additions	Reductions	Balance 12/31/2002
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$9,418	\$0	\$0	\$9,418
Total Assets	<u>\$9,418</u>	<u>\$0</u>	<u>\$0</u>	<u>\$9,418</u>
<u>Liabilities</u>				
Undistributed Monies	\$9,418	\$0	\$0	\$9,418
Total Liabilities	<u>\$9,418</u>	<u>\$0</u>	<u>\$0</u>	<u>\$9,418</u>

(continued)

City of Stow, Ohio
Combining Statement of Changes in
Assets and Liabilities - All Agency Funds (Continued)
For the Year Ended December 31, 2002

Total - All Agency Funds

	Balance 12/31/2001	Additions	Reductions	Balance 12/31/2002
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$540,386	\$291,806	\$282,624	\$549,568
Intergovernmental Receivables	0	105	0	105
	<u>0</u>	<u>105</u>	<u>0</u>	<u>105</u>
Total Assets	<u>\$540,386</u>	<u>\$291,911</u>	<u>\$282,624</u>	<u>\$549,673</u>
<u>Liabilities</u>				
Undistributed Monies	\$540,386	\$291,911	\$282,624	\$549,673
	<u>\$540,386</u>	<u>\$291,911</u>	<u>\$282,624</u>	<u>\$549,673</u>
Total Liabilities	<u>\$540,386</u>	<u>\$291,911</u>	<u>\$282,624</u>	<u>\$549,673</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

This account group is used to account for all sites, buildings, equipment and vehicles of the City.

City of Stow, Ohio
Schedule of General Fixed Assets by Source
December 31, 2002

General Fixed Assets

Land	\$9,936,635
Buildings	9,071,855
Improvements other than Buildings	54,571
Machinery and Equipment	7,903,595
Construction in Progress	<u>5,663,350</u>
Total General Fixed Assets	<u><u>\$32,630,006</u></u>

Investment in General Fixed Assets by Source

Balance prior to 2001	\$23,927,616
Acquisition After 2000	
General Fund	115,169
Special Revenue Funds	1,889,016
Capital Projects Funds	<u>6,698,205</u>
Total Investment in Fixed Assets	<u><u>\$32,630,006</u></u>

City of Stow, Ohio
Schedule of General Fixed Assets by Function and Activity
December 31, 2002

	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Construction in Progress	Total
<u>General Government</u>						
Finance	\$0	\$0	\$0	\$18,024	\$0	\$18,024
Administrative/Personnel	0	0	22,273	728,506	0	750,779
Other-Unclassified	7,618,911	7,469,910	0	0	0	15,088,821
Total General Government	7,618,911	7,469,910	22,273	746,530	0	15,857,624
<u>Public Safety</u>						
Police	0	0	9,330	886,938	0	896,268
Fire	970,227	113,536	0	2,123,514	678,475	3,885,752
Total Public Safety	970,227	113,536	9,330	3,010,452	678,475	4,782,020
<u>Highways and Streets</u>						
Engineering	0	0	5,591	153,263	0	158,854
Service	0	0	0	3,220,704	3,301,855	6,522,559
Total Highways and Streets	0	0	5,591	3,373,967	3,301,855	6,681,413
<u>Recreation</u>						
	1,347,497	1,488,409	17,377	772,646	1,683,020	5,308,949
Total General Fixed Assets	\$9,936,635	\$9,071,855	\$54,571	\$7,903,595	\$5,663,350	\$32,630,006

City of Stow, Ohio
Schedule of Changes in General Fixed Assets
By Function and Activity
For the Year Ended December 31, 2002

