



**City OF Stow**  
Tradition Centered. Future Focused.

Comprehensive Annual Financial Report  
for the fiscal year ended December 31, 2019



**CITY OF STOW, OHIO**  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2019

PREPARED BY:

THE DEPARTMENT OF FINANCE  
JAMES M. COSTELLO, DIRECTOR OF FINANCE

*3760 DARROW ROAD  
STOW, OHIO 44224*



## INTRODUCTORY SECTION

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**CITY OF STOW, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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July 30, 2020

The Honorable Mayor John Pribonic,  
Members of City Council  
and Citizens of the City of Stow, Ohio

Ladies and Gentlemen:

The Comprehensive Annual Financial Report for the City of Stow (the “City”) for the fiscal year ended December 31, 2019, is hereby respectfully submitted. It includes information pertaining to all of the City’s funds and financial transactions and selected financial and other information for the most recently completed fiscal year (2019). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation rests with the City. To the best of our knowledge, the data in this report is accurate in all material respects and it presents fairly the financial position and results of operations of the City. All disclosures necessary to provide the reader with a better understanding of the City’s financial activities have been included.

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

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

As part of the City’s independent audit, considerations are made to assess the internal control structure, in relation to the financial statements, as well as to determine that the City has complied with applicable laws and regulations. The results of the City’s independent audit for the year ended December 31, 2019, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

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

## **COMMUNITY PROFILE**

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

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

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

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

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

The City's budgetary process is prescribed by state law. An annual budget for each calendar year must be approved by City Council by April 1<sup>st</sup> of the current year. The budget (annual appropriations) is limited by the amount of estimated resources as certified to the City by the County Budget Commission prior to the budget's passage. The budget may be amended from time-to-time, as needed, by City Council during the year. A deficit budget is not permitted by law, either per individual fund or on an overall basis.

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

### ***Local Economy***

The City of Stow was originally founded as a township, eventually became a village and was incorporated as a city in 1960 with a population of 12,194. By 2000 the population reached 32,139. Stow's population level of 34,837 in 2010 represents an 8.4 percent increase from the level of 2000. To accommodate the City's population growth, over 10,000 dwelling units have been constructed in Stow since 1970, bringing the total number of units to 15,141 per the 2010 census. It has been recently estimated that there is available land for an additional 2,000 dwelling units to be constructed in Stow in the future. Recent projections estimate the fully developed population of the City of Stow to be up to 40,000 residents. This estimated range could be reached within the next 30 years, although the most recent (2019) Census estimate shows Stow's population levelling off at 34,785.

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

Substantial commercial, office and industrial growth has occurred in Stow in recent years. As part of the effort to update the City's Comprehensive Land Use Plan, City officials, with the assistance of a professional development consultant, prepared a market study to analyze existing and potential nonresidential development in the City and the future local market for office and retail expansion. It was determined the City of Stow has a substantial supply of competitive retail space – approximately 2.7 million square feet. Stow's retail vacancy rates have fluctuated in recent years. But, the Stow vacancy rate for retail has typically been lower than the rate for the region. The latest retail vacancy rate for Stow is approximately 4.2 percent which is very favorable compared to other areas within the northeast Ohio region. It is anticipated the City will take the necessary policy steps to ensure the local retail sector continues to remain strong. Demand for additional retail space in Stow is expected to be high over the next ten years.

City officials have placed a particular emphasis on the development of the office and industrial market in Stow, recognizing the positive revenue implications resulting from this type of development. As of May 2019, there was over 878,000 square feet of office space in Stow.

The office vacancy rate was 10.8 percent in Stow in 2019, which is lower than the average vacancy rate for suburban communities in the Akron Metropolitan Area. In addition, there was over 3,900,000 square feet of industrial space in Stow, and the vacancy rate was 3.9 percent as of July 2019.

Through the use of development incentive programs and an aggressive construction schedule for public infrastructure, City officials are encouraging the construction of additional office capacity, medical space, flex space and light industrial space. The area surrounding the Seasons Road/State Route 8 Interchange has experienced significant development recently. An industrial park has been established and four buildings totaling 573,000 square feet have been constructed in which 190-230 employees now work or will soon be employed. The current development of the Steels Corners Road Interchange area accommodates some 200,000 square feet of office space, including medical facilities. Supporting commercial, service, and related businesses are already constructed or being planned in the vicinity of the interchange, including five medium-sized hotels.

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

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

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

**Current Year** – In 2019, the City of Stow completed its eleventh consecutive year of operating with a significantly reduced workforce in order to balance its budget and ensure that the level of staffing remained within its financial means. The City ended the 2019 operating year with a total of 31 full-time employee positions eliminated or left unfilled out of 276 authorized full-time positions at the beginning of 2009. This represented a workforce reduction of 11 percent in eleven years. The City also eliminated numerous part-time and seasonal positions over this period.

The workforce reduction was accomplished through an ongoing hiring freeze and the implementation of a one-time voluntary separation program for eligible employees in 2010. The hiring freeze, as supplemented by other expenditure reduction and containment measures, continues as a formal City policy. The City will maintain its effort to strictly control the size of the workforce in 2020 and beyond, although some previously vacant high-priority positions will be filled over the next two years.

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

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

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

In 2000, the City's voters approved a program to expand the City's Emergency Medical Services (EMS) and fire response capabilities, which over the long-term has proven to be very successful for the community. The expansion program was funded through an increase of 2.3 mills in the City's Charter property tax rate and included two new fire stations and fifteen additional paramedics as well as new fire trucks and equipment.

One of the new fire stations is an additional station to increase emergency coverage on the City's east side, while the other is a relocated replacement facility to improve response times on the City's west side. The fifteen additional paramedics have enabled the City's Fire Department to operate a full EMS transport system throughout the entire community and to fully staff the two new fire stations. The City's centrally located Safety Building continues to serve the community as its main fire station. Three new fire trucks were acquired in 2007 and two new EMS response vehicles were purchased in 2008 to further upgrade and enhance the City's ability to provide high quality emergency service to its residents. Three additional major fire/EMS vehicles have been purchased since 2014 with the use of tax levy and capital funds.

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

Maintenance and repair of roads throughout the community to accommodate the growing population and expanding commercial and industrial base continues to be a high priority for the City government. In 2011, \$600,000 was spent on the annual road resurfacing program, while in 2012, 2013 and 2014 the program was restored to the previous ongoing levels with allocations averaging \$1.2 million. The 2015 and 2016 road resurfacing amounts were the highest on record with nearly \$1.6 million being spent city-wide each year. The 2017 amount allocated was set at \$1.7 million. The all-time high was exceeded again in each of 2018 and 2019 when the road resurfacing program reached \$2.1 million and \$2.8 million in those respective years.

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

In order to accommodate expected continued population and business growth in Stow, the City government will continue to invest in its public facilities, its transportation system, the Stow Water System and the community infrastructure in the years ahead. City officials are guided in the development of the community in the future by the City's Comprehensive Land Use Plan which is currently being updated with the assistance of a professional consultant. Approval of the new Plan is expected in 2020. Before it receives final approval, the new Plan will be subject to many public hearings and community meetings held by Stow City officials.

In November 2001, the City of Stow regained ownership of the Stow Water System from the Summit County government and immediately became fully responsible for its daily operation. The City completed eighteen very successful full operating years for the System in 2019. The City provides water to its citizens based on a 99-year water service agreement between Stow and the City of Akron whereby Akron supplies water directly to Stow on a wholesale basis. The detailed terms of the Stow water supply agreement with Akron were finalized and a formal contract executed in December of 2006.

A long-term comprehensive Operating Budget for the Stow Water System was developed when the System was acquired by the City in 2001 to guide the City in managing the operation and maintenance of the System. The Budget is updated each year with current financial information and is used to assist the administration and City Council in determining and meeting the operating needs of the Water Utility and assessing the adequacy and level of future water rates. As a result of detailed budget planning, the Water System is financially very sound. As of the end of 2019, it had more than adequate operating reserves to address virtually any unanticipated major system expense, either operating or capital.

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

In 2019, the City continued with the long-term improvements program outlined in its comprehensive Capital Plan for the Water System, including numerous waterline replacement projects and related upgrades. The City previously enacted an ongoing, monthly \$4.00 Water System capital improvements fee for all water customers to generate the revenue necessary to undertake and complete the improvements identified in the long-term Plan on a programmed basis over the next ten-twenty years and also to implement an automatic, radio-based meter reading system for more efficient and timely reading of the meters of Stow's water customers.

Installation of the automatic meter reading system has been completed in Stow and continues to be monitored for accuracy and reliability. The meter reading system cost approximately \$2.3 million and is updated each year.

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

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

In 2019, the City of Stow continued many of its ongoing programs which are designed to improve the community as a whole and its individual neighborhoods. The provision of such programs as the Stow Senior Center, adopt-a-spot beautification, the neighborhood playground upgrades, residential storm sewer and water line improvements, bike trail expansion, sidewalk repair, housing repair, litter and recycling education and awareness, neighborhood beautification and tree planting programs were important accomplishments of the City again this past year.

A comprehensive ten-year Capital Improvements Financial Plan was prepared by the City in 2002 to guide City officials in undertaking and completing the City's major capital projects over the original period, 2002-2011. The Plan, as now updated each year, was used in 2019 and will continue to be revised in future years to identify available capital improvement funding sources and potential general capital projects to improve the City's infrastructure, buildings, facilities and major equipment over the next ten-year period. The Plan, as modified, also serves as the City's guide for both short-term and long-term debt management.

The City has continued its emphasis on accelerating debt retirement. Over the period, 2008-2019, Stow's outstanding general obligation debt, excluding internal debt, has been reduced from \$33.6 million to \$14.4 million. In order to facilitate debt retirement, the City has increased its reliance on pay-as-you-go (cash) financing to fund its capital improvements and has not incurred any new outside general obligation project debt since 2011. (In 2015, the City was the recipient of a \$1.23 million Ohio Public Works Commission water project loan with a thirty-year term and a zero percent rate of interest.)

In May of 2006, the City Council adopted a long-term master plan for the development of the City Center Site which encompasses the centrally located municipal government offices and considerable surrounding acreage. The development of the site could eventually include public gathering facilities for entertainment, a large amphitheater, cultural and arts centers, walking trails and some mixed use buildings. The master plan for the maintenance, development and future management of the City's arboretum/sancturetum, which is located near Stow City Hall, continued to be updated in 2019. It is included as a major component of the City's overall City Center Site long-term plan. It is the intent of the City to further develop detailed plans and possible funding sources to enhance the arboretum/sancturetum in several phases. It was opened fully to the public in the summer of 2006. Preservation of this unique and extensive outdoor natural resource is a long-standing commitment of the City.

In February of 2006, the Stow City government completed the acquisition of an 18-hole municipal golf course located on 140 acres of land within a highly developed residential area of the City. The golf course, which was named the best privately owned public golf course in Ohio in 2005, has been successfully operated by the City with its own resources over the period 2006-2019, not including acquisition debt payments. Even with the golf industry subject to lessening demand nationally in recent years, the City's municipal golf course fared very well in 2019. The City's ongoing commitment to the operation of the golf course ensures its retention and preservation as a highly-valued recreational asset in the Stow community. Several significant improvements to the golf course layout were completed during the period, 2017-2019.

A unique, special needs playground was completed in one of Stow's major parks in 2008. It cost approximately \$278,000 and was funded through a combination of private donations, a state grant and City funding. It is designed for the inclusion and accessibility of all children regardless of disability. In 2019, it was used by many individuals and groups in the community.

After assessing the feasibility of converting its Safety/Service communications system to 800 MHz capability, in 2006, the City executed a long-term agreement to participate with other communities in the Summit County/Akron radio system. The County-wide system increases compatibility, interoperability and mutual communications capabilities with surrounding communities. The City continued its effort to enhance the radio system for its safety forces in 2019 through the use of local funding and grants. The City's radio and related communications equipment and facilities are continuously being evaluated for possible upgrade.

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

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

In May 2009, the City completed renovation of a City-owned building to replace the former Senior Center which had previously been in rented quarters. The Senior Center, which is near the Stow City Hall, is more centrally located than the former Center and provides improved accessibility for seniors throughout Stow. In 2019, the Center has become a high-use facility which now generates more senior citizen activity and programs in Stow than ever as the City's support for seniors' activities continues to grow. Stow's senior citizen facilities are being further evaluated in 2020 for possible upgrade.

**Future** – As with virtually every other governmental unit in Ohio, Stow is coping with the continuing adverse impact of the severe national economic crisis on its finances. We have adopted a much more conservative and restrictive stance regarding our operating and capital budgets. We have reduced our operating expenditures, imposed a hiring freeze, and cancelled or delayed many capital improvements. Within our more limited financial capability, we continue with various major initiatives designed to improve and enhance the City of Stow and/or to enable the City to accommodate the continued growth and development of the Stow community in 2020 and beyond.

As referenced earlier, the City will continue to implement its workforce and facilities consolidation plan in 2020 by reviewing the utilization of all buildings. Departmental building assignments and locations will be assessed and evaluated for more efficient layouts and usage. The main Parks Maintenance building has been converted to private use and similar City departments will be consolidated to more effective common locations for joint usage of major equipment and simultaneous training on related job tasks and functions.

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

A potential regional dispatch center for central Summit County, which may include Cuyahoga Falls, Stow and Tallmadge and other similar communities as well as the Summit County Sheriff's Office, is being evaluated for possible future implementation. If established, the new center, by serving a larger population base, would eventually generate considerable operational cost savings as well as lower individual capital investment amounts for each participating community or governmental unit through economies of scale. As a preliminary related step toward a regional communications center, multiple communities in Summit County have joined together to establish a centralized regional computer aided dispatch (CAD) system in 2018-2020. This new joint software system can stand alone in the future or become part of a new Council of Governments (COG) regional dispatch operational center for the participating communities.

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

The Route 8 Interchange, located at State Route 8 and Seasons Road in both Stow and Hudson, has been completed and now serves as an important component of the Stow and Hudson transportation systems. The main access road to the interchange was improved and widened in 2010. Another access road was improved in 2013 as a joint undertaking of the State of Ohio, the City of Stow and the City of Hudson. New traffic signals to improve traffic control and safety for incoming and exiting traffic at the interchange were installed and became operational in early 2019 with federal funding assistance. Along with the recently-completed Seasons/Norton Road connection and the Seasons Road improvement projects, the new interchange is necessary to facilitate expansion of the industrial and commercial growth areas of Stow to ensure future enhancement of our tax base.

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

In 2020 and 2021, the City will be continuing its ongoing traffic signal upgrade program at major intersections throughout the community. Local funds will be combined with grant funds to finance the installation of new signals at high traffic volume locations to improve traffic flow and control to meet safety concerns. The upgrades at the Norton and Fishcreek intersections of Rt. 91 were completed in 2017. A similar upgrade at the Graham Road and Rt. 91 intersection was completed in 2018. Construction of a new boulevard to provide public access through the large City Hall site has been finished. The roadway received final paving in 2014. It is compatible with any planned community facilities to be located on the City Center campus.

A preliminary consensus is beginning to develop in the Stow community that the best potential future use of the entire City Center site may be to develop it as a central Stow activity area. This concept is being formally advanced by leadership in the Stow community. The developed site would include both public and private uses to be determined. Progress on the concept is already underway with the commissioning of a new development and use guide that was prepared by professional outside consultants in 2017-2018. Various resident and community leadership meetings to gather input on the City Center concept will be completed in 2020. Development proposals may also be sought in 2020.

Among the City's priorities for 2020-2021 in the safety area is the programmed replacement of the major fire/EMS response vehicles used on a daily basis by the Fire Department. In anticipation of the replacement of these vehicles, the City has been accumulating funding through its Capital Budget so that the acquisitions can be accomplished on a cash basis without incurring debt.

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

The City administration will continue to emphasize economic development in Stow in 2020 and beyond as a means to enhance our tax base for the future and strengthen the City's financial standing. The existing 2001 city-wide Comprehensive Plan, which guides local development, is expected to be formally updated in 2020.

## **OTHER INFORMATION**

**Awards** - The City prepared and submitted a Comprehensive Annual Financial Report (CAFR) for the first time for 2000 to the Government Finance Officers Association of the United States and Canada (GFOA). A Certificate of Achievement for Excellence in Financial Reporting was awarded to the City of Stow for its Comprehensive Annual Financial Report for the last nineteen consecutive years (2000-2018), inclusive. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both Generally Accepted Accounting Principles and applicable legal requirements. We believe our current report for 2019 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 2019 award.

**Acknowledgment** - I would like to express my sincere appreciation and thanks to those individuals who assisted in the preparation of the 2019 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,

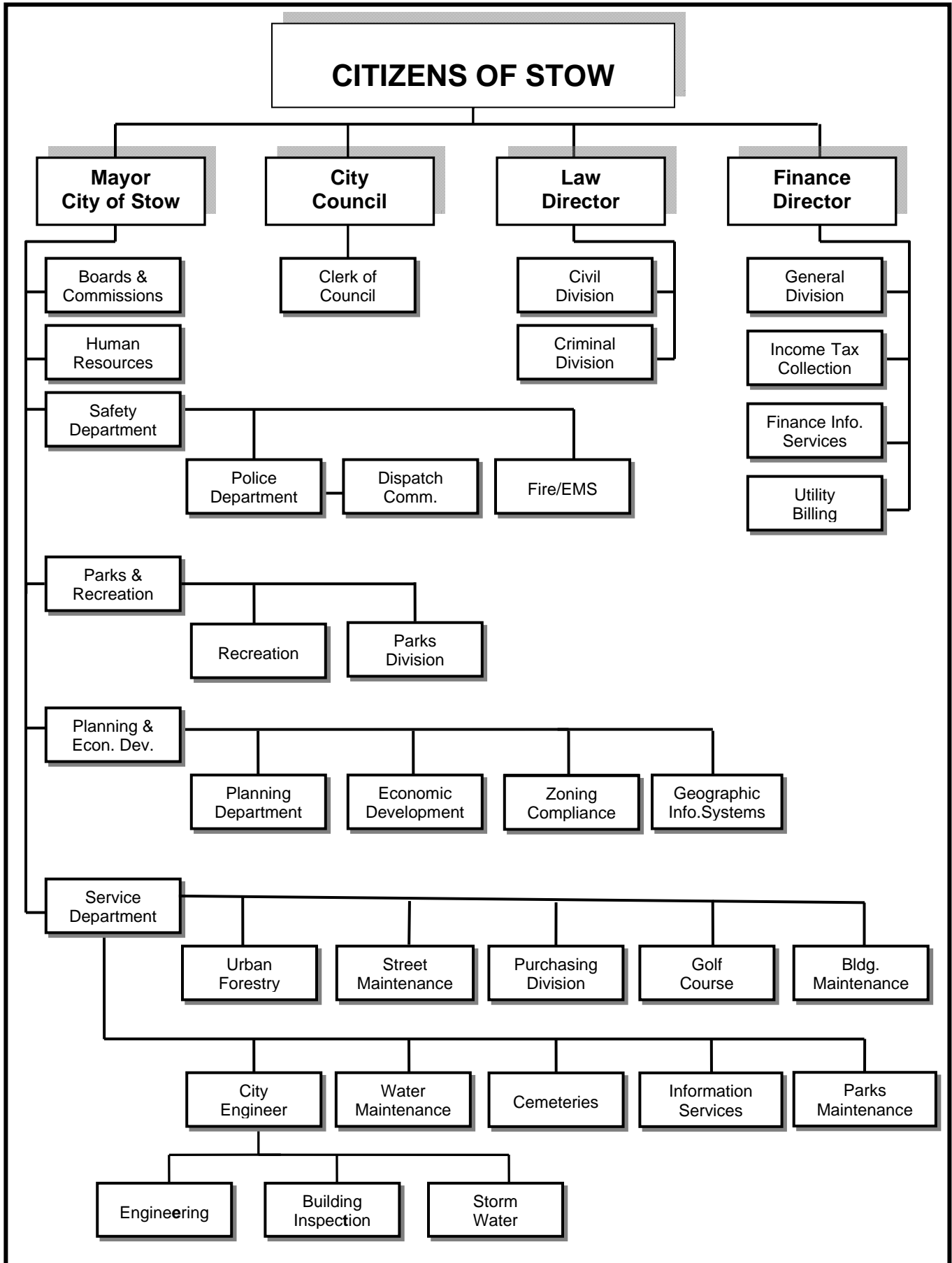


James M. Costello  
Director of Finance

# City of Stow, Ohio

## General Organization Chart

2019



**CITY OF STOW, OHIO**  
PRINCIPAL CITY OFFICIALS  
AS OF DECEMBER 31, 2019

***Elected Officials***

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

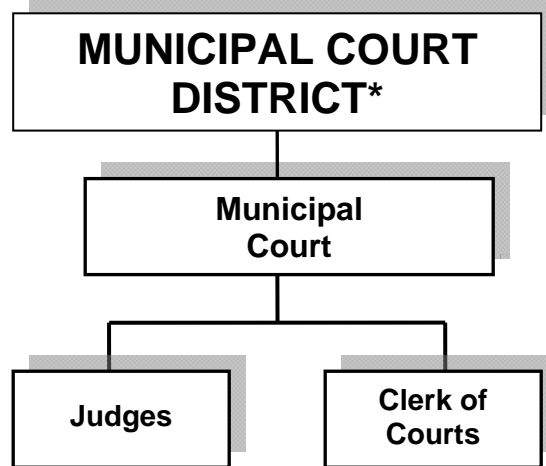
***Department Officials***

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

# City of Stow, Ohio

## Stow Municipal Court Organizational Chart

2019



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

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

### **CITIES**

Stow  
Cuyahoga Falls  
Hudson  
Twinsburg  
Tallmadge  
Macedonia  
Munroe Falls

### **VILLAGES**

Reminderville  
Boston Heights  
Peninsula  
Northfield  
Silver Lake

### **TOWNSHIPS**

Boston  
Northfield Center  
Sagamore Hills  
Twinsburg

### **STOW MUNICIPAL COURT PRINCIPAL OFFICIALS AS OF DECEMBER 31, 2019**

#### ***Elected Officials***

Judge Kim R. Hoover  
Judge Lisa L. Coates  
Clerk of Courts Amber Zibritosky

#### ***Appointed Officials***

Magistrate John W. Clark  
Court Administrator Rick Klinger  
Chief Deputy Clerk of Courts Angela Hoff



Government Finance Officers Association

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, 2018**

*Christopher P. Morrill*

Executive Director/CEO

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## FINANCIAL SECTION

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# OHIO AUDITOR OF STATE KEITH FABER



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

## INDEPENDENT AUDITOR'S REPORT

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

To the Honorable Mayor and City Council:

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Stow, Summit County, Ohio (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

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

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

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Stow, Summit County, Ohio, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and EMS/Fire Tax Levy Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 3A to the financial statements, during the year ended December 31, 2019, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. In addition, as discussed in Note 24B to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. We did not modify our opinion regarding this matter.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Supplementary and Other Information*

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

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

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2020, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Keith Faber  
Auditor of State

Columbus, Ohio

July 30, 2020

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## CITY OF STOW, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2019 (UNAUDITED)

The management's discussion and analysis for the City of Stow's (the "City") financial statements provides an overview of the City's financial activities for the year ended December 31, 2019. The intent of this discussion and analysis is to provide a narrative that describes the City's performance as a whole. To obtain a more detailed understanding, one should also review the transmittal letter, the notes to the basic financial statements and the basic financial statements.

#### **Financial Highlights**

The City's key financial highlights for 2019 are as follows:

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the year ended December 31, 2019 by \$66,262,109 (net position). Of this amount, \$1,982,000 is considered restricted for various purposes such as capital projects, debt service and other restrictions, and \$88,417,328 is invested in capital assets. These combined amounts are higher than the City's total net position at year end, resulting in a deficit balance of \$24,137,219 in unrestricted net position.
- Total net position increased \$11,949,161 or 22.00%. Net position for business-type activities decreased \$1,532,642 or 3.68% from 2018's net position, while the net position related to governmental activities increased \$13,481,803, or 106.70% from 2018's restated net position.
- The City's total revenues amounted to \$46,791,597 in 2019, of which \$38,578,660 related to governmental activities and \$8,212,937 to business-type activities. Program specific revenues in the form of charges for services, grants and contributions accounted for \$17,974,004 or 38.41% of total revenues.
- The City had \$34,842,436 in expenses in 2019, \$25,746,045 of which were for governmental activities and \$9,096,391 for business-type activities.
- Among the major funds, the general fund had \$24,639,289 in revenues and other financing sources and \$23,926,671 in expenditures and other financing uses in 2019. The amount of \$581,449 was transferred to the general fund in 2019, and \$935,922 was transferred to other funds.
- The general fund's balance increased to \$7,897,187, an increase of \$712,618 from the beginning of 2019. The general fund balance was 32.83% of total general fund revenues, which is a slight increase from the percentage in 2018 of 31.25%.
- The City's 2019 total governmental activities long-term obligations decreased from \$73,302,288 to \$69,425,105 from 2018's long-term obligations. This decrease of \$3,877,183 was primarily due to the City paying down its note and bond obligations as well as a significant decrease in the Ohio Police and Fire Fund (OP&F) portion of the net Other Postemployment Benefits (OPEB) liability.

#### **Using this Basic Financial Statements (BFS)**

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

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

## CITY OF STOW, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2019 (UNAUDITED)

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

#### Reporting the City as a Whole

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

The analysis of the City as a whole begins on page 8. One of the most important questions asked about the City's finances is, "How did the City perform financially during 2019?" The statement of net position and the statement of activities provide information concerning the City as a whole and its financial activities that will assist the reader in answering this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual method of accounting similar to the accounting used by most private-sector businesses. This method of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

#### Fund Financial Statements

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

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

## CITY OF STOW, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2019 (UNAUDITED)

#### *Governmental Funds*

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

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

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

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

#### *Proprietary Funds*

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

#### *Fiduciary Funds*

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

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

The financial statement notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Notes to the basic financial statements can be found on pages 35 through 93 of this report.

#### *Required Supplementary Information*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension liability/asset and pension contributions. The required supplementary information can be found on pages 96 through 110 of this report.

**CITY OF STOW, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(UNAUDITED)*

**Government-Wide Financial Analysis**

As noted earlier, the trend in net position serves as an indicator of a government's changing financial position. At the close of 2019 the City's total assets and deferred outflows of resources, as shown in Table 1, exceeded liabilities and deferred inflows of resources by \$66,262,109. \$26,117,326 of net position was in governmental activities while \$40,144,783 was in business-type activities. The table below provides a summary of the City's net position for 2019 compared to 2018. The net position at December 31, 2018 has been restated as described in Note 3.B in the notes to the basic financial statements.

**Table 1 - Net Position**

	(Restated)					(Restated)
	Governmental	Governmental	Business-Type	Business-Type	2019	2018
	Activities	Activities	Activities	Activities	Total	Total
	2019	2018	2019	2018		
<b>Assets</b>						
Current and other assets	\$ 30,520,175	\$ 28,080,114	\$ 8,981,681	\$ 11,300,287	\$ 39,501,856	\$ 39,380,401
Capital assets, net	63,770,683	63,767,838	40,246,890	39,224,498	104,017,573	102,992,336
Total assets	94,290,858	91,847,952	49,228,571	50,524,785	143,519,429	142,372,737
<b>Deferred outflows of resources</b>						
Pension	12,489,654	6,240,961	985,777	421,984	13,475,431	6,662,945
OPEB	2,938,639	3,160,655	154,144	80,993	3,092,783	3,241,648
Unamortized deferred charges on debt refunding	244,974	261,087	94,028	101,181	339,002	362,268
Total deferred outflows	15,673,267	9,662,703	1,233,949	604,158	16,907,216	10,266,861
<b>Liabilities</b>						
Current and other liabilities	2,790,798	2,565,787	368,969	462,068	3,159,767	3,027,855
Long term liabilities:						
Due within one year	1,781,856	1,903,518	325,884	349,421	2,107,740	2,252,939
Net pension liability	43,592,158	30,981,437	3,024,368	1,639,877	46,616,526	32,621,314
OPEB liability/asset	10,492,053	26,123,707	1,377,020	1,094,237	11,869,073	27,217,944
Due in more than one year	13,559,038	14,293,626	5,124,283	5,378,360	18,683,321	19,671,986
Total liabilities	72,215,903	75,868,075	10,220,524	8,923,963	82,436,427	84,792,038
<b>Deferred inflows of resources</b>						
Pension	2,602,390	5,025,760	72,738	418,237	2,675,128	5,443,997
OPEB	1,722,991	709,804	24,475	109,318	1,747,466	819,122
Property taxes levied for the next fiscal year	7,305,515	7,271,493	-	-	7,305,515	7,271,493
Total deferred inflows	11,630,896	13,007,057	97,213	527,555	11,728,109	13,534,612
<b>Net Position</b>						
Net investment						
in capital assets	53,317,927	52,589,812	35,099,401	33,789,944	88,417,328	86,379,756
Restricted	1,982,000	2,669,304	-	-	1,982,000	2,669,304
Unrestricted (deficit)	(29,182,601)	(42,623,593)	5,045,382	7,887,481	(24,137,219)	(34,736,112)
Total net position	\$ 26,117,326	\$ 12,635,523	\$ 40,144,783	\$ 41,677,425	\$ 66,262,109	\$ 54,312,948

## CITY OF STOW, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2019 (UNAUDITED)

The net pension liability/asset is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net pension asset.

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

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

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

**CITY OF STOW, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(UNAUDITED)*

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

During 2019, the City's overall financial position increased by \$11,949,161 as governmental activities net position increased by \$13,481,803 and those for business-type activities decreased by \$1,532,642.

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

**Statement of Activities**

The table below shows the changes in net position for years ended 2019 and 2018. The net position at December 31, 2018 has been restated as described in Note 3.B in the notes to the basic financial statements.

**Table 2 - Change in Net Position**

	(Restated)					(Restated)
	Governmental	Governmental	Business-Type	Business-Type		
	Activities	Activities	Activities	Activities	2019	2018
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>Total</u>	<u>Total</u>
<b>Revenues</b>						
Program revenues:						
Charges for services and sales	\$ 6,289,961	\$ 6,245,076	\$ 7,543,341	\$ 7,652,573	\$ 13,833,302	\$ 13,897,649
Operating grants and contributions	3,144,453	2,069,660	-	-	3,144,453	2,069,660
Capital grants and contributions	<u>887,599</u>	<u>963,905</u>	<u>108,650</u>	<u>8,863</u>	<u>996,249</u>	<u>972,768</u>
Total program revenues	<u>10,322,013</u>	<u>9,278,641</u>	<u>7,651,991</u>	<u>7,661,436</u>	<u>17,974,004</u>	<u>16,940,077</u>
General revenues:						
Taxes	24,434,617	23,338,538	327,895	358,760	24,762,512	23,697,298
Grants and entitlements	2,602,264	2,563,481	-	-	2,602,264	2,563,481
Investment income	487,670	190,528	13,000	7,000	500,670	197,528
Miscellaneous	<u>732,096</u>	<u>914,972</u>	<u>220,051</u>	<u>210,708</u>	<u>952,147</u>	<u>1,125,680</u>
Total general revenues	<u>28,256,647</u>	<u>27,007,519</u>	<u>560,946</u>	<u>576,468</u>	<u>28,817,593</u>	<u>27,583,987</u>
Total revenues	<u>38,578,660</u>	<u>36,286,160</u>	<u>8,212,937</u>	<u>8,237,904</u>	<u>46,791,597</u>	<u>44,524,064</u>

-- Continued

**CITY OF STOW, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(UNAUDITED)*

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

	(Restated)				(Restated)	
	Governmental	Governmental	Business-Type	Business-Type	2019	2018
	Activities	Activities	Activities	Activities	Total	Total
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>Total</u>	<u>Total</u>
<b>Expenses:</b>						
General government	\$ 11,094,415	\$ 10,074,403	\$ -	\$ -	\$ 11,094,415	\$ 10,074,403
Security of persons and property	3,108,929	18,591,040	-	-	3,108,929	18,591,040
Public health	513,249	493,283	-	-	513,249	493,283
Leisure time activities	2,021,557	1,844,816	-	-	2,021,557	1,844,816
Community and economic development	1,400,181	1,324,816	-	-	1,400,181	1,324,816
Transportation	7,302,368	6,433,094	-	-	7,302,368	6,433,094
Interest and fiscal charges	305,346	366,907	-	-	305,346	366,907
Water	-	-	5,596,608	5,385,576	5,596,608	5,385,576
Golf	-	-	1,239,295	1,245,960	1,239,295	1,245,960
Storm water utility	-	-	2,260,488	926,308	2,260,488	926,308
<b>Total expenses</b>	<u>25,746,045</u>	<u>39,128,359</u>	<u>9,096,391</u>	<u>7,557,844</u>	<u>34,842,436</u>	<u>46,686,203</u>
<b>Increase (decrease) in net position before transfers</b>	12,832,615	(2,842,199)	(883,454)	680,060	11,949,161	(2,162,139)
<b>Transfers</b>	<u>649,188</u>	<u>(14,500)</u>	<u>(649,188)</u>	<u>14,500</u>	<u>-</u>	<u>-</u>
<b>Change in net position</b>	13,481,803	(2,856,699)	(1,532,642)	694,560	11,949,161	(2,162,139)
<b>Net position at beginning of year (restated)</b>	<u>12,635,523</u>	<u>15,492,222</u>	<u>41,677,425</u>	<u>40,982,865</u>	<u>54,312,948</u>	<u>56,475,087</u>
<b>Net position at end of year</b>	<u>\$ 26,117,326</u>	<u>\$ 12,635,523</u>	<u>\$ 40,144,783</u>	<u>\$ 41,677,425</u>	<u>\$ 66,262,109</u>	<u>\$ 54,312,948</u>

*Governmental Activities*

The information in Table 2 indicates that security of persons and property expenses accounted for \$3,108,929, or 12.08% of the \$25,746,045 expensed for governmental activities this past year. These expenses decreased \$15,482,111 or 83.28% in 2019. This decrease is primarily the result of a significant decrease in the OP&F portion of the net OPEB liability. This decrease is the result of a new stipend-based health care model implemented by OP&F, rather than a self-funded plan. Retirees are now provided with a stipend for the employee to purchase their own insurance resulting in the net OPEB liability decrease.

General government expenses accounted for \$11,094,415 or 43.09% and transportation expenses accounted for \$7,302,368 or 28.36% in the governmental activities category.

Some \$24,434,617 in tax revenues was generated for the City in 2019 to support governmental activities. This amount represented 63.34% of total revenues for governmental activities which reached \$38,578,660 in 2019. Other major revenues received by the City included \$2,602,264 in unrestricted grants and entitlements.

**CITY OF STOW, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(UNAUDITED)*

Program revenues to support governmental activities amounted to \$10,322,013 in 2019, which included \$6,289,961 in charges for services.

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

	Total Cost of Services	Net Cost of Services	(Restated) Total Cost of Services	(Restated) Net Cost of Services
	<u>2019</u>	<u>2019</u>	<u>2018</u>	<u>2018</u>
Program Expenses:				
General government	\$ 11,094,415	\$ 6,434,843	\$ 10,074,403	\$ 5,504,036
Security of persons and property	3,108,929	2,134,377	18,591,040	17,545,289
Public health	513,249	389,218	493,283	392,875
Leisure time activities	2,021,557	1,504,875	1,844,816	1,425,868
Community and economic development	1,400,181	1,033,437	1,324,816	979,183
Transportation	7,302,368	3,621,936	6,433,094	3,635,560
Interest and fiscal charges	<u>305,346</u>	<u>305,346</u>	<u>366,907</u>	<u>366,907</u>
Total Expenses	<u>\$ 25,746,045</u>	<u>\$ 15,424,032</u>	<u>\$ 39,128,359</u>	<u>\$ 29,849,718</u>

The dependence upon general revenues for governmental activities is apparent, with 59.91% of expenses supported through taxes and other general revenues in 2019 and 76.29% in 2018.

*Business-Type Activities*

Water system expenses were \$5,596,608 for the year, which were offset by the \$5,161,691 in charges for services generated by the water system through the operation of the City's water distribution system, \$107,900 in capital grants and contributions, \$26,052 in other operating revenues and \$13,000 in investment earnings in 2019.

