



OHIO AUDITOR OF STATE
KEITH FABER



**CITY OF KENT
PORTAGE COUNTY
DECEMBER 31, 2018**

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**CITY OF KENT
PORTAGE COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Federal Grantor/ Pass-Through/ Program Title	Federal CFDA Number	Grant or Pass Through Entity Number	Expenditures
U.S. DEPARTMENT OF COMMERCE			
<i>Direct Program:</i>			
Economic Development Cluster			
US Department of Commerce, Economic Development Administration Revolving Loan Fund Grant - Economic Adjustment Assistance	11.307	See Footnote D	386,671
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPEMENT			
<i>Direct Program:</i>			
CDBG - Entitlement Grants Cluster			
Community Development Block Grant - Entitlement	14.218	MC-39-0026	277,785
NATIONAL ENDOWMENT FOR THE ARTS			
<i>Passed Through the Ohio Arts Council</i>			
ARTStart	45.025	195117	3,284
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through the Ohio Department of Health:</i>			
National State Based Tobacco Control Programs	93.305	06720014TU0117	28,157
National State Based Tobacco Control Programs	93.305	06720014TU0319	17,340
<i>Total Passed Through the Ohio Department of Health</i>			<u>45,497</u>
UNITED STATES FOOD AND DRUG ADMINISTRATION (Direct)			
Voluntary National Retail Food Grant Program	93.103	G-T-1709-05686	2,115
Total U.S. Department of Health and Human Services			<u>47,612</u>
U.S. DEPARTMENT OF TRANSPORTION			
<i>Pass Through the Ohio Department of Transportation:</i>			
Highway Planning and Construction Cluster			
Highway Planning and Construction - Portage Hike and Bike Trail	20.205	PID 93759	55,572
Highway Planning and Construction - State Route 43 Signalization	20.205	PID 93442	690,405
Highway Planning and Construction - E. Summit Street Improvement	20.205	PID 84546	2,842,141
Total U.S. Department of Transportation			<u>3,588,118</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 4,303,470</u></u>

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

**CITY OF KENT
PORTAGE COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of City of Kent (the City's) under programs of the federal government for the year ended December 31, 2018. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following as applicable, either the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - MATCHING REQUIREMENTS

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

NOTE D – REVOLVING LOAN FUND (RLF)

Activity in the Economic Adjustment Assistance CFDA 11.307 revolving loan fund during 2018:

Beginning loans receivable balance as of January 1, 2018	\$149,652
Loans made during 2018\$	150,000
Loan principal repaid	<u>\$(57,049)</u>
Ending loans receivable balance December 31, 2018	\$242,603
Cash Balance in the RLF at December 31, 2018	\$309,784
Total Value of the RLF EDA 11.307	\$552,387
Federal Share of RLF (70%)	\$386,671

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

City of Kent
Portage County
930 Overholt Road
Kent, Ohio 44240

To the Members of Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kent, Portage County, (the City) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 13, 2019, wherein we noted the City adopted Governmental Accounting Standards Board Statement 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Keith Faber
Auditor of State

Columbus, Ohio

June 13, 2019



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

City of Kent
Portage County
930 Overholt Road
Kent, Ohio 44240

To the Members of Council:

Report on Compliance for the Major Federal Program

We have audited the City of Kent's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the City's major federal program for the year ended December 31, 2018. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal program.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to opine on the City's compliance for each of the City's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on each of the City's major program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program

In our opinion, the City of Kent complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2018.

Report on Internal Control Over Compliance

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

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

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

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

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

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Kent (the City) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 13, 2019. We conducted our audit to opine on the City's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole



Keith Faber
Auditor of State

Columbus, Ohio

June 13, 2019

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**CITY OF KENT
PORTAGE COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
December 31, 2018**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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2018
City of Kent
Ohio
Comprehensive Annual Financial Report
For the year ended
December 31, 2018

CITY OF KENT, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2018

Issued by The Department of Budget and Finance

DAVID A. COFFEE
Director of Budget and Finance

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INTRODUCTORY SECTION



City of Kent, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2018
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CITY OF KENT, OHIO

Office of the City Manager

June 13, 2019

Members of City Council,
City Manager, and
Citizens of Kent, Ohio

The Comprehensive Annual Financial Report (CAFR) of the City of Kent (the City) for the fiscal year ended December 31, 2018, is herein submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. Management of the City is responsible for establishing and maintaining an internal control structure that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Kent's financial statements in conformity with generally accepted accounting principles (GAAP). The concept of reasonable assurance recognizes that the cost of the internal control structure should not exceed the benefits likely to be derived and that the evaluation of cost and benefits requires estimates and judgments by management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City. Disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Auditor of State of Ohio requires periodic change from the use of independent auditing firms when they have been engaged for a number of consecutive years, to ensure integrity and fresh execution of an auditee's annual audit. Consequently, the financial records, books of accounts and transactions of the City of Kent, Ohio, for the year ended December 31, 2018, have been audited for a fifth consecutive year in the current decade by the Auditor of State of Ohio's Office. The Auditor of State's unmodified opinion has been included in this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management Discussion and Analysis (MD&A). This letter of transmittal is designed as a supplement to the MD&A and should be read in conjunction with it. The City of Kent's MD&A can be found immediately following the Auditor's report.

PROFILE OF THE GOVERNMENT

The City of Kent, Ohio, is located in Portage County, approximately fifteen miles northeast of the City of Akron and six miles west of the City of Ravenna, the county seat. The City is the largest of four cities in this industrial and agricultural county. It is principally noted as the home of Kent State University, which had a 2017 undergraduate enrollment of 28,972 students at the main campus in Kent and 39,367 students region-wide. The City covers an area of approximately 9.29 square miles. The City's 2010 population of 28,904 reflects a 3.6 percent growth over the 2000 population of 27,906. Also of note in the 2010 census is the City of Kent's neighboring township to the south, Brimfield Township, posted a 30 percent increase from the 2000 to 2010 that is in part a result of the rising popularity of the City of Kent and Kent State University.

The City of Kent is a full-service city and was incorporated in 1867. The City operates under and is governed by its charter, which was first adopted in 1963 and which has been amended by the voters from time to time. In addition, under the Ohio constitution, the City may exercise all powers of local self-government to the extent it is not in conflict with applicable general laws. The charter provides for a Council-Manager form of government and legislative authority is vested in a nine-member Council. In addition, a mayor is elected by the voters and serves as President of Council in a ceremonial capacity. All of these officials are elected for four-year terms. The Mayor and three Council members are elected on an at-large basis. The six remaining Council members are elected from their respective wards within the City. City Council appoints members to City boards and commissions. The City's chief executive and administrative officer is the City Manager who is appointed by a majority vote of Council.

The City provides a full range of municipal services. These services include police, fire, emergency medical assistance, public health care, recreation programs (including parks), transportation programs, water production, sanitary and storm sewers, recycling, planning and zoning, and general administration.

The City maintains its legal level of budgetary control at the department level, separated into the categories of Personnel and Benefits, Other than Personnel and Benefits, Capital, Reserve/Debt Service, and Contingency. The Director of Budget and Finance is authorized to allocate appropriations for function and object levels within the same department and category as explained above without prior Council approval, as long as the total appropriation for each department and category does not exceed that of the Council-approved appropriation. Budgetary control is maintained at the division level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders which result in an overrun of division balances are not processed until additional appropriations are made available through transfer from other accounts either by ordinance of City Council or administrative transfer. Open encumbrances are reported as assigned fund balances at year end.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific economic environment within which the City of Kent operates.

Local Economy

Kent's economic recovery began in 2011, peaked in 2012, and was followed by 4 successive years of above average rates of investment. From 1999 thru 2010 commercial construction investment averaged \$6.5 million a year. In 2011 and 2012, commercial investment jumped to an average of \$55 million, an increase of 745 percent. In 2016-17 commercial and residential investments returned to pre-redevelopment investment averages and in 2018 commercial investments came in slightly below the 10 year average but major investments in new apartment buildings added \$28 million in new construction value, resulting in the 2nd highest total construction investment value in the last 6 years.

The rate of construction investment in 2018 contributed to stabilizing the tax base and helped to offset some declines noted in the City's largest employer tax contributions. The City was able to maintain reserve balances and make investments in critical operational and capital needs that had been previously underfunded due to revenue limitations. With increasing fiscal uncertainty, the City of Kent has maintained a conservative fiscal strategy in order to support City services without adding new or increased taxes or fees. Cumulative economic growth over the last 5 years made it possible for the City to provide union and non-union employee salary increases of 3% in 2017 and 2018.

The City's sustained commitment to cost cutting, matched with modest growth in the tax base, and revenue stabilization provided by Kent State University, has allowed the City to make impactful strategic investments while maintaining reserve fund balances.

The combination of performance driven savings and income gains have enabled the City to hold the line on the City budget overall, honor funding commitments to community priorities, absorb the loss of over \$1,300,000 in annual State funding, and provide a few targeted operating increases (e.g., increased sidewalk and street repair funding, approving new 911-dispatch positions, and upgrading key personnel positions) while still maintaining a relatively healthy financial position.

In 2018 the City's financial health rating received from the State Auditor's Office remained in the top quartile with a caution noted over concerns for the long term outlook of the General Fund as General Fund revenue declined.

For year-end 2018, total City income tax collections were down 2.06% percent (\$340,212) and Kent State University's collections were up .15 percent (\$7,606) from 2017. Volatility in private sector income tax contributions is being monitored closely and although it seems to be correlated to fluctuations in business cycles nationally rather than a response to specific declining local conditions it's a point of concern if it proves to be more than an anomaly.

Kent State University remains the City's largest employer, contributing 31.8 percent of total municipal income tax revenues in 2018. It is worth noting that job growth occurring in the private sector has lessened the KSU percentage share of tax contributions in recent years compared to long standing historical levels. So while the City's financial condition still benefits from the University's buffering effect on the City's tax base -- the private sector diversification has helped spread the financial risk across multiple industries and reduce the City's financial exposure to unforeseen market disruptions in any one particular sector, including higher education.

In 2018, Kent State University experienced a 2% decline in enrollment (only the second decline in 10 years) with a drop of 898 students for a total of 27,143 students on the Kent campus. Changes in international relations has had a chilling effect on foreign student enrollment and over 34% of the decline in the student body is attributable to the loss of an additional 425 international students after a loss of 772 international students in 2017.

The 2018 freshman class was the largest for the Kent Campus in university history. With 4,363 students, this class has 100 more students than 2017 and topped the previous record high set in 2016.

Following a precipitous drop in income tax revenues in 2016, the City enjoyed a modest tax rebound in 2017, but those tax gains proved unsustainable in 2018 and another dip in income taxes in 2018 reflects the uncertainty of the current business cycle. Many economic indicators continue to trend favorably in Kent but the rate of tax growth has not kept pace with economic performance, and at the moment tax receipts seem to be leaning in a downward direction. With the approval of the new \$1 billion Kent State Master Plan and a couple of new private construction projects getting underway in Kent, construction revenues are anticipated to favorably impact City income tax receipts for the next couple of years hopefully giving the market a chance to recover.

Although business cycles have impacted individual business profit and income tax contributions on a year to year basis, most business sectors in Kent report stronger than expected economic performance which led to more incremental growth and diversification of the City's economic base in 2018. This diversification of income tax revenues is a long term financial goal of the City.

Investments in Kent

In 2018, Kent State University continued to fund an ongoing capital facilities re-investment program with renovations completed at Bowman Hall, Dix Stadium, Speech Pathology and Audiology building, KSU Library 3rd floor renovations, MAC Center, Student Wellness Center to go along with \$20 million in energy efficiency investments campus wide. In total, campus investments have transformed the campus and the campus community connection, generating significant construction related jobs and tax revenues.

In 2018, Kent State adopted its new 10 year Master Facilities Plan that includes over \$1 billion in new campus investments in Kent. The Master Plan is divided in 3-phases, with the first \$220 million phase beginning in 2018. The first phase includes 8 “transformational projects” and 9 “enabling” projects many of which focus on campus and community points of connection, including the new Business College and major roadway improvements on Main Street.

Kent experienced a 24% uptick in commercial construction investment for 2018 (\$800,000) and a 300% increase (\$25.6 million jump) in apartment construction that led to the 2nd highest combined investment total in the last 6 years at \$41 million (compared to \$15 million in 2017).

Single family residential construction continued to show signs of recovery with new homes selling well and existing home sales in neighborhoods showing renewed strength in resale value and reduced time on the market. The student housing market seems to be showing early signs of oversupply as lease-up rates have declined from 90-95% occupied in the fall of 2016 to 75-80% occupied in the fall of 2018. Kent’s older shopping plazas continued to generate new investment and show signs of recovery as vacated spaces were refilled with new tenants, keeping Kent’s retail vacancy rate one of the lowest in the region at 5%.

The City and University continued to partner to implement the recommendations of the community housing study, including jointly negotiating with developers on private housing projects to “right size” the number of new units to avoid creating a student housing glut and to preserve the quality of life in City neighborhoods. In 2018 the City completed Phase I of the Zoning Code update and began the update of the City’s comprehensive plan (Phase 2) to match the plan with current local conditions and community priorities.

On the public side, the City aggressively pursued Federal, State and Regional grant funds for infrastructure improvement projects. As a result, the City has been able to reinvest in City bridges, streets and sidewalks at near record levels. In 2018 the City completed the \$18 million Summit Street Improvement project and was substantially complete with the \$3 million SR 43 Signal Upgrade project. The City also secured \$1.3 million in funding commitments to upgrade the N. Water Street corridor and continued to lead a community planning effort to redefine the future of the SR261 corridor. In collaboration with Kent State University the City also began a new transportation planning project to reconfigure the East Main Street corridor along the front campus of the University.

In 2018 Kent City Council participated in a dozen public work sessions with the architect that was hired to design the new City Administration building. City Council also authorized funding for significant repairs and expansion of the West Side Fire Station. Over the last 7 years the City was awarded (or was a partner in grant awards) amounting to over \$52 million in stimulus/grant funds, which has enabled the City to leverage grant funds to City funds at better than a 4:1 ratio.

Major Initiatives

In 2018 a number of new small businesses opened in Kent including Cycle Tours, Handcrafted in Ohio, Kenko’s and BarFlyy. These have proven to be popular additions to Kent’s unique dining and entertainment options that form the core of downtown Kent’s growing reputation as a regional destination.

In 2018 the completed renovation of the historic LN Gross building won a regional preservation award, Treno's historic train property added an outdoor patio for dining, and the work on the renovation of the historic 1930's era post office and county courthouse building was well underway.

Other business announcements in 2018 included the opening of the Starbucks on E. Main Street, Panini's expanded their patio dining area, and Raising Cane's opened in the Kent-Franklin JEDD. The University Plaza movie theater also completed the first phase of their major upgrade to the seating and movie viewing experience.

In 2018 the City of Kent was a finalist in the nation-wide "Strongest Town" competition that recognized cities for progressive place-making practices that feature walkability, cultural amenities, and adaptive reuse in their community.

The City continued to work with Franklin and Brimfield townships in 2018 to recruit new businesses and expand business development opportunities within the JEDD boundaries. As a result of the JEDD partnerships, the City received \$582,595 (on a cash basis) as its combined share of JEDD income taxes in 2018.

Long-term Financial Planning

During 2018, the City continued to update and implement the five-year capital improvement program that ensures the City's ability to meet the infrastructure needs of the community in future years.

In 2018, City Council renewed their approval of the multi-year utility rate stabilization plan to ensure adequate long term funding for critical infrastructure investment needs while remaining sensitive to the ability of customers to pay for those needs. In 2016 Council modified the utility rate plans to include an interim stormwater rate increase and authorized staff to develop a new "user-based" stormwater generation fee model which was in development in 2017. City Council continues to use the fund balance policy and fiscal health index to track key financial indicators and to prepare contingency plans for a range of future revenue scenarios.

Cash Management Policies and Practices

In 2011, the Kent City Council approved and adopted a formal Investment Policy that revised and expanded criteria for management of the City's pooled investment portfolio while preserving safeguards that ensure prudent risk management. The revised policy permits greater flexibility in investment alternatives to maximize portfolio performance without compromising the security of funds.

The City's investment policy is to manage and invest the public's funds with regard to the following criteria: Safety of principal is the foremost objective for the City. All investments are executed in a manner that seeks to ensure preservation of capital in the overall portfolio. Liquidity is the second objective, and the City's investment portfolio maturities are structured in such a manner so as to meet all of its cash operating requirements that can be reasonably anticipated. Finally, the City's investment portfolio is managed so as to achieve a competitive yield that is compatible with the risk and cash flow requirements of the portfolio.

The Director of Budget and Finance is authorized by this policy to invest interim and active monies not in excess of \$10 million with any one eligible financial institution designated as a public depository at any one time in select instruments as defined and authorized by the Ohio Revised Code, Chapter 135. The institutions are required by state statute to maintain a collateral pool of assets whose carrying value exceeds their total public deposits by at least five percent. All investment activity, including operational practices and compliance with the policies and procedures defined in the Investment Policy are overseen by the City's Treasury Investment Board.