Function and Activity	General Fixed Assets January 1, 2002	Additions	Deductions	General Fixed Assets December 31, 2002
General Government:				
Finance	\$18,024	\$0	\$0	\$18,024
Administrative/Personnel	700,183	50,596	0	750,779
Other-Unclassified	14,471,459	617,362	0	15,088,821
Total General Government	15,189,666	667,958	0	15,857,624
Public Safety:				
Police	794,876	133,652	(32,260)	896,268
Fire	2,008,891	1,876,861	0	3,885,752
Total Public Safety	2,803,767	2,010,513	(32,260)	4,782,020
Highways and Streets:				
Engineering	127,154	31,700	0	158,854
Service	2,959,570	3,562,989	0	6,522,559
Total Highways and Streets	3,086,724	3,594,689	0	6,681,413
Recreation	3,608,552	1,700,397	0	5,308,949
Total General Fixed Assets	\$24,688,709	\$7,973,557	(\$32,260)	\$32,630,006

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Statistical Section

**City of Stow, Ohio
Governmental Fund Type
Expenditures by Function
Last Ten Calendar Years**

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Current:										
General Government	\$4,038,069	\$3,787,262	\$3,455,250	\$3,120,550	\$3,354,777	\$3,236,358	\$2,965,849	\$3,156,949	\$3,219,201	\$3,133,471
Security of Persons and Property	8,874,918	8,732,322	7,833,280	7,241,474	6,710,720	6,324,247	5,991,745	6,163,266	5,142,970	4,767,315
Public Health and Welfare	469,082	462,594	468,329	442,050	433,642	260,916	264,690	257,931	215,814	188,276
Transportation	2,352,871	2,217,758	2,384,678	2,063,396	1,790,751	1,819,073	1,807,235	1,817,841	1,832,131	1,901,790
Community Environment	1,132,509	1,096,685	1,119,854	909,323	417,785	755,069	756,368	344,972	261,914	434,266
Leisure Time Activities	1,486,482	1,492,171	1,501,736	1,388,987	1,329,193	1,233,273	1,204,439	1,143,763	1,071,392	932,289
Other	6,389	23,224	50,973	0	0	0	0	0	0	0
Capital Outlay	10,434,356	5,548,763	3,649,212	2,057,286	2,434,015	1,438,240	1,608,572	2,278,219	7,125,769	3,530,576
Debt Service:										
Principal Retirement	180,000	315,000	225,000	215,000	200,000	190,000	195,000	85,000	17,080,000	30,000
Interest and Fiscal Charges	382,395	402,683	414,308	428,908	499,316	532,392	578,347	664,191	340,276	123,595
Total	\$29,357,071	\$24,078,462	\$21,102,620	\$17,866,974	\$17,170,199	\$15,789,568	\$15,372,245	\$15,912,132	\$36,289,467	\$15,041,578

Source:
City of Stow audited financial statements.

**City of Stow, Ohio
Governmental Fund Type
Revenues by Source
Last Ten Calendar Years**

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Municipal Income Tax	\$11,281,810	\$11,221,994	\$10,939,038	\$10,256,841	\$10,148,391	\$9,541,488	\$8,636,091	\$8,467,874	\$8,013,916	\$6,975,763
Property and Other Taxes	6,133,362	5,984,321	4,360,593	4,421,931	4,599,832	4,470,272	3,398,150	2,877,819	3,434,535	2,989,612
Charges for Services	1,043,272	837,868	424,981	298,254	274,948	262,153	254,203	248,145	272,791	257,786
Fines, Licenses and Permits	692,963	686,027	666,389	866,429	609,740	596,807	567,425	463,050	510,166	426,774
Intergovernmental	4,425,388	6,602,441	4,702,144	4,046,790	3,591,199	2,907,420	3,083,574	3,419,354	2,344,786	2,639,438
Special Assessments	52,917	55,319	56,032	56,788	54,819	54,615	54,482	53,136	44,610	35,875
Investment Income	457,090	574,944	817,719	536,138	430,127	300,429	233,741	236,254	301,113	246,378
Other	718,788	493,111	347,600	156,232	225,403	125,951	130,108	245,608	372,298	179,074
Total	\$24,805,590	\$26,456,025	\$22,314,496	\$20,639,403	\$19,934,459	\$18,259,135	\$16,357,774	\$16,011,240	\$15,294,215	\$13,750,700

Source:
City of Stow audited financial statements.