Golf expenses were \$1,239,295 for the year, which were primarily offset by \$948,034 in charges for services generated by the Fox Den Golf Course through user fees, \$172,393 in other operating revenues and \$327,895 in municipal income taxes in 2019.

Storm water utility expenses were \$2,260,488 for the year, which were offset by \$1,433,616 in charges for services generated by the storm water system, \$750 in capital grants and contributions and \$21,606 in other operating revenues in 2019. Storm water utility expenses increased \$1,334,180 during 2019 due to the Meadows Stream project related expenses for restoration and excavation costs and miscellaneous expenses for preparation, design, restoration, and removal of debris from construction site costs were expensed in 2019 resulting in a decreased in net position for storm water utility and business-type activities.

The City experienced a decrease in net position of \$1,532,642 in the area of business-type activities in 2019.

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

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

## CITY OF STOW, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2019 (UNAUDITED)

#### *Governmental Funds*

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

As of the end of the current year, the City's governmental funds reported combined ending balances of \$17,669,971, an increase of \$1,738,476 as compared with the restated prior year fund balances. Approximately 39.07% of this total year end amount or \$6,903,853 represents unassigned fund balance, which is available at the City's discretion within certain legal constraints and purpose restrictions. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been 1) committed (\$6,013,397); 2) nonspendable (\$952,156); 3) restricted (\$3,477,217); and 4) assigned (\$323,348).

The general fund is the City's chief operating fund. The general fund's year-end balance increased by \$712,618 during the current year to reach an ending total of \$7,897,187. The unassigned fund balance of the general fund was \$7,058,831. As a measure of the general fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The unassigned fund balance represents 30.70% of total general fund expenditures, while total fund balance represents 34.35% of such expenditures.

The City's two other major governmental funds are the EMS/fire tax levy fund and the general capital improvements fund. The fund balance of the EMS/fire tax levy fund increased \$112,409 during 2019. The fund balance of the general capital improvements fund increased \$1,234,805 in 2019 compared to an increase of \$404,549 during 2018 as a result for a \$1,056,432 increase in income tax revenues during 2019. The increase in income tax revenue was primarily due to new business move into the City and as well as economic growth with existing businesses.

Transfers from the general fund included \$921,422 to other governmental funds, which occurred principally for funding of pensions, and \$14,500 to the storm water utility fund.

#### *Proprietary Funds*

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail. Unrestricted net position for the City's water, golf and storm water utility funds at the end of the year amounted to \$5,045,382. Total assets were \$49,787,946 at year-end. The golf fund net position increased 12.25% during 2019 due to tightly controlled expenses. The water fund and storm water utility fund net position decreased 3.25% and 8.72%, respectively, during 2019.

#### *Budgeting Highlights*

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

Regarding revenues and other financing sources, the general fund original and final budget was \$29,668,869 and \$29,675,599, respectively. Actual total revenues and other financing sources of \$24,494,621 were \$5,174,248 and \$5,180,978 less than original and final budgeted revenues, respectively. The City's original and final budget estimates for expenditures and other financing uses were \$27,307,141 and \$27,507,141, respectively. Actual expenditures and other financing uses for 2019 of \$24,257,936 were less than the original and final budgeted amounts by \$3,049,205 and \$3,249,205, respectively.

**CITY OF STOW, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(UNAUDITED)*

**Capital Assets and Debt Administration**

*Capital Assets*

The City's total net capital assets, for both its governmental and business-type activities amounted to \$104,017,573 (net of accumulated depreciation) at year end 2019. Capital assets, which include land, intangible assets, buildings and building improvements, vehicles, equipment, furniture and fixtures, infrastructure and construction in progress, increased by \$1,025,237 during 2019.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 11,202,207	\$ 11,202,207	\$ 5,350,376	\$ 5,350,376	\$ 16,552,583	\$ 16,552,583
Intangible assets	15,512	15,512	-	-	15,512	15,512
Construction in progress	460,250	855,249	13,694	2,836,790	473,944	3,692,039
Buildings and improvements	19,559,792	20,097,302	1,907,130	1,871,355	21,466,922	21,968,657
Vehicles	3,412,373	3,260,542	647,599	733,752	4,059,972	3,994,294
Equipment, furniture and fixtures	2,741,898	2,535,631	386,636	396,444	3,128,534	2,932,075
Infrastructure	<u>26,378,651</u>	<u>25,801,395</u>	<u>31,941,455</u>	<u>28,035,781</u>	<u>58,320,106</u>	<u>53,837,176</u>
Totals	<u>\$ 63,770,683</u>	<u>\$ 63,767,838</u>	<u>\$ 40,246,890</u>	<u>\$ 39,224,498</u>	<u>\$ 104,017,573</u>	<u>\$ 102,992,336</u>

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

*Debt*

At the end of the current fiscal year, the City's total outstanding general obligation bonded debt for governmental activities amounted to \$8,847,144 (including unamortized premiums). The amount of \$1,300,000 was issued in 2019 to pay for the refinancing of the Municipal Courthouse debt issued in 2007. The City also had governmental activity general obligation notes outstanding (long-term and short-term) at year-end in the amount of \$1,702,784 (including unamortized premiums). As can be seen from Table 4, the total debt (long-term and short-term) for governmental activities decreased \$889,185 or 7.77% during the year.

Debt related to business-type activity for the City amounted to \$5,233,067 at year-end, which consisted of \$4,045,730 in general obligation bonds and \$1,187,337 in OPWC loans. Total business-type activity debt for the City decreased \$302,668 or 5.47% of the total business-type activity outstanding debt at the commencement of the year.

At December 31, 2019, the City's outstanding general obligation bonds were rated "Aa2" by Moody's Investors Service. State statute limits the total amount of debt a governmental entity may issue. The City's debt limitation at year-end, per the limits described by state statute, was substantially higher than the City's existing outstanding debt. In addition to bonded debt, note and loan debt as itemized in Table 4, the City's other long-term obligations include compensated absences, the net pension and net OPEB liabilities.

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

**CITY OF STOW, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(UNAUDITED)*

**Table 4 - Debt Obligations**

	Governmental Activities		Business-type Activities		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
General obligation bonds	\$ 8,847,144	\$ 9,332,754	\$ 4,045,730	\$ 4,305,993	\$ 12,892,874	\$ 13,638,747
General obligation notes - short-term	400,000	400,000	-	-	400,000	400,000
General obligation notes - long-term	1,302,784	1,706,359	-	-	1,302,784	1,706,359
OPWC loans	-	-	1,187,337	1,229,742	1,187,337	1,229,742
Total long-term obligations	<u>\$ 10,549,928</u>	<u>\$ 11,439,113</u>	<u>\$ 5,233,067</u>	<u>\$ 5,535,735</u>	<u>\$ 15,782,995</u>	<u>\$ 16,974,848</u>

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

The City is a growing community with a stable and diversified economy. The City's population is estimated to be 34,785. Trends in the local economy compare favorably with those of the state and nation. The City's unemployment rate in 2019 stood at 4.0%. The county, state and national unemployment rates were 4.0, 3.8, and 3.4, respectively in 2019.

The City's budgets were forecast conservatively for 2019 and 2020 based on local, state and national economic conditions and trends. The service needs of the citizens of Stow were taken into account as were the ongoing financial condition of the City and any applicable budgetary constraints.

**Requests for Information**

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

**BASIC  
FINANCIAL STATEMENTS**

**CITY OF STOW, OHIO**

*STATEMENT OF NET POSITION  
DECEMBER 31, 2019*

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . .	\$ 17,822,403	\$ 8,187,878	\$ 26,010,281	\$ 25,562
Cash in segregated accounts. . . . .	235,830	-	235,830	-
Receivables:				
Property taxes . . . . .	7,602,635	-	7,602,635	-
Income taxes. . . . .	1,837,178	36,532	1,873,710	-
Accounts. . . . .	228,568	555,480	784,048	-
Intergovernmental . . . . .	1,921,393	-	1,921,393	-
Accrued interest . . . . .	47,017	-	47,017	-
Internal balance. . . . .	(40,625)	40,625	-	-
Materials and supplies inventory . . . . .	634,565	142,397	776,962	-
Prepayments . . . . .	191,536	11,441	202,977	-
Net pension asset . . . . .	39,675	7,328	47,003	-
Capital assets:				
Nondepreciable capital assets . . . . .	11,677,969	5,364,070	17,042,039	-
Depreciable capital assets, net. . . . .	52,092,714	34,882,820	86,975,534	-
Total capital assets, net. . . . .	63,770,683	40,246,890	104,017,573	-
Total assets . . . . .	94,290,858	49,228,571	143,519,429	25,562
<b>Deferred outflows of resources:</b>				
Unamortized deferred charges on debt refunding. . . . .	244,974	94,028	339,002	-
Pension . . . . .	12,489,654	985,777	13,475,431	-
OPEB . . . . .	2,938,639	154,144	3,092,783	-
Total deferred outflows of resources . . . . .	15,673,267	1,233,949	16,907,216	-
<b>Liabilities:</b>				
Accounts payable. . . . .	592,425	164,227	756,652	-
Contracts payable. . . . .	147,802	8,450	156,252	-
Accrued wages and benefits payable . . . . .	215,141	22,574	237,715	-
Intergovernmental payable . . . . .	471,225	160,111	631,336	-
Accrued interest payable . . . . .	45,017	13,607	58,624	-
Claims payable . . . . .	595,937	-	595,937	-
Notes payable. . . . .	400,000	-	400,000	-
Deposits payable . . . . .	323,251	-	323,251	-
Long-term liabilities:				
Due within one year . . . . .	1,781,856	325,884	2,107,740	-
Due in more than one year:				
Net pension liability. . . . .	43,592,158	3,024,368	46,616,526	-
Net OPEB liability . . . . .	10,492,053	1,377,020	11,869,073	-
Other long-term liabilities. . . . .	13,559,038	5,124,283	18,683,321	-
Total liabilities . . . . .	72,215,903	10,220,524	82,436,427	-
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	7,305,515	-	7,305,515	-
Pension . . . . .	2,602,390	72,738	2,675,128	-
OPEB. . . . .	1,722,991	24,475	1,747,466	-
Total deferred inflows of resources . . . . .	11,630,896	97,213	11,728,109	-
<b>Net position:</b>				
Net investment in capital assets. . . . .	53,317,927	35,099,401	88,417,328	-
Restricted for:				
Capital projects . . . . .	63,445	-	63,445	-
Transportation projects . . . . .	864,367	-	864,367	-
Public health programs. . . . .	6,354	-	6,354	-
Leisure time activities . . . . .	11,205	-	11,205	-
Special assessments . . . . .	8,070	-	8,070	-
Municipal court. . . . .	642,439	-	642,439	-
Security programs . . . . .	383,120	-	383,120	-
Community development. . . . .	3,000	-	3,000	-
Unrestricted (deficit) . . . . .	(29,182,601)	5,045,382	(24,137,219)	25,562
Total net position . . . . .	\$ 26,117,326	\$ 40,144,783	\$ 66,262,109	\$ 25,562

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF STOW, OHIO**

*STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental activities:</b>				
General government . . . . .	\$ 11,094,415	\$ 4,586,516	\$ 73,056	\$ -
Security of persons and property . . . . .	3,108,929	838,465	116,087	20,000
Public health . . . . .	513,249	67,040	56,991	-
Leisure time activities . . . . .	2,021,557	381,634	135,048	-
Community and economic development . . . . .	1,400,181	347,795	18,949	-
Transportation . . . . .	7,302,368	68,511	2,744,322	867,599
Interest and fiscal charges . . . . .	305,346	-	-	-
Total governmental activities . . . . .	<u>25,746,045</u>	<u>6,289,961</u>	<u>3,144,453</u>	<u>887,599</u>
<b>Business-type activities:</b>				
Water . . . . .	5,596,608	5,161,691	-	107,900
Golf . . . . .	1,239,295	948,034	-	-
Storm Water Utility . . . . .	2,260,488	1,433,616	-	750
Total business-type activities . . . . .	<u>9,096,391</u>	<u>7,543,341</u>	<u>-</u>	<u>108,650</u>
Total primary government . . . . .	<u>\$ 34,842,436</u>	<u>\$ 13,833,302</u>	<u>\$ 3,144,453</u>	<u>\$ 996,249</u>
<b>Component Unit:</b>				
Stow Community Improvement Corporation . . . . .	<u>\$ 1,100</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ -</u>

**General revenues:**

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

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Primary Government**

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

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Unit</b>
\$ (6,434,843)	\$ -	\$ (6,434,843)	\$ -
(2,134,377)	-	(2,134,377)	-
(389,218)	-	(389,218)	-
(1,504,875)	-	(1,504,875)	-
(1,033,437)	-	(1,033,437)	-
(3,621,936)	-	(3,621,936)	-
(305,346)	-	(305,346)	-
(15,424,032)	-	(15,424,032)	-
-	(327,017)	(327,017)	-
-	(291,261)	(291,261)	-
-	(826,122)	(826,122)	-
-	(1,444,400)	(1,444,400)	-
(15,424,032)	(1,444,400)	(16,868,432)	-
-	-	-	(1,090)
5,072,504	-	5,072,504	-
2,558,246	-	2,558,246	-
16,803,867	327,895	17,131,762	-
2,602,264	-	2,602,264	-
487,670	13,000	500,670	-
732,096	220,051	952,147	-
28,256,647	560,946	28,817,593	-
649,188	(649,188)	-	-
28,905,835	(88,242)	28,817,593	-
13,481,803	(1,532,642)	11,949,161	(1,090)
12,635,523	41,677,425	54,312,948	26,652
<u>\$ 26,117,326</u>	<u>\$ 40,144,783</u>	<u>\$ 66,262,109</u>	<u>\$ 25,562</u>

**CITY OF STOW, OHIO**

*BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2019*

	<u>General</u>	<u>EMS/Fire Tax Levy</u>	<u>General Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>					
Equity in pooled cash and cash equivalents . . .	\$ 7,255,408	\$ 255,280	\$ 4,565,859	\$ 4,312,071	\$ 16,388,618
Cash in segregated accounts. . . . .	166,205	-	-	69,625	235,830
Receivables:					
Property taxes . . . . .	5,232,880	1,823,579	-	546,176	7,602,635
Income taxes. . . . .	1,231,626	-	433,076	172,476	1,837,178
Accounts. . . . .	34,700	-	-	154,471	189,171
Intergovernmental . . . . .	738,515	74,416	-	1,108,462	1,921,393
Accrued interest . . . . .	47,017	-	-	-	47,017
Materials and supplies inventory. . . . .	142,695	15,147	-	476,723	634,565
Prepayments . . . . .	178,681	2,864	-	9,991	191,536
<b>Total assets . . . . .</b>	<b>\$ 15,027,727</b>	<b>\$ 2,171,286</b>	<b>\$ 4,998,935</b>	<b>\$ 6,849,995</b>	<b>\$ 29,047,943</b>
<b>Liabilities:</b>					
Accounts payable. . . . .	\$ 293,634	\$ 2,849	\$ 24,843	\$ 271,099	\$ 592,425
Contracts payable. . . . .	-	-	126,367	21,435	147,802
Accrued wages and benefits payable . . . . .	195,542	16,341	-	3,258	215,141
Intergovernmental payable . . . . .	303,133	3,812	-	164,280	471,225
Accrued interest payable. . . . .	-	-	5,364	-	5,364
Notes payable. . . . .	-	-	400,000	-	400,000
Deposits payable . . . . .	323,251	-	-	-	323,251
<b>Total liabilities . . . . .</b>	<b>1,115,560</b>	<b>23,002</b>	<b>556,574</b>	<b>460,072</b>	<b>2,155,208</b>
<b>Deferred inflows of resources:</b>					
Property taxes levied for the next fiscal year . . .	5,075,411	1,768,704	-	461,400	7,305,515
Delinquent property tax revenue not available . .	157,469	54,875	-	14,316	226,660
Accrued interest not available . . . . .	27,043	-	-	-	27,043
Income tax revenue not available . . . . .	186,456	-	65,564	26,111	278,131
Intergovernmental nonexchange transactions. . .	568,601	114,000	-	702,814	1,385,415
<b>Total deferred inflows of resources . . . . .</b>	<b>6,014,980</b>	<b>1,937,579</b>	<b>65,564</b>	<b>1,204,641</b>	<b>9,222,764</b>
<b>Fund balances:</b>					
Nonspendable . . . . .	447,431	18,011	-	486,714	952,156
Restricted. . . . .	-	192,694	63,445	3,221,078	3,477,217
Committed . . . . .	67,577	-	4,313,352	1,632,468	6,013,397
Assigned . . . . .	323,348	-	-	-	323,348
Unassigned (deficit) . . . . .	7,058,831	-	-	(154,978)	6,903,853
<b>Total fund balances . . . . .</b>	<b>7,897,187</b>	<b>210,705</b>	<b>4,376,797</b>	<b>5,185,282</b>	<b>17,669,971</b>
<b>Total liabilities, deferred inflows of resources and fund balances. . . . .</b>	<b>\$ 15,027,727</b>	<b>\$ 2,171,286</b>	<b>\$ 4,998,935</b>	<b>\$ 6,849,995</b>	<b>\$ 29,047,943</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF STOW, OHIO**

*RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2019*

<b>Total governmental fund balances</b>		\$	17,669,971
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			63,770,683
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Income taxes receivable	\$	278,131	
Real and other taxes receivable		226,660	
Intergovernmental receivable		1,385,415	
Accrued interest receivable		27,043	
Total		1,917,249	1,917,249
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences		(5,190,966)	
General obligation bonds payable		(8,847,144)	
Construction notes payable		(1,302,784)	
Total		(15,340,894)	(15,340,894)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(39,653)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.			244,974
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.			
Net pension asset		39,675	
Deferred outflows of resources		12,489,654	
Net pension liability		(43,592,158)	
Deferred inflows of resources		(2,602,390)	
Total		(33,665,219)	(33,665,219)
The net OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.			
Deferred outflows of resources		2,938,639	
Net OPEB liability		(10,492,053)	
Deferred inflows of resources		(1,722,991)	
Total		(9,276,405)	(9,276,405)
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.			877,245
An internal balance is recorded in governmental activities to reflect underpayments to the internal service funds by the business-type activities.			(40,625)
<b>Net position of governmental activities</b>		<b>\$</b>	<b>26,117,326</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF STOW, OHIO**

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>General</u>	<u>EMS/Fire Tax Levy</u>	<u>General Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>					
Property and other local taxes . . . . .	\$ 5,038,498	\$ 1,755,840	\$ -	\$ 787,464	\$ 7,581,802
Income taxes . . . . .	11,376,798	-	4,095,395	1,498,710	16,970,903
Special assessments . . . . .	3,173	-	511	37,046	40,730
Charges for services. . . . .	417,087	-	-	809,497	1,226,584
Licenses and permits . . . . .	1,033,467	-	-	7,500	1,040,967
Fines and forfeitures . . . . .	2,531,830	-	-	1,057,643	3,589,473
Intergovernmental. . . . .	2,253,457	282,588	841,048	2,724,182	6,101,275
Investment income. . . . .	479,400	-	-	37,078	516,478
Rent . . . . .	192,034	-	68,000	132,173	392,207
Contributions and donations. . . . .	10,975	-	438	25,811	37,224
Other. . . . .	721,121	26,070	26,113	210,763	984,067
<b>Total revenues . . . . .</b>	<u>24,057,840</u>	<u>2,064,498</u>	<u>5,031,505</u>	<u>7,327,867</u>	<u>38,481,710</u>
<b>Expenditures:</b>					
Current:					
General government . . . . .	8,587,073	-	-	626,936	9,214,009
Security of persons and property . . . . .	11,381,279	1,949,383	-	2,039,765	15,370,427
Public health . . . . .	424,340	-	-	48,855	473,195
Leisure time activities. . . . .	1,538,542	-	-	149,579	1,688,121
Community and economic development . . . . .	1,021,156	-	-	48,263	1,069,419
Transportation . . . . .	38,359	-	-	2,913,525	2,951,884
Capital outlay . . . . .	-	2,706	3,524,272	1,238,529	4,765,507
Debt service:					
Principal retirement. . . . .	-	-	1,855,000	318,478	2,173,478
Interest and fiscal charges . . . . .	-	-	160,068	171,024	331,092
<b>Total expenditures . . . . .</b>	<u>22,990,749</u>	<u>1,952,089</u>	<u>5,539,340</u>	<u>7,554,954</u>	<u>38,037,132</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>1,067,091</u>	<u>112,409</u>	<u>(507,835)</u>	<u>(227,087)</u>	<u>444,578</u>
<b>Other financing sources (uses):</b>					
Sale of notes . . . . .	-	-	1,300,000	-	1,300,000
Premium on notes . . . . .	-	-	8,398	-	8,398
Transfers in . . . . .	581,449	-	434,242	1,180,884	2,196,575
Transfers (out). . . . .	(935,922)	-	-	(1,275,153)	(2,211,075)
<b>Total other financing sources (uses) . . . . .</b>	<u>(354,473)</u>	<u>-</u>	<u>1,742,640</u>	<u>(94,269)</u>	<u>1,293,898</u>
Net change in fund balances . . . . .	712,618	112,409	1,234,805	(321,356)	1,738,476
<b>Fund balances at beginning of year (restated).</b>	<u>7,184,569</u>	<u>98,296</u>	<u>3,141,992</u>	<u>5,506,638</u>	<u>15,931,495</u>
<b>Fund balances at end of year. . . . .</b>	<u>\$ 7,897,187</u>	<u>\$ 210,705</u>	<u>\$ 4,376,797</u>	<u>\$ 5,185,282</u>	<u>\$ 17,669,971</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF STOW, OHIO**

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019*

<b>Net change in fund balances - total governmental funds</b>		<b>\$ 1,738,476</b>
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.		
Capital asset additions	\$ 3,943,521	
Current year depreciation	<u>(3,795,212)</u>	
Total		148,309
Miscellaneous transactions involving capital assets (i.e. capital contributions and disposals) are not reflected in the governmental funds, but had the following effect in the statement of activities:		
Capital contributions from business-type activities	663,688	
Disposals, net	<u>(809,152)</u>	
Total		(145,464)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property taxes	48,948	
Intergovernmental	186,768	
Municipal income taxes	(167,036)	
Interest	<u>8,270</u>	
Total		76,950
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
		2,173,478
Premiums on debt issuances are recognized as revenues in the governmental funds; however, they are amortized over the life of the issuance in the statement of activities.		
		(8,398)
In the statement of activities, interest is accrued on outstanding bonds and notes, whereas in governmental funds, interest is expensed when due.		
Accrued interest	17,754	
Unamortized charges	(16,113)	
Bond and note premium	<u>24,105</u>	
Total		25,746
The sale of notes is recorded as revenue in the funds, however, in the statement of activities, notes are not reported as other financing sources, as they increase liabilities on the statement of net position.		
		(1,300,000)
Some expenses, such as compensated absences, reported in the statement of activities do not require the use of financial resources and therefore are not reported as expenditures in governmental funds.		
		(32,935)
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		2,866,901
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability are reported as pension expense in the statement of activities.		
		(6,822,802)
Contractually required OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		42,201
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as pension expense in the statement of activities.		
		14,354,250
Internal service funds used by management to charge the cost of insurance, to individual funds are not reported in the expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds is allocated among the governmental activities.		
		<u>365,091</u>
<b>Change in net position of governmental activities</b>		<b><u>\$ 13,481,803</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF STOW, OHIO**

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ 5,701,755	\$ 5,686,589	\$ 5,038,498	\$ (648,091)
Income taxes . . . . .	14,340,893	14,340,893	11,668,467	(2,672,426)
Special assessments . . . . .	5,000	5,000	3,173	(1,827)
Charges for services . . . . .	457,000	457,000	417,177	(39,823)
Licenses and permits. . . . .	1,162,500	1,162,500	1,000,742	(161,758)
Fines and forfeitures. . . . .	2,675,000	2,675,000	2,468,689	(206,311)
Intergovernmental . . . . .	2,394,321	2,416,217	2,222,979	(193,238)
Investment income . . . . .	456,000	456,000	334,310	(121,690)
Rent . . . . .	200,000	200,000	192,034	(7,966)
Contributions and donations. . . . .	15,000	15,000	10,975	(4,025)
Other . . . . .	912,000	912,000	556,128	(355,872)
<b>Total revenues . . . . .</b>	<u>28,319,469</u>	<u>28,326,199</u>	<u>23,913,172</u>	<u>(4,413,027)</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	11,478,073	11,478,073	8,664,009	2,814,064
Security of persons and property . . . . .	11,685,041	11,885,041	11,578,464	306,577
Public health. . . . .	429,636	429,636	425,398	4,238
Leisure time activities . . . . .	1,603,271	1,603,271	1,561,465	41,806
Community and economic environment. . . . .	1,063,640	1,063,640	1,049,903	13,737
Transportation . . . . .	31,256	31,256	30,275	981
<b>Total expenditures . . . . .</b>	<u>26,290,917</u>	<u>26,490,917</u>	<u>23,309,514</u>	<u>3,181,403</u>
Excess of expenditures over revenues . . . . .	<u>2,028,552</u>	<u>1,835,282</u>	<u>603,658</u>	<u>(1,231,624)</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	1,349,400	1,349,400	581,449	(767,951)
Transfers (out). . . . .	(1,016,224)	(1,016,224)	(948,422)	67,802
<b>Total other financing sources (uses). . . . .</b>	<u>333,176</u>	<u>333,176</u>	<u>(366,973)</u>	<u>(700,149)</u>
Net change in fund balance . . . . .	2,361,728	2,168,458	236,685	(1,931,773)
<b>Unencumbered fund balance at beginning of year. . . . .</b>	<u>5,556,335</u>	<u>5,556,335</u>	<u>5,556,335</u>	<u>-</u>
<b>Prior year encumbrances appropriated . . . . .</b>	<u>454,433</u>	<u>454,433</u>	<u>454,433</u>	<u>-</u>
<b>Unencumbered fund balance at end of year . . . . .</b>	<u>\$ 8,372,496</u>	<u>\$ 8,179,226</u>	<u>\$ 6,247,453</u>	<u>\$ (1,931,773)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF STOW, OHIO**

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
EMS/FIRE TAX LEVY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property and other local taxes . . . . .	\$ 1,986,976	\$ 1,981,690	\$ 1,755,840	\$ (225,850)
Intergovernmental . . . . .	429,300	429,300	282,588	(146,712)
Other . . . . .	51,000	51,000	26,070	(24,930)
Total revenues . . . . .	<u>2,467,276</u>	<u>2,461,990</u>	<u>2,064,498</u>	<u>(397,492)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property . . . . .	2,091,860	2,218,995	1,954,673	264,322
Capital outlay . . . . .	47,135	50,000	9,019	40,981
Total expenditures . . . . .	<u>2,138,995</u>	<u>2,268,995</u>	<u>1,963,692</u>	<u>305,303</u>
Excess of revenues over expenditures . . . . .	<u>328,281</u>	<u>192,995</u>	<u>100,806</u>	<u>(92,189)</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	523,800	523,800	-	(523,800)
Total other financing sources . . . . .	<u>523,800</u>	<u>523,800</u>	<u>-</u>	<u>(523,800)</u>
Net change in fund balance . . . . .	852,081	716,795	100,806	(615,989)
<b>Unencumbered fund balance at beginning of year. .</b>	145,817	145,817	145,817	-
<b>Prior year encumbrances appropriated. . . . .</b>	1,678	1,678	1,678	-
<b>Unencumbered fund balance at end of year . . . .</b>	<u>\$ 999,576</u>	<u>\$ 864,290</u>	<u>\$ 248,301</u>	<u>\$ (615,989)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF STOW, OHIO**

*STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2019*

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Water</b>	<b>Golf</b>	<b>Storm Water Utility</b>	<b>Total</b>	
<b>Assets:</b>					
Current assets:					
Equity in pooled cash and cash equivalents . . . . .	\$ 6,604,070	\$ 585,246	\$ 998,562	\$ 8,187,878	\$ 1,433,785
Receivables:					
Income taxes. . . . .	-	36,532	-	36,532	-
Accounts. . . . .	406,707	-	148,773	555,480	39,397
Interfund loans. . . . .	600,000	-	-	600,000	-
Materials and supplies inventory. . . . .	116,402	25,995	-	142,397	-
Prepayments . . . . .	6,250	5,191	-	11,441	-
Total current assets . . . . .	7,733,429	652,964	1,147,335	9,533,728	1,473,182
Noncurrent assets:					
Net pension asset . . . . .	4,684	1,774	870	7,328	-
Capital assets:					
Nondepreciable capital assets. . . . .	235,011	5,115,365	13,694	5,364,070	-
Depreciable capital assets, net. . . . .	26,163,565	360,528	8,358,727	34,882,820	-
Total capital assets, net. . . . .	26,398,576	5,475,893	8,372,421	40,246,890	-
Total noncurrent assets . . . . .	26,403,260	5,477,667	8,373,291	40,254,218	-
Total assets . . . . .	34,136,689	6,130,631	9,520,626	49,787,946	1,473,182
<b>Deferred outflows of resources:</b>					
Unamortized deferred charges on debt refunding . . . . .	12,156	81,872	-	94,028	-
Pension . . . . .	639,903	237,598	108,276	985,777	-
OPEB . . . . .	104,138	36,612	13,394	154,144	-
Total deferred outflows of resources . . . . .	756,197	356,082	121,670	1,233,949	-
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable. . . . .	134,443	9,792	19,992	164,227	-
Contracts payable. . . . .	8,450	-	-	8,450	-
Accrued wages and benefits payable . . . . .	16,669	680	5,225	22,574	-
Intergovernmental payable . . . . .	149,600	4,680	5,831	160,111	-
Interfund loans payable. . . . .	-	-	600,000	600,000	-
Accrued interest payable . . . . .	898	8,842	3,867	13,607	-
Claims payable . . . . .	-	-	-	-	595,937
Current portion of compensated absences. . . . .	35,360	-	6,955	42,315	-
Current portion of general obligation bonds . . . . .	22,366	240,000	-	262,366	-
Current portion of OPWC loan . . . . .	21,203	-	-	21,203	-
Total current liabilities . . . . .	388,989	263,994	641,870	1,294,853	595,937
Long-term liabilities:					
Compensated absences. . . . .	133,360	-	41,425	174,785	-
General obligation bonds. . . . .	368,628	3,414,736	-	3,783,364	-
OPWC loan . . . . .	1,166,134	-	-	1,166,134	-
Net pension liability . . . . .	1,933,169	731,983	359,216	3,024,368	-
Net OPEB liability . . . . .	880,188	333,278	163,554	1,377,020	-
Total long-term liabilities. . . . .	4,481,479	4,479,997	564,195	9,525,671	-
Total liabilities. . . . .	4,870,468	4,743,991	1,206,065	10,820,524	595,937

- - Continued

**CITY OF STOW, OHIO**

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

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Water</b>	<b>Golf</b>	<b>Storm Water Utility</b>	<b>Total</b>	
<b>Deferred inflows of resources:</b>					
Pension . . . . .	\$ 35,560	\$ 15,548	\$ 21,630	\$ 72,738	\$ -
OPEB . . . . .	8,455	4,610	11,410	24,475	-
Total deferred inflows of resources . . . . .	<u>44,015</u>	<u>20,158</u>	<u>33,040</u>	<u>97,213</u>	<u>-</u>
<b>Net position:</b>					
Net investment in capital assets . . . . .	24,823,951	1,903,029	8,372,421	35,099,401	-
Unrestricted (deficit). . . . .	5,154,452	(180,465)	30,770	5,004,757	877,245
Total net position . . . . .	<u>\$ 29,978,403</u>	<u>\$ 1,722,564</u>	<u>\$ 8,403,191</u>	<u>40,104,158</u>	<u>\$ 877,245</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				<u>40,625</u>	
Net position of business-type activities				<u>\$ 40,144,783</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF STOW, OHIO**

*STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Water</b>	<b>Golf</b>	<b>Storm Water Utility</b>	<b>Total</b>	
<b>Operating revenues:</b>					
Charges for services . . . . .	\$ 5,058,926	\$ 948,034	\$ 1,432,161	\$ 7,439,121	\$ 4,233,194
Tap-in fees. . . . .	95,799	-	-	95,799	-
Other operating revenues . . . . .	26,052	172,393	21,606	220,051	528,425
Total operating revenues. . . . .	<u>5,180,777</u>	<u>1,120,427</u>	<u>1,453,767</u>	<u>7,754,971</u>	<u>4,761,619</u>
<b>Operating expenses:</b>					
Personal services . . . . .	1,961,472	633,077	358,592	2,953,141	-
Contract services. . . . .	2,561,577	101,785	1,131,537	3,794,899	413,312
Materials and supplies. . . . .	404,396	389,498	16,178	810,072	-
Claims expense . . . . .	-	-	-	-	3,893,897
Depreciation. . . . .	712,841	21,844	754,454	1,489,139	-
Total operating expenses. . . . .	<u>5,640,286</u>	<u>1,146,204</u>	<u>2,260,761</u>	<u>9,047,251</u>	<u>4,307,209</u>
Operating income (loss) . . . . .	<u>(459,509)</u>	<u>(25,777)</u>	<u>(806,994)</u>	<u>(1,292,280)</u>	<u>454,410</u>
<b>Nonoperating revenues (expenses):</b>					
Income taxes. . . . .	-	327,895	-	327,895	-
Interest income. . . . .	13,000	-	-	13,000	-
Special assessments . . . . .	6,966	-	1,455	8,421	-
Interest and fiscal charges . . . . .	(11,673)	(114,072)	(12,714)	(138,459)	-
Nonoperating expenses . . . . .	<u>(663,688)</u>	<u>-</u>	<u>-</u>	<u>(663,688)</u>	<u>-</u>
Total nonoperating revenues (expenses) . . . . .	<u>(655,395)</u>	<u>213,823</u>	<u>(11,259)</u>	<u>(452,831)</u>	<u>-</u>
Income (loss) before transfers and capital contributions . . . . .	(1,114,904)	188,046	(818,253)	(1,745,111)	454,410
Transfer in. . . . .	-	-	14,500	14,500	-
Capital contributions. . . . .	<u>107,900</u>	<u>-</u>	<u>750</u>	<u>108,650</u>	<u>-</u>
Change in net position . . . . .	(1,007,004)	188,046	(803,003)	(1,621,961)	454,410
<b>Net position at beginning of year . . . . .</b>	<u>30,985,407</u>	<u>1,534,518</u>	<u>9,206,194</u>		<u>422,835</u>
<b>Net position at end of year . . . . .</b>	<u>\$ 29,978,403</u>	<u>\$ 1,722,564</u>	<u>\$ 8,403,191</u>		<u>\$ 877,245</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.				<u>89,319</u>	
Change in net position of business-type activities.				<u>\$ (1,532,642)</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**CITY OF STOW, OHIO**

*STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Water</b>	<b>Golf</b>	<b>Storm Water Utility</b>	<b>Total</b>	
<b>Cash flows from operating activities:</b>					
Cash received from customers. . . . .	\$ 5,058,418	\$ 948,966	\$ 1,434,426	\$ 7,441,810	\$ 4,232,299
Cash received from tap-in fees. . . . .	95,799	-	-	95,799	-
Cash received from other operations. . . . .	26,073	172,393	21,606	220,072	490,819
Cash payments for personal services. . . . .	(1,538,320)	(488,916)	(277,178)	(2,304,414)	-
Cash payments for contract services . . . . .	(2,655,194)	(105,072)	(1,165,759)	(3,926,025)	(413,312)
Cash payments for materials and supplies . . . . .	(284,158)	(425,004)	(12,538)	(721,700)	-
Cash payments for claims . . . . .	-	-	-	-	(3,826,961)
Net cash provided by operating activities. . . . .	<u>702,618</u>	<u>102,367</u>	<u>557</u>	<u>805,542</u>	<u>482,845</u>
<b>Cash flows from noncapital financing activities:</b>					
Income taxes . . . . .	-	346,100	-	346,100	-
Cash received from transfers in. . . . .	-	-	14,500	14,500	-
Cash received from interfund loans. . . . .	650,000	-	600,000	1,250,000	-
Cash used in interfund loans . . . . .	(600,000)	-	-	(600,000)	-
Cash used in repayment of interfund loans . . . . .	-	-	(650,000)	(650,000)	-
Net cash provided by (used in) noncapital financing activities . . . . .	<u>50,000</u>	<u>346,100</u>	<u>(35,500)</u>	<u>360,600</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>					
Acquisition of capital assets . . . . .	(2,068,701)	(110,762)	(879,406)	(3,058,869)	-
Special assessments . . . . .	6,966	-	1,455	8,421	-
Intergovernmental . . . . .	-	-	750	750	-
Principal retirement . . . . .	(63,927)	(235,000)	-	(298,927)	-
Interest and fiscal charges . . . . .	(11,576)	(111,100)	(13,000)	(135,676)	-
Net cash (used in) capital and related financing activities. . . . .	<u>(2,137,238)</u>	<u>(456,862)</u>	<u>(890,201)</u>	<u>(3,484,301)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>					
Interest received . . . . .	<u>13,000</u>	<u>-</u>	<u>-</u>	<u>13,000</u>	<u>-</u>
Net cash provided by investing activities. . . . .	<u>13,000</u>	<u>-</u>	<u>-</u>	<u>13,000</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents. . . . .	(1,371,620)	(8,395)	(925,144)	(2,305,159)	482,845
<b>Cash and cash equivalents at beginning of year . . .</b>	<u>7,975,690</u>	<u>593,641</u>	<u>1,923,706</u>	<u>10,493,037</u>	<u>950,940</u>
<b>Cash and cash equivalents at end of year . . . . .</b>	<u>\$ 6,604,070</u>	<u>\$ 585,246</u>	<u>\$ 998,562</u>	<u>\$ 8,187,878</u>	<u>\$ 1,433,785</u>

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**CITY OF STOW, OHIO**

*STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS - (Continued)  
 FOR THE YEAR ENDED DECEMBER 31, 2019*

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Water</b>	<b>Golf</b>	<b>Storm Water Utility</b>	<b>Total</b>	
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>					
Operating income (loss) . . . . .	\$ (459,509)	\$ (25,777)	\$ (806,994)	\$ (1,292,280)	\$ 454,410
Adjustments:					
Depreciation . . . . .	712,841	21,844	754,454	1,489,139	-
Changes in assets and liabilities:					
Decrease in materials and supplies inventory . . . . .	90,259	720	-	90,979	-
(Increase) in prepayments . . . . .	(6,250)	(5,191)	-	(11,441)	-
Decrease (increase) in accounts receivable . . . . .	(487)	932	2,265	2,710	(38,501)
Decrease in net pension asset . . . . .	1,309	532	472	2,313	-
(Increase) in deferred outflows - pension . . . . .	(379,630)	(138,360)	(45,803)	(563,793)	-
(Increase) in deferred outflows - OPEB . . . . .	(53,794)	(17,239)	(2,118)	(73,151)	-
Increase (decrease) in accounts payable . . . . .	6,184	(34,885)	(16,318)	(45,019)	-
Increase in accrued wages and benefits . . . . .	1,826	577	2,272	4,675	-
Increase (decrease) in intergovernmental payable. . .	(63,585)	911	2,098	(60,576)	-
Increase in compensated absences payable . . . . .	23,806	-	1,248	25,054	-
Increase in claims payable. . . . .	-	-	-	-	66,936
Increase in net pension liability. . . . .	913,859	339,728	130,904	1,384,491	-
Increase in net OPEB liability . . . . .	200,035	71,539	11,209	282,783	-
(Decrease) in deferred inflows - pension. . . . .	(224,185)	(88,580)	(32,734)	(345,499)	-
(Decrease) in deferred inflows - OPEB . . . . .	(60,061)	(24,384)	(398)	(84,843)	-
Net cash provided by operating activities. . . . .	<u>\$ 702,618</u>	<u>\$ 102,367</u>	<u>\$ 557</u>	<u>\$ 805,542</u>	<u>\$ 482,845</u>

**Non-Cash Transactions:**

During 2019, the Water fund received capital contributions from outside sources in the amount of \$107,900.  
 During 2019, the Water fund purchased \$8,450 of capital assets on account.  
 During 2019, the Water fund purchased \$663,688 in capital assets for governmental activities.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF STOW, OHIO**

*STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2019*

	<u><b>Custodial</b></u>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents . . . . .	\$ 202,835
Cash in segregated accounts . . . . .	<u>198,730</u>
Total assets . . . . .	<u>401,565</u>
<b>Liabilities:</b>	
Accounts payable . . . . .	862
Intergovernmental payable . . . . .	<u>198,730</u>
Total liabilities . . . . .	<u>199,592</u>
<b>Net position:</b>	
Restricted for individuals, organizations and other governments .	<u>201,973</u>
Total net position . . . . .	<u><u>\$ 201,973</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF STOW, OHIO**

*STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<b>Custodial</b>
<b>Additions:</b>	
From local sources:	
Amounts received as fiscal agent . . . . .	\$ 103,638
Licenses, permits and fees for other governments . . . . .	7,818
Fines and forfeitures for other governments . . . . .	3,805,229
Compensation payments collected for other governments. . . . .	281,524
Total additions . . . . .	4,198,209
<b>Deductions:</b>	
Distributions as fiscal agent . . . . .	111,283
Licenses, permits and fees distributions to other governments . . . . .	8,170
Fines and forfeitures distributions to other governments . . . . .	3,805,229
Compensation payments distributions to other governments . . . . .	281,524
Total deductions . . . . .	4,206,206
Net change in fiduciary net position . . . . .	(7,997)
<b>Net position beginning of year (restated) . . . . .</b>	<b>209,970</b>
<b>Net position end of year . . . . .</b>	<b>\$ 201,973</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

**NOTE 1 - DESCRIPTION OF THE CITY**

The City of Stow, Ohio, (the “City”) is a home rule municipal corporation which was established under the laws of the State of Ohio and operates under its own charter. The current charter, which provides for a Mayor/Council form of government, was adopted in 1958 and became effective January 2, 1960. Amendments to the charter have been approved by the electorate in 1965, 1968, 1970, 1972, 1975, 1980, 1985, 1990, 1991, 1997, 1998, 2000, 2002, 2005, 2010, 2015 and 2018.

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

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

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

**A. Reporting Entity**

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

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

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

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

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

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

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

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

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

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

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

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

**C. Fund Accounting**

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

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

*General fund* - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City of Stow and/or the general laws of Ohio.

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

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

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

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

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

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

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

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

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

***Fiduciary Funds*** - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City's custodial funds account for funds collected and distributed on behalf of the Metro SWAT, compensation payments collected on behalf of other governments, funds held for the Stow seniors commission, funds collected and distributed on behalf of the Summit Metro Crash Response Team, Stow Municipal Court fines and forfeitures collected and distributed to other governments, and building and related permits collected and remitted to the State of Ohio. The City does not have pension trust funds, private-purpose trust fund or investment trust funds.

**D. Measurement Focus**

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

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

Like the government-wide statements, the proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. In fiduciary funds, a liability to the beneficiaries of the fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

For proprietary funds, the statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

**E. Basis of Accounting**

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

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

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

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

*Deferred Outflows of Resources and Deferred Inflows of Resources* - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, see Notes 15 and 16 for deferred outflows of resources related the City's net pension liability and net OPEB liability, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2019, but which were levied to finance 2020 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the City, see Notes 15 and 16 for deferred inflows of resources related to the City's net pension liability and net OPEB liability, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

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

**F. Budgetary Process**

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

***Estimated Resources*** - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate of estimated resources may be further amended during the year if the Finance Director determines and the Budget Commission agrees that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the original and final amended official certificate of estimated resources issued during 2019.

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

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

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

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

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

**G. Cash, Cash Equivalents and Investments**

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

During 2019, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), non-negotiable certificates of deposit, negotiable certificates of deposit (CDs), U.S. Treasury notes and federal agency securities.

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

During 2019, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during 2019 amounted to \$479,400 of which \$339,685 was assigned from other City funds.

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

**H. Interfund Balances**

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

**I. Inventory**

Materials and supplies inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Materials and supplies inventory consists of expendable supplies held for consumption.

**J. Prepaid Items**

Payments made to vendors for services that will benefit beyond December 31, 2019, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditures/expense in the year in which the services are consumed.

On the fund financial statements, reported prepayments are equally offset by a nonspendable fund balance in the governmental funds.

**K. Capital Assets**

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

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

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**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

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

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

**L. Compensated Absences**

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

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

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

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

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term notes are recognized as a liability on the governmental fund financial statements when due. The net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

**N. Fund Balance**

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

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

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

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

*Assigned* - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or ordinance or by State statute. State statute authorizes the Director of Finance to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

**O. Budget Stabilization Reserve**

The City has established a budget stabilization reserve in accordance with authority established by State law. Additions to the budget stabilization reserve can only be made by formal ordinance of Council. Expenditures out of the budget stabilization reserve can be made to offset future budget deficits or expenditures as approved by Council. At December 31, 2019, the balance in the budget stabilization reserve was \$1,000,000. This amount is included in unassigned fund balance of the general fund and in unrestricted net position on the statement of net position.

**P. Net Position**

Net position represents the difference between assets plus deferred outflows of resources less liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on the use of resources either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

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

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

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

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

**R. Operating Revenues and Expenses**

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

**S. Contributions of Capital**

Capital contributions in the governmental activities arise from outside contributions of capital assets, from grants, or from outside contributions of resources restricted to capital acquisition and construction. During 2019, the governmental activities reported capital contributions in the amount of \$663,688 in capital contributions from business-type activities.

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction and from contributions from governmental funds. During 2019, the storm water utility fund received contributions of capital in the amount of \$750 from grants and the water fund received capital contributions in the amount of \$107,900 from outside sources.

**T. Interfund Activity**

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

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

**U. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither item occurred during 2019.

**V. Estimates**

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

**W. Pensions/Other Postemployment Benefits (OPEB)**

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

**X. Fair Value Measurements**

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

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For 2019, the City has implemented GASB Statement No. 83, "Certain Asset Retirement Obligations", GASB Statement No. 84, "Fiduciary Activities", GASB Statement No. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements" and GASB Statement No. 90, "Majority Equity Interests - an amendment to GASB Statements No. 14 and No. 61".

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the City.

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the City will no longer be reporting agency funds. The City reviewed its fiduciary funds and certain funds will be reported in the new fiduciary classification of custodial funds, while other funds have been reclassified as governmental funds. These fund reclassifications resulted in the restatement of the City's financial statements.

GASB Statement No. 88 improves the information that is disclosed in notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of the City; however, certain note disclosures in Note 13 have been modified to conform to the new requirements.

GASB Statement No. 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the City.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

**B. Restatement of Net Position and Fund Balances**

The implementation of GASB 84 had the following effect on fund balance as reported at December 31, 2018:

	<u>General</u>	<u>EMS/Fire Tax Levy</u>	<u>General Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balance as previously reported	\$ 7,074,122	\$ 98,296	\$ 3,141,992	\$ 5,441,209	\$ 15,755,619
GASB Statement No. 84	<u>110,447</u>	<u>-</u>	<u>-</u>	<u>65,429</u>	<u>175,876</u>
Restated Fund Balance, at January 1, 2019	<u>\$ 7,184,569</u>	<u>\$ 98,296</u>	<u>\$ 3,141,992</u>	<u>\$ 5,506,638</u>	<u>\$ 15,931,495</u>

The implementation of the GASB 84 pronouncement had the following effect on the net position as reported at January 1, 2019:

	<u>Governmental Activities</u>
Net position as previously reported	\$ 12,459,647
GASB Statement No. 84	<u>175,876</u>
Restated net position at January 1, 2019	<u>\$ 12,635,523</u>

Due to the implementation of GASB Statement No.84, the new classification of custodial funds is reporting a beginning net position of \$209,970. Also, related to the implementation of GASB Statement No. 84, the City will no longer be reporting agency funds. At December 31, 2018, agency funds reported assets and liabilities of \$1,163,861.

Due to the implementation of GASB Statement No. 84, the City reviewed its private purpose trust fund and will now be reported as a custodial fund. At December 31, 2018, private-purpose trust fund had a net position of \$336.

**C. Deficit Fund Balances**

Fund balances at December 31, 2019 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Police Pension	\$ 75,559
Fire Pension	79,419

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio; and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);
8. Certain banker's acceptance and commercial paper notes for the a period not to exceed one hundred eighty days and two hundred seventy days, respectively, from the purchase date in an amount not to exceed forty percent of the City's interim monies available for investment at any one time; and,
9. Under limited circumstances, corporate notes rated in either the two highest classifications by at least two national recognized rating agencies.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

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

1. Bonds of the State of Ohio; and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons;
3. Obligations of the City.

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**A. Cash in Segregated Accounts**

*Cash in Segregated Accounts:* At year end, the City had \$434,560 deposited with a financial institution for monies related to the Stow Municipal Court. As of December 31, 2019, the bank balance held in segregated accounts was \$473,790, of which \$250,000 was covered by the FDIC and \$223,790 was exposed to custodial risk. These amounts are not included in the City's depository balance below.

**B. Deposits with Financial Institutions**

At December 31, 2019, the carrying amount of all City deposits was \$11,616,889, which includes \$750,000 in non-negotiable certificates of deposit, and the bank balance of all City deposits was \$11,839,394. Of the bank balance, \$1,000,000 was covered by the FDIC and \$10,839,394 was covered by the Ohio Pooled Collateral System (OPCS).

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City's and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2019, the City's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

**C. Investments**

As of December 31, 2019, the City had the following investments and maturities:

Measurement/ Investment Type	Investment Maturities				
	Measurement Amount	6 months or less	7 to 12 months	19 to 24 months	Greater than 24 months
<i>Fair value:</i>					
FNMA	\$ 997,243	\$ -	\$ 748,837	\$ -	\$ 248,406
FHLB	499,965	-	-	499,965	-
FHLMC	3,746,928	-	1,997,064	999,636	750,228
FFCB	2,509,213	-	-	-	2,509,213
Negotiable CDs	2,522,791	-	495,834	-	2,026,957
U.S. Treasury Note	249,453	-	249,453	-	-
<i>Amortized cost:</i>					
STAR Ohio	<u>4,070,634</u>	<u>4,070,634</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 14,596,227</u>	<u>\$ 4,070,634</u>	<u>\$ 3,491,188</u>	<u>\$ 1,499,601</u>	<u>\$ 5,534,804</u>

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

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

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

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

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

The following table includes the percentage of each investment type held by the City at December 31, 2019:

<u>Measurement/ Investment Type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
<i>Fair value:</i>		
FNMA	\$ 997,243	6.83
FHLB	499,965	3.43
FHLMC	3,746,928	25.67
FFCB	2,509,213	17.19
Negotiable CDs	2,522,791	17.28
U.S. Treasury note	249,453	1.71
<i>Amortized cost:</i>		
STAR Ohio	<u>4,070,634</u>	<u>27.89</u>
Total	<u>\$ 14,596,227</u>	<u>100.00</u>

**D. Reconciliation of Cash and Investments to the Statement of Net Position**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2019:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 11,616,889
Cash in segregated accounts	434,560
Investments	<u>14,596,227</u>
Total	<u>\$ 26,647,676</u>

<u>Equity in pooled cash and investments per statement of net position</u>	
Governmental activities	\$ 18,058,233
Business type activities	8,187,878
Custodial funds	<u>401,565</u>
Total	<u>\$ 26,647,676</u>

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

**NOTE 5 - INTERFUND TRANSACTIONS**

- A. Short-term loans to/from other funds at December 31, 2019, consist of the following interfund loan receivable/payable:

	Receivable Fund
<u>Payable fund</u>	<u>Water</u>
Storm water utility	<u>\$ 600,000</u>

The interfund loan is a City of Stow Storm Water Improvement Note, Series 2019, which represents an amount borrowed from another City fund. The note was issued on September 6, 2019 and matures September 4, 2020, at an interest rate of 2.00%. The note was issued in order to finance storm water system improvements. Interfund balances between business-type activities are eliminated on the government-wide financial statements.

- B. Interfund transfers for the year ended December 31, 2019, consisted of the following:

	Transfers From		
<u>Transfers To</u>	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Total Transfers In</u>
General	\$ -	\$ 581,449	\$ 581,449
General capital improvements	-	434,242	434,242
Nonmajor governmental	921,422	259,462	1,180,884
Storm water utility	14,500	-	14,500
Total Transfers Out	<u>\$ 935,922</u>	<u>\$ 1,275,153</u>	<u>\$ 2,211,075</u>

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

**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2019, consisted primarily of taxes, accounts (billings for user charged services, rents and royalties), accrued interest and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are deemed collectible in full. All receivables, other than loans, are expected to be collected within the subsequent year.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

**NOTE 7 - PROPERTY TAXES**

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2019 public utility property taxes became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The Summit County Fiscal Officer collects property taxes on behalf of all taxing districts in the County, including the City of Stow. The Summit County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, tangible personal property taxes and outstanding delinquencies which are measurable as of December 31, 2019 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by unearned revenue since the current taxes were not levied to finance 2019 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is reported as a deferred inflow of resources.

The full tax rate for all City operations for the year ended December 31, 2019 was \$9.50 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2019 property tax receipts were based are as follows:

<u>Real Property</u>	
Residential/Agricultural	\$ 667,703,310
Commercial/Industrial/Mineral	184,879,500
<u>Public Utility</u>	
Real	15,870
Personal	<u>12,072,060</u>
Total Assessed Value	<u>\$ 864,670,740</u>

**NOTE 8 - INCOME TAX**

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

**NOTE 8 - INCOME TAX – (Continued)**

Income tax revenues are distributed among the general fund (60 percent) and the general capital improvement fund and further distribution to other funds, including the street construction fund to be used for existing and future capital projects and/or expansion or for debt service for existing and future capital improvements (40 percent). In accordance with the City’s codified ordinances, all income tax revenues are first recorded in the general fund. Subsequently, 40 percent of those revenues, net of collection expenditures, are distributed to the capital improvement fund and other funds mentioned above, unless a lesser amount than 40 percent is approved by City Council. The Finance Director, in order to assure that the general fund operating deficit was minimized for 2019, and no greater than an amount to be determined by Council for future years, shall reduce the amount allocated to the general capital improvements fund from the general fund income tax receipts (40 percent) per City of Stow Section 195.02, allocation of funds by no more than \$1,500,000 in each calendar year.

**NOTE 9 - TAX ABATEMENTS**

**Community Reinvestment Area**

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

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

The City has entered into agreements to abate property taxes through this CRA program. The agreements include a “clawback provision” for recapturing abated taxes. During 2019, the City’s property tax revenues were reduced by \$157,155 as a result of these agreements.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

**NOTE 10 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2019, was as follows:

<b><u>Governmental activities:</u></b>	<u>Balance</u> <u>12/31/18</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/19</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 11,202,207	\$ -	\$ -	\$ 11,202,207
Intangible assets	15,512	-	-	15,512
Construction in progress	<u>855,249</u>	<u>-</u>	<u>(394,999)</u>	<u>460,250</u>
Total capital assets, not being depreciated	<u>12,072,968</u>	<u>-</u>	<u>(394,999)</u>	<u>11,677,969</u>
<i>Capital assets, being depreciated:</i>				
Buildings and building improvements	32,955,266	213,449	-	33,168,715
Vehicles	8,215,339	604,317	(133,723)	8,685,933
Equipment, furniture and fixtures	8,123,118	602,254	(130,955)	8,594,417
Infrastructure	<u>45,853,530</u>	<u>3,582,188</u>	<u>(2,252,079)</u>	<u>47,183,639</u>
Total capital assets, being depreciated	<u>95,147,253</u>	<u>5,002,208</u>	<u>(2,516,757)</u>	<u>97,632,704</u>
<i>Less: accumulated depreciation:</i>				
Buildings and building improvements	(12,857,964)	(750,959)	-	(13,608,923)
Vehicles	(4,954,797)	(424,929)	106,166	(5,273,560)
Equipment, furniture and fixtures	(5,587,487)	(392,349)	127,317	(5,852,519)
Infrastructure	<u>(20,052,135)</u>	<u>(2,226,975)</u>	<u>1,474,122</u>	<u>(20,804,988)</u>
Total accumulated depreciation	<u>(43,452,383)</u>	<u>(3,795,212)</u>	<u>1,707,605</u>	<u>(45,539,990)</u>
Total capital assets, being depreciated, net	<u>51,694,870</u>	<u>1,206,996</u>	<u>(809,152)</u>	<u>52,092,714</u>
Governmental activities capital assets, net	<u>\$ 63,767,838</u>	<u>\$ 1,206,996</u>	<u>\$ (1,204,151)</u>	<u>\$ 63,770,683</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 424,317
Security of persons and property	822,503
Public health	12,249
Leisure time activities	133,915
Community and economic development	55,773
Transportation	<u>2,346,455</u>
Total depreciation expense	<u>\$ 3,795,212</u>

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

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

<b><u>Business-type activities:</u></b>	<u>Balance</u>			<u>Balance</u>
	<u>12/31/18</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/19</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 5,350,376	\$ -	\$ -	\$ 5,350,376
Construction in progress	<u>2,836,790</u>	<u>938,270</u>	<u>(3,761,366)</u>	<u>13,694</u>
Total capital assets, not being depreciated	<u>8,187,166</u>	<u>938,270</u>	<u>(3,761,366)</u>	<u>5,364,070</u>
<i>Capital assets, being depreciated:</i>				
Buildings and building improvements	2,934,027	102,208	-	3,036,235
Vehicles	1,359,716	-	-	1,359,716
Equipment, furniture and fixtures	768,992	30,050	-	799,042
Infrastructure	<u>37,361,566</u>	<u>5,202,369</u>	<u>-</u>	<u>42,563,935</u>
Total capital assets, being depreciated	<u>42,424,301</u>	<u>5,334,627</u>	<u>-</u>	<u>47,758,928</u>
<i>Less: accumulated depreciation:</i>				
Buildings and building improvements	(1,062,672)	(66,433)	-	(1,129,105)
Vehicles	(625,964)	(86,153)	-	(712,117)
Equipment, furniture and fixtures	(372,548)	(39,858)	-	(412,406)
Infrastructure	<u>(9,325,785)</u>	<u>(1,296,695)</u>	<u>-</u>	<u>(10,622,480)</u>
Total accumulated depreciation	<u>(11,386,969)</u>	<u>(1,489,139)</u>	<u>-</u>	<u>(12,876,108)</u>
Total capital assets, being depreciated, net	<u>31,037,332</u>	<u>3,845,488</u>	<u>-</u>	<u>34,882,820</u>
Business-type activities capital assets, net	<u>\$ 39,224,498</u>	<u>\$ 4,783,758</u>	<u>\$ (3,761,366)</u>	<u>\$ 40,246,890</u>

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

Water	\$ 712,841
Golf	21,844
Storm water utility	<u>754,454</u>
Total depreciation expense	<u>\$ 1,489,139</u>

**NOTE 11 - LEASES**

**A. Operating Leases - Lessee Disclosure**

In February 2006, the City acquired a golf course and the City assumed an existing operating lease agreement with George and Patricia Hanson to use their premises to operate a driving range. The City renewed the operating lease for a period commencing April 1, 2018 through April 1, 2021 and is renewable for two consecutive three-year periods. Monthly lease payments have been established at \$2,300 per month for thirty-six consecutive months under the first and second lease renewals and \$2,400 per month for thirty-six consecutive months under the third lease renewal.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

The amount of the future lease payments required under the operating lease at December 31, 2019 is:

<u>Year Ending December 31,</u>	<u>Amount</u>
2020	\$ 27,600
2021	<u>6,900</u>
Total	<u>\$ 34,500</u>

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

The amount of the future lease payments required under the operating lease at December 31, 2019 is:

<u>Year Ending December 31,</u>	<u>Amount</u>
2020	<u>\$ 52,080</u>

**B. Operating Leases - Lessor Disclosure**

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

The amount of the future lease payments required under the operating lease at December 31, 2019 is:

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

Changes in the City's short-term note activity for the year ended December 31, 2019, was as follows:

	<u>Balance</u>		<u>Balance</u>
	<u>12/31/2018</u>	<u>Issued</u>	<u>12/31/2019</u>
<u>Governmental fund notes</u>			
Municipal courthouse construction - 3.00%	\$ 400,000	\$ -	\$ -
Municipal courthouse construction - 2.01%	<u>-</u>	<u>400,000</u>	<u>400,000</u>
Total governmental fund notes	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>

The short-term notes outstanding at December 31, 2019 were issued on May 1, 2019 and represent the portion of the 2019 note issues that will be retired when the notes are refinanced on May 1, 2020 (see Note 24 for detail). All short-term notes were backed by the full faith and credit of the City and mature within one year. The short-term note liability is reflected in the fund which received the proceeds. The short-term notes were issued in anticipation of long-term bond financing and will be refinanced until such funds are issued.

**NOTE 13 - LONG-TERM OBLIGATIONS**

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

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

Long-term obligations activity for the year ended December 31, 2019 consist of the following.

	<u>Balance</u>			<u>Balance</u>	<u>Amounts</u>
	<u>12/31/2018</u>	<u>Increase</u>	<u>Decrease</u>	<u>12/31/2019</u>	<u>Due in</u>
					<u>One Year</u>
<b>Governmental activities:</b>					
<u>General obligation bonds:</u>					
Municipal court refunding, 2014	\$ 3,190,000	\$ -	\$ (155,000)	\$ 3,035,000	\$ 155,000
Add: unamortized premium	37,728	-	(2,230)	35,498	-
Fire station construction refunding, 2015	1,580,000	-	(85,000)	1,495,000	85,000
Add: unamortized premium	41,672	-	(2,618)	39,054	-
Service center construction refunding, 2015	4,367,412	-	(233,478)	4,133,934	242,634
Add: unamortized premium	115,942	-	(7,284)	108,658	-
Total general obligation bonds	<u>9,332,754</u>	<u>-</u>	<u>(485,610)</u>	<u>8,847,144</u>	<u>482,634</u>
<u>Long-term notes:</u>					
2018 Municipal court construction	1,700,000	-	(1,700,000)	-	-
2019 Municipal court construction	-	1,300,000	-	1,300,000	-
Add: unamortized premium	6,359	8,398	(11,973)	2,784	-
Total long-term notes	<u>1,706,359</u>	<u>1,308,398</u>	<u>(1,711,973)</u>	<u>1,302,784</u>	<u>-</u>
<u>Other debt:</u>					
Net pension liability	30,981,437	12,610,721	-	43,592,158	-
Net OPEB liability	26,123,707	996,122	(16,627,776)	10,492,053	-
Compensated absences	5,158,031	1,523,329	(1,490,394)	5,190,966	1,299,222
Total other debt	<u>62,263,175</u>	<u>15,130,172</u>	<u>(18,118,170)</u>	<u>59,275,177</u>	<u>1,299,222</u>
Total governmental activities	<u>\$ 73,302,288</u>	<u>\$ 16,438,570</u>	<u>\$ (20,315,753)</u>	<u>\$ 69,425,105</u>	<u>\$ 1,781,856</u>
	<u>Balance</u>			<u>Balance</u>	<u>Amounts</u>
	<u>12/31/2018</u>	<u>Increase</u>	<u>Decrease</u>	<u>12/31/2019</u>	<u>Due in</u>
					<u>One Year</u>
<b>Business-type activities:</b>					
<u>General obligation bonds:</u>					
Golf course refunding, 2014	\$ 3,850,000	\$ -	\$ (235,000)	\$ 3,615,000	\$ 240,000
Add: unamortized premium	42,812	-	(3,076)	39,736	-
Service center refunding, 2015	402,588	-	(21,522)	381,066	22,366
Add: unamortized premium	10,593	-	(665)	9,928	-
Total general obligation bonds	<u>4,305,993</u>	<u>-</u>	<u>(260,263)</u>	<u>4,045,730</u>	<u>262,366</u>
<u>Other debt:</u>					
OPWC loan (direct borrowing)	1,229,742	-	(42,405)	1,187,337	21,203
Net pension liability	1,639,877	1,384,491	-	3,024,368	-
Net OPEB liability	1,094,237	282,783	-	1,377,020	-
Compensated absences	192,046	82,299	(57,245)	217,100	42,315
Total other debt	<u>4,155,902</u>	<u>1,749,573</u>	<u>(99,650)</u>	<u>5,805,825</u>	<u>63,518</u>
Total business-type activities	<u>\$ 8,461,895</u>	<u>\$ 1,749,573</u>	<u>\$ (359,913)</u>	<u>\$ 9,851,555</u>	<u>\$ 325,884</u>

General Obligation Bonds

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

On June 26, 2014, the City issued general obligation refunding bonds in the amount of \$3,790,000 and \$4,785,000 to advance refund the outstanding municipal courthouse general obligation bonds (\$3,610,000) and golf course general obligation bonds (\$4,555,000) that were issued in 2007. The reacquisition price exceeded the net carrying amount of the old municipal courthouse and golf course debt by \$99,067 and \$116,732, respectively. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to interest expense through maturity on December 1, 2035 for the municipal courthouse and golf course refunding bonds using the straight-line method. The refunding had a net present value benefit of \$388,625 and gross present value debt service savings of \$384,164. The unamortized deferred charges on the refunding has been included in the net investment in capital assets calculation. The balance of the refunded municipal courthouse general obligation bonds at December 31, 2019, is \$3,010,000. The balance of the golf course general obligation bonds at December 31, 2019, is \$3,600,000.

On July 16, 2015, the City issued general obligation refunding bonds in the amount of \$9,115,000 to advance refund the outstanding safety center construction general obligation bonds, series 2004 (\$2,035,000), the service center general obligation bonds, series 2008 (\$4,614,624 for the governmental activities portion; \$425,376 for the 8.44 percent water portion) and the fire station general obligation bonds, series 2008 (\$1,675,000). The reacquisition price exceeded the net carrying amount of the governmental activities and water debt by \$371,861 and \$15,791, respectively. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to interest expense through maturity on December 1, 2018 for the safety center refunding bonds and December 31, 2033 for all other refunding bonds using the straight-line method. The refunding had a net present value benefit of \$488,681 and gross present value debt service savings of \$382,665. The unamortized deferred charges on the refunding has been included in the net investment in capital assets calculation. The balance of the refunded service center general obligation bonds at December 31, 2019 for governmental activities and the water fund are \$4,010,328 and \$369,672, respectively. The balance of the refunded fire station general obligation bonds at December 31, 2019, is \$1,455,000.

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

*OPWC Loans Payable*

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

OPWC loans are direct borrowings that have terms negotiated directly between the County and the OPWC and are not offered for public sale. In the event of default, the OPWC may (1) charge an 8% default interest rate from the date of the default to the date of the payment and charge the County for all costs incurred by the OPWC in curing the default, (2) in accordance with ORC 164.05, direct the county treasurer of the county in which the County is located to pay the amount of the default from funds that would otherwise be appropriated to the County from such county's undivided local government fund pursuant to ORC 5747.51-5747.53, or (3) at its discretion, declare the entire principal amount of loan then remaining unpaid, together with all accrued interest and other charges, become immediately due and payable.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

Long-Term Notes Payable

The City retired long-term notes in the amount of \$1,700,000 for municipal courthouse construction bore an interest rate of 3.00% and matured on May 1, 2019. The City reissued \$1,300,000 in municipal courthouse construction long-term notes on May 1, 2019 that bear an interest rate of 2.50% and mature on May 1, 2020.

Notes that were refinanced prior to the issuance of the financial statements and have a new maturity beyond the end of the year in which the report is issued have been reported in the government-wide statements as a long-term liability. The portion of the 2019 note issue that will be retired on May 1, 2020 (see Note 24 for detail) have been reported as short-term notes payable in Note 12. The notes are backed by the full faith and credit of the City.

Net Pension Liability and Net OPEB Liability:

See Notes 15 and 16 for details on the net pension liability and net OPEB liability, respectively. The net pension and OPEB liabilities will be paid from the general, EMS/fire tax levy, water, golf and storm water utility funds.

Compensated Absences

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

Legal Debt Margin

As of December 31, 2019, the City's overall legal debt margin (the ability to issue additional amounts of general obligation debt) was \$80,077,589 and the unvoted legal debt margin was \$36,811,891.

The annual requirements to amortize all long-term debt outstanding as of December 31, 2019 are as follows:

Year Ended	Governmental Activities			Business-Type Activities		
	General Obligation Bonds Payable			General Obligation Bonds Payable		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 482,634	\$ 258,870	\$ 741,504	\$ 262,366	\$ 118,505	\$ 380,871
2021	496,790	245,941	742,731	268,210	113,034	381,244
2022	516,368	232,588	748,956	278,632	107,437	386,069
2023	530,524	218,334	748,858	284,476	100,991	385,467
2024	544,680	206,874	751,554	285,320	94,002	379,322
2025 - 2029	2,952,850	819,800	3,772,650	1,562,150	345,762	1,907,912
2030 - 2034	2,910,088	332,976	3,243,064	1,054,912	81,624	1,136,536
2035	230,000	9,200	239,200	-	-	-
Total	<u>\$ 8,663,934</u>	<u>\$ 2,324,583</u>	<u>\$ 10,988,517</u>	<u>\$ 3,996,066</u>	<u>\$ 961,355</u>	<u>\$ 4,957,421</u>

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

Year Ended	Business-Type Activities OPWC Loan Payable		
	Principal	Interest	Total
2020	\$ 21,203	\$ -	\$ 21,203
2021	42,405	-	42,405
2022	42,404	-	42,404
2023	42,405	-	42,405
2024	42,405	-	42,405
2025 - 2029	212,025	-	212,025
2030 - 2034	212,024	-	212,024
2035 - 2039	212,024	-	212,024
2040 - 2044	212,025	-	212,025
2045 - 2047	148,417	-	148,417
Total	<u>\$ 1,187,337</u>	<u>\$ -</u>	<u>\$ 1,187,337</u>

**NOTE 14 - RISK MANAGEMENT**

**A. Liability Insurance**

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

**B. Fidelity Bond**

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

**C. Workers' Compensation**

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

**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 2019 plan provides a medical plan with an \$800.00 family and \$400.00 single deductible and a dental plan with a \$150.00 family and \$50.00 single deductible. A third party administrator, a subsidiary of Medical Mutual of Ohio (MMO), reviews all medical and dental claims which are then paid by the City. The City has purchased stop-loss coverage of \$175,000 per covered person and for claims in excess of \$4,108,927 in the aggregate from Medical Mutual of Ohio. The City pays into the self-insurance internal service fund \$1,292.36 per month for each employee with family medical coverage and \$413.86 per month for each employee with individual medical coverage. Premiums for dental coverage are \$143.60 monthly for each employee with family coverage and \$45.98 monthly for each employee with individual coverage. All premiums are paid by the fund that pays the salary for the employee.

The claims liability of \$595,937 reported in the self-insurance internal service fund at December 31, 2019 is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Services", which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The claims liability is based on an estimate supplied by the City's third party administrator. The claims liability is expected to be paid within one year.

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

	<u>Balance at Beginning of Year</u>	<u>Current Claims</u>	<u>Claims Payment</u>	<u>Balance at End of Year</u>
2019	\$ 529,001	\$ 3,893,897	\$ (3,826,961)	\$ 595,937
2018	412,606	3,699,090	(3,582,695)	529,001

**NOTE 15 - DEFINED BENEFIT PENSION PLANS**

*Net Pension Liability/Asset*

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

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

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

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

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

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

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

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

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

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

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

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

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

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.00% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3.00% COLA adjustment on the defined benefit portion of their benefit.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

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

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

	State and Local
<b>2019 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee *	10.0 %
<b>2019 Actual Contribution Rates</b>	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits **	0.0 %
Total Employer	14.0 %
Employee	10.0 %

\* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance

\*\* This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

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

The City’s contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$1,432,628 for 2019. Of this amount, \$156,950 is reported as intergovernmental payable.