The Treasury Investment Board is comprised of the City Manager, the Director of Budget and Finance and the Director of Law. The total investment portfolio interest earned during 2018 was \$575,768.

Risk Management

The City has established a formal self-insurance program for liabilities arising from employee health and life benefits. This plan utilizes the services of a third-party administrator, with the City maintaining a self-insured retention overload with conventional excess coverage. The City has recognized savings as a result of this program.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to those governmental entities whose CAFR is easily readable, efficiently organized, and conforms to GFOA reporting standards. Such a report must satisfy both generally accepted accounting principles (GAAP) as well as applicable legal requirements. The City of Kent received this honor for its Comprehensive Annual Financial Report for 2017. This was the 31st consecutive year that the government has received this prestigious award. A Certificate of Achievement is valid for a period of only one year. The City believes this report conforms to the Certificate of Achievement program requirements, and has submitted it to the GFOA to determine its eligibility for another Certificate of Achievement.

Special recognition for the contributions to this report is made to the Department of Budget and Finance staff for their many hours of dedicated effort. Finally, a special acknowledgment is given to the City Council and City Department Heads for their continuing support and commitment to responsible fiscal reporting.

Respectfully submitted,



Dave Ruller
City Manager



David Coffee
Director of Budget and Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Kent
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO

CITY OF KENT, OHIO
ELECTED OFFICIALS - 2018

MAYOR/COUNCIL PRESIDENT	Jerry T. Fiala
COUNCIL MEMBER AT LARGE	Michael A. DeLeone
COUNCIL MEMBER AT LARGE	Gwen Rosenberg
COUNCIL MEMBER AT LARGE	Roger B. Sidoti

CITY COUNCIL MEMBERS BY WARDS:

WARD 1	Garret M. Ferrara
WARD 2	Jack Amrhein
WARD 3	Robin Turner
WARD 4	John M. Kuhar
WARD 5	Heidi L. Shaffer
WARD 6	Tracy Wallach

CITY OF KENT, OHIO
APPOINTED OFFICIALS - 2018

OFFICE OF CITY MANAGER

City Manager

David A. Ruller

OFFICE OF COUNCIL

Clerk of Council

Tara Grimm

DEPARTMENT OF LAW

Law Director

Hope Jones

DEPARTMENT OF PUBLIC SERVICES

Service Director

Melanie Baker

City Engineer

James S. Bowling

Water Plant Supervisor

Brian Johnson

Sewer Plant Supervisor

Bill Schesventer

Utilities Manager

John Osborne

Facilities Manager

Brad McKay

DEPARTMENT OF BUDGET AND FINANCE

Director of Budget and Finance

David A. Coffee

Controller

Brian L. Huff

DEPARTMENT OF PUBLIC SAFETY

Safety Director

Position is currently vacant

Fire Chief

John Tosko

Police Chief

Michelle A. Lee

DEPARTMENT OF COMMUNITY DEVELOPMENT

Community Development Director

Bridget Susel

Economic Development Director

Tom Wilke

DEPARTMENT OF HEALTH

Health Commissioner

Jeffrey S. Neistadt

DEPARTMENT OF PARKS AND RECREATION

Director of Parks and Recreation

John J. Idone

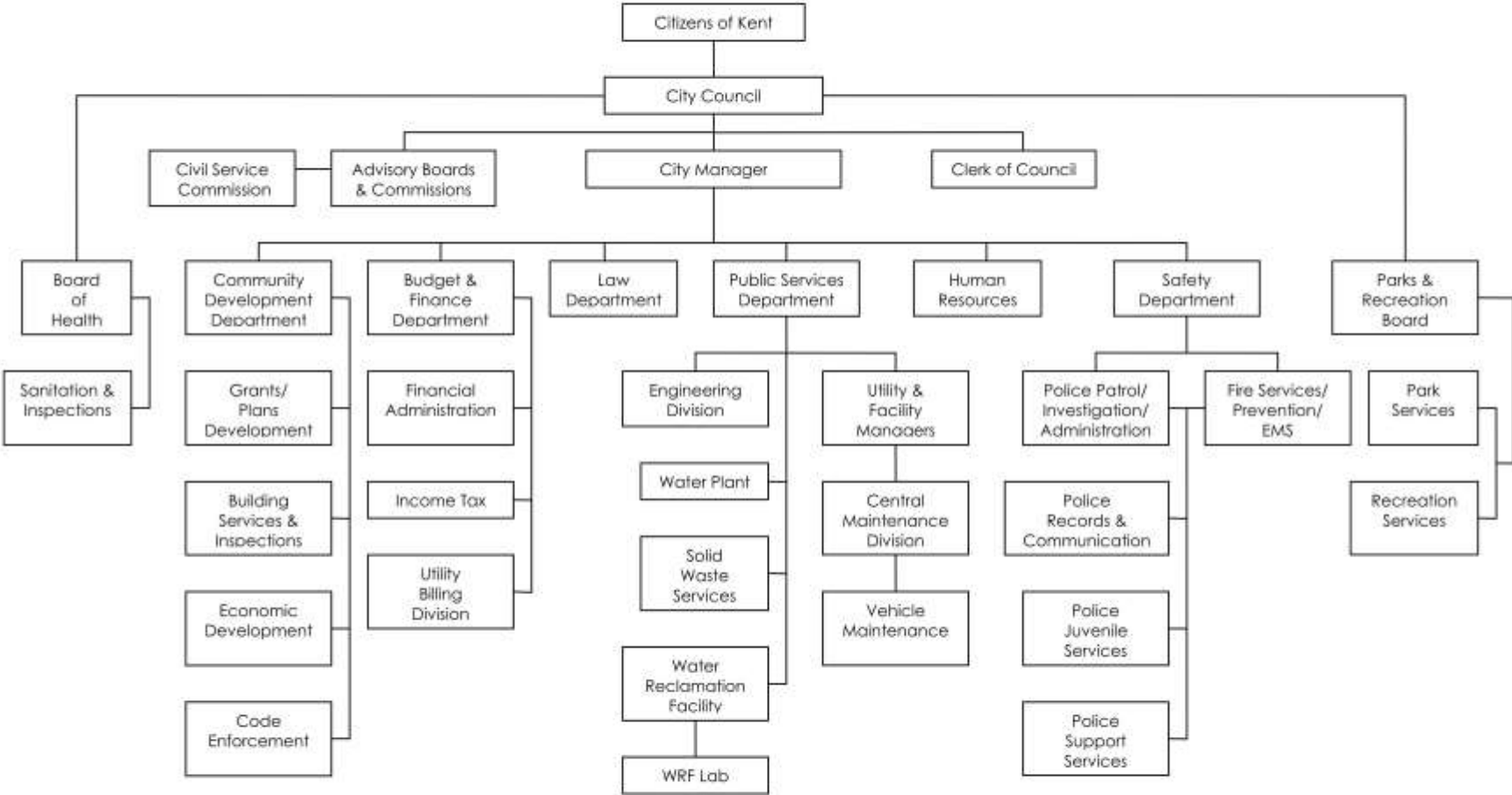
Parks Supervisor

Charles S. Tuttle

Recreation Supervisor

Nancy R. Rice

City of Kent, Ohio Organizational Chart





FINANCIAL SECTION



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 Kent
Portage County
930 Overholt Road
Kent, Ohio 44240

To the Members of 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 remaining fund information of the City of Kent, Portage County, Ohio (the City), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kent, Portage County, Ohio, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Income Tax Safety Fund and the Fire and Emergency Medical Services Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2018, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. 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 derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2019, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Keith Faber
Auditor of State

Columbus, Ohio

June 13, 2019

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City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

The discussion and analysis of the City of Kent's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2018. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2018 are:

- Total assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$116,205,302 (*net position*).
- Total net position increased by \$1,908,766 over 2017. Of this amount, governmental activities increased by \$2,678,027 and business-type activities decreased by \$769,261.
- Total capital assets increased by \$5,437,716 or 3.89 percent as compared to 2017. This increase reflects the increases of \$5,290,888 and \$146,828 to Governmental capital assets and business-type capital assets, respectively.
- Total current and other assets decreased \$2,089,732 or 4.16 percent as compared to 2017. This decrease reflects the decrease of \$1,446,997 attributable to governmental activities and a decrease of \$642,735 attributable to business-type activities.
- Total liabilities and deferred inflows of resources increased \$577,947 or 0.68 percent as compared to 2017. This increase is comprised of an increase in the governmental activities' liabilities and deferred inflows resources of \$1,361,736 and offset by a decrease in the liabilities and deferred inflows of resources of the business-type activities of \$783,789.

Overview of the Financial Statements

This discussion and analysis will serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector businesses. The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include security of persons and property, public health and welfare, leisure time activities, community development, transportation and general government. The business-type activities include the provision of water, sewer, solid waste and storm water drainage services.

The government-wide financial statements can be found starting on page 23 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 other state and 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.

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 funds' financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable* resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *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 twenty-six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Income Tax Safety Fund, the Fire and Emergency Medical Services Fund, the Capital Projects Fund and the Police Facilities Fund, all of which are considered to be major funds. Data from the other twenty-one 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 City adopts an annual appropriated budget for each of its funds. A budgetary comparison statement/schedule (non-GAAP basis) has been provided for each governmental and enterprise fund to demonstrate budgetary compliance.

The basic governmental fund financial statements can be found starting on page 26 of this report.

City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

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, sewer, solid waste and storm water drainage operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains such a fund for its self-insurance of health related employee benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund, the Sewer Fund, and the Storm Water Drainage Fund, all of which are considered to be major funds. The Solid Waste Fund is the City's only nonmajor proprietary fund and is presented separately in the proprietary fund financial statements. The Internal Service Fund is also presented on the proprietary fund financial statements. The basic proprietary fund financial statements can be found starting on page 33 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 in the government-wide financial statements because the resources of these funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statement can be found on page 37 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 39 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the basic financial statements, the combining statements referred to earlier in connection with nonmajor governmental funds are presented, as well as individual budgetary comparisons for all nonmajor funds and enterprise funds. This information can be found starting on page 94 of this report.

Government-wide Financial Analysis

Statement of Net Position and the Statement of Activities. While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole considers all financial transactions and measures how the City did financially during fiscal year 2018. The *Statement of Net Position* and the *Statement of Activities* include assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting method used by the private sector. The basis for this accounting takes into consideration all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the City's net position and changes in that net position. The changes in the financial position statement are important because it tells whether, for the City as a whole, the financial position has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of the City's capital assets will also need to be evaluated.

City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

The *Statement of Net Position* and the *Statement of Activities* are divided into the following categories:

- Assets
- Deferred Outflows of Resources
- Liabilities
- Deferred Inflows of Resources
- Net Position (Assets and Deferred Outflows of Resources minus Liabilities and Deferred Inflows of Resources)
- Program Expenses and Revenues
- General Revenues
- Net Position Beginning of Year and at Year's End

The City of Kent as a Whole

Table 1 provides a summary of the City's net position for 2018 compared to 2017.

	Governmental Activities		Business-Type Activities		Total	
	2018	2017 *	2018	2017 *	2018	2017 *
Assets						
Current and Other Assets	\$40,331,387	\$41,778,384	\$7,819,622	\$8,462,357	\$48,151,009	\$50,240,741
Net Pension Asset	26,045	10,416	20,876	8,349	46,921	18,765
Capital Assets, Net	92,085,195	86,794,307	53,021,607	52,874,779	145,106,802	139,669,086
<i>Total Assets</i>	<u>132,442,627</u>	<u>128,583,107</u>	<u>60,862,105</u>	<u>61,345,485</u>	<u>193,304,732</u>	<u>189,928,592</u>
Deferred Outflows of Resources						
Pension	4,405,123	6,401,102	1,068,795	2,333,446	5,473,918	8,734,548
OPEB	2,261,256	85,034	236,827	41,846	2,498,083	126,880
<i>Deferred Outflows of Resources</i>	<u>6,666,379</u>	<u>6,486,136</u>	<u>1,305,622</u>	<u>2,375,292</u>	<u>7,972,001</u>	<u>8,861,428</u>
Liabilities						
Current and Other Liabilities	7,588,737	9,370,106	651,253	730,969	8,239,990	10,101,075
Long-Term Liabilities:						
Due Within One Year	1,535,088	1,449,135	573,522	559,502	2,108,610	2,008,637
Due In More Than One Year:						
Net Pension Liability	23,501,126	25,883,713	4,172,990	5,960,421	27,674,116	31,844,134
Net OPEB Liability	20,456,358	17,106,012	2,859,260	2,630,225	23,315,618	19,736,237
Other Amounts	14,599,595	14,704,947	1,982,634	2,287,871	16,582,229	16,992,818
<i>Total Liabilities</i>	<u>67,680,904</u>	<u>68,513,913</u>	<u>10,239,659</u>	<u>12,168,988</u>	<u>77,920,563</u>	<u>80,682,901</u>
Deferred Inflows of Resources						
Property Taxes and PILOTS	3,329,875	3,330,947	0	0	3,329,875	3,330,947
Pension	2,139,604	405,876	1,006,304	73,760	3,145,908	479,636
OPEB	462,089	0	212,996	0	675,085	0
<i>Deferred Inflows of Resources</i>	<u>5,931,568</u>	<u>3,736,823</u>	<u>1,219,300</u>	<u>73,760</u>	<u>7,150,868</u>	<u>3,810,583</u>
Net Position						
Net Investment in Capital Assets	73,565,735	67,360,368	50,456,860	49,952,592	124,022,595	117,312,960
Restricted	18,566,597	18,027,734	0	0	18,566,597	18,027,734
Unrestricted	(26,635,798)	(22,569,595)	251,908	1,525,437	(26,383,890)	(21,044,158)
<i>Total Net Position</i>	<u>\$65,496,534</u>	<u>\$62,818,507</u>	<u>\$50,708,768</u>	<u>\$51,478,029</u>	<u>\$116,205,302</u>	<u>\$114,296,536</u>

* - Restated

City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the City adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

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

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

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

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

City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
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Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

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

As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2017, from \$79,839,485 to \$62,818,507 for governmental activities and from \$54,066,408 to \$51,478,029 for business type activities.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the City, total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources by \$116,205,302 at the close of the most recent year.

The largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings and improvements, infrastructure, equipment and vehicles); less any related outstanding debt and deferred outflows/inflows of resources issued to acquire those assets. The City uses these capital assets to provide services to its citizens; consequently, these assets 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 resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional component of the City's net position of \$18,566,597 or 15.98 percent, represents resources that are subject to external restrictions on how they may be used. Unrestricted net position has a deficit of \$26,383,890.

Total assets and deferred outflows of resources increased by \$2,486,713 from 2017 to 2018. The increase was main due to an increase in capital assets which was offset by a decrease in cash and cash equivalents and deferred inflows of resources. Capital assets increased due to significant construction in progress in the Summit Street, SR 43 signalization and police station projects.

Total liabilities and deferred inflows of resources experienced an increase of \$577,947, which corresponds to an increase of \$1,361,736 in governmental activities and a decrease of \$783,789 in the business-type funds.

At the end of the current year, the City is able to report positive net position balances and both for the government as a whole, as well as for the governmental and business-type activities shown in Table 1, with the exception of the governmental activities unrestricted balance. This negative balance is due to the recording of GASB 68 and GASB 75.