**City of Stow, Ohio
Property Tax Levies and Collections
Real and Public Utility Taxes
Last Ten Calendar Years**

Year	Current Levy	Current Collection	Percent of		Delinquent Collection	Total Collection	Total Collection As a Percent of		Outstanding Delinquent Taxes	Ratio of	
			Current Levy Collected	Current Levy Collected			Current Levy	Delinquent Taxes		Delinquent Taxes to Total Levy	
2002	\$6,102,629	\$5,791,916	94.91%		\$144,724	\$5,936,640	97.28%	\$165,988	2.72%		
2001	5,898,640	5,580,204	94.60%		127,890	5,708,094	96.77%	190,548	3.23%		
2000	4,278,289	4,062,677	94.96%		77,990	4,140,667	96.78%	137,622	3.22%		
1999	3,985,361	3,801,725	95.39%		84,055	3,885,780	97.50%	99,581	2.50%		
1998	3,908,376	3,714,778	95.05%		84,821	3,799,599	97.22%	108,777	2.78%		
1997	3,837,411	3,620,923	94.36%		106,111	3,727,034	97.12%	110,377	2.88%		
1996	3,119,525	2,925,162	93.77%		74,226	2,999,388	96.15%	120,137	3.85%		
1995	3,052,409	2,835,750	92.90%		98,731	2,934,481	96.14%	117,928	3.86%		
1994	2,970,405	2,682,250	90.30%		122,603	2,804,853	94.43%	165,552	5.57%		
1993	2,667,684	2,390,736	89.62%		103,031	2,493,767	93.48%	173,917	6.52%		

Source: Summit County Fiscal Officer

City of Stow, Ohio
Assessed and Estimated Actual Value of Taxable Property
Last Ten Calendar Years

Year	Real Property	Public Utility Property	Tangible Personal	Total Assessed Value	Estimated Actual Value	Ratio
2002	\$611,933,190	\$10,647,060	\$54,307,489	\$676,887,739	\$1,977,709,431	34.23%
2001	588,277,820	13,019,160	53,811,583	655,108,563	1,910,834,603	34.28%
2000	567,191,520	14,630,840	53,811,583	635,633,943	1,850,424,372	34.35%
1999	526,516,730	14,428,370	52,133,728	593,078,828	1,727,296,796	34.34%
1998	512,961,810	14,557,040	50,150,238	577,669,088	1,680,763,163	34.37%
1997	496,489,730	14,797,730	43,318,973	554,606,433	1,606,615,708	34.52%
1996	402,622,020	15,296,120	40,995,870	458,914,010	1,329,628,229	34.51%
1995	387,604,050	16,572,590	36,747,218	440,923,858	1,271,001,605	34.69%
1994	371,337,170	16,052,900	37,087,466	424,477,536	1,225,366,107	34.64%
1993	330,646,260	16,002,660	33,936,416	380,585,336	1,096,451,924	34.71%

Source: Summit County Fiscal Officer

City of Stow, Ohio
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 Assessed Valuation)
Last Ten Calendar Years

Year	General Operating	Police Pension	Fire Pension	EMS	Total City Levy	Stow City School District	Summit County	Total
2002	\$6.60	\$0.30	\$0.30	\$2.30	\$9.50	\$45.74	\$13.07	\$68.31
2001	6.60	0.30	0.30	2.30	9.50	46.44	13.07	69.01
2000	6.60	0.30	0.30	2.30	9.50	46.44	13.07	69.01
1999	6.60	0.30	0.30	0.00	7.20	47.64	12.27	67.11
1998	6.60	0.30	0.30	0.00	7.20	47.74	11.65	66.59
1997	6.60	0.30	0.30	0.00	7.20	49.34	11.39	67.93
1996	6.60	0.30	0.30	0.00	7.20	52.41	13.99	73.60
1995	6.60	0.30	0.30	0.00	7.20	52.34	14.16	73.70
1994	6.60	0.30	0.30	0.00	7.20	44.14	12.31	63.65
1993	6.60	0.30	0.30	0.00	7.20	45.84	12.59	65.63