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

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

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

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

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

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3.00% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3.00% of their base pension or disability benefit.

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

	Police	Firefighters
<b>2019 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
<b>2019 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50 %	0.50 %
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,657,622 for 2019. Of this amount, \$202,503 is reported as intergovernmental payable.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

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

The net pension liability and net pension asset for the OPERS Traditional Pension Plan, Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2018, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Proportion of the net pension liability/asset prior measurement date	0.072159%	0.048334%	0.021824%	0.347065%	
Proportion of the net pension liability/asset current measurement date	<u>0.070831%</u>	<u>0.041745%</u>	<u>0.014167%</u>	<u>0.333438%</u>	
Change in proportionate share	<u>-0.001328%</u>	<u>-0.006589%</u>	<u>-0.007657%</u>	<u>-0.013627%</u>	
Proportionate share of the net pension liability	\$ 19,399,175	\$ -	\$ -	\$ 27,217,351	\$ 46,616,526
Proportionate share of the net pension asset	-	(46,680)	(323)	-	(47,003)
Pension expense	4,349,708	12,954	(84)	3,161,085	7,523,663

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**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
<b>Deferred outflows of resources</b>					
Differences between expected and actual experience	\$ 896	\$ -	\$ 1,344	\$ 1,118,255	\$ 1,120,495
Net difference between projected and actual earnings on pension plan investments	2,633,012	10,055	108	3,353,154	5,996,329
Changes of assumptions	1,688,748	10,427	100	721,570	2,420,845
Changes in employer's proportionate percentage/difference between employer contributions	177,046	-	-	670,466	847,512
Contributions subsequent to the measurement date	1,396,377	25,472	10,779	1,657,622	3,090,250
<b>Total deferred outflows of resources</b>	<b>\$ 5,896,079</b>	<b>\$ 45,954</b>	<b>\$ 12,331</b>	<b>\$ 7,521,067</b>	<b>\$ 13,475,431</b>
<b>Deferred inflows of resources</b>					
Differences between expected and actual experience	\$ 254,724	\$ 19,065	\$ -	\$ 25,417	\$ 299,206
Changes in employer's proportionate percentage/difference between employer contributions	255,473	-	-	2,120,449	2,375,922
<b>Total deferred inflows of resources</b>	<b>\$ 510,197</b>	<b>\$ 19,065</b>	<b>\$ -</b>	<b>\$ 2,145,866</b>	<b>\$ 2,675,128</b>

\$3,090,250 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2020.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

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

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
2020	\$ 1,746,713	\$ 1,577	\$ 226	\$ 1,150,461	\$ 2,898,977
2021	773,983	(432)	206	424,732	1,198,489
2022	244,266	(220)	208	563,238	807,492
2023	1,224,543	2,926	249	1,478,615	2,706,333
2024	-	(1,209)	189	100,533	99,513
Thereafter	-	(1,225)	474	-	(751)
<b>Total</b>	<b>\$ 3,989,505</b>	<b>\$ 1,417</b>	<b>\$ 1,552</b>	<b>\$ 3,717,579</b>	<b>\$ 7,710,053</b>

***Actuarial Assumptions - OPERS***

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

Wage inflation	3.25%
Future salary increases, including inflation COLA or ad hoc COLA	3.25% to 10.75% including wage inflation Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2018, then 2.15% simple
Investment rate of return	
Current measurement date	7.20%
Prior measurement date	7.50%
Actuarial cost method	Individual entry age

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

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

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

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 2.94% for 2018.

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed income	23.00 %	2.79 %
Domestic equities	19.00	6.21
Real estate	10.00	4.90
Private equity	10.00	10.81
International equities	20.00	7.83
Other investments	18.00	5.50
Total	<u>100.00 %</u>	<u>5.95 %</u>

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

**Discount Rate** - The discount rate used to measure the total pension liability/asset was 7.20%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2018 was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate** - The following table presents the City's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.20%, as well as what the City's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.20%) or one-percentage-point higher (8.20%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 28,658,223	\$ 19,399,175	\$ 11,704,823
Combined Plan	(15,446)	(46,680)	(69,297)
Member-Directed Plan	(142)	(323)	(567)

**Actuarial Assumptions – OP&F**

OP&F's total pension liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2018, are presented below.

Valuation date	1/1/18 with actuarial liabilities rolled forward to 12/31/18
Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25%
Inflation assumptions	2.75%, plus productivity increase rate of 0.50%
Cost of living adjustments	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3.00%

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

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

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

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

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

The most recent experience study was completed for the five-year period ended December 31, 2016. The recommended assumption changes based on this experience study were adopted by OP&F's Board and were effective beginning with the January 1, 2017 actuarial valuation.

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

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**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018 are summarized below:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return **	30 Year Expected Real Rate of Return **
Cash and Cash Equivalents	- %	1.00 %	0.80 %
Domestic Equity	16.00	5.30	5.50
Non-US Equity	16.00	6.10	5.90
Private Markets	8.00	8.40	8.40
Core Fixed Income *	23.00	2.20	2.60
High Yield Fixed Income	7.00	4.20	4.80
Private Credit	5.00	8.30	7.50
U.S. Inflation			
Linked Bonds *	17.00	1.30	2.30
Master Limited Partnerships	8.00	6.70	6.40
Real Assets	8.00	7.00	7.00
Private Real Estate	12.00	5.70	6.10
<b>Total</b>	<b>120.00 %</b>		

Note: assumptions are geometric.

\* levered 2x

\*\* numbers include inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** - The total pension liability was calculated using the discount rate of 8.00%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00%), or one percentage point higher (9.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	\$ 35,775,333	\$ 27,217,351	\$ 20,065,922

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

**NOTE 16 - DEFINED BENEFIT OPEB PLANS**

*Net OPEB Liability*

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

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

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

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

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

*Plan Description – Ohio Public Employees Retirement System (OPERS)*

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

**NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)**

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.00% of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care was 0.00% for the Traditional and Combined plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.00%.

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

The City's contractually required contribution was \$4,312 for 2019. Of this amount, \$472 is reported as intergovernmental payable.

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

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

## CITY OF STOW, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

#### NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2019, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

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

The City's contractually required contribution to OP&F was \$38,562 for 2019. Of this amount, \$4,711 is reported as intergovernmental payable.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

**NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the net OPEB liability prior measurement date	0.069560%	0.347065%	
Proportion of the net OPEB liability current measurement date	<u>0.067747%</u>	<u>0.333438%</u>	
Change in proportionate share	<u>-0.001813%</u>	<u>-0.013627%</u>	
Proportionate share of the net OPEB liability	\$ 8,832,609	\$ 3,036,464	\$ 11,869,073
OPEB expense	\$ 720,921	\$ (14,949,709)	\$ (14,228,788)

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 2,991	\$ -	\$ 2,991
Net difference between projected and actual earnings on OPEB plan investments	404,924	102,787	507,711
Changes of assumptions	284,775	1,573,957	1,858,732
Changes in employer's proportionate percentage/difference between employer contributions	101,651	578,824	680,475
Contributions subsequent to the measurement date	4,312	38,562	42,874
Total deferred outflows of resources	<u>\$ 798,653</u>	<u>\$ 2,294,130</u>	<u>\$ 3,092,783</u>

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

**NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 23,965	\$ 81,354	\$ 105,319
Changes of assumptions	-	840,637	840,637
Changes in employer's proportionate percentage/ difference between employer contributions	195,268	606,242	801,510
Total deferred inflows of resources	<u>\$ 219,233</u>	<u>\$ 1,528,233</u>	<u>\$ 1,747,466</u>

\$42,874 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2020.

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

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Year Ending December 31:			
2020	\$ 290,336	\$ 133,863	\$ 424,199
2021	16,192	133,863	150,055
2022	64,592	133,863	198,455
2023	203,988	164,950	368,938
2024	-	115,938	115,938
Thereafter	-	44,858	44,858
Total	<u>\$ 575,108</u>	<u>\$ 727,335</u>	<u>\$ 1,302,443</u>

***Actuarial Assumptions - OPERS***

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

**NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	3.96%
Prior Measurement date	3.85%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.50%
Municipal Bond Rate	
Current measurement date	3.71%
Prior Measurement date	3.31%
Health Care Cost Trend Rate	
Current measurement date	10.00% initial, 3.25% ultimate in 2029
Prior Measurement date	7.50%, initial 3.25%, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

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

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

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

**NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)**

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 5.60% for 2018.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other investments	17.00	5.57
Total	<u>100.00 %</u>	<u>5.16 %</u>

**Discount Rate** - A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85% was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.71%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

**NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate***

- The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96%, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96%) or one-percentage-point higher (4.96%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 11,300,200	\$ 8,832,609	\$ 6,870,223

***Sensitivity of the City/County's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate***

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 8,490,054	\$ 8,832,609	\$ 9,227,141

***Actuarial Assumptions – OP&F***

OP&F's total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

**NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

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

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	Inflation rate of 2.75% plus productivity increase rate of 0.50%
Single discount rate:	
Current measurement date	4.66%
Prior measurement date	3.24%
Cost of Living Adjustments	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3.00%

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

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

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

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

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

**NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Real Rate of Return **</u>	<u>30 Year Expected Real Rate of Return **</u>
Cash and Cash Equivalents	- %	1.00 %	0.80 %
Domestic Equity	16.00	5.30	5.50
Non-US Equity	16.00	6.10	5.90
Private Markets	8.00	8.40	8.40
Core Fixed Income *	23.00	2.20	2.60
High Yield Fixed Income	7.00	4.20	4.80
Private Credit	5.00	8.30	7.50
U.S. Inflation			
Linked Bonds *	17.00	1.30	2.30
Master Limited Partnerships	8.00	6.70	6.40
Real Assets	8.00	7.00	7.00
Private Real Estate	12.00	5.70	6.10
<b>Total</b>	<b><u>120.00 %</u></b>		

Note: assumptions are geometric.

\* levered 2x

\*\* numbers include inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** - The total OPEB liability was calculated using the discount rate of 4.66%. A discount rate of 3.24% was used to measure the total OPEB liability at December 31, 2017. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 4.13% at December 31, 2018 and 3.16% at December 31, 2017, was blended with the long-term rate of 8.00%, which resulted in a blended discount rate of 4.66%.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

**NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate -*** Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.66%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.66%), or one percentage point higher (5.66%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$ 3,699,243	\$ 3,036,464	\$ 2,480,119

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate -*** Due to the change from a self-funded plan to the stipend plan, disclosure of the healthcare cost trend rate for OP&F is no longer available.

***Changes Between Measurement Date and Report Date -*** Beginning January 1, 2019 OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current healthcare model to the stipend based healthcare model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Although the exact amount of these changes is not known, the overall decrease to the City's net OPEB liability is expected to be significant.

**NOTE 17 - COMPENSATED ABSENCES**

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

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

**NOTE 17 - COMPENSATED ABSENCES - (Continued)**

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

As of December 31, 2019, the liability for compensated absences was \$5,408,066 for the entire City.

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

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

The JEDZ Agreement establishes three joint economic development zones and details how income tax revenues will be collected and shared within each zone between the City of Stow and the City of Akron. The City made payments of \$341,351, which includes \$89,626 in accounts payable, during 2019 to the City of Akron as a result of this agreement.

**NOTE 19 - BUDGETARY BASIS OF ACCOUNTING**

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

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

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned, committed, or restricted fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis);
- (e) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,
- (f) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

**NOTE 19 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statements for all governmental funds for which a budgetary basis statement is presented:

**Net Change in Fund Balance**

	<u>General</u>	<u>EMS/Fire Tax Levy</u>
Budget basis	\$ 236,685	\$ 100,806
Net adjustment for revenue accruals	(44,827)	-
Net adjustment for expenditure accruals	417	4,624
Net adjustment for other sources (uses)	12,500	-
Funds budgeted elsewhere	39,535	-
Adjustment for encumbrances	<u>468,308</u>	<u>6,979</u>
GAAP basis	<u>\$ 712,618</u>	<u>\$ 112,409</u>

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**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

**NOTE 20 - FUND BALANCE**

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

Fund balance	General	Fire/EMS Tax Levy	General Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Materials and supplies inventory	\$ 142,695	\$ 15,147	\$ -	\$ 476,723	\$ 634,565
Prepays	178,681	2,864	-	9,991	191,536
Unclaimed monies	<u>126,055</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>126,055</u>
Total nonspendable	<u>447,431</u>	<u>18,011</u>	<u>-</u>	<u>486,714</u>	<u>952,156</u>
Restricted:					
Police and fire	-	192,694	-	383,120	575,814
Street repair and maintenance	-	-	-	2,021,532	2,021,532
Public health	-	-	-	41,933	41,933
Leisure time activities	-	-	-	11,205	11,205
Special assessments	-	-	-	8,070	8,070
Municipal court	-	-	-	752,218	752,218
Community & economic development	-	-	-	3,000	3,000
Capital outlay	<u>-</u>	<u>-</u>	<u>63,445</u>	<u>-</u>	<u>63,445</u>
Total restricted	<u>-</u>	<u>192,694</u>	<u>63,445</u>	<u>3,221,078</u>	<u>3,477,217</u>
Committed:					
General government	67,577	-	-	748,209	815,786
Police and fire	-	-	-	557,391	557,391
Leisure time activities	-	-	-	203,236	203,236
Community & economic development	-	-	-	91,471	91,471
Debt service	-	-	-	32,161	32,161
Capital outlay	<u>-</u>	<u>-</u>	<u>4,313,352</u>	<u>-</u>	<u>4,313,352</u>
Total committed	<u>67,577</u>	<u>-</u>	<u>4,313,352</u>	<u>1,632,468</u>	<u>6,013,397</u>
Assigned:					
General government	141,711	-	-	-	141,711
Police and fire	112,792	-	-	-	112,792
Leisure time activities	39,567	-	-	-	39,567
Public health and welfare	2,112	-	-	-	2,112
Community & economic development	<u>27,166</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,166</u>
Total assigned	<u>323,348</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>323,348</u>
Unassigned (deficit)	<u>7,058,831</u>	<u>-</u>	<u>-</u>	<u>(154,978)</u>	<u>6,903,853</u>
Total fund balances	<u>\$ 7,897,187</u>	<u>\$ 210,705</u>	<u>\$ 4,376,797</u>	<u>\$ 5,185,282</u>	<u>\$ 17,669,971</u>

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

**NOTE 21 - CONTINGENCIES**

**A. Grants**

The City receives significant financial assistance from numerous federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the reporting units included herein or on the overall financial position of the City at December 31, 2019.

**B. Litigation**

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

**NOTE 22 - OTHER COMMITMENTS**

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 352,478
Fire/EMS levy fund	6,979
General capital improvements fund	557,396
Other governmental	<u>313,357</u>
Total	<u>\$ 1,230,210</u>

**NOTE 23 - STOW COMMUNITY IMPROVEMENT CORPORATION**

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

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

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

**Summary of Significant Accounting Policies**

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

The CIC's significant accounting policies are described below.

**A. Basis of Accounting**

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

**B. Federal Income Tax**

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

**C. Cash**

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

**D. Net position**

Net position represents the difference between assets and liabilities.

**E. Estimates**

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

**Related Party Transactions and Economic Dependence**

The CIC received contributions from the City of Stow in the amount of \$10 to support operations of the CIC for fiscal year 2019.

**NOTE 24 - SIGNIFICANT SUBSEQUENT EVENTS**

**A. Municipal Courthouse Construction Notes**

The \$1,700,000 municipal courthouse construction notes issued in 2019 were retired and \$1,300,000 was refinanced on May 1, 2020.

**CITY OF STOW, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

**NOTE 24 - SIGNIFICANT SUBSEQUENT EVENTS - (Continued)**

**B. COVID-19 Pandemic**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. The City's investment portfolio and the investments of the pension and other employee benefit plan in which the City participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF STOW, OHIO**

*SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION*

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

*LAST SIX YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.070831%	0.072159%	0.070631%	0.069249%
City's proportionate share of the net pension liability	\$ 19,399,175	\$ 11,320,349	\$ 16,039,100	\$ 11,994,799
City's covered payroll	\$ 9,595,021	\$ 9,547,523	\$ 8,862,917	\$ 8,852,583
City's proportionate share of the net pension liability as a percentage of its covered payroll	202.18%	118.57%	180.97%	135.49%
Plan fiduciary net position as a percentage of the total pension liability	74.70%	84.66%	77.25%	81.08%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.041745%	0.048334%	0.047862%	0.065050%
City's proportionate share of the net pension asset	\$ 46,680	\$ 65,797	\$ 26,640	\$ 31,655
City's covered payroll	\$ 178,543	\$ 197,954	\$ 186,308	\$ 266,867
City's proportionate share of the net pension asset as a percentage of its covered payroll	26.14%	33.24%	14.30%	11.86%
Plan fiduciary net position as a percentage of the total pension asset	126.64%	137.28%	116.55%	116.90%
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.014167%	0.021824%	0.026558%	0.025389%
City's proportionate share of the net pension asset	\$ 323	\$ 762	\$ 111	\$ 97
City's covered payroll	\$ 80,990	\$ 117,920	\$ 174,147	\$ 178,611
City's proportionate share of the net pension asset as a percentage of its covered payroll	0.40%	0.65%	0.06%	0.05%
Plan fiduciary net position as a percentage of the total pension asset	113.42%	124.46%	103.40%	103.91%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>
0.071445%	0.071445%
\$ 8,617,065	\$ 8,422,435
\$ 8,765,517	\$ 8,455,338
98.31%	99.61%
86.45%	86.36%
0.076689%	0.076689%
\$ 29,527	\$ 8,047
\$ 280,325	\$ 317,638
10.53%	2.53%
114.83%	104.56%

**CITY OF STOW, OHIO**

*SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION*

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

*LAST SIX YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's proportion of the net pension liability	0.333438%	0.347065%	0.330100%	0.382183%
City's proportionate share of the net pension liability	\$ 27,217,351	\$ 21,300,965	\$ 20,908,225	\$ 24,586,105
City's covered payroll	\$ 7,454,308	\$ 7,467,841	\$ 6,770,775	\$ 7,583,119
City's proportionate share of the net pension liability as a percentage of its covered payroll	365.12%	285.24%	308.80%	324.22%
Plan fiduciary net position as a percentage of the total pension liability	63.07%	70.91%	68.36%	66.77%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>
0.381624%	0.381624%
\$ 19,769,710	\$ 18,586,281
\$ 7,136,534	\$ 6,621,189
277.02%	280.71%
72.20%	73.00%

**CITY OF STOW, OHIO**

*SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION*

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

*LAST TEN YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 1,396,377	\$ 1,343,303	\$ 1,241,178	\$ 1,063,550
Contributions in relation to the contractually required contribution	<u>(1,396,377)</u>	<u>(1,343,303)</u>	<u>(1,241,178)</u>	<u>(1,063,550)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 9,974,121	\$ 9,595,021	\$ 9,547,523	\$ 8,862,917
Contributions as a percentage of covered payroll	14.00%	14.00%	13.00%	12.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 25,472	\$ 24,996	\$ 25,734	\$ 22,357
Contributions in relation to the contractually required contribution	<u>(25,472)</u>	<u>(24,996)</u>	<u>(25,734)</u>	<u>(22,357)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 181,943	\$ 178,543	\$ 197,954	\$ 186,308
Contributions as a percentage of covered payroll	14.00%	14.00%	13.00%	12.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 10,779	\$ 8,099	\$ 11,792	\$ 16,544
Contributions in relation to the contractually required contribution	<u>(10,779)</u>	<u>(8,099)</u>	<u>(11,792)</u>	<u>(16,544)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 107,790	\$ 80,990	\$ 117,920	\$ 174,147
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	9.50%

Note: Information prior to 2010 for the City's Combined Plan and information prior to 2015 for the City's Member Directed Plan was unavailable. The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 1,062,310	\$ 1,051,862	\$ 1,099,194	\$ 840,192	\$ 899,909	\$ 849,466
<u>(1,062,310)</u>	<u>(1,051,862)</u>	<u>(1,099,194)</u>	<u>(840,192)</u>	<u>(899,909)</u>	<u>(849,466)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,852,583	\$ 8,765,517	\$ 8,455,338	\$ 8,401,920	\$ 8,999,090	\$ 9,523,161
12.00%	12.00%	13.00%	10.00%	10.00%	8.92%
\$ 32,024	\$ 33,639	\$ 41,293	\$ 24,226	\$ 23,359	\$ 30,543
<u>(32,024)</u>	<u>(33,639)</u>	<u>(41,293)</u>	<u>(24,226)</u>	<u>(23,359)</u>	<u>(30,543)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 266,867	\$ 280,325	\$ 317,638	\$ 304,730	\$ 293,824	\$ 315,201
12.00%	12.00%	13.00%	7.95%	7.95%	9.69%
\$ 16,968					
<u>(16,968)</u>					
<u>\$ -</u>					
\$ 178,611					
9.50%					

**CITY OF STOW, OHIO**

*SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION*

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

*LAST TEN YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<i>Police:</i>				
Contractually required contribution	\$ 653,581	\$ 638,448	\$ 626,944	\$ 565,437
Contributions in relation to the contractually required contribution	<u>(653,581)</u>	<u>(638,448)</u>	<u>(626,944)</u>	<u>(565,437)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,439,900	\$ 3,360,253	\$ 3,299,705	\$ 2,975,984
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
 <i>Fire:</i>				
Contractually required contribution	\$ 1,004,041	\$ 962,103	\$ 979,512	\$ 891,776
Contributions in relation to the contractually required contribution	<u>(1,004,041)</u>	<u>(962,103)</u>	<u>(979,512)</u>	<u>(891,776)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 4,272,515	\$ 4,094,055	\$ 4,168,136	\$ 3,794,791
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 627,507	\$ 601,854	\$ 458,153	\$ 358,771	\$ 366,291	\$ 371,980
<u>(627,507)</u>	<u>(601,854)</u>	<u>(458,153)</u>	<u>(358,771)</u>	<u>(366,291)</u>	<u>(371,980)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,302,668	\$ 3,167,653	\$ 2,884,489	\$ 2,813,890	\$ 2,872,871	\$ 2,917,490
19.00%	19.00%	15.88%	12.75%	12.75%	12.75%
\$ 1,005,906	\$ 932,687	\$ 761,664	\$ 643,400	\$ 631,257	\$ 614,776
<u>(1,005,906)</u>	<u>(932,687)</u>	<u>(761,664)</u>	<u>(643,400)</u>	<u>(631,257)</u>	<u>(614,776)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,280,451	\$ 3,968,881	\$ 3,736,700	\$ 3,729,855	\$ 3,659,461	\$ 3,563,919
23.50%	23.50%	20.38%	17.25%	17.25%	17.25%

**CITY OF STOW, OHIO**

*SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION*

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

*LAST THREE YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.067747%	0.069560%	0.068173%
City's proportionate share of the net OPEB liability	\$ 8,832,609	\$ 7,553,704	\$ 6,885,679
City's covered payroll	\$ 9,854,554	\$ 9,863,397	\$ 9,223,372
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	89.63%	76.58%	74.65%
Plan fiduciary net position as a percentage of the total OPEB liability	46.33%	54.14%	54.05%

Note: Information prior to 2017 was unavailable. The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF STOW, OHIO**

*SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION*

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

*LAST THREE YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.333438%	0.347065%	0.330100%
City's proportionate share of the net OPEB liability	\$ 3,036,464	\$ 19,664,240	\$ 15,669,105
City's covered payroll	\$ 7,454,308	\$ 7,467,841	\$ 6,770,775
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	40.73%	263.32%	231.42%
Plan fiduciary net position as a percentage of the total OPEB liability	46.57%	14.13%	15.96%

Note: Information prior to 2017 was unavailable. The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF STOW, OHIO**

*SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION*

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

*LAST TEN YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 4,312	\$ 3,239	\$ 102,171	\$ 183,741
Contributions in relation to the contractually required contribution	<u>(4,312)</u>	<u>(3,239)</u>	<u>(102,171)</u>	<u>(183,741)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 10,263,854	\$ 9,854,554	\$ 9,863,397	\$ 9,223,372
Contributions as a percentage of covered payroll	0.04%	0.03%	1.04%	1.99%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 182,389	\$ 180,507	\$ 87,730	\$ 354,513	\$ 377,740	\$ 497,876
<u>(182,389)</u>	<u>(180,507)</u>	<u>(87,730)</u>	<u>(354,513)</u>	<u>(377,740)</u>	<u>(497,876)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 9,298,061	\$ 9,045,842	\$ 8,772,976	\$ 8,706,650	\$ 9,292,914	\$ 9,838,362
1.96%	2.00%	1.00%	4.07%	4.06%	5.06%

**CITY OF STOW, OHIO**

*SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION*

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

*LAST TEN YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<i>Police:</i>				
Contractually required contribution	\$ 17,199	\$ 16,801	\$ 16,499	\$ 14,880
Contributions in relation to the contractually required contribution	<u>(17,199)</u>	<u>(16,801)</u>	<u>(16,499)</u>	<u>(14,880)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,439,900	\$ 3,360,253	\$ 3,299,705	\$ 2,975,984
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%
<i>Fire:</i>				
Contractually required contribution	\$ 21,363	\$ 20,470	\$ 20,841	\$ 18,974
Contributions in relation to the contractually required contribution	<u>(21,363)</u>	<u>(20,470)</u>	<u>(20,841)</u>	<u>(18,974)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 4,272,515	\$ 4,094,055	\$ 4,168,136	\$ 3,794,791
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 16,960	\$ 14,570	\$ 105,132	\$ 189,938	\$ 193,919	\$ 196,930
<u>(16,960)</u>	<u>(14,570)</u>	<u>(105,132)</u>	<u>(189,938)</u>	<u>(193,919)</u>	<u>(196,930)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,302,668	\$ 3,167,653	\$ 2,884,489	\$ 2,813,890	\$ 2,872,871	\$ 2,917,490
0.50%	0.46%	3.64%	6.75%	6.75%	6.75%
\$ 21,402	\$ 18,115	\$ 136,413	\$ 251,765	\$ 247,013	\$ 240,564
<u>(21,402)</u>	<u>(18,115)</u>	<u>(136,413)</u>	<u>(251,765)</u>	<u>(247,013)</u>	<u>(240,564)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,280,451	\$ 3,968,881	\$ 3,736,700	\$ 3,729,855	\$ 3,659,461	\$ 3,563,919
0.50%	0.46%	3.65%	6.75%	6.75%	6.75%

CITY OF STOW, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2019

PENSION

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*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2014-2019.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in assumptions for 2018. For 2019 the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

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

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following were the most significant changes of assumptions that affected the total pension since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.50% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple. There were no changes in assumptions for 2019.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2017-2019.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%. For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25%, ultimate in 2029.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2017-2018. For 2019, OP&F changed its retiree health care model from a self-insured health care plan to a stipend-based health care model.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%. For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.24% up to 4.66%.

**COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES**

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## **CITY OF STOW, OHIO**

### *INDIVIDUAL FUND SCHEDULES FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

#### **GENERAL FUND**

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

#### **SPECIAL REVENUE FUNDS**

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

##### **Major Special Revenue Fund**

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

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

##### **Nonmajor Special Revenue Funds**

###### ***Street Construction Fund***

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

###### ***State Highway Improvement Fund***

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

###### ***Police Pension and Disability Fund***

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

###### ***Fire Pension and Disability Fund***

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

###### ***Motor Vehicle License Tax Fund***

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

###### ***ODNR Litter Prevention Grant Fund***

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

###### ***EMS Transport Fees Fund***

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

###### ***Police Enforcement and Education Fund***

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

**CITY OF STOW, OHIO**

*INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

**Nonmajor Special Revenue Funds (Continued)**

***Special Assessment Improvements Fund***

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

***Tree Trust Fund***

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

***Communications Tower Fund***

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

***Cemetery Trust Fund***

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

***Park Improvements Fund***

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

**Other Nonmajor Special Revenue Funds**

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

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

***Residential Snow Removal Fund***

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

***Park and Recreation Deposits Fund***

To account for the receipt and subsequent refund of Parks and Recreation deposit monies for rentals to cover extraordinary events or damages.

***Road Construction Bonds Fund***

To account for deposits from contractors, held by the City to ensure compliance with the contract.

***Allotment Deposits Fund***

To account for deposits from subdivision developers for engineering oversight.

**CITY OF STOW, OHIO**

*INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

***Miscellaneous Service Deposits Fund***

To account for various service department non-recurring deposits.

**Other General (GAAP-basis) Funds**

Payroll Advance Rotary

Deferred Compensation Rotary

Flexible Spending Plan

Unclaimed Court Bonds

Unclaimed Money

**NONMAJOR DEBT SERVICE FUND**

***General Obligation Bond Retirement Fund***

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

**MAJOR CAPITAL PROJECTS FUND**

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

***General Capital Improvements Fund***

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

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ 5,701,755	\$ 5,686,589	\$ 5,038,498	\$ (648,091)
Income taxes . . . . .	14,340,893	14,340,893	11,668,467	(2,672,426)
Special assessments . . . . .	5,000	5,000	3,173	(1,827)
Charges for services . . . . .	457,000	457,000	417,177	(39,823)
Licenses and permits. . . . .	1,162,500	1,162,500	1,000,742	(161,758)
Fines and forfeitures. . . . .	2,675,000	2,675,000	2,468,689	(206,311)
Intergovernmental . . . . .	2,394,321	2,416,217	2,222,979	(193,238)
Investment income . . . . .	456,000	456,000	334,310	(121,690)
Rental . . . . .	200,000	200,000	192,034	(7,966)
Contributions and donations. . . . .	15,000	15,000	10,975	(4,025)
Other . . . . .	912,000	912,000	556,128	(355,872)
Total revenues . . . . .	28,319,469	28,326,199	23,913,172	(4,413,027)
<b>Expenditures:</b>				
Current:				
General government				
City Council				
Personal services . . . . .	216,703	216,703	216,700	3
Other . . . . .	19,418	19,418	19,416	2
Mayor's Office				
Personal services . . . . .	308,905	308,905	308,711	194
Other . . . . .	16,892	16,892	15,830	1,062
Finance Department				
Personal services . . . . .	476,672	476,672	476,669	3
Other . . . . .	61,619	61,619	61,360	259
Law Department				
Personal services . . . . .	449,216	449,216	449,214	2
Other . . . . .	79,618	79,618	79,486	132
Civil Service Commission				
Other . . . . .	849	849	456	393
Computer Services				
Personal services . . . . .	359,852	359,852	357,603	2,249
Other . . . . .	191,156	191,156	145,218	45,938
Service-Administration				
Personal services . . . . .	275,577	275,577	275,574	3
Other . . . . .	28,881	28,881	19,149	9,732
Service-Engineer				
Personal services . . . . .	311,866	311,866	311,862	4
Other . . . . .	57,970	57,970	50,346	7,624
Service-City Hall				
Personal services . . . . .	509,266	509,266	509,261	5
Other . . . . .	321,879	321,879	243,405	78,474
Service-Office				
Personal services . . . . .	222,059	222,059	216,432	5,627
Other . . . . .	29,075	29,075	26,865	2,210
Income Tax				
Personal services . . . . .	302,657	302,657	293,777	8,880
Other . . . . .	817,086	817,086	749,573	67,513
Human Resources				
Personal services . . . . .	30,992	30,992	30,780	212
Other . . . . .	34,629	34,629	11,819	22,810

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**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND - (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Public Defender				
Other . . . . .	\$ 3,230	\$ 3,230	\$ 2,040	\$ 1,190
SC Emergency Management - Subsidy				
Other . . . . .	15,677	15,677	15,677	-
Municipal Court - Judges				
Personal services . . . . .	1,574,571	1,574,571	1,479,829	94,742
Other . . . . .	176,552	176,552	155,822	20,730
Clerk of Courts				
Personal services . . . . .	1,174,221	1,174,221	1,174,218	3
Other . . . . .	188,502	188,502	178,842	9,660
County and State Fees				
Other . . . . .	182,784	182,784	179,459	3,325
Miscellaneous				
Other . . . . .	3,039,699	3,039,699	608,616	2,431,083
Total general government. . . . .	<u>11,478,073</u>	<u>11,478,073</u>	<u>8,664,009</u>	<u>2,814,064</u>
Security of persons and property				
Police				
Personal services . . . . .	5,167,086	5,167,086	5,167,079	7
Other . . . . .	677,187	777,187	640,407	136,780
Fire				
Personal services . . . . .	3,917,595	3,917,595	3,917,579	16
Other . . . . .	470,608	570,608	411,027	159,581
Police/Fire Communications				
Personal services . . . . .	1,191,363	1,191,363	1,191,361	2
Other . . . . .	140,202	140,202	130,011	10,191
Public Safety Service				
Other . . . . .	121,000	121,000	121,000	-
Total security of persons and property. . . . .	<u>11,685,041</u>	<u>11,885,041</u>	<u>11,578,464</u>	<u>306,577</u>
Public health				
Service - Cemetery				
Personal services . . . . .	103,586	103,586	103,584	2
Other . . . . .	38,050	38,050	37,215	835
County Health - Subsidy				
Other . . . . .	288,000	288,000	284,599	3,401
Total public health. . . . .	<u>429,636</u>	<u>429,636</u>	<u>425,398</u>	<u>4,238</u>
Leisure time activities				
Parks and Recreation - Administration				
Personal services . . . . .	130,846	130,846	130,264	582
Other . . . . .	12,541	12,541	12,507	34
Parks and Recreation - Recreation				
Personal services . . . . .	520,831	520,831	520,820	11
Other . . . . .	207,098	207,098	196,896	10,202
Parks and Recreation - Facility				
Other . . . . .	7,076	7,076	4,996	2,080