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The total net position of the City increased \$1,908,766 from 2017 to 2018. The primary reason for this overall change is that the City had another year where, on a full accrual accounting basis, current year total revenues exceeded total expenses due to capitalized expenses for capital assets.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers additional details regarding the results of activities for the current and prior years.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues:						
Charges for Services	\$3,851,278	\$3,344,575	\$9,315,974	\$9,105,062	\$13,167,252	\$12,449,637
Operating Grants and Contributions	1,091,396	877,748	0	0	1,091,396	877,748
Capital Grants and Contributions	3,361,639	6,756,430	107,647	234,780	3,469,286	6,991,210
General Revenues:						
Municipal Income Taxes	16,105,879	16,809,427	0	0	16,105,879	16,809,427
Property and Other Local Taxes	3,537,427	3,557,920	0	0	3,537,427	3,557,920
Payments in Lieu of Taxes	462,329	408,906	0	0	462,329	408,906
Grants and Entitlements	1,767,973	1,807,042	0	0	1,767,973	1,807,042
Investment Income	574,057	382,400	1,711	16	575,768	382,416
Gain on Sale of Capital Assets	4,656	0	6,957	0	11,613	0
All Other Revenues	630,269	373,956	130,885	87,340	761,154	461,296
Total Revenues	31,386,903	34,318,404	9,563,174	9,427,198	40,950,077	43,745,602
Program Expenses						
Security of Persons and Property	15,227,583	13,445,628	0	0	15,227,583	13,445,628
Public Health and Welfare	1,048,660	978,817	0	0	1,048,660	978,817
Leisure Time Activities	2,422,995	2,290,693	0	0	2,422,995	2,290,693
Community Development	1,613,437	2,081,122	0	0	1,613,437	2,081,122
Transportation	4,078,837	5,491,314	0	0	4,078,837	5,491,314
General Government	3,689,377	3,192,464	0	0	3,689,377	3,192,464
Interest and Fiscal Charges	627,987	645,096	0	0	627,987	645,096
Water	0	0	3,885,404	3,925,238	3,885,404	3,925,238
Sewer	0	0	5,040,532	4,869,479	5,040,532	4,869,479
Solid Waste	0	0	339,312	387,087	339,312	387,087
Storm Water Drainage	0	0	1,067,187	1,011,067	1,067,187	1,011,067
Total Expenses	28,708,876	28,125,134	10,332,435	10,192,871	39,041,311	38,318,005
Change in Net Position	2,678,027	6,193,270	(769,261)	(765,673)	1,908,766	5,427,597
Net Position Beginning of Year	62,818,507	N/A	51,478,029	N/A	114,296,536	N/A
Net Position End of Year	\$65,496,534	\$62,818,507	\$50,708,768	\$51,478,029	\$116,205,302	\$114,296,536

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$48,261 computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of \$1,931,524. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

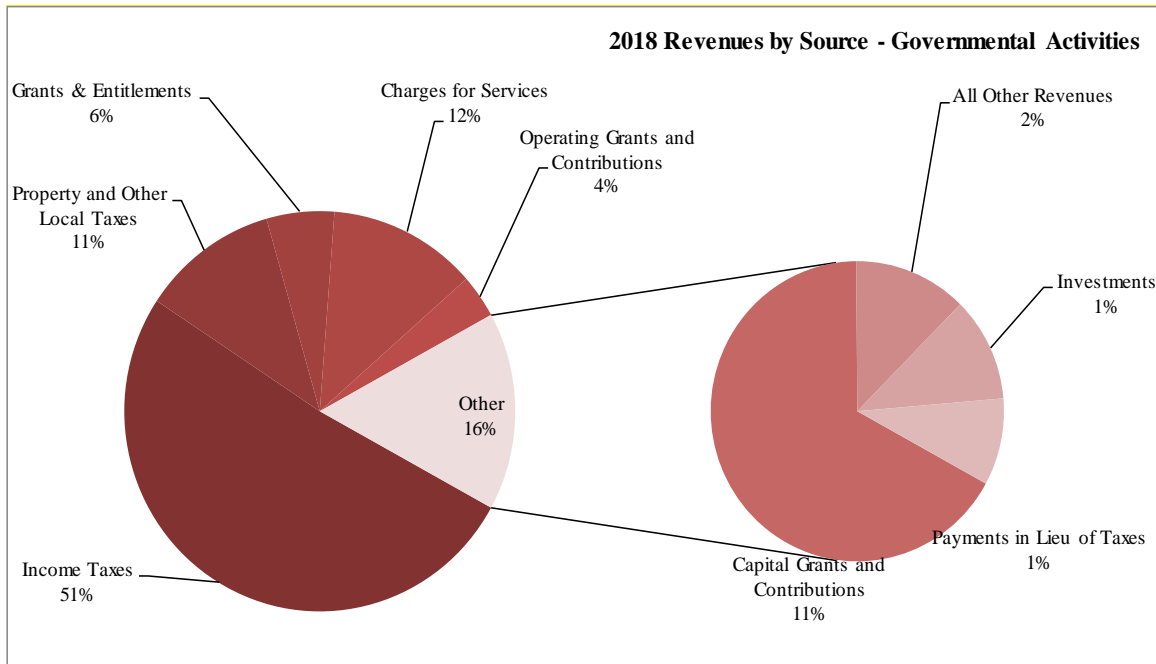
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	Governmental Activities	Business-Type Activities	Total
Total 2018 program expenses under GASB 75	\$ 28,708,876	\$ 10,332,435	\$ 39,041,311
OPEB expense under GASB 75	(1,678,090)	(253,434)	(1,931,524)
2018 contractually required pension contribution	41,877	6,384	48,261
Adjusted 2018 program expenses	27,072,663	10,085,385	37,158,048
Total 2017 program expenses under GASB 45	28,125,134	10,192,871	38,318,005
Decrease in program expenses not related to OPEB	<u>\$ (1,052,471)</u>	<u>\$ (107,486)</u>	<u>\$ (1,159,957)</u>

Governmental Activities

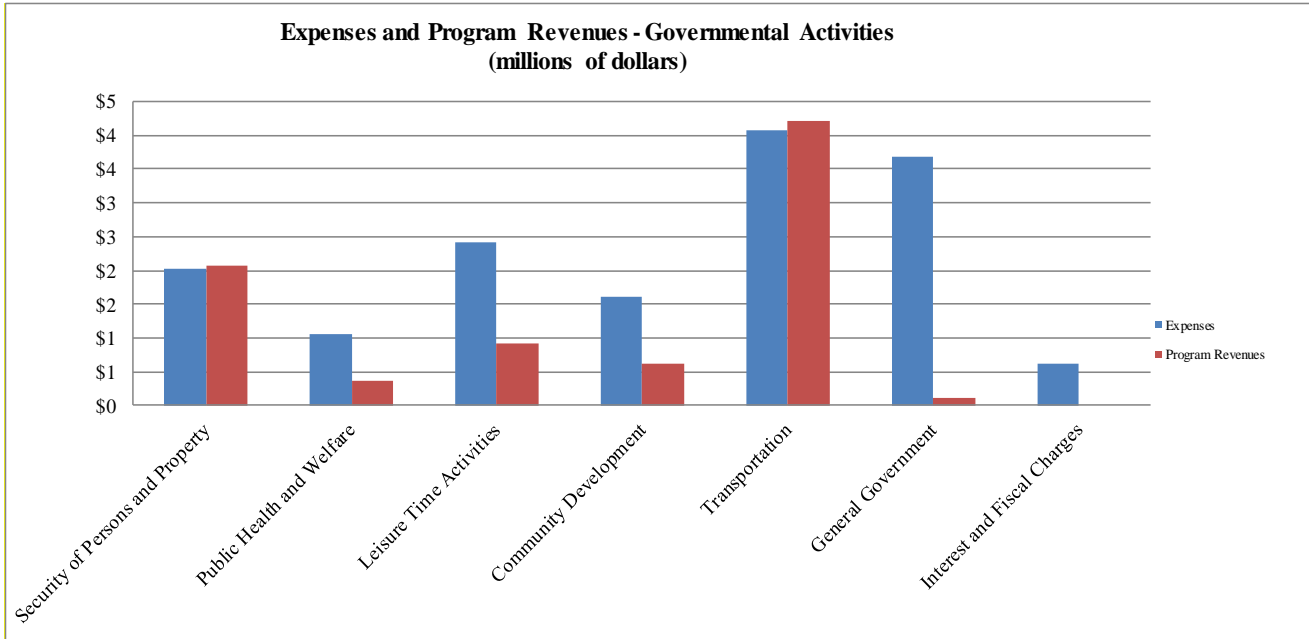
Governmental activities increased the City's net position by \$2,678,027 during 2018.

Several types of revenues fund the City's governmental activities, with municipal income tax being the largest contributor. As presented in table 2, municipal income tax revenues showed a decrease of \$703,548 or 4.19 percent. This decrease is mainly due to a decrease in collections and the remainder due to the change in accruals in 2017. The City's total revenue decreased by \$2,931,501 in 2018 as compared to 2017, the decrease is related to capital grants and contributions. The decrease in capital grants and contributions is due to the significant amount of revenue received in 2017 from the Ohio Department of Transportation related to Summit Street and other capital projects, that was significantly less in 2018.



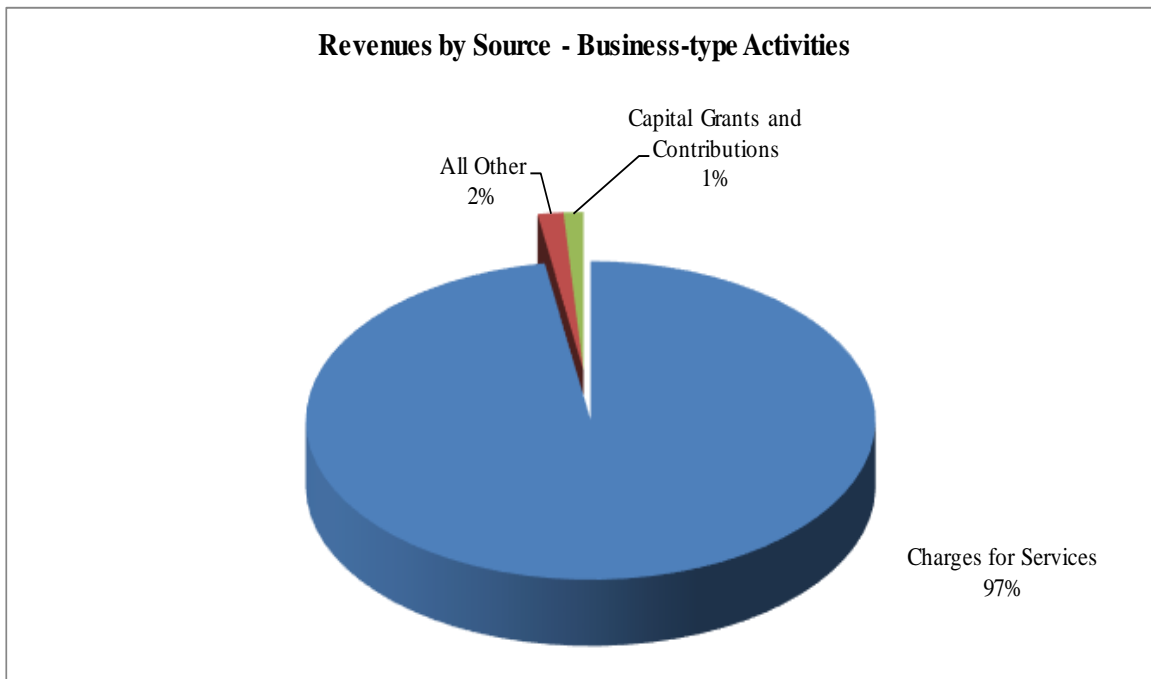
Expenses in the governmental activities experienced an increase of \$583,742 or 2.08 percent. During 2018, the largest program area for the City is security of persons and property at 53.04 percent which includes police, fire and emergency medical services. Transportation is the next largest program area at 14.21 percent, of which \$1.7 million or 41.43 percent of the total transportation expenses are attributable to the annual depreciation expenses from transportation-related activities. General Government is the third largest area at 12.85 percent and accounts for the basic operations of the City including council, mayor, city manager, human resources, finance, law, engineering, service administration and civil service. The fourth largest program area is leisure time activities at 8.44 percent for operations of parks and recreation activities.

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Business-Type Activities

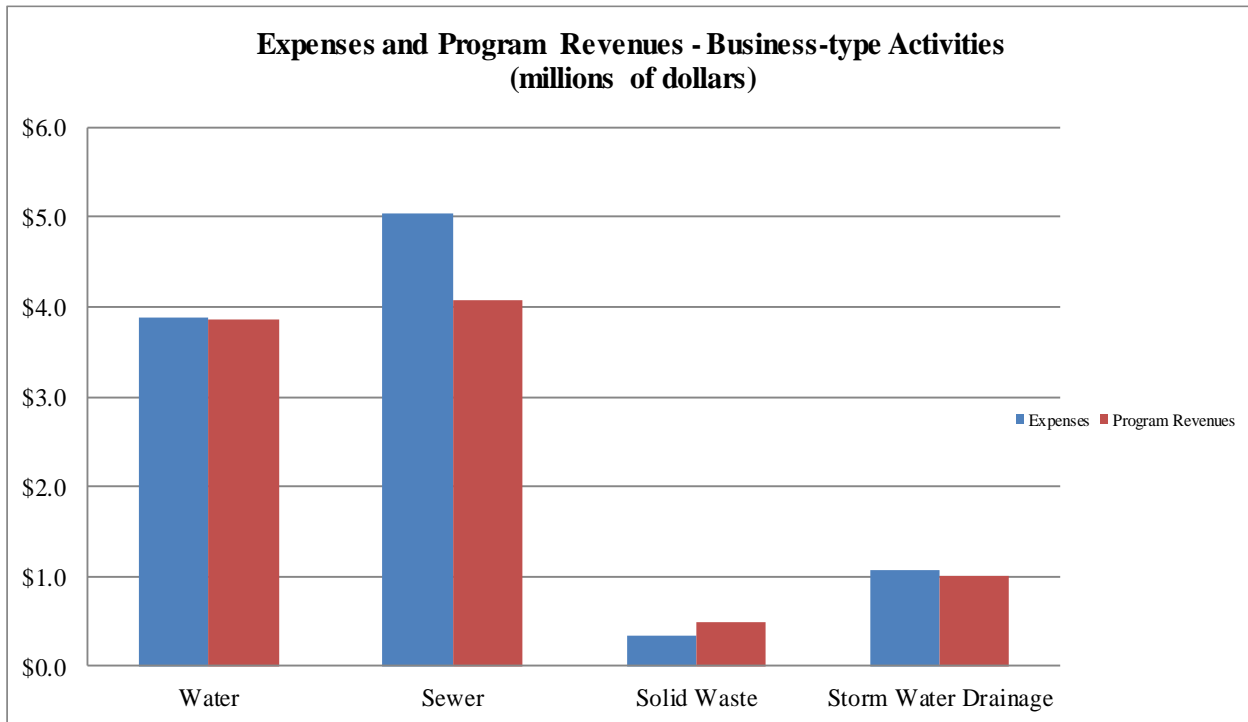
Business-type activities of the City, which include water, sewer, solid waste and storm water drainage operations, slightly decreased the City's net position by \$769,261 or 1.49 percent.



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Charges for services account for 97.42 percent of total business-type revenues. Capital grants and contributions decreased by \$127,133, which was offset by an increase in charges for services by \$210,912. Overall, total revenues for the business-type activities increased slightly by \$135,976.

Expenses in the business-type activities experienced a slight increase of \$139,564 or 1.37 percent.



Program revenues approximate program expenses for both the water and sewer business-type activities.

Financial Analysis of the City of Kent's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$25,665,567, which represents an increase of \$669,757 or 2.68 percent as compared to 2017. The General Fund's unassigned fund balance was sufficient to cover the deficits in the unassigned fund balance from other governmental funds. *Unassigned and assigned fund balances* are available at the government's discretion.

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The remainder of the fund balance is nonspendable, restricted, committed, or assigned to indicate that it is not available for new spending because it is not in spendable form or it has already been restricted by external constraints or committed by internal constraints.

Fund balance for the City's General Fund decreased by \$430,032 due to expenses generally exceeding revenues during 2018, including the fluctuation of amounts of funds transferred to various funds.

Fund balance for the City's Income Tax Safety Fund decreased by \$100,249 due to the fluctuations in amounts of funds transferred.

Fund balance for the City's Fire and Emergency Medical Services Fund increased slightly by \$31,752.

Fund balance for the City's Capital Projects Fund increased by \$1,256,421 due to the timing of project completions and payments to contractors.

Fund balance for the City's Police Facilities Fund decreased by \$379,688 due to construction progressing and payments made during 2018.

Proprietary Funds. The City of Kent's proprietary fund statements provide similar information to that found in the government-wide financial statements, but in more detail.

The following table lists unrestricted net position and changes in net position for the major enterprise funds.

Water	Sewer	Storm Water Drainage
(\$78,477)	(\$557,303)	\$974,599
87,944	(892,190)	(59,799)

In the Water and Sewer Funds, which are the two largest enterprise funds. The negative unrestricted balances in these funds are due to the recording of GASB 68 and GASB 75. In response to projected operating losses in subsequent years, City Council approved a multi-year utility rate stabilization plan to ensure adequate long term funding for critical infrastructure investment needs while remaining sensitive to the ability of customers to pay for those needs. This multi-year rate plan represents a significant commitment to preserving the long term viability of the utility infrastructure that is needed to serve residents, business and the environment for decades to come. Council approved a three percent increase in rates for water and sewer for 2018. These rate increases became effective February 2018. Further rate ordinance revisions for Sewer were left pending at year end subject to further review by Council. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights. The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. During the course of 2018, the City amended its General Fund budget on various occasions. All recommendations for budget changes are reviewed by the Finance Committee of City Council prior to presentation to Council for ordinance enactment of the changes.

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For the General Fund revenues and other financing sources, the original budget amount was \$9,628,364 and the final amended budget was \$10,252,912, an increase of \$624,548. The increase was due to increased ambulance receipts, interest earnings, and other grants and subsidies. Actual revenues and other financing sources were \$10,574,491 or \$321,579 more than what was budgeted.

For the General Fund expenditures and other financing uses, the original budget amount was \$11,081,755 and the final amended budget was \$11,481,979, an increase of \$400,224. Actual expenditures and other financing uses were \$10,562,446 or \$919,533 less than what was budgeted. Conservative budget practices coupled with vacancies in some positions were the principal reasons budgeted funds were not spent.