Source: Summit County Fiscal Officer

City of Stow, Ohio
Special Assessment Billings and Collections
Last Ten Calendar Years

Collection Year	Current Levy	Current Collection	Total Collection As a Percentage of Current Levy	Total Delinquent Tax
2002	\$51,326	\$49,629	96.69%	\$1,697
2001	57,834	55,319	95.65%	2,515
2000	58,392	56,032	95.96%	2,360
1999	57,512	55,815	97.05%	1,697
1998	57,447	54,819	95.43%	2,628
1997	56,909	54,615	95.97%	2,294
1996	56,568	54,482	96.31%	2,086
1995	54,454	53,136	97.58%	1,318
1994	49,151	47,187	96.00%	1,964
1993	36,699	35,876	97.76%	823

Source: Summit County Fiscal Officer

City of Stow, Ohio
Computation of Legal Debt Margin
December 31, 2002

Assessed Valuation (2002)	<u>\$676,887,739</u>
Overall Debt Limitation 10-1/2% of Assessed Value (1)	<u>\$71,073,213</u>
Outstanding Debt:	
General Obligation Bonded Debt	6,015,000
Less: Amount Available in Debt Service Fund	<u>0</u>
Total Outstanding Debt Subject to Overall Debt Limitation	<u>6,015,000</u>
<i>Overall Debt Margin</i>	<u><u>\$65,058,213</u></u>
Unvoted Debt Limitations 5-1/2% of Assessed Value (1)	\$37,228,826
Amount of Debt Applicable	<u>6,015,000</u>
<i>Unvoted Debt Margin</i>	<u><u>\$31,213,826</u></u>

Source: Summit County Fiscal Officer and City Financial Records.

(1) Ohio Bond Law sets a limit of 10-1/2% of assessed value for voted debt and 5-1/2% for unvoted debt.

City of Stow, Ohio
Ratio of Net General Obligation Bonded Debt to
Assessed Value and Net General Obligation Bonded Debt Per Capita
Last Ten Calendar Years

Year	Gross Bonded Debt	Debt Service Funds Available	Net Bonded Debt	Assessed Valuation	Population	Ratio of Net Debt to Assessed Value	Net Bonded Debt Per Capita
2002	\$6,015,000	\$0	\$6,015,000	\$676,887,739	32,811	0.89%	\$183.32
2001	6,195,000	0	6,195,000	655,108,563	32,486	0.95%	190.70
2000	6,360,000	0	6,360,000	635,633,943	32,139	1.00%	197.89
1999	6,510,000	0	6,510,000	593,078,828	32,162	1.10%	202.41
1998	6,650,000	0	6,650,000	577,669,088	31,762	1.15%	209.37
1997	6,775,000	1,502	6,773,498	554,606,433	30,833	1.22%	219.68
1996	6,890,000	1,502	6,888,498	458,914,010	30,766	1.50%	223.90
1995	7,000,000	1,847	6,998,153	440,923,858	30,427	1.59%	230.00
1994	20,000	3,624	16,376	424,477,536	30,094	0.00%	0.54
1993	30,000	3,860	26,140	380,585,336	29,537	0.01%	0.88

Source: Summit County Fiscal Officer

City of Stow, Ohio
Ratio of Annual Debt Principal Expenditures for
General Obligation Bonded Debt to Total Governmental Fund Type Expenditures
Last Ten Calendar Years

Year	Principal	Total Governmental Fund Type Expenditures	Ratio of Debt Service to General Fund Expenditures (Percentages)
2002	\$180,000	\$29,357,071	0.61%
2001	165,000	24,078,462	0.69%
2000	150,000	21,102,620	0.71%
1999	140,000	17,866,974	0.78%
1998	125,000	17,170,199	0.73%
1997	115,000	15,789,568	0.73%
1996	120,000	15,372,245	0.78%
1995	10,000	15,912,132	0.06%
1994	10,000	36,289,467	0.03%
1993	30,000	15,041,578	0.20%

Source:
City of Stow audited financial statements.