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CITY OF STOW, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 GENERAL FUND - (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Parks and Recreation - Service				
Personal services . . . . .	\$ 461,001	\$ 461,001	\$ 460,728	\$ 273
Other . . . . .	263,878	263,878	235,254	28,624
Total leisure time activities . . . . .	<u>1,603,271</u>	<u>1,603,271</u>	<u>1,561,465</u>	<u>41,806</u>
Community and economic environment				
Planning and Development				-
Personal services . . . . .	195,411	195,411	195,400	11
Other . . . . .	35,420	35,420	31,913	3,507
Service - Tree Program				
Personal services . . . . .	314,645	314,645	314,636	9
Other . . . . .	69,056	69,056	61,617	7,439
Service - Building Inspection				
Personal services . . . . .	431,951	431,951	429,456	2,495
Other . . . . .	17,157	17,157	16,881	276
Total community and economic development . . . . .	<u>1,063,640</u>	<u>1,063,640</u>	<u>1,049,903</u>	<u>13,737</u>
Transportation				
Street Repair				
Personal services . . . . .	7,872	7,872	7,872	-
Other . . . . .	16,284	16,284	15,462	822
AMATS - Subsidy				
Other . . . . .	7,100	7,100	6,941	159
Total transportation . . . . .	<u>31,256</u>	<u>31,256</u>	<u>30,275</u>	<u>981</u>
Total expenditures . . . . .	<u>26,290,917</u>	<u>26,490,917</u>	<u>23,309,514</u>	<u>3,181,403</u>
Excess of revenues over expenditures . . . . .	<u>2,028,552</u>	<u>1,835,282</u>	<u>603,658</u>	<u>(1,231,624)</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	1,349,400	1,349,400	581,449	(767,951)
Transfers (out) . . . . .	(1,016,224)	(1,016,224)	(948,422)	67,802
Total other financing sources (uses) . . . . .	<u>333,176</u>	<u>333,176</u>	<u>(366,973)</u>	<u>(700,149)</u>
Net change in fund balance . . . . .	2,361,728	2,168,458	236,685	(1,931,773)
<b>Unencumbered fund balance at beginning of year.</b>	5,556,335	5,556,335	5,556,335	-
<b>Prior year encumbrances appropriated.</b> . . . .	<u>454,433</u>	<u>454,433</u>	<u>454,433</u>	<u>-</u>
<b>Unencumbered fund balance at end of year.</b> . . .	<u>\$ 8,372,496</u>	<u>\$ 8,179,226</u>	<u>\$ 6,247,453</u>	<u>\$ (1,931,773)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
EMS/FIRE TAX LEVY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property and other local taxes . . . . .	\$ 1,986,976	\$ 1,981,690	\$ 1,755,840	\$ (225,850)
Intergovernmental. . . . .	429,300	429,300	282,588	(146,712)
Other . . . . .	51,000	51,000	26,070	(24,930)
Total revenues. . . . .	<u>2,467,276</u>	<u>2,461,990</u>	<u>2,064,498</u>	<u>(397,492)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Personal services . . . . .	1,826,454	1,937,459	1,892,314	45,145
Other . . . . .	265,406	281,536	62,359	219,177
Capital outlay				
Other . . . . .	47,135	50,000	9,019	40,981
Total expenditures. . . . .	<u>2,138,995</u>	<u>2,268,995</u>	<u>1,963,692</u>	<u>305,303</u>
Excess of revenues over expenditures . . . . .	<u>328,281</u>	<u>192,995</u>	<u>100,806</u>	<u>(92,189)</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	523,800	523,800	-	(523,800)
Total other financing sources . . . . .	<u>523,800</u>	<u>523,800</u>	<u>-</u>	<u>(523,800)</u>
Net change in fund balance . . . . .	852,081	716,795	100,806	(615,989)
<b>Unencumbered fund balance at beginning of year.</b>	145,817	145,817	145,817	-
<b>Prior year encumbrances appropriated. . .</b>	<u>1,678</u>	<u>1,678</u>	<u>1,678</u>	<u>-</u>
<b>Unencumbered fund balance at end of year . . .</b>	<u>\$ 999,576</u>	<u>\$ 864,290</u>	<u>\$ 248,301</u>	<u>\$ (615,989)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL CAPITAL IMPROVEMENTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Income taxes . . . . .	\$ 7,329,038	\$ 7,329,038	\$ 4,102,975	\$ (3,226,063)
Intergovernmental. . . . .	2,530,962	2,530,962	873,309	(1,657,653)
Special assessments . . . . .	10,000	10,000	511	(9,489)
Rental . . . . .	100,000	100,000	68,000	(32,000)
Contributions and donations . . . . .	5,000	5,000	438	(4,562)
Other . . . . .	105,000	105,000	41,270	(63,730)
Total revenues . . . . .	<u>10,080,000</u>	<u>10,080,000</u>	<u>5,086,503</u>	<u>(4,993,497)</u>
<b>Expenditures:</b>				
Capital outlay				
Other . . . . .	5,387,866	6,387,866	4,128,585	2,259,281
Debt service:				
Principal retirement. . . . .	8,000,000	8,000,000	2,255,000	5,745,000
Interest and fiscal charges. . . . .	2,000,000	2,000,000	162,726	1,837,274
Total expenditures . . . . .	<u>15,387,866</u>	<u>16,387,866</u>	<u>6,546,311</u>	<u>9,841,555</u>
Excess of expenditures over revenues. . . . .	<u>(5,307,866)</u>	<u>(6,307,866)</u>	<u>(1,459,808)</u>	<u>4,848,058</u>
<b>Other financing sources:</b>				
Sale of notes . . . . .	14,000,000	14,000,000	1,700,000	(12,300,000)
Premium on notes . . . . .	-	-	8,398	8,398
Transfers in. . . . .	500,000	500,000	434,242	(65,758)
Total other financing sources. . . . .	<u>14,500,000</u>	<u>14,500,000</u>	<u>2,142,640</u>	<u>(12,357,360)</u>
Net change in fund balance. . . . .	9,192,134	8,192,134	682,832	(7,509,302)
<b>Unencumbered fund balance at beginning of year.</b>	2,475,150	2,475,150	2,475,150	-
<b>Prior year encumbrances appropriated . . .</b>	<u>707,271</u>	<u>707,271</u>	<u>707,271</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . .</b>	<u>\$ 12,374,555</u>	<u>\$ 11,374,555</u>	<u>\$ 3,865,253</u>	<u>\$ (7,509,302)</u>

**CITY OF STOW, OHIO**

*BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2019*

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 4,312,071	\$ -	\$ 4,312,071
Cash in segregated accounts . . . . .	69,625	-	69,625
Receivables:			
Property taxes . . . . .	546,176	-	546,176
Income taxes . . . . .	134,578	37,898	172,476
Accounts . . . . .	154,471	-	154,471
Intergovernmental . . . . .	1,108,462	-	1,108,462
Materials and supplies inventory . . . . .	476,723	-	476,723
Prepayments . . . . .	9,991	-	9,991
Total assets . . . . .	<u>\$ 6,812,097</u>	<u>\$ 37,898</u>	<u>\$ 6,849,995</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ 271,099	\$ -	\$ 271,099
Contracts payable . . . . .	21,435	-	21,435
Accrued wages and benefits payable . . . . .	3,258	-	3,258
Intergovernmental payable . . . . .	164,280	-	164,280
Total liabilities . . . . .	<u>460,072</u>	<u>-</u>	<u>460,072</u>
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year . . . . .	461,400	-	461,400
Delinquent property tax revenue not available . . . . .	14,316	-	14,316
Income tax revenue not available . . . . .	20,374	5,737	26,111
Intergovernmental nonexchange transactions . . . . .	702,814	-	702,814
Total deferred inflows of resources . . . . .	<u>1,198,904</u>	<u>5,737</u>	<u>1,204,641</u>
<b>Fund balances:</b>			
Nonspendable . . . . .	486,714	-	486,714
Restricted . . . . .	3,221,078	-	3,221,078
Committed . . . . .	1,600,307	32,161	1,632,468
Unassigned (deficit) . . . . .	(154,978)	-	(154,978)
Total fund balances . . . . .	<u>5,153,121</u>	<u>32,161</u>	<u>5,185,282</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 6,812,097</u>	<u>\$ 37,898</u>	<u>\$ 6,849,995</u>

**CITY OF STOW, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues:</b>			
Property and other local taxes . . . . .	\$ 787,464	\$ -	\$ 787,464
Income taxes . . . . .	1,226,404	272,306	1,498,710
Special assessments . . . . .	37,046	-	37,046
Charges for services . . . . .	809,497	-	809,497
Licenses and permits . . . . .	7,500	-	7,500
Fines and forfeitures . . . . .	1,057,643	-	1,057,643
Intergovernmental . . . . .	2,724,182	-	2,724,182
Investment income . . . . .	37,078	-	37,078
Rent . . . . .	132,173	-	132,173
Contributions and donations . . . . .	25,811	-	25,811
Other . . . . .	210,763	-	210,763
	<hr/>	<hr/>	<hr/>
Total revenues . . . . .	7,055,561	272,306	7,327,867
	<hr/>	<hr/>	<hr/>
<b>Expenditures:</b>			
Current:			
General government . . . . .	626,936	-	626,936
Security of persons and property . . . . .	2,039,765	-	2,039,765
Public health . . . . .	48,855	-	48,855
Leisure time activities . . . . .	149,579	-	149,579
Community and economic development . . . . .	48,263	-	48,263
Transportation . . . . .	2,913,525	-	2,913,525
Capital outlay . . . . .	1,238,529	-	1,238,529
Debt service:			
Principal retirement . . . . .	85,000	233,478	318,478
Interest and fiscal charges . . . . .	45,450	125,574	171,024
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Total expenditures . . . . .	7,195,902	359,052	7,554,954
	<hr/>	<hr/>	<hr/>
Excess of expenditures over revenues . . . . .	(140,341)	(86,746)	(227,087)
	<hr/>	<hr/>	<hr/>
<b>Other financing sources (uses):</b>			
Transfers in . . . . .	1,180,884	-	1,180,884
Transfers (out) . . . . .	(1,275,153)	-	(1,275,153)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses) . . . . .	(94,269)	-	(94,269)
	<hr/>	<hr/>	<hr/>
Net change in fund balances . . . . .	(234,610)	(86,746)	(321,356)
	<hr/>	<hr/>	<hr/>
<b>Fund balances at beginning of year (restated) . . . . .</b>	5,387,731	118,907	5,506,638
<b>Fund balances at end of year . . . . .</b>	<u>\$ 5,153,121</u>	<u>\$ 32,161</u>	<u>\$ 5,185,282</u>

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**CITY OF STOW, OHIO**

*COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2019*

	<u>Street Construction</u>	<u>State Highway Improvement</u>	<u>Police Pension and Disability</u>	<u>Fire Pension and Disability</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 1,526,362	\$ 69,562	\$ -	\$ -
Cash in segregated accounts . . . . .	-	-	-	-
Receivables:				
Property taxes . . . . .	-	-	237,858	237,858
Income taxes . . . . .	134,578	-	-	-
Accounts . . . . .	-	-	-	-
Intergovernmental . . . . .	941,778	76,361	14,875	14,875
Materials and supplies inventory . . . . .	476,723	-	-	-
Prepayments . . . . .	9,991	-	-	-
Total assets . . . . .	<u>\$ 3,089,432</u>	<u>\$ 145,923</u>	<u>\$ 252,733</u>	<u>\$ 252,733</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 169,864	\$ 8,074	\$ -	\$ -
Contracts payable . . . . .	-	-	-	-
Accrued wages and benefits payable . . . . .	-	-	-	-
Intergovernmental payable . . . . .	4,479	58	75,559	79,419
Total liabilities . . . . .	<u>174,343</u>	<u>8,132</u>	<u>75,559</u>	<u>79,419</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	-	-	230,700	230,700
Delinquent property tax revenue not available . . . . .	-	-	7,158	7,158
Income tax revenue not available . . . . .	20,374	-	-	-
Intergovernmental nonexchange transactions . . . . .	622,583	50,481	14,875	14,875
Total deferred inflows of resources . . . . .	<u>642,957</u>	<u>50,481</u>	<u>252,733</u>	<u>252,733</u>
<b>Fund balances:</b>				
Nonspendable . . . . .	486,714	-	-	-
Restricted . . . . .	1,785,418	87,310	-	-
Committed . . . . .	-	-	-	-
Unassigned (deficit) . . . . .	-	-	(75,559)	(79,419)
Total fund balances (deficit) . . . . .	<u>2,272,132</u>	<u>87,310</u>	<u>(75,559)</u>	<u>(79,419)</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 3,089,432</u>	<u>\$ 145,923</u>	<u>\$ 252,733</u>	<u>\$ 252,733</u>

<u>Motor Vehicle License Tax</u>	<u>ODNR Litter Prevention Grant</u>	<u>EMS Transport Fees</u>	<u>Police Enforcement and Education</u>	<u>Special Assessment Improvements</u>	<u>Tree Trust</u>
\$ 129,192	\$ 7,294	\$ 437,369	\$ 7,120	\$ 11,694	\$ 165,501
-	-	-	248	-	-
-	-	-	-	-	-
-	-	132,519	-	-	-
19,612	34,837	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 148,804</u>	<u>\$ 42,131</u>	<u>\$ 569,888</u>	<u>\$ 7,368</u>	<u>\$ 11,694</u>	<u>\$ 165,501</u>
\$ -	\$ -	\$ 16,783	\$ -	\$ 3,466	\$ -
-	-	-	-	-	-
-	58	-	-	-	-
-	140	816	-	158	-
-	198	17,599	-	3,624	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
148,804	41,933	-	7,368	8,070	-
-	-	552,289	-	-	165,501
-	-	-	-	-	-
<u>148,804</u>	<u>41,933</u>	<u>552,289</u>	<u>7,368</u>	<u>8,070</u>	<u>165,501</u>
<u>\$ 148,804</u>	<u>\$ 42,131</u>	<u>\$ 569,888</u>	<u>\$ 7,368</u>	<u>\$ 11,694</u>	<u>\$ 165,501</u>

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CITY OF STOW, OHIO

COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 DECEMBER 31, 2019

	<u>Communications Tower</u>	<u>Cemetary Trust</u>	<u>Park Improvements</u>	<u>Federal Law Enforcement Forfeited Fees</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 90,954	\$ 8,474	\$ 17,616	\$ 15,619
Cash in segregated accounts . . . . .	-	-	-	-
Receivables:				
Property taxes . . . . .	-	-	-	-
Income taxes . . . . .	-	-	-	-
Accounts . . . . .	21,952	-	-	-
Intergovernmental . . . . .	-	-	-	-
Materials and supplies inventory . . . . .	-	-	-	-
Prepayments . . . . .	-	-	-	-
Total assets . . . . .	<u>\$ 112,906</u>	<u>\$ 8,474</u>	<u>\$ 17,616</u>	<u>\$ 15,619</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ -	\$ 1,302	\$ -	\$ -
Contracts payable . . . . .	21,435	-	-	-
Accrued wages and benefits payable . . . . .	-	-	-	-
Intergovernmental payable . . . . .	-	59	-	-
Total liabilities . . . . .	<u>21,435</u>	<u>1,361</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	-	-	-	-
Delinquent property tax revenue not available . . . . .	-	-	-	-
Income tax revenue not available . . . . .	-	-	-	-
Intergovernmental nonexchange transactions . . . . .	-	-	-	-
Total deferred inflows of resources . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>				
Nonspendable . . . . .	-	-	-	-
Restricted . . . . .	-	7,113	-	15,619
Committed . . . . .	91,471	-	17,616	-
Unassigned (deficit) . . . . .	-	-	-	-
Total fund balances (deficit) . . . . .	<u>91,471</u>	<u>7,113</u>	<u>17,616</u>	<u>15,619</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 112,906</u>	<u>\$ 8,474</u>	<u>\$ 17,616</u>	<u>\$ 15,619</u>

<u>Community Events</u>	<u>Safety Town</u>	<u>D.A.R.E. Program</u>	<u>Fire Department Emergency Equipment</u>	<u>Police Department Emergency Equipment</u>	<u>Parks Lodge Improvements</u>
\$ 6,852	\$ 382	\$ 18,249	\$ 4,970	\$ 18,820	\$ 15,614
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 6,852</u>	<u>\$ 382</u>	<u>\$ 18,249</u>	<u>\$ 4,970</u>	<u>\$ 18,820</u>	<u>\$ 15,614</u>
\$ 2,760	\$ -	\$ -	\$ 250	\$ 673	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	22	-	-	-
<u>2,760</u>	<u>-</u>	<u>22</u>	<u>250</u>	<u>673</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,092	-	18,227	-	18,147	-
-	382	-	4,720	-	15,614
-	-	-	-	-	-
<u>4,092</u>	<u>382</u>	<u>18,227</u>	<u>4,720</u>	<u>18,147</u>	<u>15,614</u>
<u>\$ 6,852</u>	<u>\$ 382</u>	<u>\$ 18,249</u>	<u>\$ 4,970</u>	<u>\$ 18,820</u>	<u>\$ 15,614</u>

-- Continued

CITY OF STOW, OHIO

COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 DECEMBER 31, 2019

	Community Relations	SS Ballfield Complex	City Lodging Tax	Enhanced 911 Wireless
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . .	\$ 8,374	\$ 2,005	\$ 677,540	\$ 251,922
Cash in segregated accounts . . . . .	-	-	-	-
Receivables:				
Property taxes. . . . .	-	-	70,460	-
Income taxes . . . . .	-	-	-	-
Accounts . . . . .	-	-	-	-
Intergovernmental. . . . .	-	-	-	3,580
Materials and supplies inventory . . . . .	-	-	-	-
Prepayments . . . . .	-	-	-	-
Total assets . . . . .	<u>\$ 8,374</u>	<u>\$ 2,005</u>	<u>\$ 748,000</u>	<u>\$ 255,502</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 63	\$ -	\$ 5,042	\$ -
Contracts payable . . . . .	-	-	-	-
Accrued wages and benefits payable. . . . .	-	-	904	-
Intergovernmental payable . . . . .	-	-	2,156	-
Total liabilities. . . . .	<u>63</u>	<u>-</u>	<u>8,102</u>	<u>-</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	-	-	-	-
Delinquent property tax revenue not available . . . . .	-	-	-	-
Income tax revenue not available. . . . .	-	-	-	-
Intergovernmental nonexchange transactions . . . . .	-	-	-	-
Total deferred inflows of resources. . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>				
Nonspendable . . . . .	-	-	-	-
Restricted. . . . .	-	-	-	255,502
Committed . . . . .	8,311	2,005	739,898	-
Unassigned (deficit) . . . . .	-	-	-	-
Total fund balances (deficit) . . . . .	<u>8,311</u>	<u>2,005</u>	<u>739,898</u>	<u>255,502</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 8,374</u>	<u>\$ 2,005</u>	<u>\$ 748,000</u>	<u>\$ 255,502</u>

<u>Police Officer Training</u>	<u>Court Special Projects</u>	<u>Probation Services</u>	<u>Indigent Drivers</u>	<u>Court Technology</u>	<u>Court Clerk Technology</u>
\$ 249	\$ 302,672	\$ 41,483	\$ 223,662	\$ 25,387	\$ 154,779
-	44,733	12,386	2,071	3,973	4,178
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	893	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 249</u>	<u>\$ 347,405</u>	<u>\$ 53,869</u>	<u>\$ 226,626</u>	<u>\$ 29,360</u>	<u>\$ 158,957</u>
\$ -	\$ -	\$ 22,457	\$ -	\$ 10,553	\$ 29,812
-	-	-	-	-	-
-	-	-	-	1,148	1,148
-	-	-	-	707	707
-	-	22,457	-	12,408	31,667
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
249	347,405	31,412	226,626	16,952	127,290
-	-	-	-	-	-
-	-	-	-	-	-
<u>249</u>	<u>347,405</u>	<u>31,412</u>	<u>226,626</u>	<u>16,952</u>	<u>127,290</u>
<u>\$ 249</u>	<u>\$ 347,405</u>	<u>\$ 53,869</u>	<u>\$ 226,626</u>	<u>\$ 29,360</u>	<u>\$ 158,957</u>

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**CITY OF STOW, OHIO**

*COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
DECEMBER 31, 2019*

	<u>IDIA</u>	<u>9-11</u>	<u>Police</u>	<u>Police Drug</u>
	<u>Monitoring</u>	<u>Memorial</u>	<u>Forfeited Cash</u>	<u>Forfeited Cash</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ -	\$ 2,500	\$ 929	\$ 65,925
Cash in segregated accounts . . . . .	882	-	-	1,154
Receivables:				
Property taxes. . . . .	-	-	-	-
Income taxes . . . . .	-	-	-	-
Accounts . . . . .	-	-	-	-
Intergovernmental. . . . .	1,651	-	-	-
Materials and supplies inventory . . . . .	-	-	-	-
Prepayments . . . . .	-	-	-	-
Total assets . . . . .	<u>\$ 2,533</u>	<u>\$ 2,500</u>	<u>\$ 929</u>	<u>\$ 67,079</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ -	\$ -	\$ -	\$ -
Contracts payable . . . . .	-	-	-	-
Accrued wages and benefits payable. . . . .	-	-	-	-
Intergovernmental payable . . . . .	-	-	-	-
Total liabilities. . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	-	-	-	-
Delinquent property tax revenue not available . . . . .	-	-	-	-
Income tax revenue not available. . . . .	-	-	-	-
Intergovernmental nonexchange transactions . . . . .	-	-	-	-
Total deferred inflows of resources. . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>				
Nonspendable . . . . .	-	-	-	-
Restricted. . . . .	2,533	-	929	67,079
Committed . . . . .	-	2,500	-	-
Unassigned (deficit) . . . . .	-	-	-	-
Total fund balances (deficit) . . . . .	<u>2,533</u>	<u>2,500</u>	<u>929</u>	<u>67,079</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 2,533</u>	<u>\$ 2,500</u>	<u>\$ 929</u>	<u>\$ 67,079</u>

<u>Community Development</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 3,000	\$ 4,312,071
-	69,625
-	546,176
-	134,578
-	154,471
-	1,108,462
-	476,723
-	9,991
<u>\$ 3,000</u>	<u>\$ 6,812,097</u>
\$ -	\$ 271,099
-	21,435
-	3,258
-	164,280
<u>-</u>	<u>460,072</u>
-	461,400
-	14,316
-	20,374
-	702,814
<u>-</u>	<u>1,198,904</u>
-	486,714
3,000	3,221,078
-	1,600,307
-	(154,978)
<u>3,000</u>	<u>5,153,121</u>
<u>\$ 3,000</u>	<u>\$ 6,812,097</u>

**CITY OF STOW, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Street Construction</u>	<u>State Highway Improvement</u>	<u>Police Pension and Disability</u>	<u>Fire Pension and Disability</u>
<b>Revenues:</b>				
Property and other local taxes . . . . .	\$ -	\$ -	\$ 229,023	\$ 229,022
Income taxes . . . . .	1,226,404	-	-	-
Special assessments . . . . .	-	-	-	-
Charges for services . . . . .	-	-	-	-
Licenses and permits . . . . .	-	-	-	-
Fines and forfeitures . . . . .	-	-	-	-
Intergovernmental . . . . .	2,101,875	133,879	29,638	29,638
Investment income . . . . .	20,960	772	-	-
Rent . . . . .	-	-	-	-
Contributions and donations. . . . .	-	-	-	-
Other . . . . .	54,218	3,323	-	-
<b>Total revenues.</b> . . . .	<u>3,403,457</u>	<u>137,974</u>	<u>258,661</u>	<u>258,660</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	-	-	-	-
Security of persons and property. . . . .	-	-	672,551	701,743
Public health . . . . .	-	-	-	-
Leisure time activities . . . . .	-	-	-	-
Community and economic development . . . . .	-	-	-	-
Transportation . . . . .	2,818,499	95,026	-	-
Capital outlay. . . . .	578,545	-	-	-
Debt service:				
Principal retirement. . . . .	-	-	-	-
Interest and fiscal charges. . . . .	-	-	-	-
<b>Total expenditures</b> . . . . .	<u>3,397,044</u>	<u>95,026</u>	<u>672,551</u>	<u>701,743</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>6,413</u>	<u>42,948</u>	<u>(413,890)</u>	<u>(443,083)</u>
<b>Other financing sources (uses):</b>				
Transfers in. . . . .	-	-	415,229	450,993
Transfers (out) . . . . .	-	-	-	-
<b>Total other financing sources (uses)</b> . . . . .	<u>-</u>	<u>-</u>	<u>415,229</u>	<u>450,993</u>
Net change in fund balances. . . . .	6,413	42,948	1,339	7,910
<b>Fund balances (deficits) at beginning of year (restated).</b>	<u>2,265,719</u>	<u>44,362</u>	<u>(76,898)</u>	<u>(87,329)</u>
<b>Fund balances (deficits) at end of year</b> . . . . .	<u>\$ 2,272,132</u>	<u>\$ 87,310</u>	<u>\$ (75,559)</u>	<u>\$ (79,419)</u>

<b>Motor Vehicle License Tax</b>	<b>ODNR Litter Prevention Grant</b>	<b>EMS Transport Fees</b>	<b>Police Enforcement and Education</b>	<b>Special Assessment Improvements</b>	<b>Tree Trust</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	36,780	266
-	-	766,176	-	-	-
-	-	-	1,757	-	-
247,645	34,837	-	-	-	-
1,825	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	111,659
<u>249,470</u>	<u>34,837</u>	<u>766,176</u>	<u>1,757</u>	<u>36,780</u>	<u>111,925</u>
-	-	-	-	-	-
-	-	593,281	-	28,929	-
-	30,303	-	-	-	-
-	-	-	-	-	67,391
-	-	-	-	-	-
250,000	-	90,206	-	-	-
-	-	85,000	-	-	-
-	-	45,450	-	-	-
<u>250,000</u>	<u>30,303</u>	<u>813,937</u>	<u>-</u>	<u>28,929</u>	<u>67,391</u>
<u>(530)</u>	<u>4,534</u>	<u>(47,761)</u>	<u>1,757</u>	<u>7,851</u>	<u>44,534</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(530)	4,534	(47,761)	1,757	7,851	44,534
<u>149,334</u>	<u>37,399</u>	<u>600,050</u>	<u>5,611</u>	<u>219</u>	<u>120,967</u>
<u>\$ 148,804</u>	<u>\$ 41,933</u>	<u>\$ 552,289</u>	<u>\$ 7,368</u>	<u>\$ 8,070</u>	<u>\$ 165,501</u>

-- Continued

**CITY OF STOW, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<b>Communications Tower</b>	<b>Cemetary Trust</b>	<b>Park Improvements</b>	<b>Federal Law Enforcement Forfeited Fees</b>
<b>Revenues:</b>				
Property and other local taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Income taxes . . . . .	-	-	-	-
Special assessments . . . . .	-	-	-	-
Charges for services . . . . .	-	-	-	-
Licenses and permits . . . . .	-	-	-	-
Fines and forfeitures . . . . .	-	-	-	-
Intergovernmental . . . . .	-	-	-	-
Investment income . . . . .	-	-	-	-
Rent . . . . .	132,173	-	-	-
Contributions and donations. . . . .	3,949	-	1,000	-
Other . . . . .	-	22,154	-	-
<b>Total revenues.</b> . . . .	<u>136,122</u>	<u>22,154</u>	<u>1,000</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	-	-	-	-
Security of persons and property. . . . .	-	-	-	-
Public health . . . . .	-	18,552	-	-
Leisure time activities . . . . .	-	-	-	-
Community and economic development . . . . .	47,854	-	-	-
Transportation . . . . .	-	-	-	-
Capital outlay. . . . .	165,097	-	-	-
Debt service:				
Principal retirement. . . . .	-	-	-	-
Interest and fiscal charges. . . . .	-	-	-	-
<b>Total expenditures</b> . . . . .	<u>212,951</u>	<u>18,552</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(76,829)</u>	<u>3,602</u>	<u>1,000</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Transfers in. . . . .	-	-	-	-
Transfers out . . . . .	-	-	-	-
<b>Total other financing sources (uses)</b> . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances. . . . .	(76,829)	3,602	1,000	-
<b>Fund balances (deficits) at beginning of year (restated).</b>	<u>168,300</u>	<u>3,511</u>	<u>16,616</u>	<u>15,619</u>
<b>Fund balances (deficits) at end of year . . . . .</b>	<u>\$ 91,471</u>	<u>\$ 7,113</u>	<u>\$ 17,616</u>	<u>\$ 15,619</u>

<u>Community Events</u>	<u>Safety Town</u>	<u>D.A.R.E. Program</u>	<u>Fire Department Emergency Equipment</u>	<u>Police Department Emergency Equipment</u>	<u>Parks Lodge Improvements</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
6,846	-	-	-	-	18,925
7,500	-	-	-	-	-
-	-	-	-	-	-
-	-	16,847	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,700	6,600	-	1,430	5,132	-
9,384	-	-	-	-	-
<u>31,430</u>	<u>6,600</u>	<u>16,847</u>	<u>1,430</u>	<u>5,132</u>	<u>18,925</u>
-	-	-	-	-	-
-	8,978	7,272	250	2,916	-
-	-	-	-	-	-
71,141	-	-	-	-	9,962
-	-	-	-	-	-
-	-	-	-	-	3,282
-	-	-	-	-	-
-	-	-	-	-	-
<u>71,141</u>	<u>8,978</u>	<u>7,272</u>	<u>250</u>	<u>2,916</u>	<u>13,244</u>
<u>(39,711)</u>	<u>(2,378)</u>	<u>9,575</u>	<u>1,180</u>	<u>2,216</u>	<u>5,681</u>
45,000	-	8,000	-	-	-
-	-	-	-	-	-
<u>45,000</u>	<u>-</u>	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
5,289	(2,378)	17,575	1,180	2,216	5,681
<u>(1,197)</u>	<u>2,760</u>	<u>652</u>	<u>3,540</u>	<u>15,931</u>	<u>9,933</u>
<u>\$ 4,092</u>	<u>\$ 382</u>	<u>\$ 18,227</u>	<u>\$ 4,720</u>	<u>\$ 18,147</u>	<u>\$ 15,614</u>

-- Continued

**CITY OF STOW, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<b>Community Relations</b>	<b>SS Ballfield Complex</b>	<b>City Lodging Tax</b>	<b>Enhanced 911 Wireless</b>
<b>Revenues:</b>				
Property and other local taxes . . . . .	\$ -	\$ -	\$ 329,419	\$ -
Income taxes . . . . .	-	-	-	-
Special assessments . . . . .	-	-	-	-
Charges for services . . . . .	-	-	-	-
Licenses and permits . . . . .	-	-	-	-
Fines and forfeitures . . . . .	-	-	-	-
Intergovernmental . . . . .	-	-	-	59,336
Investment income . . . . .	-	-	-	-
Rent . . . . .	-	-	-	-
Contributions and donations . . . . .	-	-	-	-
Other . . . . .	-	5,305	1,840	-
<b>Total revenues . . . . .</b>	<b>-</b>	<b>5,305</b>	<b>331,259</b>	<b>59,336</b>
<b>Expenditures:</b>				
Current:				
General government . . . . .	-	-	299,408	-
Security of persons and property . . . . .	-	-	-	1,625
Public health . . . . .	-	-	-	-
Leisure time activities . . . . .	-	1,085	-	-
Community and economic development . . . . .	409	-	-	-
Transportation . . . . .	-	-	-	-
Capital outlay . . . . .	-	4,300	-	97,382
Debt service:				
Principal retirement . . . . .	-	-	-	-
Interest and fiscal charges . . . . .	-	-	-	-
<b>Total expenditures . . . . .</b>	<b>409</b>	<b>5,385</b>	<b>299,408</b>	<b>99,007</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	(409)	(80)	31,851	(39,671)
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	2,200	-	-	-
Transfers out . . . . .	-	-	-	-
<b>Total other financing sources (uses) . . . . .</b>	<b>2,200</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances . . . . .	1,791	(80)	31,851	(39,671)
<b>Fund balances (deficits) at beginning of year (restated).</b>	<b>6,520</b>	<b>2,085</b>	<b>708,047</b>	<b>295,173</b>
<b>Fund balances (deficits) at end of year . . . . .</b>	<b>\$ 8,311</b>	<b>\$ 2,005</b>	<b>\$ 739,898</b>	<b>\$ 255,502</b>

<u>Police Officer Training</u>	<u>Court Special Projects</u>	<u>Probation Services</u>	<u>Indigent Drivers</u>	<u>Court Technology</u>	<u>Court Clerk Technology</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	660,322	228,139	28,200	56,283	56,524
-	-	-	28,448	-	-
-	13,521	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,104	1,104
-	673,843	228,139	56,648	57,387	57,628
-	-	138,029	-	79,083	110,416
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	670	-	6,971	24,901
-	-	-	-	-	-
-	-	-	-	-	-
-	-	138,699	-	86,054	135,317
-	673,843	89,440	56,648	(28,667)	(77,689)
-	204,289	-	15,173	40,000	-
-	(930,691)	(125,000)	(177,516)	-	-
-	(726,402)	(125,000)	(162,343)	40,000	-
-	(52,559)	(35,560)	(105,695)	11,333	(77,689)
249	399,964	66,972	332,321	5,619	204,979
\$ 249	\$ 347,405	\$ 31,412	\$ 226,626	\$ 16,952	\$ 127,290

-- Continued

**CITY OF STOW, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>IDIA Monitoring</u>	<u>9-11 Memorial</u>	<u>Police Forfeited Cash</u>	<u>Police Drug Forfeited Cash</u>
<b>Revenues:</b>				
Property and other local taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Income taxes . . . . .	-	-	-	-
Special assessments . . . . .	-	-	-	-
Charges for services . . . . .	-	-	-	-
Licenses and permits . . . . .	-	-	-	-
Fines and forfeitures . . . . .	14,666	-	-	11,752
Intergovernmental . . . . .	27,039	-	-	-
Investment income . . . . .	-	-	-	-
Rent . . . . .	-	-	-	-
Contributions and donations . . . . .	-	-	-	-
Other . . . . .	-	-	-	672
Total revenues . . . . .	<u>41,705</u>	<u>-</u>	<u>-</u>	<u>12,424</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	-	-	-	-
Security of persons and property . . . . .	-	-	-	4,670
Public health . . . . .	-	-	-	-
Leisure time activities . . . . .	-	-	-	-
Community and economic development . . . . .	-	-	-	-
Transportation . . . . .	-	-	-	-
Capital outlay . . . . .	-	-	-	5,175
Debt service:				
Principal retirement . . . . .	-	-	-	-
Interest and fiscal charges . . . . .	-	-	-	-
Total expenditures . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,845</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>41,705</u>	<u>-</u>	<u>-</u>	<u>2,579</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	-	-	-
Transfers out . . . . .	<u>(41,946)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses) . . . . .	<u>(41,946)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances . . . . .	(241)	-	-	2,579
<b>Fund balances (deficits) at beginning of year (restated).</b>	<u>2,774</u>	<u>2,500</u>	<u>929</u>	<u>64,500</u>
<b>Fund balances (deficits) at end of year . . . . .</b>	<u>\$ 2,533</u>	<u>\$ 2,500</u>	<u>\$ 929</u>	<u>\$ 67,079</u>

<b>Fire Bond Insurance</b>	<b>Community Development</b>	<b>Nonmajor Special Revenue Funds</b>
\$ -	\$ -	\$ 787,464
-	-	1,226,404
-	-	37,046
17,550	-	809,497
-	-	7,500
-	-	1,057,643
-	15,000	2,724,182
-	-	37,078
-	-	132,173
-	-	25,811
-	-	210,763
<u>17,550</u>	<u>15,000</u>	<u>7,055,561</u>
-	-	626,936
17,550	-	2,039,765
-	-	48,855
-	-	149,579
-	-	48,263
-	-	2,913,525
-	12,000	1,238,529
-	-	85,000
-	-	45,450
<u>17,550</u>	<u>12,000</u>	<u>7,195,902</u>
-	3,000	(140,341)
-	-	1,180,884
-	-	(1,275,153)
-	-	(94,269)
-	3,000	(234,610)
-	-	5,387,731
<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 5,153,121</u>