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets (net of accumulated depreciation) for governmental and business-type activities as of December 31, 2018, was \$124,022,595. The City's investment in capital assets increased by \$6,205,367 or 9.21 percent for governmental activities and increased by \$504,268 for business-type activities when comparing 2018 to 2017.

The City is committed to a long-term goal of meeting its infrastructure and facilities' needs. Management has a five-year capital plan in place that provides for building and infrastructure improvements to complement the City's current capital assets and this plan is updated annually. For additional information on capital assets, see Note 12 to the basic financial statements.

Table 3 compares capital assets as of December 31, 2018 to balances at December 31, 2017.

Table 3
Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$11,164,057	\$11,164,057	\$1,825,536	\$1,825,536	\$12,989,593	\$12,989,593
Buildings, Structures and Improvements	7,522,188	7,510,534	3,761,309	4,073,812	11,283,497	11,584,346
Vehicles, Machinery and Equipment	5,092,065	4,519,299	2,674,553	2,718,226	7,766,618	7,237,525
Construction in Progress	33,966,609	27,847,011	3,426,156	2,011,239	37,392,765	29,858,250
Infrastructure						
Roads, Bridges, Walks	31,532,345	32,939,877	0	0	31,532,345	32,939,877
Traffic Signals	2,807,931	2,813,529	0	0	2,807,931	2,813,529
Water	0	0	9,976,638	10,145,481	9,976,638	10,145,481
Sewer	0	0	17,735,383	18,255,310	17,735,383	18,255,310
Storm Water	0	0	13,622,032	13,845,175	13,622,032	13,845,175
Total Capital Assets	\$92,085,195	\$86,794,307	\$53,021,607	\$52,874,779	\$145,106,802	\$139,669,086

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Debt. At December 31, 2018, the City's bonds, notes and loans outstanding were \$22 million.

Table 4
Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<i>Long-Term Obligations:</i>						
General Obligation Bonds	\$14,029,975	\$14,452,043	\$0	\$0	\$14,029,975	\$14,452,043
OPWC Loans	569,460	282,467	182,886	200,052	752,346	482,519
OWDA Loans	0	0	2,064,814	2,345,035	2,064,814	2,345,035
Loans Payable	0	0	0	0	0	0
<i>Short-Term Obligations:</i>						
Notes Payable	4,830,000	5,620,000	315,000	375,000	5,145,000	5,995,000
Total	<u>\$19,429,435</u>	<u>\$20,354,510</u>	<u>\$2,562,700</u>	<u>\$2,920,087</u>	<u>\$21,992,135</u>	<u>\$23,274,597</u>

The City's total long-term debt decreased by \$432,462 or 2.50 percent. This decrease in long-term debt for 2018 is primarily due to the payment of principal on existing obligations.

Total short-term debt decreased by \$850,000 or 14.18 percent.

The City's bond rating as of its last review by Moody's Investor Services is Aa2. Factors noted as contributing to the City's favorable rating were its history of prudent budget management and long-term financial planning.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10.5 percent of total assessed valuation. The City's overall legal debt margin was \$21,115,749 at December 31, 2018.

Additional information concerning the City's debt can be found in Notes 17 and 18 to the basic financial statements.

Current Financial Related Activities

With another round of reductions in State funding resulting from changes in the local government funding formula, the magnitude of State funding cuts appears to have reached a tipping point and now surpasses the capacity of local economic growth to make up the losses. As a result, despite near record lows in unemployment and vacancy rates in Kent, the City faces a revenue deficit that is forcing a return to a more restrictive spending strategy.

Following a 3-5 year period of transformative re-investment in the downtown business district (totaling in excess of \$140 million) the City's economic infrastructure has proven capable of sustaining those early gains and producing successive rounds of private investment that have offset the public sector losses and led to net economic growth for the City.

Unfortunately as the pace of economic growth has stabilized the cuts in State funding has not, leaving the City in the unusual position of revenue shortfalls despite a strong local economy.

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Each new wave of re-investment in Kent has yielded financial gain resulting from construction jobs and capital equity, and added to the economic base for the City's long term financial sustainability. Consumer, lender and investor confidence has grown with each announcement of new investment in Kent, adding to the City's reputation as being investment-worthy and poised for growth. These attributes have proven critical for weathering the continued cuts in State funding.

Kent State University remains a critical element of the City's economic strategy. The historical role of Kent State University as the City's largest employer and largest consumer of local goods and services remains central to the City's revenue stabilization efforts. The University represents approximately 31.8 percent of the City's income tax base and provides a reliable income stream that is less affected by the volatility of economic cycles that has left so many cities scrambling in the wake of private sector downturns.

In 2017 Kent State University published an Economic Impact Study that highlighted \$493 million of direct, indirect, and induced economic benefit generated by Kent State University in Portage County, including Kent. As home to the University, Kent's financial strategy seeks to leverage and magnify those economic opportunities created by the University.

The economic restructuring that is underway in Kent favors entrepreneurship, collaboration, and close ties between the business community and academic research and development. The City has made these guiding principles of its economic strategy, investing in building the resource networks and physical infrastructure to leverage our assets and position Kent for success in the new economy.

Strategically, the University has shifted from serving predominately as a stabilizing factor in the community to taking a leadership role in partnership with the City to jointly pursue economic and community priorities. This change in focus has elevated City-University relations to a matter of strategic priority affirming the City-University partnership as Kent's greatest competitive advantage.

The strategy shift first took shape as the City, the University and a list of community partners rallied around the shared goal of re-energizing downtown Kent through the downtown revitalization project. The remarkable level of collaboration that emerged in support of the downtown project, and the unprecedented results it produced, serve to highlight a newfound source of strategic strength. The success of that effort inspired the second round of transformative investment outlined in the KSU Master Plan that includes \$1 billion in new investment in Kent.

The redevelopment of downtown Kent and the investments that have followed aim to tap into the generative capacity of the University and establish Kent as a socially, culturally and economically vibrant university city. This strategy leverages University research, innovation and intellectual capital to act as a catalyst for economic growth and diversification. Those priorities are woven throughout the projects contained in the University's new \$1 billion Master Plan.

The City's economic transition is on-going but the sustainability of the initial results has been encouraging as the local economic metrics have continued to trend favorably. Unfortunately that economic success has not translated into equivalent levels of financial success for City tax receipts confirming what pundits have referred to as the "wageless" economic recovery being played out locally.

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Despite the one-time anomaly between 2015 and 2016 income tax receipts, the 2017 income tax rebound was believed to be validation that Kent's economic recovery was back on track, albeit at a more normalized annual rate of growth following on the heels of multi-year records for tax receipts. However, the 2% decline of income taxes in 2018 served as a reality check and illustrates the continued revenue uncertainty as income taxes and economic performance seem to have become uncoupled.

Property values showed modest growth around the downtown business district and in select City neighborhoods. Even the City's older shopping plazas seem to have benefitted from the rising property values as new business investments can be found in each business corridor in Kent, demonstrating that the economic recovery has gained traction beyond the borders of the downtown business district.

At the low point of the recent recession, Kent was statistically "less worse" than nearly all of its neighboring cities and as the region's economy has begun to turn the corner, Kent remains at the leading edge of recovery and is recognized as a city where economic development is working – job count is up and holding steady, existing businesses are expanding and new businesses are opening up.

The commercial construction rebound that began in 2009 continued in 2018, clocking in with the second highest rate of investment in the last 6 years. It is noteworthy that while Kent experienced some expansion in the commercial construction category, the value of investment in apartment buildings jumped 300% raising the total investment output to nearly double the 20 year average.

Construction value doesn't equate to a dollar for dollar increase in the property tax base so this new investment won't solve all of the City's revenue challenges but the new housing supply, particularly in the downtown, should be a source of new customers for Kent businesses. A growing customer base should keep the local job base stable, if not expanding, and help stabilize the City's tax base that is needed to keep the City's budget afloat and services intact.

The Kent Area Chamber of Commerce business membership doubled over the last 10 years, growing from 176 members in 2009 to 359 in 2018. Coinciding with the downtown revitalization, the Kent Chamber membership experienced 8 straight years of membership growth.

In 2018 the developer invested over \$1 million to renovate the historic downtown "courthouse" building for reuse as new Class A office space. The City also partnered with residents and businesses along N. Water Street to promote the newly branded "Mill District" and to host a "Better Block" event that reimaged the future of N. Water Street using temporary art, infrastructure, and business installations over a weekend. The popular event helped build optimism and momentum for investment in this corridor.

On the public side, the City aggressively pursued Federal, State and Regional grant funds for infrastructure improvement projects, continuing a decade long commitment to leverage grant funds (both directly and as a partner) at better than a 4:1 ratio of grant funding vs. local funding. As a result, the City continued to reinvest in City bridges, streets and sidewalks at near record levels. For the 7th consecutive year the City allocated extra funding towards street and sidewalk repairs, Council extended pilot project funding for sidewalk snow removal and sidewalk repairs, and for only the second time in two decades the City had sufficient revenues to expand critical positions (911 dispatchers) and upgrade selected personnel classifications to enhance public safety.

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In 2018 the City completed the \$18 million Summit Street Improvement project and was substantially complete with the \$3 million SR 43 Signal Upgrade project. The City also secured \$1.3 million in funding commitments to upgrade the N. Water Street corridor and continued to lead a community planning effort to redefine the future of the SR261 corridor. In collaboration with Kent State University the City also began a new transportation planning project to reconfigure the East Main Street corridor along the front campus of the University.

In 2018 Kent City Council participated in a dozen public work sessions with the architect that was hired to design the new City Administration building. City Council also authorized funding for significant repairs and expansion of the West Side Fire Station.

The City also continued its ongoing work with the Franklin and Brimfield townships as JEDD partners in 2018. Despite a 7.8% decrease in the combined income tax collections from the JEDDs, the JEDD opportunities for growth remain strong.

The success of the Franklin and Brimfield JEDD led to an invitation in 2014 from Rootstown Township, home to NEOMED University, to explore the possibility of a new Kent-Rootstown JEDD. In 2015, the City and Rootstown Township agreed to the contract terms for that new JEDD and began recruiting properties and businesses to sign up to be in the new JEDD. However, in 2016 this project was tabled as the Rootstown Township faced uncertain decisions about the future of the school district property which was planned to be the centerpiece of the new JEDD. In 2017, the Rootstown School district voted to keep the school complex in the area previously targeted for the JEDD so the Township Trustees resumed informal discussions with the City over the prospect of moving forward with a new JEDD excluding the school district property. In 2018, new JEDD negotiations stalled but the imminent change in the President of NEOMED University has led to renewed interest in a new Rootstown JEDD discussions.

The multi-year rate stabilization plans adopted for the City's Utility Funds in 2010-11 continued to improve the sustainability of those funds through incremental water and sewer rate increases. In 2016 Council amended the rate plans to reflect year-to-year water and sewer rate variations that had occurred due to fluctuations in capital spending schedules, and approved a one-time stormwater rate increase with an expectation to develop a new fee based model to incorporate stormwater capital and operating needs into the multi-year rate plan. The modifications to the rate plan were re-approved by City Council in 2018, confirming Council's commitment to multi-year rate planning, ensuring the long term viability of the rate plans, and ultimately saving utility customer dollars from the original 2011 rate plan.

As a result of the rate plans, the City has been able to implement fully-costed expense accounting for the Utility funds, thereby reducing the need for General Fund supplements to the Utility funds. This in turn has better enabled the City to replenish reserve balances in the Utility funds so that it can accommodate unexpected operational needs and ensure adequate long term funding for critical infrastructure investment needs while remaining sensitive to the ability of customers to pay for those needs.

During 2018, the City approved an update to the five-year capital improvement program that ensures the City's ability to meet the infrastructure needs of the community in future years. In addition to the capital plan, City Council continued to support strategic investments in 2018 that advanced critical economic development priorities. City staff also continued to pursue efficiency and productivity improvements wherever possible in 2018.

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City Operating Funds

The development activities that have been underway in Kent have enhanced the City's financial resilience to manage through periods of economic uncertainty but it's proven a difficult test to manage through State divestment pushing that resilience to its limits. Kent's economy remains strong but it may be untenable to expect an economy the size of Kent to fill the \$1.3 million/year hole left from State funding cuts.

The flurry of investment and new jobs that accompanied the construction of the large scale redevelopment provided temporary financial relief that helped bridge operating funding challenges in the short term and while construction has slowed, the City's economic indicators have maintained a level of performance that translated into modest economic growth. Unfortunately those short gains have been offset by the long term decline in State funding, exposing the City's annual fiscal operating position to a level of uncertainty it hasn't faced in years.

As a result of the economic recession, the City developed a Fiscal Health Index to more closely track fund balance, debt load, income taxes, operating position and property taxes as markers of fiscal health using a composite health index that balances indicators of financial stability, risk and capacity for growth. At this point, the City's Fiscal Health outlook heading into 2019 remains stable but less predictable than preferred.

The City continues to possess sufficient funds to meet its requirements for cash outlay in the coming year, and possesses the financial capacity in addition to management direction to ensure that its obligations are met for the foreseeable future.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, customers, employees, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Budget and Finance Department, City of Kent, 930 Overholt Road, Kent, Ohio 44240, telephone (330) 678-8102.

Basic Financial Statements

City of Kent, Ohio
Statement of Net Position
December 31, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 28,371,039	\$ 6,713,249	\$ 35,084,288
Cash and Cash Equivalents:			
In Segregated Accounts	64,861	-	64,861
Cash Surrender Value of Life Insurance Policies	261,249	-	261,249
Materials and Supplies Inventory	322,324	93,992	416,316
Accounts Receivable	496,126	1,395,144	1,891,270
Accrued Interest Receivable	121,764	-	121,764
Intergovernmental Receivable	1,259,311	-	1,259,311
Internal Balances	1,182,087	(1,182,087)	-
Prepaid Items	321,195	102,405	423,600
Municipal Income Taxes Receivable	3,207,344	-	3,207,344
Property and Other Taxes Receivable	3,176,588	-	3,176,588
Payments in Lieu of Taxes Receivable	359,167	-	359,167
Loans Receivable	515,945	-	515,945
Special Assessments Receivable	429,403	696,919	1,126,322
Net Pension Asset	26,045	20,876	46,921
Assets Held for Resale	242,984	-	242,984
Nondepreciable Capital Assets	45,130,666	5,251,692	50,382,358
Depreciable Capital Assets	46,954,529	47,769,915	94,724,444
Total Assets	132,442,627	60,862,105	193,304,732
DEFERRED OUTFLOWS OF RESOURCES			
Pension	4,405,123	1,068,795	5,473,918
OPEB	2,261,256	236,827	2,498,083
Total Deferred Outflows of Resources	6,666,379	1,305,622	7,972,001
LIABILITIES			
Accounts Payable	370,855	101,870	472,725
Contracts and Retainage Payable	1,802,373	123,827	1,926,200
Accrued Wages and Benefits	332,510	105,490	438,000
Accrued Interest Payable	91,717	3,019	94,736
Claims Payable	130,539	-	130,539
Notes Payable	4,860,743	317,047	5,177,790
Long-term Liabilities:			
Due within one year	1,535,088	573,522	2,108,610
Due in more than one year:			
Net Pension Liability	23,501,126	4,172,990	27,674,116
Net OPEB Liability	20,456,358	2,859,260	23,315,618
Other Amounts due in more than one year	14,599,595	1,982,634	16,582,229
Total Liabilities	67,680,904	10,239,659	77,920,563
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	2,970,708	-	2,970,708
Payments in Lieu of Taxes (PILOTs)	359,167	-	359,167
Pension	2,139,604	1,006,304	3,145,908
OPEB	462,089	212,996	675,085
Total Deferred Inflows of Resources	5,931,568	1,219,300	7,150,868
NET POSITION			
Net Investment in Capital Assets	73,565,735	50,456,860	124,022,595
Restricted for:			
Capital Projects	7,555,354	-	7,555,354
Debt Services	301,014	-	301,014
Streets and Highways	2,044,146	-	2,044,146
Public Facilities and Programs	2,378,998	-	2,378,998
Community Development Block Grant	209,386	-	209,386
Parks and Recreation	577,830	-	577,830
Police, Fire and EMS	4,075,912	-	4,075,912
Community Development	1,222,141	-	1,222,141
Other Purpose	201,816	-	201,816
Unrestricted	(26,635,798)	251,908	(26,383,890)
Total Net Position	\$ 65,496,534	\$ 50,708,768	\$ 116,205,302

The notes to the basic financial statements are an integral part of this statement