**City of Stow, Ohio
 Computation of Direct and Overlapping General Obligation Bonded Debt
 December 31, 2002**

Jurisdiction	Unvoted Debt	Valuation of Entity	Stow City Overlapping Valuation	Stow City Overlapping Percentage	Unvoted Debt Applicable to Stow City
City of Stow	\$6,015,000	\$676,887,739	\$676,887,739	100.00%	\$6,015,000
<u>Overlapping Debt</u>					
Stow-Munroe Falls City School District	6,432,000	873,847,770	676,887,739	77.46%	4,982,227
Metro Transit	1,515,000	11,922,128,807	676,887,739	5.68%	<u>86,052</u>
Summit County	<u>72,400,000</u>	11,922,128,807	676,887,739	5.68%	<u>4,112,320</u>
Total Overlapping Debt	<u>80,347,000</u>				<u>9,180,599</u>
Total	<u>\$86,362,000</u>				<u>\$15,195,599</u>

Source: Summit County Fiscal Officer

**City of Stow, Ohio
Demographic Statistics
Last Ten Calendar Years**

Year	Population (1)	(000)		Unemployment Rate (2)			Average Residential Sales Price		
		Employed in County (2)	Employed in PMSA (2)	County	PMSA	State	United States	City (4)	County (4)
2002	32,811	275.1	350	6.1%	5.2%	6.1%	5.8%	\$150,135	\$133,790
2001	32,486	270.7	352	4.3%	4.6%	4.3%	4.8%	147,450	133,766
2000	32,139	282.1	335	4.0%	4.0%	4.1%	4.0%	148,688	142,789
1999	32,162	281.4	331	4.2%	4.2%	4.3%	4.2%	133,887	117,327
1998	31,762	277.7	325	4.0%	4.0%	4.3%	4.5%	136,121	110,296
1997	30,833	281.3	322	4.4%	4.3%	4.6%	4.9%	123,146	100,809
1996	30,766	278.8	319	4.6%	4.6%	4.9%	5.4%	120,948	102,677
1995	30,427	275.4	313	4.5%	4.5%	4.8%	5.6%	108,277	91,377
1994	30,094	272.6	304	5.1%	5.1%	5.5%	6.1%	101,097	89,183
1993	29,537	266.9	292	6.0%	6.0%	6.5%	6.9%	95,522	88,696

PMSA = Primary Metropolitan Statistical Area

Source:

- (1) City Records
- (2) Ohio Bureau of Employment Services, U.S. Department of Labor and Bureau of Labor Statistics
- (3) Stow-Munroe Falls City School District
- (4) Summit County Fiscal Officer

City of Stow, Ohio
Property Value, Construction and Financial Institution Deposits
Last Ten Calendar Years

Year	Total Assessed Valuation (1)	Value of Building Permits Issued			Bank Deposits Summit County (000's)
		Agriculture Residential	Commercial Industrial	Total	
2002	\$676,887,739	\$34,165,164	\$18,435,178	\$52,600,342	\$8,026,479
2001	655,108,563	20,662,121	17,860,352	38,522,473	7,870,201
2000	635,633,943	49,987,381	21,773,449	71,760,830	7,850,115
1999	593,078,828	41,900,006	21,738,541	63,638,547	7,071,487
1998	577,669,088	35,599,140	24,811,952	60,411,092	5,749,282
1997	554,606,433	18,099,274	13,813,689	31,912,963	6,950,566
1996	458,914,010	24,652,986	20,745,384	45,398,370	6,960,566
1995	440,923,858	21,632,460	10,625,572	32,258,032	6,958,865
1994	424,477,536	24,076,590	12,109,179	36,185,769	4,199,905
1993	380,585,336	29,590,512	13,815,428	43,405,940	3,792,255