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**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
STREET CONSTRUCTION FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Income taxes . . . . .	\$ 2,445,000	\$ 2,445,000	\$ 1,275,000	\$ (1,170,000)
Intergovernmental. . . . .	2,011,000	2,011,000	1,980,014	(30,986)
Investment income . . . . .	8,000	8,000	20,960	12,960
Other . . . . .	536,000	536,000	54,218	(481,782)
Total revenues. . . . .	<u>5,000,000</u>	<u>5,000,000</u>	<u>3,330,192</u>	<u>(1,669,808)</u>
<b>Expenditures:</b>				
Current:				
Transportation				
Personal services . . . . .	1,567,393	1,709,744	1,632,814	76,930
Other . . . . .	2,039,832	2,225,090	1,241,555	983,535
Capital outlay				
Other . . . . .	797,075	869,466	580,692	288,774
Total expenditures . . . . .	<u>4,404,300</u>	<u>4,804,300</u>	<u>3,455,061</u>	<u>1,349,239</u>
Net change in fund balance. . . . .	595,700	195,700	(124,869)	(320,569)
<b>Unencumbered fund balance at beginning of year.</b>	977,551	977,551	977,551	-
<b>Prior year encumbrances appropriated . . .</b>	<u>416,749</u>	<u>416,749</u>	<u>416,749</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . .</b>	<u>\$ 1,990,000</u>	<u>\$ 1,590,000</u>	<u>\$ 1,269,431</u>	<u>\$ (320,569)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
STATE HIGHWAY IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 274,250	\$ 274,250	\$ 123,999	\$ (150,251)
Investment income . . . . .	250	250	772	522
Other . . . . .	26,000	26,000	3,323	(22,677)
Total revenues . . . . .	<u>300,500</u>	<u>300,500</u>	<u>128,094</u>	<u>(172,406)</u>
<b>Expenditures:</b>				
Current:				
Transportation				
Personal services . . . . .	62,606	71,300	60,296	11,004
Other . . . . .	81,408	92,714	40,664	52,050
Total expenditures . . . . .	<u>144,014</u>	<u>164,014</u>	<u>100,960</u>	<u>63,054</u>
Net change in fund balance . . . . .	156,486	136,486	27,134	(109,352)
<b>Unencumbered fund balance at beginning of year.</b>	28,570	28,570	28,570	-
<b>Prior year encumbrances appropriated . . .</b>	<u>12,008</u>	<u>12,008</u>	<u>12,008</u>	<u>-</u>
<b>Unencumbered fund balance at end of year . . .</b>	<u>\$ 197,064</u>	<u>\$ 177,064</u>	<u>\$ 67,712</u>	<u>\$ (109,352)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**POLICE PENSION AND DISABILITY FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property and other local taxes. . . . .	\$ 259,171	\$ 258,481	\$ 229,023	\$ (29,458)
Intergovernmental. . . . .	41,250	41,250	29,638	(11,612)
Total revenues. . . . .	<u>300,421</u>	<u>299,731</u>	<u>258,661</u>	<u>(41,070)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Personal services . . . . .	680,374	730,034	668,924	61,110
Other . . . . .	4,660	5,000	4,966	34
Total expenditures . . . . .	<u>685,034</u>	<u>735,034</u>	<u>673,890</u>	<u>61,144</u>
Excess of expenditures over revenues . . . . .	<u>(384,613)</u>	<u>(435,303)</u>	<u>(415,229)</u>	<u>20,074</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	509,645	509,645	415,229	(94,416)
Total other financing sources. . . . .	<u>509,645</u>	<u>509,645</u>	<u>415,229</u>	<u>(94,416)</u>
Net change in fund balance . . . . .	125,032	74,342	-	(74,342)
<b>Unencumbered fund balance at beginning of year.</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Unencumbered fund balance at end of year . . . .</b>	<u>\$ 125,032</u>	<u>\$ 74,342</u>	<u>\$ -</u>	<u>\$ (74,342)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**FIRE PENSION AND DISABILITY FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property and other local taxes . . . . .	\$ 259,171	\$ 258,481	\$ 229,022	\$ (29,459)
Intergovernmental . . . . .	41,250	41,250	29,638	(11,612)
Total revenues. . . . .	<u>300,421</u>	<u>299,731</u>	<u>258,660</u>	<u>(41,071)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Personal services . . . . .	678,228	742,793	704,687	38,106
Other . . . . .	4,565	5,000	4,966	34
Total expenditures . . . . .	<u>682,793</u>	<u>747,793</u>	<u>709,653</u>	<u>38,140</u>
Excess of expenditures over revenues . . . . .	<u>(382,372)</u>	<u>(448,062)</u>	<u>(450,993)</u>	<u>(2,931)</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	541,900	541,900	450,993	(90,907)
Total other financing sources. . . . .	<u>541,900</u>	<u>541,900</u>	<u>450,993</u>	<u>(90,907)</u>
Net change in fund balance. . . . .	159,528	93,838	-	(93,838)
<b>Unencumbered fund balance at beginning of year.</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Unencumbered fund balance at end of year . . .</b>	<u>\$ 159,528</u>	<u>\$ 93,838</u>	<u>\$ -</u>	<u>\$ (93,838)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
MOTOR VEHICLE LICENSE TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 564,000	\$ 564,000	\$ 247,908	\$ (316,092)
Investment income . . . . .	11,000	11,000	1,825	(9,175)
Total revenues. . . . .	<u>575,000</u>	<u>575,000</u>	<u>249,733</u>	<u>(325,267)</u>
<b>Expenditures:</b>				
Capital outlay				
Other . . . . .	<u>374,459</u>	<u>474,459</u>	<u>250,000</u>	<u>224,459</u>
Total expenditures . . . . .	<u>374,459</u>	<u>474,459</u>	<u>250,000</u>	<u>224,459</u>
Net change in fund balance . . . . .	200,541	100,541	(267)	(100,808)
<b>Unencumbered fund balance at beginning of year.</b>	<u>129,459</u>	<u>129,459</u>	<u>129,459</u>	<u>-</u>
<b>Unencumbered fund balance at end of year . . . .</b>	<u>\$ 330,000</u>	<u>\$ 230,000</u>	<u>\$ 129,192</u>	<u>\$ (100,808)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ODNR LITTER PREVENTION GRANT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental. . . . .	\$ 48,000	\$ 48,000	\$ -	\$ (48,000)
Total revenues. . . . .	<u>48,000</u>	<u>48,000</u>	<u>-</u>	<u>(48,000)</u>
<b>Expenditures:</b>				
Current:				
Public health				
Personal services . . . . .	11,780	16,271	10,994	5,277
Other . . . . .	<u>53,800</u>	<u>74,309</u>	<u>19,292</u>	<u>55,017</u>
Total expenditures. . . . .	<u>65,580</u>	<u>90,580</u>	<u>30,286</u>	<u>60,294</u>
Excess of expenditures over revenues . . . . .	<u>(17,580)</u>	<u>(42,580)</u>	<u>(30,286)</u>	<u>12,294</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	<u>87,000</u>	<u>87,000</u>	<u>-</u>	<u>(87,000)</u>
Total other financing sources . . . . .	<u>87,000</u>	<u>87,000</u>	<u>-</u>	<u>(87,000)</u>
Net change in fund balance . . . . .	69,420	44,420	(30,286)	(74,706)
<b>Unencumbered fund balance at beginning of year.</b>	<u>37,580</u>	<u>37,580</u>	<u>37,580</u>	<u>-</u>
<b>Unencumbered fund balance at end of year . . . .</b>	<u>\$ 107,000</u>	<u>\$ 82,000</u>	<u>\$ 7,294</u>	<u>\$ (74,706)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
EMS TRANSPORT FEES FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 1,248,800	\$ 1,248,800	\$ 835,101	\$ (413,699)
Other. . . . .	200	200	-	(200)
Total revenues . . . . .	1,249,000	1,249,000	835,101	(413,899)
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Personal services . . . . .	329,859	351,379	345,696	5,683
Other. . . . .	606,222	645,771	274,467	371,304
Capital outlay				
Other. . . . .	91,059	97,000	96,184	816
Debt service:				
Principal retirement . . . . .	79,794	85,000	85,000	-
Interest and fiscal charges . . . . .	42,666	45,450	45,450	-
Total expenditures . . . . .	1,149,600	1,224,600	846,797	377,803
Net change in fund balance . . . . .	99,400	24,400	(11,696)	(36,096)
<b>Unencumbered fund balance at beginning of year.</b>	408,602	408,602	408,602	-
<b>Prior year encumbrances appropriated. . .</b>	15,798	15,798	15,798	-
<b>Unencumbered fund balance at end of year . . .</b>	\$ 523,800	\$ 448,800	\$ 412,704	\$ (36,096)

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**POLICE ENFORCEMENT AND EDUCATION FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 6,800	\$ 6,800	\$ 1,613	\$ (5,187)
Total revenues . . . . .	<u>6,800</u>	<u>6,800</u>	<u>1,613</u>	<u>(5,187)</u>
<b>Expenditures:</b>				
Capital outlay				
Other . . . . .	7,307	7,307	-	7,307
Total expenditures . . . . .	<u>7,307</u>	<u>7,307</u>	<u>-</u>	<u>7,307</u>
Net change in fund balance. . . . .	(507)	(507)	1,613	2,120
<b>Unencumbered fund balance at beginning of year.</b>	<u>5,507</u>	<u>5,507</u>	<u>5,507</u>	<u>-</u>
<b>Unencumbered fund balance at end of year . . .</b>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 7,120</u>	<u>\$ 2,120</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SPECIAL ASSESSMENT IMPROVEMENTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Special assessments. . . . .	\$ 110,000	\$ 110,000	\$ 36,780	\$ (73,220)
Total revenues. . . . .	<u>110,000</u>	<u>110,000</u>	<u>36,780</u>	<u>(73,220)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Other . . . . .	<u>35,797</u>	<u>55,797</u>	<u>39,403</u>	<u>16,394</u>
Total expenditures. . . . .	<u>35,797</u>	<u>55,797</u>	<u>39,403</u>	<u>16,394</u>
Net change in fund balance. . . . .	74,203	54,203	(2,623)	(56,826)
<b>Unencumbered fund balance at beginning of year.</b>	<u>3,797</u>	<u>3,797</u>	<u>3,797</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . . .</b>	<u>\$ 78,000</u>	<u>\$ 58,000</u>	<u>\$ 1,174</u>	<u>\$ (56,826)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**TREE TRUST FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Special assessments. . . . .	\$ -	\$ -	\$ 266	\$ 266
Other . . . . .	32,433	32,433	111,659	79,226
Total revenues. . . . .	<u>32,433</u>	<u>32,433</u>	<u>111,925</u>	<u>79,492</u>
<b>Expenditures:</b>				
Current:				
Leisure time activities				
Other . . . . .	84,725	84,725	69,070	15,655
Total expenditures . . . . .	<u>84,725</u>	<u>84,725</u>	<u>69,070</u>	<u>15,655</u>
Net change in fund balance. . . . .	(52,292)	(52,292)	42,855	95,147
<b>Unencumbered fund balance at beginning of year.</b>	117,567	117,567	117,567	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>4,625</u>	<u>4,625</u>	<u>4,625</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . . .</b>	<u>\$ 69,900</u>	<u>\$ 69,900</u>	<u>\$ 165,047</u>	<u>\$ 95,147</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
COMMUNICATIONS TOWER FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Rental . . . . .	\$ 345,000	\$ 345,000	\$ 110,221	\$ (234,779)
Contributions and donations . . . . .	5,000	5,000	3,949	(1,051)
Total revenues. . . . .	<u>350,000</u>	<u>350,000</u>	<u>114,170</u>	<u>(235,830)</u>
<b>Expenditures:</b>				
Current:				
Community and economic development				
Other . . . . .	242,908	242,908	48,262	194,646
Capital outlay				
Other . . . . .	219,988	219,988	204,498	15,490
Total expenditures. . . . .	<u>462,896</u>	<u>462,896</u>	<u>252,760</u>	<u>210,136</u>
Net change in fund balance. . . . .	(112,896)	(112,896)	(138,590)	(25,694)
<b>Unencumbered fund balance at beginning of year.</b>	159,812	159,812	159,812	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>8,896</u>	<u>8,896</u>	<u>8,896</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . . .</b>	<u>\$ 55,812</u>	<u>\$ 55,812</u>	<u>\$ 30,118</u>	<u>\$ (25,694)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
CEMETERY TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other . . . . .	\$ 72,455	\$ 72,455	\$ 22,154	\$ (50,301)
Total revenues. . . . .	<u>72,455</u>	<u>72,455</u>	<u>22,154</u>	<u>(50,301)</u>
<b>Expenditures:</b>				
Current:				
Public health				
Other . . . . .	43,754	43,754	24,343	19,411
Total expenditures . . . . .	<u>43,754</u>	<u>43,754</u>	<u>24,343</u>	<u>19,411</u>
Net change in fund balance. . . . .	28,701	28,701	(2,189)	(30,890)
<b>Unencumbered fund balance at beginning of year.</b>	2,545	2,545	2,545	-
<b>Prior year encumbrances appropriated . . . .</b>	<u>3,754</u>	<u>3,754</u>	<u>3,754</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . .</b>	<u>\$ 35,000</u>	<u>\$ 35,000</u>	<u>\$ 4,110</u>	<u>\$ (30,890)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**PARK IMPROVEMENTS FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Contributions and donations . . . . .	\$ -	\$ -	\$ 1,000	\$ 1,000
Other . . . . .	8,384	8,384	-	(8,384)
Total revenues. . . . .	<u>8,384</u>	<u>8,384</u>	<u>1,000</u>	<u>(7,384)</u>
Net change in fund balance. . . . .	8,384	8,384	1,000	(7,384)
<b>Unencumbered fund balance at beginning of year.</b>	<u>16,616</u>	<u>16,616</u>	<u>16,616</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . .</b>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 17,616</u>	<u>\$ (7,384)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FEDERAL LAW ENFORCEMENT FORFEITED FEES FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other . . . . .	\$ 19,381	\$ 19,381	\$ -	\$ (19,381)
Total revenues. . . . .	<u>19,381</u>	<u>19,381</u>	<u>-</u>	<u>(19,381)</u>
Net change in fund balance. . . . .	19,381	19,381	-	(19,381)
<b>Unencumbered fund balance at beginning of year.</b>	<u>15,619</u>	<u>15,619</u>	<u>15,619</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . . .</b>	<u>\$ 35,000</u>	<u>\$ 35,000</u>	<u>\$ 15,619</u>	<u>\$ (19,381)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
COMMUNITY EVENTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 9,500	\$ 9,500	\$ 6,846	\$ (2,654)
Licenses and permits. . . . .	-	-	7,500	7,500
Contributions and donations. . . . .	12,000	12,000	7,700	(4,300)
Other . . . . .	34,000	34,000	9,384	(24,616)
<b>Total revenues. . . . .</b>	<u>55,500</u>	<u>55,500</u>	<u>31,430</u>	<u>(24,070)</u>
<b>Expenditures:</b>				
Current:				
Leisure time activities				
Other . . . . .	92,061	117,061	71,379	45,682
<b>Total expenditures . . . . .</b>	<u>92,061</u>	<u>117,061</u>	<u>71,379</u>	<u>45,682</u>
Excess of expenditures over revenues . . . . .	<u>(36,561)</u>	<u>(61,561)</u>	<u>(39,949)</u>	<u>21,612</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	98,500	98,500	45,000	(53,500)
<b>Total other financing sources. . . . .</b>	<u>98,500</u>	<u>98,500</u>	<u>45,000</u>	<u>(53,500)</u>
Net change in fund balance. . . . .	61,939	36,939	5,051	(31,888)
<b>Unencumbered fund balance at beginning of year.</b>	<u>1,561</u>	<u>1,561</u>	<u>1,561</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . . .</b>	<u>\$ 63,500</u>	<u>\$ 38,500</u>	<u>\$ 6,612</u>	<u>\$ (31,888)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SAFETY TOWN FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Contributions and donations. . . . .	\$ 10,000	\$ 10,000	\$ 6,600	\$ (3,400)
Total revenues. . . . .	<u>10,000</u>	<u>10,000</u>	<u>6,600</u>	<u>(3,400)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Other. . . . .	9,760	12,760	9,360	3,400
Total expenditures . . . . .	<u>9,760</u>	<u>12,760</u>	<u>9,360</u>	<u>3,400</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>240</u>	<u>(2,760)</u>	<u>(2,760)</u>	<u>-</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	5,000	5,000	-	(5,000)
Total other financing sources. . . . .	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Net change in fund balance. . . . .	5,240	2,240	(2,760)	(5,000)
<b>Unencumbered fund balance at beginning of year.</b>	2,563	2,563	2,563	-
<b>Prior year encumbrances appropriated . . .</b>	<u>197</u>	<u>197</u>	<u>197</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . .</b>	<u>\$ 8,000</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ (5,000)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
D.A.R.E. PROGRAM FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 60,000	\$ 60,000	\$ 16,847	\$ (43,153)
Total revenues. . . . .	<u>60,000</u>	<u>60,000</u>	<u>16,847</u>	<u>(43,153)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Personal services. . . . .	10,000	20,000	384	19,616
Other. . . . .	11,100	11,100	6,904	4,196
Total expenditures . . . . .	<u>21,100</u>	<u>31,100</u>	<u>7,288</u>	<u>23,812</u>
Excess of revenues over expenditures. . . . .	<u>38,900</u>	<u>28,900</u>	<u>9,559</u>	<u>(19,341)</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	24,310	24,310	8,000	(16,310)
Total other financing sources. . . . .	<u>24,310</u>	<u>24,310</u>	<u>8,000</u>	<u>(16,310)</u>
Net change in fund balance. . . . .	63,210	53,210	17,559	(35,651)
<b>Unencumbered fund balance at beginning of year.</b>	<u>690</u>	<u>690</u>	<u>690</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . . .</b>	<u>\$ 63,900</u>	<u>\$ 53,900</u>	<u>\$ 18,249</u>	<u>\$ (35,651)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**FIRE DEPARTMENT EMERGENCY EQUIPMENT FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Contributions and donations . . . . .	\$ 21,460	\$ 21,460	\$ 1,430	\$ (20,030)
Total revenues . . . . .	<u>21,460</u>	<u>21,460</u>	<u>1,430</u>	<u>(20,030)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Other. . . . .	20,000	20,000	250	19,750
Total expenditures . . . . .	<u>20,000</u>	<u>20,000</u>	<u>250</u>	<u>19,750</u>
Net change in fund balance. . . . .	1,460	1,460	1,180	(280)
<b>Unencumbered fund balance at beginning of year.</b>	<u>3,540</u>	<u>3,540</u>	<u>3,540</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . . .</b>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 4,720</u>	<u>\$ (280)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
POLICE DEPARTMENT EMERGENCY EQUIPMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Contributions and donations. . . . .	\$ 38,640	\$ 38,640	\$ 5,132	\$ (33,508)
Total revenues . . . . .	<u>38,640</u>	<u>38,640</u>	<u>5,132</u>	<u>(33,508)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Other. . . . .	45,684	45,684	3,605	42,079
Total expenditures . . . . .	<u>45,684</u>	<u>45,684</u>	<u>3,605</u>	<u>42,079</u>
Net change in fund balance. . . . .	(7,044)	(7,044)	1,527	8,571
<b>Unencumbered fund balance at beginning of year.</b>	16,360	16,360	16,360	-
<b>Prior year encumbrances appropriated . . .</b>	<u>684</u>	<u>684</u>	<u>684</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . .</b>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 18,571</u>	<u>\$ 8,571</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**PARKS LODGE IMPROVEMENTS FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 15,067	\$ 15,067	\$ 18,925	\$ 3,858
Total revenues. . . . .	<u>15,067</u>	<u>15,067</u>	<u>18,925</u>	<u>3,858</u>
<b>Expenditures:</b>				
Current:				
Leisure time activities				
Other . . . . .	17,500	17,500	10,550	6,950
Capital outlay				
Other . . . . .	<u>5,000</u>	<u>5,000</u>	<u>3,282</u>	<u>1,718</u>
Total expenditures . . . . .	<u>22,500</u>	<u>22,500</u>	<u>13,832</u>	<u>8,668</u>
Net change in fund balance. . . . .	(7,433)	(7,433)	5,093	12,526
<b>Unencumbered fund balance at beginning of year.</b>	<u>9,933</u>	<u>9,933</u>	<u>9,933</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . .</b>	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 15,026</u>	<u>\$ 12,526</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
COMMUNITY RELATIONS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures:</b>				
Current:				
Community and economic development				
Other . . . . .	\$ 25,000	\$ 25,000	\$ 895	\$ 24,105
Total expenditures . . . . .	<u>25,000</u>	<u>25,000</u>	<u>895</u>	<u>24,105</u>
Excess of expenditures over revenues . . . . .	<u>(25,000)</u>	<u>(25,000)</u>	<u>(895)</u>	<u>24,105</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	<u>28,332</u>	<u>28,332</u>	<u>2,200</u>	<u>(26,132)</u>
Total other financing sources. . . . .	<u>28,332</u>	<u>28,332</u>	<u>2,200</u>	<u>(26,132)</u>
Net change in fund balance. . . . .	3,332	3,332	1,305	(2,027)
<b>Unencumbered fund balance at beginning of year.</b>	<u>6,668</u>	<u>6,668</u>	<u>6,668</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . .</b>	<u><u>\$ 10,000</u></u>	<u><u>\$ 10,000</u></u>	<u><u>\$ 7,973</u></u>	<u><u>\$ (2,027)</u></u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SS BALLFIELD COMPLEX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other . . . . .	\$ 32,915	\$ 32,915	\$ 5,305	\$ (27,610)
Total revenues . . . . .	<u>32,915</u>	<u>32,915</u>	<u>5,305</u>	<u>(27,610)</u>
<b>Expenditures:</b>				
Current:				
Leisure time activities				
Other . . . . .	25,500	25,500	1,085	24,415
Capital outlay				
Other . . . . .	<u>4,500</u>	<u>4,500</u>	<u>4,300</u>	<u>200</u>
Total expenditures . . . . .	<u>30,000</u>	<u>30,000</u>	<u>5,385</u>	<u>24,615</u>
Net change in fund balance . . . . .	2,915	2,915	(80)	(2,995)
<b>Unencumbered fund balance at beginning of year.</b>	<u>2,085</u>	<u>2,085</u>	<u>2,085</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . .</b>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 2,005</u>	<u>\$ (2,995)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**CITY LODGING TAX FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property and other local taxes . . . . .	\$ 440,000	\$ 440,000	\$ 331,637	\$ (108,363)
Other . . . . .	10,000	10,000	1,840	(8,160)
Total revenues . . . . .	<u>450,000</u>	<u>450,000</u>	<u>333,477</u>	<u>(116,523)</u>
<b>Expenditures:</b>				
Current:				
General government				
Personal services . . . . .	269,801	269,801	253,724	16,077
Other . . . . .	673,137	673,137	73,000	600,137
Total expenditures . . . . .	<u>942,938</u>	<u>942,938</u>	<u>326,724</u>	<u>616,214</u>
Net change in fund balance. . . . .	(492,938)	(492,938)	6,753	499,691
<b>Unencumbered fund balance at beginning of year.</b>	<u>637,938</u>	<u>637,938</u>	<u>637,938</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . .</b>	<u>\$ 145,000</u>	<u>\$ 145,000</u>	<u>\$ 644,691</u>	<u>\$ 499,691</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ENHANCED 911 WIRELESS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 420,425	\$ 420,425	\$ 62,344	\$ (358,081)
Total revenues. . . . .	<u>420,425</u>	<u>420,425</u>	<u>62,344</u>	<u>(358,081)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Other . . . . .	36,628	36,628	1,625	35,003
Capital outlay				
Other . . . . .	<u>647,382</u>	<u>647,382</u>	<u>97,382</u>	<u>550,000</u>
Total expenditures . . . . .	<u>684,010</u>	<u>684,010</u>	<u>99,007</u>	<u>585,003</u>
Net change in fund balance. . . . .	(263,585)	(263,585)	(36,663)	226,922
<b>Unencumbered fund balance at beginning of year.</b>	179,575	179,575	179,575	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>109,010</u>	<u>109,010</u>	<u>109,010</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . .</b>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 251,922</u>	<u>\$ 226,922</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**POLICE OFFICER TRAINING FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other . . . . .	\$ 34,751	\$ 34,751	\$ -	\$ (34,751)
Total revenues . . . . .	<u>34,751</u>	<u>34,751</u>	<u>-</u>	<u>(34,751)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Other . . . . .	35,506	35,506	10,506	25,000
Total expenditures . . . . .	<u>35,506</u>	<u>35,506</u>	<u>10,506</u>	<u>25,000</u>
Net change in fund balance. . . . .	(755)	(755)	(10,506)	(9,751)
<b>Unencumbered fund balance at beginning of year.</b>	249	249	249	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>10,506</u>	<u>10,506</u>	<u>10,506</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . . .</b>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 249</u>	<u>\$ (9,751)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
YOUTH DIVISION TEEN CENTER FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other . . . . .	\$ 3,800	\$ 3,800	\$ -	\$ (3,800)
Total revenues. . . . .	<u>3,800</u>	<u>3,800</u>	<u>-</u>	<u>(3,800)</u>
Net change in fund balance. . . . .	3,800	3,800	-	(3,800)
<b>Unencumbered fund balance at beginning of year.</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . .</b>	<u>\$ 3,800</u>	<u>\$ 3,800</u>	<u>\$ -</u>	<u>\$ (3,800)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FEMA FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Total revenues. . . . .	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
<b>Expenditures:</b>				
Capital outlay				
Other . . . . .	10,000	10,000	-	10,000
Total expenditures . . . . .	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net change in fund balance. . . . .	10,000	10,000	-	(10,000)
<b>Unencumbered fund balance at beginning of year.</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . . .</b>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ (10,000)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
COURT SPECIAL PROJECTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 665,000	\$ 665,000	\$ 647,515	\$ (17,485)
Investment income . . . . .	6,000	6,000	13,521	7,521
Contributions and donations . . . . .	5,000	5,000	-	(5,000)
Total revenues. . . . .	<u>676,000</u>	<u>676,000</u>	<u>661,036</u>	<u>(14,964)</u>
<b>Expenditures:</b>				
Current:				
General government				
Other . . . . .	<u>288,139</u>	<u>374,038</u>	<u>-</u>	<u>374,038</u>
Total expenditures . . . . .	<u>288,139</u>	<u>374,038</u>	<u>-</u>	<u>374,038</u>
Excess of revenues over expenditures . . . . .	<u>387,861</u>	<u>301,962</u>	<u>661,036</u>	<u>359,074</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	674,000	674,000	204,289	(469,711)
Transfers (out) . . . . .	(885,899)	(1,150,000)	(930,691)	219,309
Total other financing sources (uses) . . . . .	<u>(211,899)</u>	<u>(476,000)</u>	<u>(726,402)</u>	<u>(250,402)</u>
Net change in fund balance. . . . .	175,962	(174,038)	(65,366)	108,672
<b>Unencumbered fund balance at beginning of year.</b>	<u>368,038</u>	<u>368,038</u>	<u>368,038</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . . .</b>	<u>\$ 544,000</u>	<u>\$ 194,000</u>	<u>\$ 302,672</u>	<u>\$ 108,672</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**PROBATION SERVICES FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 295,000	\$ 295,000	\$ 231,534	\$ (63,466)
Total revenues. . . . .	<u>295,000</u>	<u>295,000</u>	<u>231,534</u>	<u>(63,466)</u>
<b>Expenditures:</b>				
Current:				
General government				
Other . . . . .	218,966	248,989	138,945	110,044
Capital outlay				
Other . . . . .	<u>13,780</u>	<u>15,670</u>	<u>670</u>	<u>15,000</u>
Total expenditures . . . . .	<u>232,746</u>	<u>264,659</u>	<u>139,615</u>	<u>125,044</u>
Excess of revenues over expenditures . . . . .	<u>62,254</u>	<u>30,341</u>	<u>91,919</u>	<u>61,578</u>
<b>Other financing sources (uses):</b>				
Transfers in. . . . .	102,500	102,500	-	(102,500)
Transfers (out) . . . . .	<u>(131,913)</u>	<u>(150,000)</u>	<u>(125,000)</u>	<u>25,000</u>
Total other financing sources (uses) . . . . .	<u>(29,413)</u>	<u>(47,500)</u>	<u>(125,000)</u>	<u>(77,500)</u>
Net change in fund balance. . . . .	32,841	(17,159)	(33,081)	(15,922)
<b>Unencumbered fund balance at beginning of year.</b>	48,816	48,816	48,816	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>20,843</u>	<u>20,843</u>	<u>20,843</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . . .</b>	<u>\$ 102,500</u>	<u>\$ 52,500</u>	<u>\$ 36,578</u>	<u>\$ (15,922)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
INDIGENT DRIVERS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 36,000	\$ 36,000	\$ 27,621	\$ (8,379)
Intergovernmental . . . . .	28,000	28,000	27,723	(277)
Total revenues. . . . .	64,000	64,000	55,344	(8,656)
<b>Expenditures:</b>				
Current:				
General government				
Other . . . . .	94,661	94,661	-	94,661
Total expenditures. . . . .	94,661	94,661	-	94,661
Excess (deficiency) of revenues over (under) expenditures . . . . .	(30,661)	(30,661)	55,344	86,005
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	78,000	78,000	15,173	(62,827)
Transfers (out) . . . . .	(300,000)	(300,000)	(177,516)	122,484
Total other financing sources (uses) . . . . .	(222,000)	(222,000)	(162,343)	59,657
Net change in fund balance. . . . .	(252,661)	(252,661)	(106,999)	145,662
<b>Unencumbered fund balance at beginning of year.</b>	330,661	330,661	330,661	-
<b>Unencumbered fund balance at end of year. . . . .</b>	\$ 78,000	\$ 78,000	\$ 223,662	\$ 145,662

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**COURT TECHNOLOGY FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>(Negative)</u>
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 62,000	\$ 62,000	\$ 55,870	\$ (6,130)
Other. . . . .	10,000	10,000	1,104	(8,896)
<b>Total revenues . . . . .</b>	<u>72,000</u>	<u>72,000</u>	<u>56,974</u>	<u>(15,026)</u>
<b>Expenditures:</b>				
Current:				
General government				
Personal services . . . . .	27,204	54,909	49,839	5,070
Other. . . . .	28,306	57,134	40,523	16,611
Capital outlay				
Other. . . . .	18,132	36,599	11,388	25,211
<b>Total expenditures . . . . .</b>	<u>73,642</u>	<u>148,642</u>	<u>101,750</u>	<u>46,892</u>
Excess of expenditures over revenues . . . . .	<u>(1,642)</u>	<u>(76,642)</u>	<u>(44,776)</u>	<u>31,866</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	88,000	88,000	40,000	(48,000)
<b>Total other financing sources. . . . .</b>	<u>88,000</u>	<u>88,000</u>	<u>40,000</u>	<u>(48,000)</u>
Net change in fund balance. . . . .	86,358	11,358	(4,776)	(16,134)
<b>Unencumbered fund balance at beginning of year.</b>	20,818	20,818	20,818	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>824</u>	<u>824</u>	<u>824</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . . .</b>	<u>\$ 108,000</u>	<u>\$ 33,000</u>	<u>\$ 16,866</u>	<u>\$ (16,134)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
COURT CLERK TECHNOLOGY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 75,000	\$ 75,000	\$ 60,178	\$ (14,822)
Other . . . . .	5,000	5,000	1,104	(3,896)
<b>Total revenues . . . . .</b>	<b>80,000</b>	<b>80,000</b>	<b>61,282</b>	<b>(18,718)</b>
<b>Expenditures:</b>				
Current:				
General government				
Personal services . . . . .	39,334	49,909	49,839	70
Other . . . . .	214,013	271,552	69,365	202,187
Capital outlay				
Other . . . . .	25,614	32,500	32,220	280
<b>Total expenditures . . . . .</b>	<b>278,961</b>	<b>353,961</b>	<b>151,424</b>	<b>202,537</b>
Excess of expenditures over revenues . . . . .	(198,961)	(273,961)	(90,142)	183,819
<b>Other financing sources:</b>				
Transfers in . . . . .	345,000	345,000	-	(345,000)
Total other financing sources . . . . .	345,000	345,000	-	(345,000)
Net change in fund balance . . . . .	146,039	71,039	(90,142)	(161,181)
<b>Unencumbered fund balance at beginning of year.</b>	218,228	218,228	218,228	-
<b>Prior year encumbrances appropriated . . . . .</b>	733	733	733	-
<b>Unencumbered fund balance at end of year . . . . .</b>	<b>\$ 365,000</b>	<b>\$ 290,000</b>	<b>\$ 128,819</b>	<b>\$ (161,181)</b>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**IDIA MONITORING FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 19,500	\$ 19,500	\$ 14,254	\$ (5,246)
Intergovernmental . . . . .	35,000	35,000	27,692	(7,308)
Total revenues. . . . .	<u>54,500</u>	<u>54,500</u>	<u>41,946</u>	<u>(12,554)</u>
Excess of revenues over expenditures . . . . .	<u>54,500</u>	<u>54,500</u>	<u>41,946</u>	<u>(12,554)</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	138,500	138,500	-	(138,500)
Transfers (out) . . . . .	<u>(74,500)</u>	<u>(174,500)</u>	<u>(41,946)</u>	<u>132,554</u>
Total other financing sources (uses) . . . . .	<u>64,000</u>	<u>(36,000)</u>	<u>(41,946)</u>	<u>(5,946)</u>
Net change in fund balance. . . . .	118,500	18,500	-	(18,500)
<b>Unencumbered fund balance at beginning of year.</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . . .</b>	<u>\$ 118,500</u>	<u>\$ 18,500</u>	<u>\$ -</u>	<u>\$ (18,500)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
9-11 MEMORIAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Unencumbered fund balance at beginning of year.</b>	\$ 2,500	\$ 2,500	\$ 2,500	\$ -
<b>Unencumbered fund balance at end of year. . . .</b>	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ -</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**POLICE FORFEITED CASH FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Unencumbered fund balance at beginning of year.</b>	\$ 929	\$ 929	\$ 929	\$ -
<b>Unencumbered fund balance at end of year. . . .</b>	<u>\$ 929</u>	<u>\$ 929</u>	<u>\$ 929</u>	<u>\$ -</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**POLICE DRUG FORFEITED CASH FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ -	\$ -	\$ 10,898	\$ 10,898
Other . . . . .	11,512	11,512	672	(10,840)
<b>Total revenues . . . . .</b>	<u>11,512</u>	<u>11,512</u>	<u>11,570</u>	<u>58</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Other . . . . .	20,000	20,000	9,133	10,867
Capital outlay				
Other . . . . .	5,175	5,175	5,175	-
<b>Total expenditures . . . . .</b>	<u>25,175</u>	<u>25,175</u>	<u>14,308</u>	<u>10,867</u>
<b>Net change in fund balance . . . . .</b>	(13,663)	(13,663)	(2,738)	10,925
<b>Unencumbered fund balance at beginning of year.</b>	63,488	63,488	63,488	-
<b>Prior year encumbrances appropriated . . . .</b>	<u>5,175</u>	<u>5,175</u>	<u>5,175</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . .</b>	<u>\$ 55,000</u>	<u>\$ 55,000</u>	<u>\$ 65,925</u>	<u>\$ 10,925</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**FIRE BOND INSURANCE FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other . . . . .	\$ 57,450	\$ 57,450	\$ 17,550	\$ (39,900)
Total revenues . . . . .	<u>57,450</u>	<u>57,450</u>	<u>17,550</u>	<u>(39,900)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Other . . . . .	20,000	20,000	17,550	2,450
Total expenditures . . . . .	<u>20,000</u>	<u>20,000</u>	<u>17,550</u>	<u>2,450</u>
Net change in fund balance . . . . .	37,450	37,450	-	(37,450)
<b>Unencumbered fund balance at beginning of year.</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . .</b>	<u>\$ 37,450</u>	<u>\$ 37,450</u>	<u>\$ -</u>	<u>\$ (37,450)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
COMMUNITY DEVELOPMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 225,000	\$ 225,000	\$ 15,000	\$ (210,000)
Total revenues. . . . .	<u>225,000</u>	<u>225,000</u>	<u>15,000</u>	<u>(210,000)</u>
<b>Expenditures:</b>				
Capital outlay				
Other . . . . .	100,000	100,000	15,000	85,000
Total expenditures . . . . .	<u>100,000</u>	<u>100,000</u>	<u>15,000</u>	<u>85,000</u>
Net change in fund balance. . . . .	125,000	125,000	-	(125,000)
<b>Unencumbered fund balance at beginning of year.</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . . .</b>	<u>\$ 125,000</u>	<u>\$ 125,000</u>	<u>\$ -</u>	<u>\$ (125,000)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**RESIDENTIAL SNOW REMOVAL FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Other . . . . .	\$ 56,150	\$ 56,150	\$ 31,950	\$ 24,200
Total expenditures . . . . .	<u>56,150</u>	<u>56,150</u>	<u>31,950</u>	<u>24,200</u>
Excess of expenditures over revenues . . . . .	<u>(56,150)</u>	<u>(56,150)</u>	<u>(31,950)</u>	<u>24,200</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	<u>34,000</u>	<u>34,000</u>	<u>12,500</u>	<u>(21,500)</u>
Total other financing sources. . . . .	<u>34,000</u>	<u>34,000</u>	<u>12,500</u>	<u>(21,500)</u>
Net change in fund balance. . . . .	(22,150)	(22,150)	(19,450)	2,700
<b>Unencumbered fund balance at beginning of year.</b>	22,905	22,905	22,905	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>20,745</u>	<u>20,745</u>	<u>20,745</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . . .</b>	<u>\$ 21,500</u>	<u>\$ 21,500</u>	<u>\$ 24,200</u>	<u>\$ 2,700</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
PARK AND RECREATION DEPOSITS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other . . . . .	\$ 383,588	\$ 383,588	\$ 274,537	\$ (109,051)
Total revenues . . . . .	<u>383,588</u>	<u>383,588</u>	<u>274,537</u>	<u>(109,051)</u>
<b>Expenditures:</b>				
Current:				
Leisure time activities				
Other . . . . .	375,000	375,000	255,185	119,815
Total expenditures . . . . .	<u>375,000</u>	<u>375,000</u>	<u>255,185</u>	<u>119,815</u>
Net change in fund balance. . . . .	8,588	8,588	19,352	10,764
<b>Unencumbered fund balance at beginning of year.</b>	<u>26,784</u>	<u>26,784</u>	<u>26,784</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . .</b>	<u>\$ 35,372</u>	<u>\$ 35,372</u>	<u>\$ 46,136</u>	<u>\$ 10,764</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**ROAD CONSTRUCTION BONDS FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Other . . . . .	\$ 30,000	\$ 30,000	\$ 12,800	\$ (17,200)
<b>Total revenues . . . . .</b>	<u>30,000</u>	<u>30,000</u>	<u>12,800</u>	<u>(17,200)</u>
<b>Expenditures:</b>				
Current:				
Transportation				
Other . . . . .	25,000	25,000	20,214	4,786
<b>Total expenditures . . . . .</b>	<u>25,000</u>	<u>25,000</u>	<u>20,214</u>	<u>4,786</u>
Net change in fund balance. . . . .	5,000	5,000	(7,414)	(12,414)
<b>Unencumbered fund balance at beginning of year.</b>	<u>39,521</u>	<u>39,521</u>	<u>39,521</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . .</b>	<u>\$ 44,521</u>	<u>\$ 44,521</u>	<u>\$ 32,107</u>	<u>\$ (12,414)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ALLOTMENT DEPOSITS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Unencumbered fund balance at beginning of year.</b>	\$ 64,612	\$ 64,612	\$ 64,612	\$ -
<b>Unencumbered fund balance at end of year. . . .</b>	<u>\$ 64,612</u>	<u>\$ 64,612</u>	<u>\$ 64,612</u>	<u>\$ -</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
MISCELLANEOUS SERVICE DEPOSITS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other . . . . .	\$ -	\$ -	\$ 9,119	\$ 9,119
Total revenues . . . . .	-	-	9,119	9,119
<b>Expenditures:</b>				
Current:				
Transportation				
Other . . . . .	110,000	110,000	6,000	104,000
Total expenditures . . . . .	110,000	110,000	6,000	104,000
Net change in fund balance. . . . .	(110,000)	(110,000)	3,119	113,119
<b>Unencumbered fund balance at beginning of year.</b>	<u>177,277</u>	<u>177,277</u>	<u>177,277</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. .</b>	<u>\$ 67,277</u>	<u>\$ 67,277</u>	<u>\$ 180,396</u>	<u>\$ 113,119</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
PAYROLL ADVANCE ROTARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Other . . . . .	\$ 15,000	\$ 15,000	\$ 483	\$ (14,517)
Total revenues . . . . .	15,000	15,000	483	(14,517)
<b>Expenditures:</b>				
Current:				
General government				
Miscellaneous				
Other . . . . .	10,000	10,000	483	9,517
Total expenditures . . . . .	10,000	10,000	483	9,517
Net change in fund balance. . . . .	5,000	5,000	-	(5,000)
<b>Unencumbered fund balance at beginning of year.</b>	-	-	-	-
<b>Unencumbered fund balance at end of year. . . .</b>	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**DEFERRED COMPENSATION ROTARY FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other . . . . .	\$ 10,000	\$ 10,000	\$ 560	\$ (9,440)
Total revenues . . . . .	<u>10,000</u>	<u>10,000</u>	<u>560</u>	<u>(9,440)</u>
<b>Expenditures:</b>				
Current:				
General government				
Miscellaneous				
Other . . . . .	7,500	7,500	560	6,940
Total expenditures . . . . .	<u>7,500</u>	<u>7,500</u>	<u>560</u>	<u>6,940</u>
Net change in fund balance. . . . .	2,500	2,500	-	(2,500)
<b>Unencumbered fund balance at beginning of year.</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . . .</b>	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ -</u>	<u>\$ (2,500)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FLEXIBLE SPENDING PLAN FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Other . . . . .	\$ 205,336	\$ 205,336	\$ 142,585	\$ (62,751)
Total revenues . . . . .	205,336	205,336	142,585	(62,751)
<b>Expenditures:</b>				
Current:				
General government				
Miscellaneous				
Other . . . . .	135,000	135,000	131,508	3,492
Total expenditures . . . . .	135,000	135,000	131,508	3,492
Net change in fund balance. . . . .	70,336	70,336	11,077	(59,259)
<b>Unencumbered fund balance at beginning of year.</b>	2,720	2,720	2,720	-
<b>Unencumbered fund balance at end of year. . . .</b>	\$ 73,056	\$ 73,056	\$ 13,797	\$ (59,259)