City of Kent, Ohio
Statement of Activities
For the Year Ended December 31, 2018

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Security of Persons and Property	\$ 15,227,583	\$ 2,031,970	\$ 44,680	\$ -
Public Health and Welfare	1,048,660	376,250	-	-
Leisure Time Activities	2,422,995	859,038	55,572	-
Community Development	1,613,437	418,762	200,126	-
Transportation	4,078,837	54,885	791,018	3,361,639
General Government	3,689,377	110,373	-	-
Interest and Fiscal Charges	627,987	-	-	-
Total Governmental activities	<u>28,708,876</u>	<u>3,851,278</u>	<u>1,091,396</u>	<u>3,361,639</u>
Business-type activities:				
Water	3,885,404	3,814,274	-	54,587
Sewer	5,040,532	4,021,710	-	51,460
Solid Waste	339,312	482,892	-	-
Storm Water Drainage	1,067,187	997,098	-	1,600
Total Business-type activities	<u>10,332,435</u>	<u>9,315,974</u>	<u>-</u>	<u>107,647</u>
Total Primary Government	<u>\$ 39,041,311</u>	<u>\$ 13,167,252</u>	<u>\$ 1,091,396</u>	<u>\$ 3,469,286</u>

General Revenues:

Property and Other Taxes levied for:

General Purposes

Special Revenue

Municipal Income Taxes levied for:

General Purposes

Capital Outlay

Special Revenue

Payments in Lieu of Taxes

Grants & Entitlements not restricted to specific programs

Investment Income

Gain on Sale of Capital Assets

All Other Revenues

Total General Revenues

Change in Net Position

Net Position - Beginning of Year, Restated

Net Position - End of Year

The notes to the basic financial statements are an integral part of this statement

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (13,150,933)	\$ -	\$ (13,150,933)
(672,410)	-	(672,410)
(1,508,385)	-	(1,508,385)
(994,549)	-	(994,549)
128,705	-	128,705
(3,579,004)	-	(3,579,004)
(627,987)	-	(627,987)
<u>(20,404,563)</u>	<u>-</u>	<u>(20,404,563)</u>
-	(16,543)	(16,543)
-	(967,362)	(967,362)
-	143,580	143,580
-	(68,489)	(68,489)
<u>-</u>	<u>(908,814)</u>	<u>(908,814)</u>
<u>(20,404,563)</u>	<u>(908,814)</u>	<u>(21,313,377)</u>
1,863,809	-	1,863,809
1,673,618	-	1,673,618
3,135,143	-	3,135,143
4,931,800	-	4,931,800
8,038,936	-	8,038,936
462,329	-	462,329
1,767,973	-	1,767,973
574,057	1,711	575,768
4,656	6,957	11,613
630,269	130,885	761,154
<u>23,082,590</u>	<u>139,553</u>	<u>23,222,143</u>
2,678,027	(769,261)	1,908,766
<u>62,818,507</u>	<u>51,478,029</u>	<u>114,296,536</u>
<u>\$ 65,496,534</u>	<u>\$ 50,708,768</u>	<u>\$ 116,205,302</u>

City of Kent, Ohio
Balance Sheet
Governmental Funds
December 31, 2018

	General Fund	Income Tax Safety	Fire and Emergency Medical Services	Capital Projects
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 11,551,263	\$ 1,259,093	\$ 2,114,439	\$ 7,144,012
Cash and Cash Equivalents:				
In Segregated Accounts	-	-	-	-
Materials and Supplies Inventory	-	43,014	-	-
Accrued Interest Receivable	118,973	-	-	-
Accounts Receivable	464,084	9,067	6,045	-
Interfund Receivable	1,748,546	-	-	-
Intergovernmental Receivable	613,259	31,511	-	120,974
Prepaid Items	77,560	125,858	74,706	11,840
Payments in Lieu of Taxes Receivable	-	-	-	-
Municipal Income Taxes Receivable	846,050	700,075	700,075	462,734
Property and Other Taxes Receivable	1,616,294	-	-	-
Special Assessments Receivable	-	-	-	179,226
Loans Receivable	9,550	-	-	-
Assets Held for Resale	134,500	-	-	108,484
Total Assets	\$ 17,180,079	\$ 2,168,618	\$ 2,895,265	\$ 8,027,270
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 168,685	\$ 4,728	\$ 18,509	\$ 75,405
Accrued Wages and Benefits	60,910	132,103	94,033	-
Contracts and Retainage Payable	-	-	-	1,309,319
Accrued Interest Payable	-	-	-	4,888
Interfund Payable	-	-	-	-
Workers' Compensation Claims Payable	-	-	-	-
Notes Payable	-	-	-	510,000
Total Liabilities	229,595	136,831	112,542	1,899,612
Deferred Inflows of Resources:				
Property Taxes and PILOTS	1,493,377	-	-	-
Unavailable Revenue - Delinquent Property Taxes	73,443	-	-	-
Unavailable Revenue - Municipal Income Taxes	525,892	435,156	435,156	287,628
Unavailable Revenue - Other	507,616	-	-	179,226
Total Deferred Inflows of Resources	2,600,328	435,156	435,156	466,854
Fund Balances:				
Nonspendable	1,970,156	168,872	74,706	11,840
Restricted	-	1,427,759	2,272,861	-
Committed	2,378,998	-	-	5,648,964
Assigned	409,893	-	-	-
Unassigned (Deficit)	9,591,109	-	-	-
Total Fund Balances	14,350,156	1,596,631	2,347,567	5,660,804
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 17,180,079	\$ 2,168,618	\$ 2,895,265	\$ 8,027,270

The notes to the basic financial statements are an integral part of this statement

			<i>Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities December 31, 2018</i>	
Police Facilities	Other Governmental Funds	Total Governmental Funds		
\$ 1,469,673	\$ 4,267,148	\$ 27,805,628	Total Governmental Funds Balance	\$ 25,665,567
-	64,861	64,861	<i>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</i>	
-	279,310	322,324		
-	2,791	121,764		
-	16,930	496,126	Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.	92,085,195
-	-	1,748,546		
-	493,567	1,259,311		
-	31,231	321,195	Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the funds:	
-	359,167	359,167	Delinquent property taxes	142,080
326,475	171,935	3,207,344	Municipal income taxes	1,993,636
-	1,560,294	3,176,588	Special assessments	429,403
-	250,177	429,403	Intergovernmental	705,191
-	506,395	515,945	Charges for services	171,598
-	-	242,984	Total	3,441,908
<u>\$ 1,796,148</u>	<u>\$ 8,003,806</u>	<u>\$ 40,071,186</u>		
			In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental funds, an interest expenditure is reported when due.	(45,429)
\$ 4,700	\$ 98,828	\$ 370,855	Internal Service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of the Internal Service funds are included in Governmental Activities in the Statement of Net Position.	345,662
-	45,464	332,510		
455,514	37,540	1,802,373		
31,146	10,254	46,288		
-	216,000	216,000		
-	5,067	5,067		
3,250,000	1,100,743	4,860,743	The net pension asset, net pension liability and net OPEB liability are not due and payable in the current period; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds:	
<u>3,741,360</u>	<u>1,513,896</u>	<u>7,633,836</u>	Deferred Outflows-Pension	4,405,123
			Deferred Inflows-Pension	(2,139,604)
			Net Pension Asset	26,045
			Net Pension Liability	(23,501,126)
			Deferred Outflows - OPEB	2,261,256
			Deferred Inflows - OPEB	(462,089)
			Net OPEB Liability	(20,456,358)
			Total	(39,866,753)
-	310,541	2,536,115	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
-	4,049,700	7,750,320	General obligation bonds	(14,029,975)
-	-	8,027,962	OPWC loans	(569,460)
-	-	409,893	Workers Compensation	(53,407)
(2,148,144)	(501,688)	6,941,277	Compensated absences	(1,476,774)
<u>(2,148,144)</u>	<u>3,858,553</u>	<u>25,665,567</u>	Total	(16,129,616)
<u>\$ 1,796,148</u>	<u>\$ 8,003,806</u>	<u>\$ 40,071,186</u>		
			Net Position of Governmental Activities	<u>\$ 65,496,534</u>

The notes to the basic financial statements are an integral part of this statement

City of Kent, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018

	<u>General Fund</u>	<u>Income Tax Safety</u>	<u>Fire and Emergency Medical Services</u>	<u>Capital Projects</u>
REVENUES				
Property and Other Taxes	\$ 1,862,329	\$ -	\$ -	\$ -
Municipal Income Taxes	3,462,679	3,540,195	3,540,195	2,971,891
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	1,696,318	28,035	15,970	3,242,628
Interest	533,596	-	-	-
Fees, Licenses, and Permits	287,890	-	-	-
Fines and Forfeitures	288,187	-	-	-
Charges for Services	2,034,741	-	-	-
Contributions and Donations	50	-	675	-
Special Assessments	-	-	-	59,149
All Other Revenues	106,731	80,224	60,773	8,470
Total Revenues	<u>10,272,521</u>	<u>3,648,454</u>	<u>3,617,613</u>	<u>6,282,138</u>
EXPENDITURES				
Current:				
Security of Persons and Property	-	6,953,986	4,830,708	-
Public Health and Welfare	742,693	-	-	-
Leisure Time Activities	-	-	-	-
Community Development	1,393,176	-	-	-
Transportation	-	-	-	200,259
General Government	2,991,336	-	-	-
Capital Outlay	-	-	759,809	5,128,568
Debt Service:				
Principal Retirement	-	-	-	21,986
Interest and Fiscal Charges	-	-	-	10,765
Debt Issuance Costs	-	-	-	3,065
Total Expenditures	<u>5,127,205</u>	<u>6,953,986</u>	<u>5,590,517</u>	<u>5,364,643</u>
Excess of Revenues Over/(Under) Expenditures	<u>5,145,316</u>	<u>(3,305,532)</u>	<u>(1,972,904)</u>	<u>917,495</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	5,283	4,656	-
OPWC Loans Issued	-	-	-	338,926
Transfers In	-	3,200,000	2,000,000	-
Transfers Out	(5,575,348)	-	-	-
Total Other Financing Sources (Uses)	<u>(5,575,348)</u>	<u>3,205,283</u>	<u>2,004,656</u>	<u>338,926</u>
Net Change in Fund Balances	(430,032)	(100,249)	31,752	1,256,421
Fund Balances - Beginning of Year	14,780,188	1,696,880	2,315,815	4,404,383
Fund Balances - End of Year	<u>\$ 14,350,156</u>	<u>\$ 1,596,631</u>	<u>\$ 2,347,567</u>	<u>\$ 5,660,804</u>

The notes to the basic financial statements are an integral part of this statement

			<i>Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2018</i>	
Police Facilities	Other Governmental Funds	Total Governmental Funds		
\$ -	\$ 1,675,018	\$ 3,537,347	Net Change in Fund Balances-Total Governmental Funds	\$ 669,757
1,757,755	901,042	16,173,757	<i>Amounts reported for Governmental Activities in the Statement of Activities are different because:</i>	
-	462,329	462,329	Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	
-	1,190,087	6,173,038	Capital outlay	\$ 7,825,913
-	28,990	562,586	Depreciation	<u>(2,468,871)</u>
-	270,746	558,636	Total	5,357,042
-	5,852	294,039	In the Statement of Activities, only the loss on the disposal of capital assets is reported, whereas, in the Governmental Funds, the proceeds from the disposals increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets.	(66,154)
-	944,458	2,979,199	Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
-	-	725	Delinquent property taxes	80
-	113,280	172,429	Municipal income taxes	(67,878)
23,898	105,373	385,469	Special assessments	(75,849)
1,781,653	5,697,175	31,299,554	Intergovernmental	(79,820)
			Charges for services	<u>49,939</u>
			Total	(173,528)
-	494,005	12,278,699	Other financing sources in the Governmental Funds increase long-term liabilities in the Statement of Net Position. These sources were	(338,926)
-	215,249	957,942	Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
-	2,065,095	2,065,095	Pension	2,084,073
-	95,667	1,488,843	OPEB	41,877
-	2,043,623	2,243,882	Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.	
69,427	-	3,060,763	Pension	(3,415,564)
1,411,322	526,214	7,825,913	OPEB	(1,678,090)
255,000	154,947	431,933	Repayment of debt principal are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	431,933
405,810	232,122	648,697	Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental funds.	
19,782	6,176	29,023	Compensated absences	(98,596)
2,161,341	5,833,098	31,030,790	Workers' compensation claims	(15,147)
(379,688)	(135,923)	268,764	Amortization of premiums	42,068
			Accrued interest on bonds	<u>837</u>
-	52,128	62,067	Total	(70,838)
-	-	338,926	Internal Service funds are used by management to charge costs to certain activities, such as insurance to individual funds. The net revenue (expense) of Internal Service funds are reported in the Governmental Activities.	(163,555)
-	375,348	5,575,348	Change in Net Position of Governmental Activities	\$ 2,678,027
-	-	(5,575,348)		
-	427,476	400,993		
(379,688)	291,553	669,757		
(1,768,456)	3,567,000	24,995,810		
\$ (2,148,144)	\$ 3,858,553	\$ 25,665,567		

The notes to the basic financial statements are an integral part of this statement

City of Kent, Ohio
*Statement of Revenues, Expenditures and Changes in Fund Balance –
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$ 1,297,425	\$ 1,480,912	\$ 1,504,695	\$ 23,783
Other Local Taxes	310,051	365,726	359,583	(6,143)
Intergovernmental	1,492,559	1,693,009	1,731,003	37,994
Interest	432,728	361,175	501,858	140,683
Fees, Licenses and Permits	240,867	239,649	279,347	39,698
Fines and Forfeits	258,340	298,360	299,611	1,251
Charges for Services	1,700,742	1,900,140	1,972,444	72,304
Contributions and Donations	43	-	50	50
Miscellaneous	188,747	204,300	218,900	14,600
Total Revenues	<u>5,921,502</u>	<u>6,543,271</u>	<u>6,867,491</u>	<u>324,220</u>
Expenditures				
Current:				
Public Health and Welfare	613,999	634,999	577,314	57,685
Community Development	1,692,542	1,780,626	1,535,152	245,474
General Government	3,575,214	3,759,714	3,143,340	616,374
Total Expenditures	<u>5,881,755</u>	<u>6,175,339</u>	<u>5,255,806</u>	<u>919,533</u>
Excess of Revenues Over (Under) Expenditures	39,747	367,932	1,611,685	1,243,753
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	862	3,641	1,000	(2,641)
Advances In	106,000	106,000	106,000	-
Transfer In	3,600,000	3,600,000	3,600,000	-
Transfers Out	(5,200,000)	(5,306,640)	(5,306,640)	-
Total Other Financing Sources (Uses)	<u>(1,493,138)</u>	<u>(1,596,999)</u>	<u>(1,599,640)</u>	<u>(2,641)</u>
Net Change in Fund Balance	(1,453,391)	(1,229,067)	12,045	1,241,112
Fund Balance - Beginning of Year	4,743,986	4,743,986	4,743,986	-
Prior Year Encumbrances Appropriated	302,380	302,380	302,380	-
Fund Balance - End of Year	<u>\$ 3,592,975</u>	<u>\$ 3,817,299</u>	<u>\$ 5,058,411</u>	<u>\$ 1,241,112</u>

The notes to the basic financial statements are an integral part of this statement

City of Kent, Ohio
*Statement of Revenues, Expenditures and Changes in Fund Balance –
 Budget (Non-GAAP Basis) and Actual
 Income Tax Safety Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 169,487	\$ 21,279	\$ 28,035	\$ 6,756
Miscellaneous	438,974	55,112	72,611	17,499
Total Revenues	<u>608,461</u>	<u>76,391</u>	<u>100,646</u>	<u>24,255</u>
Expenditures				
Current:				
Security of Persons & Property	7,256,215	7,363,915	7,094,783	269,132
Excess of Revenues Over (Under) Expenditures	(6,647,754)	(7,287,524)	(6,994,137)	293,387
Other Financing Sources				
Proceeds from Sale of Capital Assets	31,939	4,010	5,283	1,273
Transfers In	6,732,228	6,732,228	6,732,228	-
Total Other Financing Sources	<u>6,764,167</u>	<u>6,736,238</u>	<u>6,737,511</u>	<u>1,273</u>
Net Change in Fund Balance	116,413	(551,286)	(256,626)	294,660
Fund Balance - Beginning of Year	1,409,188	1,409,188	1,409,188	-
Prior Year Encumbrances Appropriated	68,670	68,670	68,670	-
Fund Balance - End of Year	<u>\$ 1,594,271</u>	<u>\$ 926,572</u>	<u>\$ 1,221,232</u>	<u>\$ 294,660</u>

The notes to the basic financial statements are an integral part of this statement