Source:

(1) Summit County Fiscal Officer

**City of Stow, Ohio
Principal Taxpayers
Real Estate Tax
December 31, 2002**

Name of Taxpayer	Assessed Value	Percent of Total Assessed Value of Real Estate	Percent of Total Assessed Value
DDR Ohio Opportuniity II, LLC	\$7,785,070	1.27%	1.15%
Heron Springs Associates, LLC	7,529,010	1.23%	1.11%
Wyndham Ridge, Ltd.	5,110,690	0.84%	0.76%
Stow-Glen Properties	4,388,820	0.72%	0.65%
Morgan Adhesives Company	4,109,510	0.67%	0.61%
Steels Corners Apartment Company Ltd.	4,077,970	0.67%	0.60%
Stow Associates	3,944,090	0.64%	0.58%
Aetna Life Insurance Company	3,863,750	0.63%	0.57%
Risman, William B. Trustee	2,960,220	0.48%	0.44%
Stow Falls Retail Limited Partnership	<u>2,538,440</u>	<u>0.41%</u>	<u>0.38%</u>
<i>Total</i>	<u>\$46,307,570</u>	<u>7.57%</u>	<u>6.84%</u>
<i>Total Assessed Value of Real Property</i>	<u>\$611,933,190</u>		
<i>Total Assessed Value</i>	<u>\$676,887,739</u>		

Source: Summit County Fiscal Officer

**City of Stow, Ohio
Principal Taxpayers
Tangible Personal Property Tax
December 31, 2002**

Name of Taxpayer	Assessed Value	Percent of Total Assessed Value of Personal Property	Percent of Total Assessed Value
Morgan Adhesives	\$6,668,400	12.28%	0.99%
Audio-Technica US Inc.	2,643,530	4.87%	0.39%
Wrayco Industries, Inc.	2,497,680	4.60%	0.37%
Lowes Home Centers, Inc.	1,864,080	3.43%	0.28%
Marhofer Chevrolet, Inc.	1,624,570	2.99%	0.24%
Safway Steel Products, Inc.	1,601,600	2.95%	0.24%
Wal Mart Stores East, Inc.	1,353,170	2.49%	0.20%
Goodyear Tire & Rubber Company	1,346,970	2.48%	0.20%
Tamarkin Company	1,062,480	1.96%	0.16%
Ferry Industries, Inc.	1,015,570	1.87%	0.15%
<i>Total</i>	\$21,678,050	39.92%	3.20%
<i>Total Assessed Value of Tangible Personal Property</i>	\$54,307,489		
<i>Total Real Assessed Value</i>	\$676,887,739		

Source: Summit County Fiscal Officer

City of Stow, Ohio
Miscellaneous Statistics
December 31, 2002

Date of Incorporation as a Village	January, 1957
Date of Incorporation as a City	January, 1960
City Charter adopted	November, 1958
Form of Government	Mayor/Council
Area (Square Miles)	17.00
Miles of Streets:	
City lane miles	343 miles
State highway miles	44 miles
Number of intersections with street lights	46
Fire Protection:	
Number of Stations	2
Number of Sworn Firefighters	49
Police Protection:	
Number of Stations	1
Number of Sworn Police Officers	33
Building:	
2002 Permits issued	821
2002 Valuation of construction	\$52,600,342
Parks and Recreation:	
Number of city parks	4
Number of neighborhood parks	6
Number of acres in parks system	407.75
Number of lodges	4
Number of ballfields	10
Number of tennis courts	4
Number of volleyball courts	4
Number of camp sites	27

Source: City of Stow Records



**Auditor of State
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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 12, 2003**