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
UNCLAIMED COURT BONDS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other . . . . .	\$ 14,789	\$ 14,789	\$ 5,522	\$ (9,267)
Total revenues . . . . .	<u>14,789</u>	<u>14,789</u>	<u>5,522</u>	<u>(9,267)</u>
<b>Expenditures:</b>				
Current:				
General government				
Miscellaneous				
Other . . . . .	70,000	70,000	-	70,000
Total expenditures . . . . .	<u>70,000</u>	<u>70,000</u>	<u>-</u>	<u>70,000</u>
Net change in fund balance. . . . .	(55,211)	(55,211)	5,522	60,733
<b>Unencumbered fund balance at beginning of year.</b>	<u>60,211</u>	<u>60,211</u>	<u>60,211</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . . .</b>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 65,733</u>	<u>\$ 60,733</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
UNCLAIMED MONEY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Other . . . . .	\$ 27,484	\$ 27,484	\$ 27,395	\$ (89)
Total revenues . . . . .	27,484	27,484	27,395	(89)
<b>Expenditures:</b>				
Current:				
General government				
Miscellaneous				
Other . . . . .	20,000	20,000	14,589	5,411
Total expenditures . . . . .	20,000	20,000	14,589	5,411
Net change in fund balance. . . . .	7,484	7,484	12,806	5,322
<b>Unencumbered fund balance at beginning of year.</b>	47,516	47,516	47,516	-
<b>Unencumbered fund balance at end of year. . . .</b>	\$ 55,000	\$ 55,000	\$ 60,322	\$ 5,322

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL OBLIGATION BOND RETIREMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Income taxes . . . . .	\$ 1,000,000	\$ 1,000,000	\$ 359,052	\$ (640,948)
Total revenues . . . . .	<u>1,000,000</u>	<u>1,000,000</u>	<u>359,052</u>	<u>(640,948)</u>
<b>Expenditures:</b>				
Debt service:				
Principal retirement. . . . .	233,478	383,478	233,478	150,000
Interest and fiscal charges. . . . .	125,575	185,575	125,574	60,001
Total expenditures . . . . .	<u>359,053</u>	<u>569,053</u>	<u>359,052</u>	<u>210,001</u>
Excess of revenues over expenditures. . . . .	<u>640,947</u>	<u>430,947</u>	<u>-</u>	<u>(430,947)</u>
<b>Other financing sources:</b>				
Bond issuance. . . . .	250,000	250,000	-	(250,000)
Total other financing sources. . . . .	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>(250,000)</u>
Net change in fund balance. . . . .	890,947	680,947	-	(680,947)
<b>Unencumbered fund balance at beginning of year.</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Unencumbered fund balance at end of year. . . . .</b>	<u>\$ 890,947</u>	<u>\$ 680,947</u>	<u>\$ -</u>	<u>\$ (680,947)</u>

**CITY OF STOW, OHIO**

*INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS - PROPRIETARY FUNDS*

**ENTERPRISE FUNDS**

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

**Major Enterprise Funds**

***Water Fund***

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

***Golf Fund***

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

***Storm Water Utility Fund***

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

**INTERNAL SERVICE FUNDS**

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

***Administrative Insurance Fund***

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

***Self-Insurance Fund***

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

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
WATER FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 5,243,000	\$ 5,243,000	\$ 5,058,418	\$ (184,582)
Tap-in fees . . . . .	120,000	120,000	95,799	(24,201)
Other. . . . .	53,300	53,300	26,073	(27,227)
Total revenues . . . . .	<u>5,416,300</u>	<u>5,416,300</u>	<u>5,180,290</u>	<u>(236,010)</u>
<b>Operating expenses:</b>				
Personal services. . . . .	1,577,060	1,577,060	1,557,139	19,921
Materials and supplies . . . . .	413,774	413,774	348,094	65,680
Contractual services . . . . .	2,514,167	2,514,167	2,382,467	131,700
Capital outlay . . . . .	8,709,486	8,709,486	2,890,347	5,819,139
Total expenses . . . . .	<u>13,214,487</u>	<u>13,214,487</u>	<u>7,178,047</u>	<u>6,036,440</u>
Operating (loss). . . . .	<u>(7,798,187)</u>	<u>(7,798,187)</u>	<u>(1,997,757)</u>	<u>5,800,430</u>
<b>Nonoperating revenues (expenses):</b>				
Special assessments . . . . .	12,000	12,000	6,966	(5,034)
Advances in . . . . .	3,655,200	3,655,200	650,000	(3,005,200)
Advances out. . . . .	(600,000)	(600,000)	(600,000)	-
Investment earnings . . . . .	66,500	66,500	13,000	(53,500)
Capital contributions . . . . .	75,000	75,000	-	(75,000)
Debt service:				
Principal retirement . . . . .	(63,927)	(63,927)	(63,927)	-
Interest and fiscal charges . . . . .	(11,576)	(11,576)	(11,576)	-
Total nonoperating revenues (expenses) . . . . .	<u>3,133,197</u>	<u>3,133,197</u>	<u>(5,537)</u>	<u>(3,138,734)</u>
Net change in fund equity . . . . .	(4,664,990)	(4,664,990)	(2,003,294)	2,661,696
<b>Unencumbered fund equity at beginning of year.</b>	7,364,369	7,364,369	7,364,369	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>611,321</u>	<u>611,321</u>	<u>611,321</u>	<u>-</u>
<b>Unencumbered fund equity at end of year. . . . .</b>	<u>\$ 3,310,700</u>	<u>\$ 3,310,700</u>	<u>\$ 5,972,396</u>	<u>\$ 2,661,696</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GOLF FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 1,010,000	\$ 1,010,000	\$ 948,966	\$ (61,034)
Other. . . . .	223,500	223,500	172,393	(51,107)
Total revenues. . . . .	<u>1,233,500</u>	<u>1,233,500</u>	<u>1,121,359</u>	<u>(112,141)</u>
<b>Operating expenses:</b>				
Personal services. . . . .	497,021	497,021	488,916	8,105
Materials and supplies . . . . .	841,059	841,059	490,575	350,484
Contractual services . . . . .	131,141	131,141	117,662	13,479
Capital outlay . . . . .	117,920	117,920	116,516	1,404
Total expenses . . . . .	<u>1,587,141</u>	<u>1,587,141</u>	<u>1,213,669</u>	<u>373,472</u>
Operating (loss). . . . .	<u>(353,641)</u>	<u>(353,641)</u>	<u>(92,310)</u>	<u>261,331</u>
<b>Nonoperating revenues (expenses):</b>				
Income taxes. . . . .	666,500	666,500	346,100	(320,400)
Debt service:				
Principal retirement . . . . .	(235,000)	(235,000)	(235,000)	-
Interest and fiscal charges. . . . .	(111,100)	(111,100)	(111,100)	-
Total nonoperating revenues (expenses). . . . .	<u>320,400</u>	<u>320,400</u>	<u>-</u>	<u>(320,400)</u>
Net change in fund equity . . . . .	(33,241)	(33,241)	(92,310)	(59,069)
<b>Unencumbered fund equity at beginning of year.</b>	455,537	455,537	455,537	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>138,104</u>	<u>138,104</u>	<u>138,104</u>	<u>-</u>
<b>Unencumbered fund equity at end of year. . . . .</b>	<u>\$ 560,400</u>	<u>\$ 560,400</u>	<u>\$ 501,331</u>	<u>\$ (59,069)</u>

CITY OF STOW, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 STORM WATER UTILITY FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 1,650,000	\$ 1,650,000	\$ 1,434,426	\$ (215,574)
Other. . . . .	40,000	40,000	21,606	(18,394)
Total revenues. . . . .	<u>1,690,000</u>	<u>1,690,000</u>	<u>1,456,032</u>	<u>(233,968)</u>
<b>Operating expenses:</b>				
Personal services. . . . .	366,612	366,612	298,518	68,094
Materials and supplies . . . . .	18,013	18,013	16,306	1,707
Contractual services . . . . .	34,370	34,370	10,893	23,477
Capital outlay . . . . .	<u>2,894,711</u>	<u>2,994,711</u>	<u>2,312,796</u>	<u>681,915</u>
Total expenses . . . . .	<u>3,313,706</u>	<u>3,413,706</u>	<u>2,638,513</u>	<u>775,193</u>
Operating (loss). . . . .	<u>(1,623,706)</u>	<u>(1,723,706)</u>	<u>(1,182,481)</u>	<u>541,225</u>
<b>Nonoperating revenues (expenses):</b>				
Special assessments . . . . .	18,500	18,500	1,455	(17,045)
Transfers in . . . . .	136,500	136,500	14,500	(122,000)
Advance in . . . . .	600,000	600,000	600,000	-
Advance out . . . . .	(650,000)	(650,000)	(650,000)	-
Capital contributions . . . . .	5,000	5,000	750	(4,250)
Debt service:				
Interest and fiscal charges. . . . .	<u>(13,000)</u>	<u>(13,000)</u>	<u>(13,000)</u>	<u>-</u>
Total nonoperating revenues (expenses) . . . . .	<u>97,000</u>	<u>97,000</u>	<u>(46,295)</u>	<u>(143,295)</u>
Net change in fund equity . . . . .	(1,526,706)	(1,626,706)	(1,228,776)	397,930
Unencumbered fund equity at beginning of year. . . . .	963,319	963,319	963,319	-
Prior year encumbrances appropriated . . . . .	<u>960,387</u>	<u>960,387</u>	<u>960,387</u>	<u>-</u>
Unencumbered fund equity at end of year. . . . .	<u>\$ 397,000</u>	<u>\$ 297,000</u>	<u>\$ 694,930</u>	<u>\$ 397,930</u>

**CITY OF STOW, OHIO**

*COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
DECEMBER 31, 2019*

	<b>Administrative Insurance</b>	<b>Self-Insurance</b>	<b>Total Internal Service Funds</b>
	<hr/>	<hr/>	<hr/>
<b>Assets:</b>			
Current assets:			
Equity in pooled cash and cash equivalents . . .	\$ 9,446	\$ 1,424,339	\$ 1,433,785
Receivables:			
Accounts . . . . .	-	39,397	39,397
	<hr/>	<hr/>	<hr/>
Total assets . . . . .	9,446	1,463,736	1,473,182
	<hr/>	<hr/>	<hr/>
<b>Liabilities:</b>			
Current liabilities:			
Claims payable . . . . .	-	595,937	595,937
	<hr/>	<hr/>	<hr/>
Total liabilities . . . . .	-	595,937	595,937
	<hr/>	<hr/>	<hr/>
<b>Net position:</b>			
Unrestricted . . . . .	9,446	867,799	877,245
	<hr/>	<hr/>	<hr/>
Total net position . . . . .	\$ 9,446	\$ 867,799	\$ 877,245
	<hr/>	<hr/>	<hr/>

**CITY OF STOW, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<b>Administrative Insurance</b>	<b>Self-Insurance</b>	<b>Total Internal Service Funds</b>
<b>Operating revenues:</b>			
Charges for services . . . . .	\$ 411,864	\$ 3,821,330	\$ 4,233,194
Other operating revenues . . . . .	-	528,425	528,425
Total operating revenues . . . . .	<u>411,864</u>	<u>4,349,755</u>	<u>4,761,619</u>
<b>Operating expenses:</b>			
Contract services . . . . .	413,312	-	413,312
Claims expense . . . . .	-	3,893,897	3,893,897
Total operating expenses . . . . .	<u>413,312</u>	<u>3,893,897</u>	<u>4,307,209</u>
Operating income (loss)/change in net position . . .	(1,448)	455,858	454,410
<b>Net position at beginning of year . . . . .</b>	<u>10,894</u>	<u>411,941</u>	<u>422,835</u>
<b>Net position at end of year . . . . .</b>	<u>\$ 9,446</u>	<u>\$ 867,799</u>	<u>\$ 877,245</u>

**CITY OF STOW, OHIO**

*COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<b>Administrative Insurance</b>	<b>Self-Insurance</b>	<b>Total Internal Service Funds</b>
<b>Cash flows from operating activities:</b>			
Cash received from customers . . . . .	\$ 411,864	\$ 3,820,435	\$ 4,232,299
Cash received from other operations . . . . .	-	490,819	490,819
Cash payments for contract services . . . . .	(413,312)	-	(413,312)
Cash payments for claims. . . . .	-	(3,826,961)	(3,826,961)
Net cash provided by (used in) operating activities . . . . .	<u>(1,448)</u>	<u>484,293</u>	<u>482,845</u>
Net increase (decrease) in cash and cash equivalents. . . . .	(1,448)	484,293	482,845
<b>Cash and cash equivalents at beginning of year . . . . .</b>	<u>10,894</u>	<u>940,046</u>	<u>950,940</u>
<b>Cash and cash equivalents at end of year . . .</b>	<u><u>\$ 9,446</u></u>	<u><u>\$ 1,424,339</u></u>	<u><u>\$ 1,433,785</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss). . . . .	\$ (1,448)	\$ 455,858	\$ 454,410
Changes in assets and liabilities:			
(Increase) in accounts receivable. . . . .	-	(38,501)	(38,501)
Increase in claims payable . . . . .	-	66,936	66,936
Net cash provided by (used in) operating activities. . . . .	<u><u>\$ (1,448)</u></u>	<u><u>\$ 484,293</u></u>	<u><u>\$ 482,845</u></u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ADMINISTRATIVE INSURANCE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 430,000	\$ 430,000	\$ 411,864	\$ (18,136)
Total revenues . . . . .	<u>430,000</u>	<u>430,000</u>	<u>411,864</u>	<u>(18,136)</u>
<b>Operating expenses:</b>				
Contractual services . . . . .	<u>465,894</u>	<u>495,894</u>	<u>413,312</u>	<u>82,582</u>
Total expenses . . . . .	<u>465,894</u>	<u>495,894</u>	<u>413,312</u>	<u>82,582</u>
Operating loss. . . . .	<u>(35,894)</u>	<u>(65,894)</u>	<u>(1,448)</u>	<u>64,446</u>
<b>Nonoperating revenues:</b>				
Transfers in . . . . .	<u>145,000</u>	<u>145,000</u>	<u>-</u>	<u>(145,000)</u>
Total nonoperating revenues. . . . .	<u>145,000</u>	<u>145,000</u>	<u>-</u>	<u>(145,000)</u>
Net change in fund equity . . . . .	109,106	79,106	(1,448)	(80,554)
<b>Unencumbered fund equity at beginning of year.</b>	<u>10,894</u>	<u>10,894</u>	<u>10,894</u>	<u>-</u>
<b>Unencumbered fund equity at end of year. . . .</b>	<u>\$ 120,000</u>	<u>\$ 90,000</u>	<u>\$ 9,446</u>	<u>\$ (80,554)</u>

**CITY OF STOW, OHIO**

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SELF-INSURANCE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 3,060,000	\$ 3,060,000	\$ 3,820,435	\$ 760,435
Other. . . . .	490,000	490,000	490,819	819
Total revenues. . . . .	3,550,000	3,550,000	4,311,254	761,254
<b>Operating expenses:</b>				
Claims . . . . .	4,460,046	4,460,046	3,826,961	633,085
Total expenses . . . . .	4,460,046	4,460,046	3,826,961	633,085
Net change in fund equity . . . . .	(910,046)	(910,046)	484,293	1,394,339
<b>Unencumbered fund equity at beginning of year.</b>	940,046	940,046	940,046	-
<b>Unencumbered fund equity at end of year. . . .</b>	\$ 30,000	\$ 30,000	\$ 1,424,339	\$ 1,394,339

**CITY OF STOW, OHIO**

*INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS - FIDUCIARY FUNDS*

Fiduciary funds are used to account for assets held by the City in a trustee capacity, or as an agent for individuals, private organizations, other governments and/or funds. The following are the City's fiduciary fund types:

**Custodial Funds**

Custodial funds maintain assets held by the City as an agent for individuals, private organizations, other governmental units and/or funds. These funds are purely custodial (assets equal liabilities) and therefore do not involve the measurement of results. The following are the City's custodial funds.

***Stow Seniors Commission Fund***

To account for donations to the City for the Senior Center Commission.

***Metro SWAT Fund***

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

***Stow Municipal Court Fund***

To account for fines and fees collected by the Stow Municipal Court, which are required to be disbursed to various parties.

***Summit Metro Crash Response Team Fund***

To account for donations and revenues from other governmental entities to be used for expenditures of the Summit Metro Crash Response Team.

***Ohio BBS 3% Surcharge Fund***

To account for a three percent assessment by the State of Ohio collected on all building and related permits.

***School District Compensation Fund***

To account for compensation payments collected and distributed for other governments.

**CITY OF STOW, OHIO**

*COMBINING STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
DECEMBER 31, 2019*

	<u>Stow Seniors Commission</u>	<u>Metro SWAT</u>	<u>Stow Municipal Court</u>	<u>Summit Metro Crash Response Team</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 336	\$ 191,993	\$ -	\$ 10,257
Cash in segregated accounts . . . . .	<u>-</u>	<u>-</u>	<u>198,730</u>	<u>-</u>
Total assets . . . . .	<u>336</u>	<u>191,993</u>	<u>198,730</u>	<u>10,257</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	-	862	-	-
Intergovernmental payable . . . . .	<u>-</u>	<u>-</u>	<u>198,730</u>	<u>-</u>
Total liabilities . . . . .	<u>-</u>	<u>862</u>	<u>198,730</u>	<u>-</u>
<b>Net position:</b>				
Restricted for individuals, organizations and other governments.	<u>336</u>	<u>191,131</u>	<u>-</u>	<u>10,257</u>
Total net position . . . . .	<u>\$ 336</u>	<u>\$ 191,131</u>	<u>\$ -</u>	<u>\$ 10,257</u>

<u>Ohio BBS 3% Surcharge</u>	<u>Total</u>
\$ 249	\$ 202,835
<u>-</u>	<u>198,730</u>
249	401,565
-	862
<u>-</u>	<u>198,730</u>
<u>-</u>	<u>199,592</u>
249	201,973
<u>\$ 249</u>	<u>\$ 201,973</u>

**CITY OF STOW, OHIO**

*COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

	<u>Stow Seniors Commission</u>	<u>Metro SWAT</u>	<u>Stow Municipal Court</u>	<u>Summit Metro Crash Response Team</u>
<b>Additions:</b>				
From local sources:				
Amounts received as fiscal agent . . . . .	\$ -	\$ 91,923	\$ -	\$ 11,715
Licenses, permits and fees for other governments . . . . .	-	-	-	-
Fines and forfeitures for other governments . . . . .	-	-	3,805,229	-
Compensation payments collected for other governments. . .	-	-	-	-
<b>Total additions . . . . .</b>	<u>-</u>	<u>91,923</u>	<u>3,805,229</u>	<u>11,715</u>
<b>Deductions:</b>				
Distributions as fiscal agent . . . . .	-	89,287	-	21,996
Licenses, permits and fees distributions to other governments .	-	-	-	-
Fines and forfeitures distributions to other governments . . . .	-	-	3,805,229	-
Compensation payments distributions to other governments.	-	-	-	-
<b>Total deductions . . . . .</b>	<u>-</u>	<u>89,287</u>	<u>3,805,229</u>	<u>21,996</u>
Net change in fiduciary net position . . . . .	-	2,636	-	(10,281)
<b>Net position beginning of year (restated) . . . . .</b>	<u>336</u>	<u>188,495</u>	<u>-</u>	<u>20,538</u>
<b>Net position end of year . . . . .</b>	<u>\$ 336</u>	<u>\$ 191,131</u>	<u>\$ -</u>	<u>\$ 10,257</u>

<u>Ohio BBS 3% Surcharge</u>	<u>School District Compensation</u>	<u>Total</u>
\$ -	\$ -	\$ 103,638
7,818	-	7,818
-	-	3,805,229
-	281,524	281,524
<u>7,818</u>	<u>281,524</u>	<u>4,198,209</u>
-	-	111,283
8,170	-	8,170
-	-	3,805,229
-	281,524	281,524
<u>8,170</u>	<u>281,524</u>	<u>4,206,206</u>
(352)	-	(7,997)
<u>601</u>	<u>-</u>	<u>209,970</u>
<u>\$ 249</u>	<u>\$ -</u>	<u>\$ 201,973</u>

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# STATISTICAL SECTION

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**CITY OF STOW, OHIO**  
**STATISTICAL SECTION**

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>207</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue sources, the income tax and property tax.	<b>219</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	<b>227</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	<b>233</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	<b>237</b>

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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## FINANCIAL TRENDS

**CITY OF STOW, OHIO**

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

	<b>Fiscal Year</b>			
	<b>2019</b>	<b>2018 (3)</b>	<b>2017 (2)</b>	<b>2016</b>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 53,317,927	\$ 52,589,812	\$ 51,399,664	\$ 52,816,080
Restricted	1,982,000	2,669,304	3,760,314	4,166,978
Unrestricted (deficit)	(29,182,601)	(42,623,593)	(39,822,521)	(16,563,916)
Total governmental activities net assets	\$ 26,117,326	\$ 12,635,523	\$ 15,337,457	\$ 40,419,142
<b>Business-type activities</b>				
Net investment in capital assets	\$ 35,099,401	\$ 33,789,944	\$ 32,987,291	\$ 32,415,187
Unrestricted	5,045,382	7,887,481	7,995,574	7,805,817
Total business-type activities net assets	\$ 40,144,783	\$ 41,677,425	\$ 40,982,865	\$ 40,221,004
<b>Primary government</b>				
Net investment in capital assets	\$ 88,417,328	\$ 86,379,756	\$ 84,386,955	\$ 85,231,267
Restricted	1,982,000	2,669,304	3,760,314	4,166,978
Unrestricted (deficit)	(24,137,219)	(34,736,112)	(31,826,947)	(8,758,099)
Total primary government net position	\$ 66,262,109	\$ 54,312,948	\$ 56,320,322	\$ 80,640,146

**Source:** City of Stow, Financial Records

- (1) Amounts have been restated to reflect the implementation of GASB Statements No. 68 and 71, which were implemented in 2015.
- (2) Amounts have been restated to reflect the implementation of GASB Statement No. 75.
- (3) Amounts have been restated to reflect the implementation of GASB Statement No. 84.

<b>2015</b>	<b>2014 (1)</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
\$ 48,357,523	\$ 47,970,497	\$ 45,313,451	\$ 42,370,606	\$ 41,520,421	\$ 41,222,186
5,623,410	6,245,011	5,905,788	6,323,180	6,958,099	7,658,087
(15,725,119)	(17,122,776)	6,905,379	5,733,071	4,480,067	3,516,064
<u>\$ 38,255,814</u>	<u>\$ 37,092,732</u>	<u>\$ 58,124,618</u>	<u>\$ 54,426,857</u>	<u>\$ 52,958,587</u>	<u>\$ 52,396,337</u>
\$ 31,259,046	\$ 30,187,216	\$ 29,369,155	\$ 29,113,459	\$ 27,562,287	\$ 26,282,921
6,953,910	7,124,618	7,514,211	6,372,417	5,632,334	5,385,246
<u>\$ 38,212,956</u>	<u>\$ 37,311,834</u>	<u>\$ 36,883,366</u>	<u>\$ 35,485,876</u>	<u>\$ 33,194,621</u>	<u>\$ 31,668,167</u>
\$ 79,616,569	\$ 78,157,713	\$ 74,682,606	\$ 71,484,065	\$ 69,082,708	\$ 67,505,107
5,623,410	6,245,011	5,905,788	6,323,180	6,958,099	7,658,087
(8,771,209)	(9,998,158)	14,419,590	12,105,488	10,112,401	8,901,310
<u>\$ 76,468,770</u>	<u>\$ 74,404,566</u>	<u>\$ 95,007,984</u>	<u>\$ 89,912,733</u>	<u>\$ 86,153,208</u>	<u>\$ 84,064,504</u>

**CITY OF STOW, OHIO**

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

	<b>Fiscal Year</b>			
	<b>2019</b>	<b>2018 (1)</b>	<b>2017</b>	<b>2016</b>
<b>Expenses</b>				
Governmental activities:				
General government	\$ 11,094,415	\$ 10,074,403	\$ 9,599,480	\$ 9,163,530
Security of persons and property	3,108,929	18,591,040	15,824,027	16,618,710
Public health	513,249	493,283	485,650	478,066
Leisure time activities	2,021,557	1,844,816	1,654,196	1,595,972
Community and economic development	1,400,181	1,324,816	1,170,091	1,226,751
Transportation	7,302,368	6,433,094	9,728,248	4,868,751
Interest and fiscal charges	305,346	366,907	387,188	411,713
Bond and note issuance costs	-	-	-	-
Total governmental activities expenses	<u>25,746,045</u>	<u>39,128,359</u>	<u>38,848,880</u>	<u>34,363,493</u>
Business-type activities:				
Water	5,596,608	5,385,576	4,776,746	4,627,806
Golf	1,239,295	1,245,960	1,250,516	1,163,712
Storm Water Utility	2,260,488	926,308	1,079,591	1,332,939
Total business-type activities expenses	<u>9,096,391</u>	<u>7,557,844</u>	<u>7,106,853</u>	<u>7,124,457</u>
Total primary government expenses	<u>\$ 34,842,436</u>	<u>\$ 46,686,203</u>	<u>\$ 45,955,733</u>	<u>\$ 41,487,950</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 4,586,516	\$ 4,510,532	\$ 4,398,031	\$ 4,464,848
Security of persons and property	838,465	937,059	808,659	733,242
Public health	67,040	49,300	68,071	61,127
Leisure time activities	381,634	337,951	345,348	350,441
Community and economic development	347,795	341,992	311,535	313,803
Transportation	68,511	68,242	66,056	55,993
Operating grants and contributions				
General government	73,056	59,835	83,037	63,036
Security of persons and property	116,087	108,692	104,998	147,057
Public health	56,991	51,108	55,841	47,128
Leisure time activities	135,048	80,997	94,728	98,836
Community and economic development	18,949	3,641	2,551	1,583
Transportation	2,744,322	1,765,387	1,623,047	1,895,979
Capital grants and contributions				
General government	-	-	-	-
Security of persons and property	20,000	-	-	-
Transportation	867,599	963,905	2,686,442	3,596,297
Total governmental program revenues	<u>10,322,013</u>	<u>9,278,641</u>	<u>10,648,344</u>	<u>11,829,370</u>
Business-type activities:				
Charges for services:				
Water	5,161,691	5,304,611	5,264,755	5,329,501
Golf	948,034	908,085	973,398	964,926
Storm Water Utility	1,433,616	1,439,877	1,410,719	966,739
Capital grants and contributions	108,650	8,863	71,802	1,288,799
Total business-type activities program revenues	<u>7,651,991</u>	<u>7,661,436</u>	<u>7,720,674</u>	<u>8,549,965</u>
Total primary government program revenue	<u>\$ 17,974,004</u>	<u>\$ 16,940,077</u>	<u>\$ 18,369,018</u>	<u>\$ 20,379,335</u>

	2015	2014	2013	2012	2011	2010
\$	9,697,067	\$ 8,518,703	\$ 8,351,841	\$ 8,752,518	\$ 8,669,487	\$ 8,737,033
	15,209,594	14,823,706	14,576,858	14,882,885	14,453,109	14,199,929
	638,916	456,152	483,060	460,036	497,770	445,503
	1,586,402	1,458,229	1,373,291	1,522,538	1,793,620	1,867,648
	1,107,688	1,188,870	1,165,860	1,252,957	1,082,363	686,144
	5,200,034	4,251,589	4,722,114	4,186,489	4,201,252	5,165,638
	416,865	662,439	770,369	745,063	840,657	889,212
	-	82,659	-	-	-	-
	<u>33,856,566</u>	<u>31,442,347</u>	<u>31,443,393</u>	<u>31,802,486</u>	<u>31,538,258</u>	<u>31,991,107</u>
	4,911,480	3,937,944	4,350,339	4,027,924	3,860,564	2,913,323
	1,109,867	1,247,335	1,155,959	1,005,084	1,032,230	1,130,238
	856,262	771,375	767,610	844,828	1,180,802	737,255
	<u>6,877,609</u>	<u>5,956,654</u>	<u>6,273,908</u>	<u>5,877,836</u>	<u>6,073,596</u>	<u>4,780,816</u>
\$	<u>40,734,175</u>	<u>37,399,001</u>	<u>37,717,301</u>	<u>37,680,322</u>	<u>37,611,854</u>	<u>36,771,923</u>
\$	4,737,376	\$ 4,026,473	\$ 4,380,103	\$ 4,191,996	\$ 4,080,373	\$ 4,156,491
	781,214	864,313	831,052	722,327	645,493	643,889
	64,795	48,820	58,433	71,036	54,824	58,851
	351,179	355,879	320,879	363,581	335,481	295,434
	258,697	247,686	207,271	195,990	187,218	165,268
	59,877	61,938	12,255	18,025	22,955	66,156
	131,108	364,652	\$81,027	\$77,024	15,648	100
	195,437	171,794	272,427	155,042	164,835	240,066
	74,101	46,795	20,382	47,633	46,463	52,084
	143,511	109,894	184,830	116,496	49,975	53,580
	101,315	101,851	2,395	89,508	10,237	26,895
	1,937,569	1,871,783	2,431,705	1,856,024	1,811,591	2,107,461
	-	-	-	-	-	137,134
	-	-	-	-	-	-
	<u>1,816,262</u>	<u>3,904,877</u>	<u>1,639,994</u>	<u>2,112,844</u>	<u>2,042,998</u>	<u>4,557,230</u>
	<u>10,652,441</u>	<u>12,176,755</u>	<u>10,442,753</u>	<u>10,017,526</u>	<u>9,468,091</u>	<u>12,560,639</u>
	5,306,036	5,132,114	5,194,737	5,249,886	4,999,870	4,934,014
	910,919	892,237	920,428	806,780	685,125	750,361
	837,428	826,125	828,123	820,731	830,508	818,358
	22,428	-	147,668	328,040	225,169	216,000
	<u>7,076,811</u>	<u>6,850,476</u>	<u>7,090,956</u>	<u>7,205,437</u>	<u>6,740,672</u>	<u>6,718,733</u>
\$	<u>17,729,252</u>	<u>19,027,231</u>	<u>17,533,709</u>	<u>17,222,963</u>	<u>16,208,763</u>	<u>19,279,372</u>

- - Continued

**CITY OF STOW, OHIO**

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

	<b>Fiscal Year</b>			
	<b>2019</b>	<b>2018 (1)</b>	<b>2017</b>	<b>2016</b>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (15,424,032)	\$ (29,849,718)	\$ (28,200,536)	\$ (22,534,123)
Business-type activities	(1,444,400)	103,592	613,821	1,425,508
Total primary government net expense	<u>\$ (16,868,432)</u>	<u>\$ (29,746,126)</u>	<u>\$ (27,586,715)</u>	<u>\$ (21,108,615)</u>
<b>General Revenues, Special Items, and Transfers</b>				
Governmental activities:				
Taxes				
Property taxes	\$ 7,630,750	\$ 7,507,770	\$ 6,914,392	\$ 6,877,774
Income taxes	16,803,867	15,830,768	15,246,923	14,987,212
Grants and entitlements not restricted to specific programs	2,602,264	2,563,481	2,264,359	2,294,742
Investment earnings	487,670	190,528	110,385	118,136
Miscellaneous	732,096	914,972	578,722	432,587
Transfers	649,188	(14,500)	(608,180)	(13,000)
Total governmental activities	<u>28,905,835</u>	<u>26,993,019</u>	<u>24,506,601</u>	<u>24,697,451</u>
Business-type activities:				
Municipal income taxes	327,895	358,760	348,785	346,806
Investment earnings	13,000	7,000	-	-
Miscellaneous	220,051	210,708	218,598	222,734
Transfers	(649,188)	14,500	608,180	13,000
Total business-type activities	<u>(88,242)</u>	<u>590,968</u>	<u>1,175,563</u>	<u>582,540</u>
Total primary government	<u>\$ 28,817,593</u>	<u>\$ 27,583,987</u>	<u>\$ 25,682,164</u>	<u>\$ 25,279,991</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 13,481,803	\$ (2,856,699)	\$ (3,693,935)	\$ 2,163,328
Business-type activities	(1,532,642)	694,560	1,789,384	2,008,048
Total primary government	<u>\$ 11,949,161</u>	<u>\$ (2,162,139)</u>	<u>\$ (1,904,551)</u>	<u>\$ 4,171,376</u>

Source: City of Stow, Financial Records

(1) Amounts have been restated to reflect the implementation of GASB Statement No. 84.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ (23,204,125)	\$ (19,265,592)	\$ (21,000,640)	\$ (21,784,960)	\$ (22,070,167)	\$ (19,430,468)
199,202	893,822	817,048	1,327,601	667,076	1,937,917
<u>\$ (23,004,923)</u>	<u>\$ (18,371,770)</u>	<u>\$ (20,183,592)</u>	<u>\$ (20,457,359)</u>	<u>\$ (21,403,091)</u>	<u>\$ (17,492,551)</u>
\$ 6,822,960	\$ 6,933,760	\$ 6,916,433	\$ 6,749,766	\$ 7,506,559	\$ 7,533,686
14,777,475	14,164,765	13,944,273	13,440,529	12,346,779	11,573,713
2,241,649	2,497,688	3,434,601	3,146,808	2,945,092	3,933,904
96,332	60,235	58,986	25,117	70,797	102,494
428,791	340,716	382,470	244,661	396,105	612,143
-	(65,500)	(38,362)	(353,651)	(366,417)	(215,278)
<u>24,367,207</u>	<u>23,931,664</u>	<u>24,698,401</u>	<u>23,253,230</u>	<u>22,898,915</u>	<u>23,540,662</u>
349,841	341,086	361,561	369,843	468,841	361,828
-	-	-	-	-	-
352,079	261,533	180,519	240,160	104,526	128,422
-	65,500	38,362	353,651	366,417	215,278
<u>701,920</u>	<u>668,119</u>	<u>580,442</u>	<u>963,654</u>	<u>939,784</u>	<u>705,528</u>
<u>\$ 25,069,127</u>	<u>\$ 24,599,783</u>	<u>\$ 25,278,843</u>	<u>\$ 24,216,884</u>	<u>\$ 23,838,699</u>	<u>\$ 24,246,190</u>
\$ 1,163,082	\$ 4,666,072	\$ 3,697,761	\$ 1,468,270	\$ 828,748	\$ 4,110,194
901,122	1,561,941	1,397,490	2,291,255	1,606,860	2,643,445
<u>\$ 2,064,204</u>	<u>\$ 6,228,013</u>	<u>\$ 5,095,251</u>	<u>\$ 3,759,525</u>	<u>\$ 2,435,608</u>	<u>\$ 6,753,639</u>

**CITY OF STOW, OHIO**

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

	<u>2019</u>	<u>2018 (2)</u>	<u>2017</u>	<u>2016</u>
General Fund				
Nonspendable	\$ 447,431	\$ 255,035	\$ 156,787	\$ 153,016
Committed	67,577	46,370	37,485	30,804
Assigned	323,348	337,214	404,754	417,810
Unassigned	7,058,831	6,545,950	6,299,018	6,063,255
Reserved	-	-	-	-
Unreserved:				
Designated	-	-	-	-
Undesignated	-	-	-	-
Total general fund	<u>\$ 7,897,187</u>	<u>\$ 7,184,569</u>	<u>\$ 6,898,044</u>	<u>\$ 6,664,885</u>
All Other Governmental Funds				
Nonspendable	\$ 504,725	\$ 750,441	\$ 521,546	\$ 493,613
Restricted	3,477,217	3,524,124	3,828,740	4,009,797
Committed	5,945,820	4,637,785	4,128,248	4,131,358
Unassigned (deficit)	(154,978)	(165,424)	(155,376)	(93,283)
Reserved	-	-	-	-
Unreserved, undesignated reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Total all other governmental funds	<u>\$ 9,772,784</u>	<u>\$ 8,746,926</u>	<u>\$ 8,323,158</u>	<u>\$ 8,541,485</u>

**Source:** City of Stow, Financial Records

(1) The City implemented GASB Statement No. 54 in 2011. Balances beginning in 2011 are presented in accordance with GASB Statement No. 54

(2) Amounts have been restated to reflect the implementation of GASB Statement No. 84.