City of Kent, Ohio
*Statement of Revenues, Expenditures and Changes in Fund Balance –
 Budget (Non-GAAP Basis) and Actual
 Fire and Emergency Medical Services Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,351,336	\$ -	\$ 23,095	\$ 23,095
Contributions and Donations	39,496	-	675	675
All Other Revenues	3,256,137	43,484	55,649	12,165
Total Revenues	<u>4,646,969</u>	<u>43,484</u>	<u>79,419</u>	<u>35,935</u>
Expenditures				
Current:				
Security of Persons & Property	6,304,388	7,037,113	5,975,058	1,062,055
Excess of Revenues Over (Under) Expenditures	(1,657,419)	(6,993,629)	(5,895,639)	1,097,990
Other Financing Sources				
Proceeds from Sale of Capital Assets	272,432	-	4,656	4,656
Transfers In	553,228	5,532,228	5,532,228	-
Total Other Financing Sources	<u>825,660</u>	<u>5,532,228</u>	<u>5,536,884</u>	<u>4,656</u>
Net Change in Fund Balance	(831,759)	(1,461,401)	(358,755)	1,102,646
Fund Balance - Beginning of Year	1,504,607	1,504,607	1,504,607	-
Prior Year Encumbrances Appropriated	634,368	634,368	634,368	-
Fund Balance - End of Year	<u><u>\$ 1,307,216</u></u>	<u><u>\$ 677,574</u></u>	<u><u>\$ 1,780,220</u></u>	<u><u>\$ 1,102,646</u></u>

The notes to the basic financial statements are an integral part of this statement

City of Kent, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2018

	Enterprise Funds				Total	Governmental
	Water	Sewer	Storm Water Drainage	Nonmajor - Solid Waste		Internal Service Fund
ASSETS						
Current Assets:						
Equity in Pooled Cash and Cash Equivalents	\$ 2,179,374	\$ 2,221,594	\$ 1,352,223	\$ 960,058	\$ 6,713,249	\$ 565,411
Materials and Supplies Inventory	83,733	10,259	-	-	93,992	-
Accounts Receivable	555,561	616,848	162,154	60,581	1,395,144	-
Prepaid Items	47,007	46,893	8,480	25	102,405	-
Special Assessments Receivable	255,816	128,575	312,528	-	696,919	-
Total Current Assets	<u>3,121,491</u>	<u>3,024,169</u>	<u>1,835,385</u>	<u>1,020,664</u>	<u>9,001,709</u>	<u>565,411</u>
Noncurrent Assets:						
Cash Surrender Value of Life Insurance Policies	-	-	-	-	-	261,249
Net Pension Asset	8,811	9,696	2,048	321	20,876	-
Capital Assets:						
Land	1,340,365	412,575	72,596	-	1,825,536	-
Construction in Progress	1,479,666	1,501,786	444,704	-	3,426,156	-
Depreciable Assets, Net of Depreciation	11,617,771	22,363,741	13,788,403	-	47,769,915	-
Total Noncurrent Assets	<u>14,446,613</u>	<u>24,287,798</u>	<u>14,307,751</u>	<u>321</u>	<u>53,042,483</u>	<u>261,249</u>
Total Assets	<u>17,568,104</u>	<u>27,311,967</u>	<u>16,143,136</u>	<u>1,020,985</u>	<u>62,044,192</u>	<u>826,660</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension	451,089	496,391	104,865	16,450	1,068,795	-
OPEB	99,954	109,992	23,236	3,645	236,827	-
Total Deferred Outflows of Resources	<u>551,043</u>	<u>606,383</u>	<u>128,101</u>	<u>20,095</u>	<u>1,305,622</u>	<u>-</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	22,305	69,417	-	10,148	101,870	-
Accrued Wages and Benefits	43,626	50,687	9,649	1,528	105,490	-
Compensated Absences Payable	103,996	126,112	32,315	3,595	266,018	-
Contracts and Retainage Payable	59,748	55,153	8,926	-	123,827	-
Interfund Payable	32,100	38,980	126,000	210,466	407,546	1,125,000
Accrued Interest Payable	-	3,019	-	-	3,019	-
Health Insurance Claims Payable	-	-	-	-	-	130,539
Notes Payable	-	317,047	-	-	317,047	-
OWDA and OPWC Loans Payable	47,823	249,714	9,967	-	307,504	-
Total Current Liabilities	<u>309,598</u>	<u>910,129</u>	<u>186,857</u>	<u>225,737</u>	<u>1,632,321</u>	<u>1,255,539</u>
Noncurrent Liabilities:						
Compensated Absences Payable	8,443	13,713	2,878	455	25,489	-
Workers' Compensation Claims Payable	7,006	8,125	1,558	260	16,949	-
OWDA and OPWC Loans Payable	264,942	1,544,160	131,094	-	1,940,196	-
Net Pension Liability	1,761,225	1,938,102	409,437	64,226	4,172,990	-
Net OPEB Liability	1,206,761	1,327,954	280,539	44,006	2,859,260	-
Total Noncurrent Liabilities	<u>3,248,377</u>	<u>4,832,054</u>	<u>825,506</u>	<u>108,947</u>	<u>9,014,884</u>	<u>-</u>
Total Liabilities	<u>3,557,975</u>	<u>5,742,183</u>	<u>1,012,363</u>	<u>334,684</u>	<u>10,647,205</u>	<u>1,255,539</u>
DEFERRED INFLOWS OF RESOURCES						
Pension	424,716	467,365	98,735	15,488	1,006,304	-
OPEB	89,896	98,924	20,898	3,278	212,996	-
Total Deferred Inflows of Resources	<u>514,612</u>	<u>566,289</u>	<u>119,633</u>	<u>18,766</u>	<u>1,219,300</u>	<u>-</u>
NET POSITION						
Net Investment in Capital Assets	14,125,037	22,167,181	14,164,642	-	50,456,860	-
Unrestricted	(78,477)	(557,303)	974,599	687,630	1,026,449	(428,879)
Total Net Position	<u>\$ 14,046,560</u>	<u>\$ 21,609,878</u>	<u>\$ 15,139,241</u>	<u>\$ 687,630</u>	<u>\$ 52,509,759</u>	<u>\$ (428,879)</u>

Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.

(774,541)
\$ 50,708,768

The notes to the basic financial statements are an integral part of this statement

City of Kent, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2018

	Enterprise Funds				Total	Governmental Activities
	Water	Sewer	Storm Water Drainage	Nonmajor - Solid Waste		Internal Service Fund
OPERATING REVENUES						
Charges for Services	\$ 3,814,274	\$ 4,021,710	\$ 997,098	\$ 482,892	\$ 9,315,974	\$ 3,253,617
Miscellaneous	73,101	39,352	2,489	15,943	130,885	20,399
Total Operating Revenues	<u>3,887,375</u>	<u>4,061,062</u>	<u>999,587</u>	<u>498,835</u>	<u>9,446,859</u>	<u>3,274,016</u>
OPERATING EXPENSES						
Salaries	1,563,770	1,791,707	377,336	59,597	3,792,410	-
Fringe Benefits	904,526	1,024,019	210,013	33,003	2,171,561	-
Materials and Supplies	386,644	428,767	-	80	815,491	-
Utilities	178,852	197,787	-	-	376,639	-
Contractual Services	250,107	608,590	107,302	203,995	1,169,994	627,344
Depreciation	562,167	887,092	366,079	-	1,815,338	-
Claims	1,541	1,874	256	56	3,727	2,887,500
Other	2,122	4,165	-	41,518	47,805	-
Total Operating Expense	<u>3,849,729</u>	<u>4,944,001</u>	<u>1,060,986</u>	<u>338,249</u>	<u>10,192,965</u>	<u>3,514,844</u>
Operating Income (Loss)	<u>37,646</u>	<u>(882,939)</u>	<u>(61,399)</u>	<u>160,586</u>	<u>(746,106)</u>	<u>(240,828)</u>
NONOPERATING REVENUES (EXPENSES)						
Gain on Sale of Capital Assets	2,842	4,115	-	-	6,957	-
Interest	961	750	-	-	1,711	11,471
Interest and Fiscal Charges	(8,092)	(65,576)	-	-	(73,668)	-
Total Nonoperating Revenues (Expenses)	<u>(4,289)</u>	<u>(60,711)</u>	<u>-</u>	<u>-</u>	<u>(65,000)</u>	<u>11,471</u>
Capital Contributions	54,587	51,460	1,600	-	107,647	-
Change in Net Position	87,944	(892,190)	(59,799)	160,586	(703,459)	(229,357)
Net Position - Beginning of Year, Restated	13,958,616	22,502,068	15,199,040	527,044		(199,522)
Net Position - End of Year	<u>\$ 14,046,560</u>	<u>\$ 21,609,878</u>	<u>\$ 15,139,241</u>	<u>\$ 687,630</u>		<u>\$ (428,879)</u>

Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities.

(65,802)
\$ (769,261)

The notes to the basic financial statements are an integral part of this statement

City of Kent, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

	Enterprise Funds				Total	Governmental
	Water	Sewer	Storm Water Drainage	Nonmajor - Solid Waste		Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from Charges for Services	\$ 3,770,236	\$ 4,023,162	\$ 990,186	\$ 517,748	\$ 9,301,332	\$ 3,253,617
Other Cash Receipts	70,381	35,725	1,885	15,943	123,934	20,399
Cash Payments to Employees for Services	(1,561,076)	(1,780,564)	(377,488)	(59,739)	(3,778,867)	-
Cash Payments for Employee Benefits	(629,780)	(720,831)	(146,644)	(22,669)	(1,519,924)	-
Cash Payments for Goods and Services	(933,397)	(1,304,154)	(124,517)	(238,899)	(2,600,967)	(553,289)
Cash Payments for Claims	-	-	-	-	-	(2,901,821)
Other Cash Payments	(2,122)	(4,165)	-	(41,518)	(47,805)	-
Net Cash Provided by (Used in) Operating Activities	<u>714,242</u>	<u>249,173</u>	<u>343,422</u>	<u>170,866</u>	<u>1,477,703</u>	<u>(181,094)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Advances Out	(80,000)	(65,000)	(110,000)	(109,000)	(364,000)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(80,000)</u>	<u>(65,000)</u>	<u>(110,000)</u>	<u>(109,000)</u>	<u>(364,000)</u>	<u>350,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Tap-in Fees	54,587	51,460	1,600	-	107,647	-
Special Assessments	33,728	22,963	25,053	-	81,744	-
Proceeds from Notes	-	315,000	-	-	315,000	-
Premium on Notes	-	3,071	-	-	3,071	-
Principal Paid on OWDA/OPWC Loans	(51,316)	(240,904)	(9,967)	-	(302,187)	-
Principal Paid on Notes	-	(375,000)	-	-	(375,000)	-
Interest Paid on OWDA/OPWC Loans	(3,292)	(58,788)	-	-	(62,080)	-
Interest Paid on Notes	-	(9,393)	-	-	(9,393)	-
Payments for Capital Acquisitions	(1,147,309)	(543,348)	(180,750)	-	(1,871,407)	-
Proceeds from Sale of Capital Assets	2,842	4,115	-	-	6,957	-
Net Cash Used in Capital and Related Financing Activities	<u>(1,110,760)</u>	<u>(830,824)</u>	<u>(164,064)</u>	<u>-</u>	<u>(2,105,648)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on Investments	961	750	-	-	1,711	-
Net Cash Provided by Investing Activities	<u>961</u>	<u>750</u>	<u>-</u>	<u>-</u>	<u>1,711</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(475,557)	(645,901)	69,358	61,866	(990,234)	168,906
Cash and Cash Equivalents - Beginning of Year	2,654,931	2,867,495	1,282,865	898,192	7,703,483	396,505
Cash and Cash Equivalents - End of Year	<u>\$ 2,179,374</u>	<u>\$ 2,221,594</u>	<u>\$ 1,352,223</u>	<u>\$ 960,058</u>	<u>\$ 6,713,249</u>	<u>\$ 565,411</u>

(Continued)

The notes to the basic financial statements are an integral part of this statement

City of Kent, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2018

	Enterprise Funds					Governmental Activities
	Water	Sewer	Storm Water Drainage	Nonmajor - Solid Waste	Total	Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS)						
TO NET CASH PROVIDED BY (USED IN) OPERATING						
ACTIVITIES						
Operating Income (Loss)	\$ 37,646	\$ (882,939)	\$ (61,399)	\$ 160,586	\$ (746,106)	\$ (240,828)
Adjustments:						
Depreciation	562,167	887,092	366,079	-	1,815,338	-
Premium charged for Life Insurance Policies	-	-	-	-	-	74,055
(Increase) Decrease in Assets:						
Accounts Receivable	(45,303)	(569)	(7,303)	36,258	(16,917)	-
Materials and Supplies Inventory	(27,309)	(811)	-	-	(28,120)	-
Prepaid Items	(34,388)	(43,494)	(8,126)	-	(86,008)	-
Net Pension Asset	(5,287)	(5,819)	(1,228)	(193)	(12,527)	-
Deferred Outflows of Resources - Pension	533,900	587,200	124,336	19,215	1,264,651	-
Deferred Outflows of Resources - OPEB	(82,293)	(90,557)	(19,130)	(3,001)	(194,981)	-
Increase (Decrease) in Liabilities:						
Accounts Payable	(57,552)	(26,311)	(9,302)	(36,226)	(129,391)	-
Accrued Wages and Benefits	7,646	9,540	1,080	184	18,450	-
Compensated Absences Payable	(1,895)	5,320	(681)	(301)	2,443	-
Workers' Compensation Claims Payable	1,541	1,874	256	56	3,727	-
Net Pension Liability	(754,772)	(829,763)	(176,021)	(26,875)	(1,787,431)	-
Net OPEB Liability	96,665	106,373	22,472	3,525	229,035	-
Deferred Inflows of Resources - Pension	393,580	433,113	91,491	14,360	932,544	-
Deferred Inflows of Resources - OPEB	89,896	98,924	20,898	3,278	212,996	-
Health Insurance Claims Payable	-	-	-	-	-	(14,321)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 714,242</u>	<u>\$ 249,173</u>	<u>\$ 343,422</u>	<u>\$ 170,866</u>	<u>\$ 1,477,703</u>	<u>\$ (181,094)</u>
<u>Schedule of Non-Cash Investing, Capital, and Financing Activities:</u>						
Net impact of accruals related to capital assets.	\$ (53,471)	\$ (38,508)	\$ 1,220	\$ -	\$ (90,759)	\$ -

The notes to the basic financial statements are an integral part of this statement

City of Kent, Ohio
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2018

	<u>Agency Fund</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 343,212
Total Assets	<u>\$ 343,212</u>
Liabilities	
Deposits Held and Due to Others	\$ 343,212
Total Liabilities	<u>\$ 343,212</u>

The notes to the basic financial statements are an integral part of this statement

Notes to the Basic Financial Statements

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 1 – Description of the City and Reporting Entity

The City of Kent (the City) is a home rule municipal corporation established under the laws of the State of Ohio. In 1963, a voter-approved Charter became effective which provides for a Council/Manager form of government.

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. This definition of reporting entity is found in GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*.

The City's primary government consists of all funds, departments, boards, and agencies that are not legally separate from the City. The City provides the following services as authorized by its Charter: police, fire, emergency medical assistance, public health care, recreation programs (including parks), transportation programs, water production, sanitary and storm sewers, recycling, planning and zoning, and general administration. None of these services are provided by legally separate organizations; therefore, these operations are included in the primary government. The operation of each of these activities is directly controlled by Council through the budgetary process.

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; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations which are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. The reporting entity of the City does include a blended component unit. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

Blended Component Unit The Kent Downtown Community Urban Redevelopment Corporation (Organization) was formed to hold titles to properties as a nominee for the City for use to initiate and conduct projects for clearance, replanning, development and redevelopment of blighted areas within the City and to provide for the welfare and improvement and maintenance of the central business district of the City. The City has provided a guarantee for the debt service on the Organization's line of credit. The City is billed quarterly for specific reimbursements of economic development expenses. The Organization is reported as part of the City's special revenue funds and does issue separate audited financial statements.

The City is associated with one jointly governed organization, the Northeast Ohio Public Energy Council, and two joint ventures, the Kent-Franklin Township Joint Economic Development District, and the Kent-Brimfield Township Joint Economic Development District. Information about these organizations is presented in Notes 21 and 22 to the basic financial statements, respectively.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 2 - Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (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 more significant of the City's accounting policies are described below.

A. Basis of Presentation

The City's basic financial statements 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. As a general rule, the activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. An exception to this general rule is that 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 governmental function or business activity is self-financing or draws from the general revenues of the City.

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, including its blended component unit. 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. Fiduciary funds are reported by type.

B. 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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

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

General Fund - This fund is the operating fund of the City and is used to account 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 general laws of Ohio.

Income Tax Safety Fund - This fund accounts for the police and other public safety expenditures relative to the distribution of municipal income tax monies as required by the City Charter.

Fire and Emergency Medical Services Fund - This fund accounts for fire and ambulance service expenditures relative to the distribution of municipal income tax monies as required by the City Charter.

Capital Projects Fund - This fund is used to account for expenditures related to the acquisition and construction of major capital facilities and infrastructure, except those financed by proprietary funds. Primary financing is provided by the distribution of municipal income tax monies as required by the City Charter and capital grants from various Federal and State agencies.

Police Facilities Fund - This fund accounts for the resources derived from general obligation bonds and a voter approved income tax for the construction of a new police facility and for the payment of principal and interest and fiscal charges on the related general obligation debt.

The other governmental funds of the City account for grants and other resources whose use is restricted, committed, or assigned to a particular purpose.