<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011 (1)</b>	<b>2010</b>
\$ 108,652	\$ 269,002	\$ 289,387	\$ 286,318	\$ 320,672	\$ -
22,723	21,788	20,793	17,955	64,876	-
1,577,695	1,125,419	3,933,706	3,471,773	2,485,844	-
4,241,169	4,413,302	1,628,614	1,222,906	2,502,787	-
-	-	-	-	-	714,764
-	-	-	-	-	1,000,000
-	-	-	-	-	2,976,313
<u>\$ 5,950,239</u>	<u>\$ 5,829,511</u>	<u>\$ 5,872,500</u>	<u>\$ 4,998,952</u>	<u>\$ 5,374,179</u>	<u>\$ 4,691,077</u>
\$ 579,507	\$ 385,910	\$ 444,569	\$ 455,496	\$ 533,237	\$ -
5,221,174	5,287,655	4,921,578	5,258,523	5,568,649	-
2,816,933	2,332,839	2,249,927	1,946,548	1,420,126	-
(164,337)	(506,428)	(545,855)	(457,853)	(536,592)	-
-	-	-	-	-	1,383,270
-	-	-	-	-	2,968,820
-	-	-	-	-	2,083,262
<u>\$ 8,453,277</u>	<u>\$ 7,499,976</u>	<u>\$ 7,070,219</u>	<u>\$ 7,202,714</u>	<u>\$ 6,985,420</u>	<u>\$ 6,435,352</u>

**CITY OF STOW, OHIO**

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

	<u>2019</u>	<u>2018 (1)</u>	<u>2017</u>	<u>2016</u>
<b>Revenues</b>				
Property and other local taxes	\$ 7,581,802	\$ 7,595,416	\$ 6,927,627	\$ 6,890,772
Income taxes	16,970,903	15,822,349	15,194,104	15,224,612
Special assessments	40,730	41,775	41,470	49,215
Charges for services	1,226,584	1,275,409	1,184,172	1,099,248
Licenses and permits	1,040,967	1,126,043	1,021,209	995,610
Fines and forfeitures	3,589,473	3,428,020	3,477,457	3,543,266
Intergovernmental	6,101,275	5,322,707	6,744,475	7,703,578
Investment income	516,478	201,841	131,539	133,900
Rent	392,207	373,829	272,451	292,115
Contributions and donations	37,224	218,931	31,268	70,867
Other	984,067	890,379	735,555	754,464
Total revenues	<u>38,481,710</u>	<u>36,296,699</u>	<u>35,761,327</u>	<u>36,757,647</u>
<b>Expenditures</b>				
Current:				
General government	9,214,009	8,631,960	8,235,918	8,211,340
Security of persons and property	15,370,427	14,759,648	14,127,975	13,596,998
Public health	473,195	463,468	445,150	455,255
Leisure time activities	1,688,121	1,532,698	1,356,268	1,383,692
Community and economic development	1,069,419	1,118,543	974,126	1,082,900
Transportation	2,951,884	2,533,954	2,534,423	2,657,825
Capital outlay	4,765,507	4,848,154	6,205,552	6,720,189
Debt service:				
Principal retirement	2,173,478	3,202,250	3,578,756	3,954,929
Interest and fiscal charges	331,092	355,505	385,352	407,288
Bond and note issuance costs	-	-	-	-
Total expenditures	<u>38,037,132</u>	<u>37,446,180</u>	<u>37,843,520</u>	<u>38,470,416</u>
Excess of revenues over (under) expenditures	444,578	(1,149,481)	(2,082,193)	(1,712,769)
<b>Other Financing Sources (Uses)</b>				
Sale of notes	1,300,000	1,700,000	2,100,000	2,500,000
Premium on notes	8,398	19,509	11,525	28,623
Refunding bonds issued	-	-	-	-
Premium on bonds	-	-	-	-
Refunding of notes	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	2,196,575	1,972,178	1,674,868	1,900,885
Transfers (out)	(2,211,075)	(1,986,678)	(1,689,368)	(1,913,885)
Total other financing sources (uses)	<u>1,293,898</u>	<u>1,705,009</u>	<u>2,097,025</u>	<u>2,515,623</u>
Net change in fund balances	<u>\$ 1,738,476</u>	<u>\$ 555,528</u>	<u>\$ 14,832</u>	<u>\$ 802,854</u>
Capital expenditures	3,943,521	3,565,781	1,000,923	6,248,388
Debt service as a percentage of noncapital expenditures	7.35%	10.50%	10.76%	13.54%

**Source:** City of Stow, Financial Records

(1) Amounts have been restated to reflect the implementation of GASB Statement No. 84.

2015	2014	2013	2012	2011	2010
\$ 6,881,230	\$ 6,869,238	\$ 6,971,158	\$ 6,812,959	\$ 7,439,333	\$ 7,440,114
14,710,235	14,151,477	14,027,261	13,268,271	12,510,420	11,602,741
64,482	70,989	70,040	79,414	79,284	79,891
1,132,110	1,211,598	1,152,015	1,105,199	989,297	989,314
1,197,634	949,862	997,249	832,976	610,777	757,871
3,564,249	3,345,709	3,354,995	3,278,358	3,318,885	3,290,911
6,114,614	8,340,406	7,664,557	7,415,284	7,229,340	10,787,212
114,347	68,642	66,515	78,030	81,151	71,668
294,663	316,572	232,750	263,789	251,610	279,040
33,520	74,081	43,329	94,783	41,899	51,542
895,591	846,910	698,672	405,427	625,040	891,784
<u>35,002,675</u>	<u>36,245,484</u>	<u>35,278,541</u>	<u>33,634,490</u>	<u>33,177,036</u>	<u>36,242,088</u>
8,308,468	7,957,517	7,740,624	7,924,144	8,016,135	8,390,076
13,600,998	13,790,021	13,633,665	13,269,335	12,993,041	13,349,173
609,555	440,029	467,530	428,843	473,722	430,664
1,417,013	1,292,695	1,221,752	1,335,813	1,551,330	1,688,869
1,025,771	1,103,909	1,118,340	1,091,775	1,055,196	1,127,128
2,640,860	2,539,841	2,673,702	2,408,432	2,736,071	3,321,718
4,624,188	6,240,117	4,513,273	4,192,551	3,300,320	5,096,319
4,283,548	5,145,674	6,548,067	935,877	894,177	867,277
447,822	681,765	783,668	827,730	879,409	934,179
148,496	82,659	-	-	-	6,907
<u>37,106,719</u>	<u>39,274,227</u>	<u>38,700,621</u>	<u>32,414,500</u>	<u>31,899,401</u>	<u>35,212,310</u>
(2,104,044)	(3,028,743)	(3,422,080)	1,219,990	1,277,635	1,029,778
2,900,000	3,300,000	4,125,000	5,575,000	7,025,000	7,125,000
22,308	32,852	38,133	72,077	55,535	109,603
8,667,680	3,790,000	-	-	-	-
264,994	47,764	-	-	-	-
-	-	-	(7,025,000)	(7,125,000)	(7,925,000)
(8,676,909)	(3,755,105)	-	-	-	-
1,697,092	1,888,151	2,150,397	3,048,524	1,948,887	1,831,835
(1,697,092)	(1,888,151)	(2,150,397)	(3,048,524)	(1,948,887)	(1,831,835)
<u>3,178,073</u>	<u>3,415,511</u>	<u>4,163,133</u>	<u>(1,377,923)</u>	<u>(44,465)</u>	<u>(690,397)</u>
<u>\$ 1,074,029</u>	<u>\$ 386,768</u>	<u>\$ 741,053</u>	<u>\$ (157,933)</u>	<u>\$ 1,233,170</u>	<u>\$ 339,381</u>
3,428,112	5,906,210	4,110,452	2,648,076	2,062,962	4,332,436
14.05%	17.46%	21.20%	5.92%	5.94%	5.83%

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## REVENUE CAPACITY

**CITY OF STOW, OHIO**

*ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS  
(RATE PER \$1,000 OF ASSESSED VALUE)*

<b>Collection Year</b>	<b>Real Property (1)</b>		<b>Public Utility Property (2)</b>		<b>Tangible Personal Property (3)</b>	
	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>
2019	\$ 852,582,810	\$ 2,435,950,886	\$ 12,087,930	\$ 48,351,720	\$ -	\$ -
2018	842,292,600	2,406,550,286	11,732,740	46,930,960	-	-
2017	787,352,220	2,249,577,771	11,319,090	45,276,360	-	-
2016	778,836,400	2,225,246,857	10,486,030	41,944,120	-	-
2015	776,329,550	2,218,084,429	10,329,360	41,317,440	-	-
2014	783,377,280	2,238,220,800	9,871,680	39,486,720	-	-
2013	780,992,660	2,231,407,600	8,924,610	35,698,440	-	-
2012	786,224,690	2,246,356,257	8,225,020	32,900,080	-	-
2011	856,833,320	2,448,095,200	7,884,350	31,537,400	-	-
2010	856,851,080	2,448,145,943	7,716,670	30,866,680	824,295	13,188,720

**Source:** Summit County Fiscal Officer

(1) Real property is assessed at 35% of actual value. Real property taxes collected in a calendar year are levied as of January 1 of that year based on assessed values as of January 1 of the preceding year.

(2) Public utility is assessed at 25% of actual value. Public utility real and tangible property taxes collected in a calendar year are levied in the preceding calendar year based on assessed values determined as of December 31 of the second preceding year.

(3) In 2010 telephone tangible is the only taxable tangible personal property. Tangible personal personal property tax was phased out in 2011.

<b>Total</b>			
<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Total Direct Rate</b>	<b>Ratio</b>
\$ 864,670,740	\$ 2,484,302,606	9.50	34.81%
854,025,340	2,453,481,246	9.50	34.81%
798,671,310	2,294,854,131	9.50	34.80%
789,322,430	2,267,190,977	9.50	34.81%
786,658,910	2,259,401,869	9.50	34.82%
793,248,960	2,277,707,520	9.50	34.83%
789,917,270	2,267,106,040	9.50	34.84%
794,449,710	2,279,256,337	9.50	34.86%
864,717,670	2,479,632,600	9.50	34.87%
865,392,045	2,492,201,343	9.50	34.72%

**CITY OF STOW, OHIO**

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

<b>Collection Year</b>	<b>City Direct Rates</b>					<b>Overlapping Rates</b>		
	<b>General Operating</b>	<b>Police Pension</b>	<b>Fire Pension</b>	<b>EMS</b>	<b>Total Direct</b>	<b>Stow-Munroe Falls City School District</b>	<b>Summit County</b>	<b>Stow-Munroe Falls Public Library</b>
2019	6.60	0.30	0.30	2.30	9.50	53.87	12.70	2.00
2018	6.60	0.30	0.30	2.30	9.50	53.87	12.70	2.00
2017	6.60	0.30	0.30	2.30	9.50	55.34	14.16	2.00
2016	6.60	0.30	0.30	2.30	9.50	53.58	14.16	2.00
2015	6.60	0.30	0.30	2.30	9.50	53.66	14.16	2.00
2014	6.60	0.30	0.30	2.30	9.50	53.47	14.16	2.00
2013	6.60	0.30	0.30	2.30	9.50	53.55	14.16	2.00
2012	6.60	0.30	0.30	2.30	9.50	53.24	14.16	2.00
2011	6.60	0.30	0.30	2.30	9.50	45.62	14.57	1.00
2010	6.60	0.30	0.30	2.30	9.50	45.15	14.16	1.00

**Source:** Summit County Fiscal Officer

**CITY OF STOW, OHIO**

*PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS*

<u>Year (1)</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections to Current Tax Levy</u>	<u>Delinquent Tax Collections (1)</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Current Tax Levy</u>
2019	\$ 8,214,388	\$ 8,043,451	97.92%	\$ 170,937	\$ 8,214,388	100.00%
2018	8,113,773	7,981,420	98.37%	132,353	8,113,773	100.00%
2017	7,588,911	7,405,455	97.58%	183,455	7,588,910	100.00%
2016	7,498,898	7,344,065	97.94%	154,834	7,498,899	100.00%
2015	7,473,391	7,320,850	97.96%	152,540	7,473,390	100.00%
2014	7,535,886	7,336,995	97.36%	198,891	7,535,886	100.00%
2013	7,504,237	7,326,910	97.64%	177,327	7,504,237	100.00%
2012	7,547,293	7,242,454	95.96%	304,839	7,547,293	100.00%
2011	8,214,843	7,899,776	96.16%	315,067	8,214,843	100.00%
2010	8,213,417	7,951,169	96.81%	262,248	8,213,417	100.00%

**Source:** Summit County Fiscal Officer

(1) The Summit County Fiscal Officer does not identify delinquent tax collections by tax year.

**CITY OF STOW, OHIO**

*PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO*

<b>December 31, 2019</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
Ohio Edison Company/ First Energy	\$ 8,179,660	1	0.95%
DDR Ohio Opportunity II, LLC	8,138,400	2	0.94%
Wyndham Ridge LTD	7,433,050	3	0.86%
Heron Springs Associates, LLC	7,005,100	4	0.81%
JVM Hidden Lake Apartments, LLC	4,410,030	5	0.51%
Mannington Associates LLC	3,336,500	6	0.39%
American Transmission Systems Inc.	3,304,900	7	0.38%
Albrecht Incorporated	3,025,130	8	0.35%
Steels Corners Apartment Co., LTD	2,994,910	9	0.35%
Schroer Properties of Stow Inc.	2,830,030	10	0.33%
<b>Total</b>	<b>\$ 50,657,710</b>		<b>5.87%</b>
<b>Total Assessed Value of Property</b>	<b>\$ 864,670,740</b>		

<b>December 31, 2010</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
Wyndham Ridge, LTD	\$ 8,748,620	1	1.01%
DDR Ohio Opportunity II, LLC	8,917,250	2	1.03%
Heron Springs Associates, LLC	7,832,080	3	0.91%
JVM Hidden Lake Apartments, LLC	5,876,200	4	0.68%
Stow Glen Properties, LLC	5,168,020	5	0.60%
Morgan Adhesive Co.	4,664,320	6	0.54%
SFC Enterprises, LTD	4,485,470	7	0.52%
Steels Corners Apartment Co., LTD	3,915,990	8	0.45%
Stow Associates	3,870,010	9	0.45%
NHF RE 2, LLC	3,600,770	10	0.42%
<b>Total</b>	<b>\$ 57,078,730</b>		<b>6.61%</b>
<b>Total Assessed Value of Property</b>	<b>\$ 865,392,045</b>		

**Source:** Summit County Fiscal Officer

**CITY OF STOW, OHIO**

*INCOME TAX REVENUE BASE AND COLLECTIONS  
LAST TEN YEARS*

<u>Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected (1)</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes from Individuals</u>	<u>Percentage of Taxes from Individuals</u>
2019	2.00%	\$ 17,751,169	\$ 12,070,086	68.00%	\$ 3,004,150 (2)	16.92%	\$ 2,676,933	15.08%
2018	2.00%	15,767,289	11,201,964	71.05%	2,151,293 (2)	13.64%	2,414,033	15.31%
2017	2.00%	15,665,060	11,079,908	70.73%	1,965,813 (2)	12.55%	2,619,339	16.72%
2016	2.00%	15,498,799	10,695,075	69.01%	2,056,247 (2)	13.27%	2,747,477	17.73%
2015	2.00%	15,076,795	10,212,537	67.74%	2,305,163 (2)	15.29%	2,559,095	16.97%
2014	2.00%	14,415,996	9,926,987	68.86%	1,953,337 (2)	13.55%	2,535,672	17.59%
2013	2.00%	14,402,090	9,764,242	67.80%	2,121,313 (2)	14.73%	2,516,535	17.47%
2012	2.00%	13,564,116	9,585,454	70.67%	1,578,203 (2)	11.64%	2,400,459	17.70%
2011	2.00%	12,825,200	8,790,473	68.54%	1,696,480 (2)	13.23%	2,338,247	18.23%
2010	2.00%	11,614,488	8,351,420	71.91%	1,137,763 (2)	9.80%	2,125,305	18.30%

**Source:** City of Stow, Income Tax Department

(1) These amounts are the actual cash basis income tax collections by the City.

(2) Payments made by electric and telephone companies as mandated by ORC 5745 are included in these amounts.

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## DEBT CAPACITY

**CITY OF STOW, OHIO**

*RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN YEARS*

Fiscal Year	Governmental Activities			Business-Type Activities			
	General Obligation Bonds	Notes	Capital Lease	OPWC Loans	General Obligation Bonds	Notes	Capital Lease
2019	\$ 8,847,144	\$ 1,302,784	\$ -	\$ 1,187,337	\$ 4,045,730	\$ -	\$ -
2018	9,332,754	1,706,359	-	1,229,742	4,305,993	-	-
2017	10,358,648	2,103,757	108,350	1,272,147	4,565,834	-	34,793
2016	11,367,193	2,509,409	212,362	1,229,717	4,819,831	-	68,192
2015	12,362,713	2,907,333	312,210	1,092,885	5,073,898	-	100,254
2014	12,777,921	3,310,799	408,060	-	5,292,001	-	131,032
2013	13,422,824	4,137,787	609,854	139,015	5,273,097	-	180,607
2012	14,211,028	5,575,000	803,451	156,392	5,457,452	-	228,137
2011	14,969,908	7,025,000	989,182	167,976	5,636,131	200,000	273,704
2010	15,490,265	7,125,000	1,167,369	173,768	5,719,735	600,000	317,393

**Source:** City of Stow, Financial Records

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

(1) Population and personal income data is presented on page 235.

<b>Total Primary Government</b>	<b>Percentage of Personal Income (1)</b>	<b>Per Capita (1)</b>
\$ 15,382,995	1.19%	442
16,574,848	1.33%	476
18,443,529	1.59%	530
20,206,704	1.77%	581
21,849,293	1.96%	628
21,919,813	2.02%	630
23,763,184	2.19%	761
26,431,460	2.26%	782
29,261,901	2.75%	955
30,593,530	2.88%	1,005

**CITY OF STOW, OHIO**

*RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN YEARS*

<b>Fiscal Year</b>	<b>General Bonded Debt Outstanding</b>		<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
	<b>General Obligation Bonds</b>	<b>Total</b>		
2019	\$ 12,892,874	\$ 12,892,874	0.52%	371
2018	13,638,747	13,638,747	0.56%	391
2017	14,924,482	14,924,482	0.65%	429
2016	16,187,024	16,187,024	0.71%	465
2015	17,436,611	17,436,611	0.77%	501
2014	18,069,922	18,069,922	0.79%	521
2013	18,695,921	18,695,921	0.82%	539
2012	19,668,480	19,668,480	0.86%	567
2011	20,606,039	20,606,039	0.83%	594
2010	21,210,000	21,210,000	0.85%	609

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

**Source:** City of Stow, Financial Records

**CITY OF STOW, OHIO**

*DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2019*

<u>Governmental Unit</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
City of Stow	\$ 10,149,928	100.00%	\$ 10,149,928
Overlapping Debt:			
Summit County	31,755,000	6.90%	2,191,095
Stow-Munroe Falls City School District	2,911,810	87.12%	<u>2,536,769</u>
Subtotal, overlapping debt			<u>4,727,864</u>
Total direct and overlapping debt			<u>\$ 14,877,792</u>

**Source:** Ohio Municipal Advisory Council

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

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

**CITY OF STOW, OHIO**

*LEGAL DEBT MARGIN INFORMATION  
LAST TEN YEARS*

<b>Fiscal Year</b>	<b>Debt Limit - Voted</b>	<b>Debt Limit - Unvoted</b>	<b>Net Debt Applicable to Limit</b>	<b>Legal Debt Margin - Voted</b>	<b>Legal Debt Margin - Unvoted</b>	<b>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</b>
2019	\$ 90,790,428	\$ 47,556,891	\$ 10,745,000	\$ 80,077,589	\$ 36,811,891	11.83%
2018	89,672,661	35,331,394	11,640,000	78,151,568	35,331,394	12.98%
2017	83,860,488	30,871,922	13,055,000	70,900,420	30,871,922	15.57%
2016	82,878,855	28,962,734	14,450,000	68,535,179	28,962,734	17.44%
2015	82,599,186	27,441,240	15,825,000	66,882,917	27,441,240	19.16%
2014	83,291,141	26,438,693	17,190,000	66,209,872	26,438,693	20.64%
2013	82,941,313	24,150,450	19,295,000	63,750,211	24,150,450	23.26%
2012	83,417,220	22,154,734	21,540,000	61,984,631	22,154,734	25.82%
2011	90,795,355	47,559,472	23,155,000	67,787,963	47,559,472	25.50%
2010	90,866,165	47,551,226	23,935,000	66,931,165	47,551,226	26.34%

**Source:** City of Stow, Financial Records

Note: Ohio Bond Law sets a limit of 10.5% for voted debt and 5.5% for unvoted debt.

## DEMOGRAPHIC AND ECONOMIC INFORMATION

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**CITY OF STOW, OHIO**

*DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS*

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (1)</u>	<u>School Enrollment</u>	<u>Unemployment Rate (3)</u>
2019	34,785	\$ 1,289,793,015	\$ 37,079	5,181	4.0%
2018	34,857	1,243,000,620	35,660	5,286	4.0%
2017	34,797	1,162,045,315	33,395	5,137	4.4%
2016	34,797	1,139,253,780	32,740	5,092	4.3%
2015	34,797	1,116,914,106	32,098	5,140	4.3%
2014	34,768	1,087,091,056	31,267	5,139	4.6%
2013	34,768	1,086,187,088	31,241	5,336	6.0%
2012	34,674	1,171,606,685	33,789	6,019	5.7%
2011	34,711	1,063,302,063	30,633	6,019	7.3%
2010	34,837	1,060,473,117	30,441	5,554	8.5%

**Sources:**

- (1) U.S. Census Estimates
- (2) Bureau of Economic Analysis (BEA)
- (3) Ohio Department of Job and Family Services, Ohio Labor Market Information

**CITY OF STOW, OHIO**

*PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO*

<b>2019</b>		
<b>Employer (a)</b>	<b>Employees</b>	<b>Rank</b>
Stow-Munroe Falls City Schools	643	1
NMG Aerospace	325	2
City of Stow	239	3
Matco Tools Corporation	200	4
RMG	200	5
Cleveland Clinic (Akron General) Wellness	175	6
Innovative Fabrications	150	7
Audio Technica U.S. Corporation	130	7
MACtac - Morgan Adhesives	125	9
Esterle Mold	110	10
Total	<u>2,297</u>	

<b>2010</b>		
<b>Employer (a)</b>	<b>Employees</b>	<b>Rank</b>
Stow-Munroe Falls City Schools	675	1
MACtac - Morgan Adhesives	323	2
Akron General Health & Wellness Center	250	3
City of Stow	242	4
Matco Tools Corporation	235	5
Wrayco Industries, Inc.	161	6
J.D. Clunk & Associates	142	7
Audio Technica U.S. Corporation	100	8
Spectrum Surgical	93	9
Centimark Corporation	92	10
Total	<u>2,313</u>	

**Source:** City of Stow, Department of Planning & Development

(a) Includes only non-retail employers.

## OPERATING INFORMATION

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**CITY OF STOW, OHIO**

*FULL TIME EQUIVALENT CITY GOVERNMENT  
EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN YEARS*

**Full-time Equivalent Employees as of December 31**

<b>Function/Program</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
General government										
Management service	22	20	20	20	19	20	21	23	24	23
Finance	8	9	9	9	9	9	8	8	9	9
Planning	4	4	4	4	4	5	5	4	6	6
Building	4	4	4	4	4	4	4	4	4	4
Other - Public Utilities	16	16	13	14	13	13	12	11	12	9
Municipal court personnel (a)	37	37	37	37	32	29	32	35	36	35
Security of persons and property										
Officers	41	42	40	38	40	39	37	39	39	40
Civilians	78	78	78	76	80	79	79	78	78	80
Public health and welfare	1	1	1	1	1	1	1	1	1	1
Transportation	15	16	15	15	16	15	15	13	13	17
Community environment	3	3	3	3	3	3	3	3	3	3
Leisure time activity	10	7	8	10	11	10	10	12	15	15
<b>Total</b>	<b>239</b>	<b>237</b>	<b>232</b>	<b>231</b>	<b>232</b>	<b>227</b>	<b>227</b>	<b>231</b>	<b>240</b>	<b>242</b>

**Source:** City of Stow Finance Office

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

**CITY OF STOW, OHIO**

*OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN YEARS*

<b>Function/Program</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>General Government</b>				
<b>Council</b>				
Number of Ordinances & resolutions	175	165	144	144
<b>Court</b>				
Number of court cases	20,682	20,291	19,777	20,029
Number of tickets	12,538	12,257	12,121	12,543
Number of court appearances - criminal	3,894	4,146	4,129	4,335
<b>Finance</b>				
Checks issued	5,202	5,299	5,145	5,159
Purchase orders issued	2,351	2,224	2,151	2,257
Number of W-2 forms issued	472	466	481	465
City W-2 Wages	\$ 17,192,123	\$ 17,199,849	\$ 17,045,741	\$ 17,021,048
<b>Security of persons and property</b>				
<b>Police</b>				
Physical arrests	508	521	685	668
Parking violations	107	111	144	129
Traffic citations	3,200	2,813	3,121	2,864
Traffic accidents	879	849	827	841
Marked patrol units	18	18	18	24
Unmarked patrol units	9	9	9	8
Calls for service answered	13,719	13,332	13,865	12,755
<b>Fire</b>				
Fire engines	4	4	4	4
Calls answered	4,691	4,386	4,089	4,049
Number of inspections by Fire Prevention Bureau	3,428	3,181	3,359	3,431
<b>Transportation</b>				
Number of bridges	13	13	13	13
Number of street lights	1,247	1,247	1,247	1,247
Number of signalized intersections	48	48	47	47
<b>Community Environment</b>				
<b>Building</b>				
Building permits issued	551	555	605	551
Inspections performed	2,755	2,211	2,271	2,520
Estimated value of construction	\$ 58,182,742	\$ 58,361,368	\$ 42,325,731	\$ 33,590,714
Number of plans examined	119	117	87	106
<b>Public Health and Welfare</b>				
Cemetery (plots sold)	73	48	70	68
<b>Water</b>				
Miles of water mains	165	165	165	165
Number of water tanks	1	1	1	1
Maximum holding capacity of water tank in gallons	2,500,000	2,500,000	2,500,000	2,500,000
Number of service connections	12,300	12,300	12,300	12,300
Number of fire hydrants	2,500	2,500	2,500	2,500
Daily average consumption in gallons	3,000,000	3,000,000	3,000,000	3,000,000

Source: City of Stow, various departments

2015	2014	2013	2012	2011	2010
181	167	192	199	141	201
18,955	18,011	18,696	19,011	20,098	19,631
11,322	10,687	11,392	10,937	12,021	11,292
4,211	3,936	3,911	4,134	3,769	3,339
5,157	5,201	5,425	5,380	5,295	5,680
2,277	2,405	2,549	2,461	2,403	2,459
477	472	468	475	478	478
\$ 16,671,461	\$ 16,249,048	\$ 15,945,791	\$ 15,742,029	\$ 16,522,771	\$ 16,824,239
718	696	670	785	771	868
195	203	231	387	189	152
2,484	2,027	2,225	2,411	2,214	2,073
783	653	683	733	660	662
20	20	24	18	21	19
10	10	7	8	8	9
11,985	11,452	11,386	11,990	11,899	12,087
4	4	4	4	4	4
3,887	3,772	3,618	3,582	3,412	3,311
3,036	1,382	3,330	1,830	1,364	1,125
13	13	13	13	13	13
1,247	1,247	1,247	1,247	1,247	1,247
47	47	47	47	47	47
509	626	635	641	572	490
2,256	2,221	2,055	1,802	1,624	1,522
\$ 38,243,672	\$ 30,696,120	\$ 34,272,193	\$ 15,406,124	\$ 26,150,449	\$ 11,675,618
68	75	87	109	128	85
72	45	54	85	48	64
165	165	165	165	165	165
1	1	1	1	1	1
2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
12,000	12,000	12,000	12,000	12,000	12,000
2,500	2,500	2,500	2,500	2,500	2,500
3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000

**CITY OF STOW, OHIO**

*CAPITAL ASSET INDICATORS  
LAST TEN YEARS*

<b>Function/Program</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Public Safety</b>				
Police:				
Stations	1.00	1.00	1.00	1.00
Fire:				
Stations	3.00	3.00	3.00	3.00
<b>Leisure Time Activities</b>				
City Parks	4.00	4.00	4.00	4.00
Neighborhood Parks	6.00	6.00	6.00	6.00
Park Acreage	407.75	407.75	407.75	407.75
Lodges	2.00	2.00	2.00	2.00
Ballfields	15.00	15.00	15.00	15.00
Tennis Courts	4.00	4.00	4.00	4.00
Camp Sites	27.00	27.00	27.00	27.00
Golf Course	1.00	1.00	1.00	1.00
<b>Transportation</b>				
City Lanes (Paved Miles)	293.00	293.00	293.00	293.00
State Highways (Paved Miles)	48.00	48.00	48.00	48.00

**Source:** City of Stow, various departments

<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
1.00	1.00	1.00	1.00	1.00	1.00
3.00	3.00	3.00	3.00	3.00	3.00
4.00	4.00	4.00	4.00	4.00	4.00
6.00	6.00	6.00	6.00	6.00	6.00
407.75	407.75	407.75	407.75	407.75	407.75
3.00	3.00	3.00	3.00	3.00	3.00
15.00	15.00	15.00	15.00	15.00	15.00
4.00	4.00	4.00	4.00	4.00	4.00
27.00	27.00	27.00	27.00	27.00	27.00
1.00	1.00	1.00	1.00	1.00	1.00
293.00	293.00	293.00	293.00	293.00	293.00
48.00	48.00	48.00	48.00	48.00	48.00

**CITY OF STOW, OHIO**

*CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM - GOVERNMENTAL ACTIVITIES  
LAST TEN YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Land	\$ 11,202,207	\$ 11,202,207	\$ 11,202,207	\$ 11,202,207
Intangible assets	15,512	15,512	15,512	15,512
Construction in progress	460,250	855,249	918,474	4,571,484
Buildings and building improvements	19,559,792	20,097,302	20,715,816	21,194,375
Vehicles	3,412,373	3,260,542	3,340,121	3,178,969
Equipment, furniture and fixtures	2,741,898	2,535,631	2,089,539	2,038,371
Infrastructure	<u>26,378,651</u>	<u>25,801,395</u>	<u>25,771,003</u>	<u>24,726,030</u>
Total Capital Assets, Net	<u>\$ 63,770,683</u>	<u>\$ 63,767,838</u>	<u>\$ 64,052,672</u>	<u>\$ 66,926,948</u>

**Source:** City of Stow, Financial Records

<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
\$ 11,202,207	\$ 11,202,207	\$ 11,202,207	\$ 11,202,207	\$ 11,202,207	\$ 11,202,207
15,512	15,512	-	-	-	-
1,226,023	3,459,378	2,077,928	1,300,837	3,110,833	1,761,672
21,953,817	22,719,198	23,437,074	24,303,362	25,073,391	25,757,410
3,190,624	3,136,673	2,975,727	3,124,833	3,343,819	3,641,213
1,936,345	2,191,092	2,311,581	2,389,853	2,338,082	2,602,336
24,815,251	22,339,662	22,751,861	21,891,292	19,789,030	20,780,748
<u>\$ 64,339,779</u>	<u>\$ 65,063,722</u>	<u>\$ 64,756,378</u>	<u>\$ 64,212,384</u>	<u>\$ 64,857,362</u>	<u>\$ 65,745,586</u>

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