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service.

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

Water Fund - This fund is used to account for provision of water services provided to the residential and commercial customers of the City.

Sewer Fund - This fund is used to account for sanitary sewer services provided to the residential and commercial customers of the City.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Storm Water Drainage Fund - This fund is used to account for storm water drainage services provided to the residential and commercial customers of the City.

The City's Solid Waste Fund is used to account for solid waste collection services provided to the residential and commercial customers of the City. This fund is the City's only nonmajor enterprise fund.

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 fund reports on a self-insurance program for employee health and life insurance benefits.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's only agency fund holds deposits held by the City and received from a contractor, developer, or individual to ensure compliance with the ordinances of the City.

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are presented using the economic resources measurement focus. All assets along with deferred outflows of resources and all liabilities along with deferred inflows of resources 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 along with deferred outflows of resources and current liabilities along with deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (e.g., revenues and other financing sources) and uses (e.g., 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 reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets along with deferred outflows of resources and all liabilities along with deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The proprietary funds' statement of revenues, expenses and changes in net position presents increases (e.g., revenues) and decreases (e.g., 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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows 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 year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current 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. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 9). 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 the 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 and motor vehicle license fees), fines and forfeitures, interest, grants, fees, and rentals.

Deferred Outflows/Inflows of Resources - In addition to assets, the statements of financial position will sometimes 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, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows related to pension and OPEB plans are explained in Notes 13 and 14.

In addition to liabilities, the statements of financial position 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, payments in lieu of taxes, pension, OPEB and unavailable revenues. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2018, but which were levied to finance year 2019 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

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 delinquent property taxes, municipal income taxes, intergovernmental grants, special assessments, and charges for services. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities fund on page 27. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 13 and 14)

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.

E. Cash and Cash Equivalents

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. Interest in the pool is presented as "equity in pooled cash and cash equivalents."

The City also has segregated bank accounts for monies held separate from the City's central bank account which relates to the City's blended component unit. These interest bearing depository accounts are presented as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City treasury.

Investments are reported at fair value which is based on quoted market prices as of the valuation date, with the exception of nonparticipating repurchase agreements and non-negotiable certificate of deposits, which are reported at cost.

During 2018, The City's investments were limited to State Treasury Asset Reserve of Ohio (STAR Ohio), non-negotiable and negotiable certificates of deposits, United States Agency debt securities, and money market mutual funds. The City's investment in State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The city measures their investment in STAR Ohio as 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 2017, there were no limitation 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 \$100million limit. All accounts of the participant will be combined for these purposes.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Following Ohio statutes, the City has, by ordinance, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during 2018 amounted to \$562,586, which includes \$388,314 assigned from other City funds.

The City considers highly liquid investments, with an original maturity of three months or less, to be cash equivalents. Investments with an original maturity of three months or more are disclosed as investments.

F. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2018 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

H. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital 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. Donated capital assets are recorded at their acquisition value as of the date received. The City capitalization threshold is \$10,000. 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 proprietary fund capital assets is also capitalized.

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

Description	Estimated Lives
Buildings, Structures and Improvements	10 - 45 years
Infrastructure	10 - 80 years
Machinery and Equipment	3 - 25 years
Vehicles	3 - 20 years

The City's infrastructure consists of roads, bridges, culverts, traffic signals, sidewalks, water mains, sanitary sewers, and storm water drainage lines.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

I. Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “Interfund Receivable/Payable.” Interfund balance amounts are eliminated in the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

J. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The City records a liability for all 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. The liability includes the employees who are currently eligible to receive termination benefits and those the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the City's termination policy.

The current portion of unpaid compensated absences is the amount of matured compensated absences expected to be paid using expendable available financial resources. These amounts are presented as “Matured Compensated Absences Payable” in the funds from which the employees are paid. The noncurrent portion of the liability is not reported in the governmental funds.

K. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, 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 fiscal year. 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.

L. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, 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 Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

M. 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 or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of the City’s Council. Those committed amounts cannot be used for any other purpose unless the City’s 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 the City Council. In the general fund, assigned amounts would represent intended uses established by policies of the City Council or a City official delegated that authority by City Charter or ordinance, or by State statute. State statute authorizes the finance director 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 the other governmental funds, the unassigned classification is used only to report a deficit 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 either restricted or unrestricted (committed, assigned, and unassigned) amounts are 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 Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Fund Balance Policy. The City Council desires to maintain a prudent level of financial resources to guard its citizens against disruption of services in the event the City experiences unexpected short-term revenue shortfalls or unanticipated one-time expenditures. The City's cash fund balance has been accumulated to meet this purpose, provided stability and flexibility to respond to financial adversity or strategic opportunities. The long-term plan is to maintain a rolling undesignated operating cash fund balance (which includes the portions of the General Fund, Street Construction, Maintenance and Repair Fund, Income Tax Fund, Income Tax Safety Fund, and Fire and Emergency Medical Services Fund that are not constrained by encumbrances or the City's self-imposed limitations) that will be no less than a minimum 25 percent of current budgeted operating expenditures. Operating expenditures are deemed to be non-capital expenditures. In the event the undesignated operating cash fund balance exceeds 25 percent of annual operating expenditures and other financing uses (transfers out), the amount exceeding this percentage may be available for appropriation at the discretion of the Director of Budget and Finance and/or the City Manager with the approval of City Council. Any appropriations from the undesignated operating cash fund balance that will take the combined balances below the minimum 25 percent threshold requires special notification to that effect by City Administration at the time City Council consideration is requested (i.e. declaration of a Fund Balance Emergency), along with the usual approval of the City Council.

Additionally, in order to provide a cautionary warning of an approaching Fund Balance Emergency and to initiate any corrective actions, City Administration will apprise City Council upon reaching an undesignated operating cash fund balance (does not include the managed reserve account) that is 17 percent or less of annual operating expenditures. City Council notification will be provided this notification in writing as early as practical upon determination of such status.

N. Net Position

Net Position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position 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. The restricted component of net position is reported when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted as "Other Purposes" are mainly attributed to the Wireless 911 program, the west side fire station operations, the food service program, the revolving housing program, and several other minor grant funds.

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

O. 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 charges for services and other operating revenue for the water, sewer, solid waste and storm water drainage funds. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

P. Contributions of Capital

Contributions of capital in governmental and proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

Q. 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 non-operating 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 financial statements.

R. 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 type of transaction occurred during 2018.

S. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles 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.

T. Budgetary Process

All funds, except the agency funds and the blended component unit (included as a nonmajor special revenue fund), are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the fund level, department, and object level (Personnel and Benefits, Other than Personnel and Benefits, Capital, Reserve/Debt Service, and Contingency) for all funds. Budgetary modifications may only be made by resolution of the City Council at the legal level of control.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Director of Budget and Finance. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources in effect when final appropriations were passed by Council.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

Note 3 – Changes in Accounting Principles and Restatement of Net Position

During the year, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 85, *Omnibus 2017*, Statement No. 86, *Certain Debt Extinguishment Issues*, Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and related guidance from (GASB) Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*.

GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). These changes were incorporated in the City’s fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. These changes were incorporated in the City’s fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 75 established standards for measuring and recognizing Postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2017:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Net Position December 31, 2017	\$ 79,839,485	\$ 54,066,408
Adjustments:		
Net OPEB liability	(17,106,012)	(2,630,225)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>85,034</u>	<u>41,846</u>
Restated Net Position December 31, 2017	<u>\$ 62,818,507</u>	<u>\$ 51,478,029</u>

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

	Water	Sewer	Storm Water Drainage	Solid Waste	Total Enterprise
Net Position December 31, 2017	\$ 15,051,051	\$ 23,704,214	\$ 15,453,001	\$ 566,881	\$ 54,775,147
Adjustments:					
Net OPEB liability	(1,110,096)	(1,221,581)	(258,067)	(40,481)	(2,630,225)
Deferred Outflow - Payments Subsequent to Measurement Date	17,661	19,435	4,106	644	41,846
Restated Net Position December 31, 2017	<u>\$ 13,958,616</u>	<u>\$ 22,502,068</u>	<u>\$ 15,199,040</u>	<u>\$ 527,044</u>	<u>\$ 52,186,768</u>

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements were not available.

Note 4 – Accountability and Compliance

Fund Deficits

As of December 31, 2018, the City’s Muni PI Tax Increment Equivalent Fund and Police Facilities reported deficit fund balances of \$501,688 and \$2,148,144, respectively. These fund deficits resulted from accrued liabilities. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 5 - Budgetary Basis of Accounting

While the City is reporting financial position, results of operations, and changes in fund balances/net position on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the General, Income Tax Safety, and the Fire and Emergency Medical Services funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the inventory is used, the prepaid is consumed, and the liability is incurred (GAAP basis);
3. Investments reported at fair value (GAAP) rather than cost (budget basis);
4. The Income Tax Fund is included in the General Fund (GAAP basis), but has a separate legally adopted budget (budget basis); and
5. Encumbrances are treated as expenditures (budget basis) rather than as a part of restricted, committed, and assigned fund balances (GAAP basis).

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

The following tables summarize the adjustments necessary to reconcile the budgetary basis statements to the GAAP basis statements for the General Fund and for the two major special revenue funds.

	<u>General</u>	<u>Income Tax Safety</u>	<u>Fire and Emergency Medical Services</u>
Fund Balance - Budget Basis	\$5,058,411	\$1,221,232	\$1,780,220
Net Adjustment			
Revenue Accruals	3,677,685	740,653	706,120
Deferred Inflows	(2,517,941)	(435,156)	(435,156)
Expenditure Accruals	(225,126)	(136,831)	(112,542)
Assets Held for Resale	134,500	0	0
Inventories/Prepays	77,560	168,872	74,706
Investment Valuation	(258,234)	0	0
Funds Budgeted elsewhere	7,918,453	0	0
Encumbrances	484,848	37,861	334,219
Fund Balance - GAAP Basis	<u>\$14,350,156</u>	<u>\$1,596,631</u>	<u>\$2,347,567</u>

Note 6 - Deposits and Investments

The City maintains a cash pool that is available for use by all funds and accounts. Also maintained separately are accounts for revolving loans and restricted cash. Each fund type's portion of this pool is displayed on the balance sheet as "equity in pooled cash and cash equivalents." State statutes require the classification of funds held by the City into three categories:

Category 1 consists of "active" funds - those funds required to be kept in "cash" or "near cash" status for immediate use by the City. Such funds must be maintained either as cash in the City Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

Category 3 consists of "interim" funds - those funds not needed for immediate use but needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- 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;
- 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,

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

Custodial Credit Risk: Custodial credit risk for deposits 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. Protection of the City's cash and deposits is provided by the Federal Deposit Insurance Corporation (FDIC), as well as qualified securities pledged by the institution holding the assets. Ohio law requires that deposits either be insured or protected by:

Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

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. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. The City's financial institution had enrolled in OPCS as of December 31, 2018.

Cash on Hand

At December 31, 2018, the City had \$1,105 in undeposited cash on hand, which is included on the balance sheet of the City as part of "Equity in Pooled Cash and Cash Equivalents".

Deposits

At December 31, 2018, the carrying value of the City's deposits was \$2,170,929. The cash balances per the banks were \$1,340,877, of which \$549,215 was insured by Federal depository insurance and \$791,662 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Investments

STAR Ohio is measured at net asset value per share while all other investments are measured at fair value. Fair value is determined by quoted market prices and acceptable other pricing methodologies. 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. The City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs). The table below identifies the City's recurring fair value measurement as of December 31, 2018. As previously discussed, Star Ohio is reported at its net asset value.

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates All other investments of the City are valued using quoted market prices. At December 31, 2018, fair value was \$264,313 below the City's net cost for investments.

Interest Rate Risk. As a means of limiting its exposure to fair value of losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt obligations.

Credit Risk. The City's investment policy require that all investments are authorized by Ohio Revised Code and that the portfolio be diversified both by types of investment and issuer. See the table below for the credit ratings of the City's investments provided by Standard and Poor's.

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 investments 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 State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee. The City's investment in negotiable certificates of deposit were fully insured by Federal depository insurance.

Concentration of Credit Risk. The City places no limit on the amount it may invest in any one issuer.

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

<u>Investment Type</u>	<u>Measurement Value</u>	<u>Credit Rating</u>	<u>Investment Maturity</u>	<u>Level</u>	<u>Percentage of Investments</u>
Star Ohio	\$4,143,447	N/A	Daily	N/A	12.44%
U.S. Agencies Debt Securities	\$23,478,589	AA+	Various Maturities	2	70.46%
Money Market Mutual Funds	10,810	N/A	Daily	N/A	0.03%
Negotiable Certificate of Deposit	5,687,481	N/A	Various Maturities	2	17.07%
Total Investments	<u>\$33,320,327</u>				<u>100.00%</u>

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments to the Statement of Net Position as of December 31, 2018.

Investments	\$33,320,327
Carrying amount of the City's Deposits	2,170,929
Cash on Hand	1,105
Total	\$35,492,361
 <i>Governmental Activities</i>	
Governmental Funds	
Equity in Pooled Cash and Cash Equivalents	\$27,805,628
Cash and Cash Equivalents in Segregated Accounts	\$64,861
Internal Service Funds	
Equity in Pooled Cash and Cash Equivalents	565,411
Total Governmental Activities	28,435,900
 <i>Business-Type Activities</i>	
Enterprise Funds	
Equity in Pooled Cash and Cash Equivalents	6,713,249
 <i>Agency Funds</i>	
	343,212
Total	\$35,492,361

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City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 7 – Fund Balances

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 the 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 Balances	General	Income Tax Safety	Fire and Emergency Medical Services	Capital Projects	Police Facilities	Other Governmental Funds	Total
<i>Nonspendable</i>							
Prepaid Items	\$ 77,560	\$ 125,858	\$ 74,706	\$ 11,840	\$ -	\$ 31,231	\$ 321,195
Inventories	-	43,014	-	-	-	279,310	322,324
Interfund Balances	1,748,546	-	-	-	-	-	1,748,546
Loans Receivable	9,550	-	-	-	-	-	9,550
Assets Held for Resale	134,500	-	-	-	-	-	134,500
<i>Total Nonspendable</i>	<u>1,970,156</u>	<u>168,872</u>	<u>74,706</u>	<u>11,840</u>	<u>-</u>	<u>310,541</u>	<u>2,536,115</u>
<i>Restricted for</i>							
Police Pension	-	-	-	-	-	37,418	37,418
Fire Pension	-	-	-	-	-	37,422	37,422
Public Safety	-	1,427,759	2,272,861	-	-	306,641	4,007,261
Other Law Enforcement	-	-	-	-	-	47,803	47,803
Streets and Highways	-	-	-	-	-	1,314,667	1,314,667
Parks and Recreation	-	-	-	-	-	508,996	508,996
Food Services	-	-	-	-	-	145,988	145,988
Revolving Housing	-	-	-	-	-	37,179	37,179
Swimming Pool Inspections	-	-	-	-	-	11,805	11,805
Community Development	-	-	-	-	-	1,431,527	1,431,527
Debt Service	-	-	-	-	-	170,254	170,254
<i>Total Restricted</i>	<u>-</u>	<u>1,427,759</u>	<u>2,272,861</u>	<u>-</u>	<u>-</u>	<u>4,049,700</u>	<u>7,750,320</u>
<i>Committed to</i>							
Public Facilities and Programs	2,378,998	-	-	-	-	-	2,378,998
Capital Improvement	-	-	-	5,648,964	-	-	5,648,964
<i>Total Committed</i>	<u>2,378,998</u>	<u>-</u>	<u>-</u>	<u>5,648,964</u>	<u>-</u>	<u>-</u>	<u>8,027,962</u>
<i>Assigned to</i>							
Health and wellness	15,630	-	-	-	-	-	15,630
Community and Economic Development	150,401	-	-	-	-	-	150,401
General Governance	243,862	-	-	-	-	-	243,862
<i>Total Assigned</i>	<u>409,893</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>409,893</u>
<i>Unassigned (Deficit)</i>							
	9,591,109	-	-	-	(2,148,144)	(501,688)	6,941,277
Total Fund Balances	<u><u>\$ 14,350,156</u></u>	<u><u>\$ 1,596,631</u></u>	<u><u>\$ 2,347,567</u></u>	<u><u>\$ 5,660,804</u></u>	<u><u>\$ (2,148,144)</u></u>	<u><u>\$ 3,858,553</u></u>	<u><u>\$ 25,665,567</u></u>

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 8 - Income Taxes

The City levied income tax of 2.25 percent on substantially all income earned within the City. In addition, residents are required to pay City income tax on income earned outside the City; however, credit is allowed for income taxes paid to other municipalities, up to a maximum of 2.25 percent.

Note 9 - Property Taxes and Payments in Lieu of Taxes

Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the City. The assessed value upon which the 2017 tax levy was based was \$381,013,970.

Real property taxes received by the City in a calendar year are levied on January 1 of the preceding calendar year on assessed values as of January 1 of the preceding year, the lien date. The assessed value of real property (including public utility real property) is established by the County Auditor at 35 percent of estimated true value. A revaluation of all property is required to be completed no less than every six years, with a statistical update every third year. The last revaluation was completed in 2015. Public utility personal property is assessed at 88 percent of actual value (1997-2004) and 67 percent of actual value (2005-2008). General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax has been completely phased out. Amounts for prior year's unpaid tangible personal property taxes may still be collected.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Kent. Taxes are payable in two equal installments on February 15 and July 17 and, if not paid, become delinquent approximately ten days subsequent to the date they are payable. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes are recognized as revenues when received since they are used to pay current period liabilities.

Payments in Lieu of Taxes

According to State law, the City has established a tax incremental financing district within the City under which the City has granted property tax exemptions and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to the City to help pay the costs of the infrastructure improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owners would have paid if the property had not been declared exempt. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvement have been paid or the agreement expires, whichever comes first. Future development by these owners or others may result in subsequent agreements to make payments in lieu of taxes and may therefore spread the costs of the improvements to a larger number of property owners.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 10 – Interfund Activities

As of December 31, 2018, individual funds due to/from other funds that resulted from various interfund transactions were as follows:

	PAYABLE FUND							Total
	<i>Governmental Activities</i>			<i>Business-Type Activities</i>				
	General	Nonmajor	Internal Service	Water	Sewer	Storm Water Drainage	Nonmajor - Solid Waste	
RECEIVABLE FUND								
<i>Governmental Funds</i>								
General	\$0	\$216,000	\$1,125,000	32,100	38,980	126,000	\$210,466	\$1,748,546

Interfund balances were used primarily to provide capital to expand the utility infrastructure which facilitates new development. The balances were also used to provide the initial cash for expenditure driven grant funds and provide funds to the parks and recreation fund for the purchase of land. The interfund receivable/payable between the General Fund and the Internal Service Fund was for the purpose of providing additional resources to the Internal Service Fund due to significant claims paid in prior periods. The City has put in place efforts to repay these outstanding interfund balances in future periods.

The City also recognizes an interfund transaction between the City’s Income Tax Fund (which is combined with the General Fund on the governmental fund financial statements) and the City’s Debt Service Fund. This interfund transaction is a manuscript debt issued by the City in fiscal year 2000 for the purpose of Street Improvements in the amount of \$561,000 with interest rates ranging from 5.50 percent to 6.00 percent over the life of the debt. The manuscript debt will mature on December 1, 2020. The City assesses annual assessments to property owners and the receipt of those assessments is used to make the annual debt service to the Income Tax Fund. As of December 31, 2018, the balance of the manuscript debt was \$91,000, with \$44,000 due within one year.

Transfers made during the year ended December 31, 2018 were as follows:

TRANSFERS IN		TRANSFERS OUT
<i>Governmental Activities</i>		<i>Governmental</i>
		General
Income Tax Safety		\$3,200,000
Fire and Emergency Medical Services		2,000,000
Nonmajor Fund		375,348
Total Governmental Activities		<u>\$5,575,348</u>

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Transfers are from the General Fund to various funds within the City to help finance the various programs accounted for in other funds. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16. Transfers between governmental funds are eliminated on the governmental activities' statement of activities.

On the governmental fund financial statements, transfers from the Income Tax Fund (this fund is combined with the General Fund on the governmental fund financial statements) that were made in accordance with the City's codified ordinances have been reclassified as income tax revenues in the respective governmental funds. The reclassifications were a result of the City's implementation of GASB Statement No. 54 in 2011.

Note 11 – Risk Management

The City has established a formal self-insurance program for liabilities arising from employee health and life benefits. This exposure is accounted for in the Health and Life Insurance Internal Service Fund, which is responsible for collecting interfund premiums from other City funds and departments, paying claim settlements, and purchasing other specified insurance policies. Reinsurance for any individual loss over \$95,000 is covered by Gerber.

The claims liability of \$130,539 reported in the fund at December 31, 2018, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claim, be reported. Changes in the fund's claims liability amount in 2016 and 2017 were:

	<u>Beginning of Year</u>	<u>Claims</u>	<u>Payments</u>	<u>End of Year</u>
2017	\$ 190,936	\$ 2,667,633	\$ 2,713,709	\$ 144,860
2018	144,860	2,887,500	2,901,821	130,539

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims resulting from the previously noted risks have not exceeded commercial insurance coverage in the past three fiscal years.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

During 2018, the City contracted with several companies for various types of insurance as follows:

Company	Type of Coverage	Deductible
US Specialty Insurance Company	Wrongful Acts Liability	\$10,000
Scottsdale Insurance Company	Law Enforcement Liability	25,000
US Specialty Insurance Company	Commercial Property	2,500
US Specialty Insurance Company	Commercial Crime	1,000
US Specialty Insurance Company	Inland Marine	1,000
US Specialty Insurance Company	Boiler and Machinery	2,500
US Specialty Insurance Company	Automobile Comprehensive	500
US Specialty Insurance Company	Automobile Collision	500
US Specialty Insurance Company	General Liability	0
US Specialty Insurance Company	Employee Benefit Plans Administration	
	Administration Liability	1,000
US Specialty Insurance Company	General Liability - Sewer Backup	5,000
US Specialty Insurance Company	Excess General Liability	10,000
American Alternative Insurance Company	Fire General Liability	0
Ohio Casualty Insurance Company	Bond - Finance Officials	0
Ohio Casualty Insurance Company	Bond - Finance Director	0
Ohio Casualty Insurance Company	Blanket Employee Faithful	
	Performance Bond	0

The contracts listed above reflect no significant reduction in insurance coverage as compared to the prior year.

In 2014, the City began its participation in the State Workers' Compensation retrospective rating and payment system. Once the City receives notice of the claims paid by the Bureau of Workers' Compensation, the City will reimburse the State for claims paid on the City's behalf. This plan involves the payment of a minimum premium for administrative services and stop-loss coverage plus the actual claim costs for employees injured in 2014 for up to ten years after the claim year. The maintenance of these benefits will be funded through General Fund transfers to the various funds that experienced the loss. Total claims of \$75,423 have been accrued as a liability at December 31, 2018, based on an estimate provided by Comp Management, Inc., the City's third party administrator. The claims liability reported at December 31, 2018, for Workers' Compensation is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. Changes in the balance of claims liabilities during the past two years are as follows:

	Balance at <u>Beginning of Year</u>	Current Year <u>Claims</u>	Claim <u>Payments</u>	Balance at <u>End of Year</u>
2017	\$85,368	\$0	(\$30,752)	\$54,616
2018	\$54,616	\$25,875	(\$5,068)	\$75,423

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 12 - Capital Assets

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

	Balance 12/31/17	Additions	Deletions	Balance 12/31/18
Governmental Activities				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$11,164,057	\$0	\$0	\$11,164,057
Construction in Progress	27,847,011	6,576,532	(456,934)	33,966,609
<i>Total Capital Assets, Not Being Depreciated</i>	<u>39,011,068</u>	<u>6,576,532</u>	<u>(456,934)</u>	<u>45,130,666</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings, Structures and Improvements	13,491,674	270,931	0	13,762,605
Vehicles, Machinery and Equipment	11,490,633	1,252,814	(1,271,873)	11,471,574
Infrastructure:				
Roads	57,841,348	0	0	57,841,348
Bridges	4,540,122	0	0	4,540,122
Sidewalks	54,014	0	0	54,014
Traffic Signals	3,934,609	182,570	0	4,117,179
<i>Total Capital Assets, Being Depreciated</i>	<u>91,352,400</u>	<u>1,706,315</u>	<u>(1,271,873)</u>	<u>91,786,842</u>
Less Accumulated Depreciation:				
Buildings, Structures and Improvements	(5,981,140)	(259,277)	0	(6,240,417)
Vehicles, Machinery and Equipment	(6,971,334)	(613,894)	1,205,719	(6,379,509)
Infrastructure:				
Roads	(28,288,547)	(1,315,674)	0	(29,604,221)
Bridges	(1,155,945)	(91,858)	0	(1,247,803)
Sidewalks	(51,115)	0	0	(51,115)
Traffic Signals	(1,121,080)	(188,168)	0	(1,309,248)
<i>Total Accumulated Depreciation</i>	<u>(43,569,161)</u>	<u>(2,468,871) *</u>	<u>1,205,719</u>	<u>(44,832,313)</u>
Total Capital Assets, Being Depreciated, Net	<u>47,783,239</u>	<u>(762,556)</u>	<u>(66,154)</u>	<u>46,954,529</u>
Governmental Activities Capital Assets, Net	<u>\$86,794,307</u>	<u>\$5,813,976</u>	<u>(\$523,088)</u>	<u>\$92,085,195</u>

* Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Security of Persons and Property	\$404,318
Public Health and Welfare	7,815
Leisure Time Activities	284,072
Community Development	11,594
Transportation	1,689,870
General Government	71,202
Total Depreciation Expense	<u>\$2,468,871</u>

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

	Balance 12/31/17	Additions	Deletions	Balance 12/31/18
Business-Type Activities				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$1,825,536	\$0	\$0	\$1,825,536
Construction in Progress	2,011,239	1,793,679	(378,762)	3,426,156
<i>Total Capital Assets, Not Being Depreciated</i>	<u>3,836,775</u>	<u>1,793,679</u>	<u>(378,762)</u>	<u>5,251,692</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings, Structures and Improvements	14,721,254	0	0	14,721,254
Vehicles, Machinery and Equipment	10,953,795	245,086	(227,273)	10,971,608
Infrastructure:				
Water Mains	17,176,001	137,186	0	17,313,187
Sanitary Sewers	28,283,745	37,430	0	28,321,175
Storm Water Drainage Lines	19,597,329	127,547	0	19,724,876
<i>Total Capital Assets, Being Depreciated</i>	<u>90,732,124</u>	<u>547,249</u>	<u>(227,273)</u>	<u>91,052,100</u>
Less Accumulated Depreciation:				
Buildings, Structures and Improvements	(10,647,442)	(312,503)	0	(10,959,945)
Vehicles, Machinery and Equipment	(8,235,569)	(288,759)	227,273	(8,297,055)
Infrastructure:				
Water Mains	(7,030,520)	(306,029)	0	(7,336,549)
Sanitary Sewers	(10,028,435)	(557,357)	0	(10,585,792)
Storm Water Drainage Lines	(5,752,154)	(350,690)	0	(6,102,844)
<i>Total Accumulated Depreciation</i>	<u>(41,694,120)</u>	<u>(1,815,338) *</u>	<u>227,273</u>	<u>(43,282,185)</u>
Total Capital Assets, Being Depreciated, Net	<u>49,038,004</u>	<u>(1,268,089)</u>	<u>0</u>	<u>47,769,915</u>
Business-Type Activities Capital Assets, Net	<u>\$52,874,779</u>	<u>\$525,590</u>	<u>(\$378,762)</u>	<u>\$53,021,607</u>

* Depreciation expense was charged to business-type funds as follows:

Business-Type Activities	
Water Fund	\$562,167
Sewer Fund	887,092
Storm Water Drainage Fund	366,079
	<u>\$1,815,338</u>

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 13 – Defined Benefit Pension Plans

The net pension liability/(asset) reported on the statement of net position represents a liability 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 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 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.

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

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* 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 plan; therefore, the following disclosure focuses on the traditional pension plan.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional 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 plan as per the reduced benefits adopted by SB 343 (see OPERS' CAFR referenced above for additional information):

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent 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 percent.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

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

	State and Local
2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2018 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-Employment Health Care Benefits **	0.0
Total Employer	14.0 %
 Employee	 10.0 %

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

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contributions was \$1,179,497 for fiscal year ending December 31, 2018.

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

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

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

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.

City of Kent, Ohio
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The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

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

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

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

	Police	Firefighters
2018 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 2018 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
 Employee	 12.25 %	 12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,429,354 for 2018. Of this amount, \$29,161 is reported as accrued wages and benefits.

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

The net pension liability for OPERS was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OP&F Police	OP&F Fire	Total
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.058997%	0.033715%	0.143200%	0.148041%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.059786%	0.034467%	0.145079%	0.153006%	
Change in Proportionate Share	<u>0.000789%</u>	<u>0.000752%</u>	<u>0.001879%</u>	<u>0.004965%</u>	
Proportionate Share of the Net Pension Liability/(Asset)	\$ 9,379,264	\$ (46,921)	\$ 8,904,168	\$ 9,390,684	\$ 27,627,195
Pension Expense	\$ 2,065,156	\$ 6,867	\$ 1,102,480	\$ 1,163,076	\$ 4,337,579

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F Police	OP&F Fire	Total
Deferred Outflows of Resources				
Changes of assumptions	\$1,124,981	\$388,002	\$409,202	\$1,922,185
Differences between expected and actual experience	\$9,579	135,126	142,509	287,214
Changes in proportion and differences between City contributions and proportionate share of contributions	88,179	251,151	316,338	655,668
City contributions subsequent to the measurement date	<u>1,179,497</u>	<u>694,216</u>	<u>735,138</u>	<u>2,608,851</u>
Total Deferred Outflows of Resources	<u>\$2,402,236</u>	<u>\$1,468,495</u>	<u>\$1,603,187</u>	<u>\$5,473,918</u>
Deferred Inflows of Resources				
Net difference between projected and actual earnings on pension plan investments	\$2,021,010	\$308,018	\$324,846	\$2,653,874
Differences between expected and actual experience	\$198,811	\$16,109	\$16,989	\$231,909
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>41,960</u>	<u>109,763</u>	<u>108,402</u>	<u>260,125</u>
Total Deferred Inflows of Resources	<u>\$2,261,781</u>	<u>\$433,890</u>	<u>\$450,237</u>	<u>\$3,145,908</u>

\$2,608,851 reported as deferred outflows of resources related to pension resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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Year Ending December 31:	OPERS	OP&F Police	OP&F Fire	Total
2019	\$851,466	\$264,651	\$279,467	\$1,395,584
2020	(160,807)	183,669	194,065	\$216,927
2021	(891,608)	(135,362)	(142,397)	(\$1,169,367)
2022	(832,167)	(115,163)	(97,786)	(\$1,045,116)
2023	(2,148)	114,485	148,259	260,596
Thereafter	(3,778)	28,109	36,204	60,535
Total	<u>(\$1,039,042)</u>	<u>\$340,389</u>	<u>\$417,812</u>	<u>(\$280,841)</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.

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 in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 to 10.75 percent including wage inflation Pre 1/7/2013 retirees; 3 percent, simple Post 1/7/2013 retirees; 3 percent, simple through 2018, then 2.15% simple
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

The total pension asset in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 to 8.25 percent including wage inflation Pre 1/7/2013 retirees; 3 percent, simple Post 1/7/2013 retirees; 3 percent, simple through 2018, then 2.15% simple
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

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

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

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

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, 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 investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 16.82 percent for 2017.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00 %	2.20 %
Domestic Equities	19.00	6.37
Real Estate	10.00	5.26
Private Equity	10.00	8.97
International Equities	20.00	7.88
Other investments	18.00	5.26
Total	<u>100.00 %</u>	<u>5.66 %</u>

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(Continued)

Discount Rate The discount rate used to measure the total pension liability was 7.5 percent, post-experience study results. 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 was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

City's proportionate share of the net pension liability/(asset)	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Traditional Pension Plan	\$16,655,184	9,379,264	\$3,313,340
Combined Plan	(\$25,506)	(\$46,921)	(\$61,696)

Changes Between Measurement Date and Report Date

In October 2018, the OPERS Board adopted certain assumption changes which will impact their valuation prepared as of January 1, 2018. The most significant change is a reduction in the assumed actuarial rate of return from 7.50 percent to 7.20 percent. Although the exact amount of these changes is now known, it has the potential to impact, it has the potential to impact the City’s net pension liability.

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2017 is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2017, are presented below:

Valuation Date	January 1, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Increases	3.25 percent
Inflation Assumptions	2.75 percent
Cost of Living Adjustments	2.20 percent and 3.00 percent Simple

Mortality rates for active members were based on the RP2014 Total employee and Healthy Annuitant Mortality Tables rolled back to 2006, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent. For disabled retirees, the mortality rates were based on the RP2014 Disabled Mortality Tables rolled back to 2006, and projected with the Conduent Modified 2016 Improvement Scale.

The most recent experience study was completed January 1, 2017.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2017 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 year Expected Real Rate of Return **</u>	<u>30 year Expected Real Rate of Return **</u>
Cash and Cash Equivalents	- %		
Domestic Equity	16.00	4.22 %	4.36 %
Non-US Equity	16.00	4.41	5.59
Core Fixed Income *	23.00	1.57	2.71
U.S. Inflation Linked Bonds *	17.00	0.98	2.52
High Yield	7.00	2.94	4.71
Real Estate	12.00	5.58	6.34
Private Markets	8.00	6.67	8.08
Master Limited Partnerships	8.00	7.50	79.93
Private Credit	5.00	6.93	7.26
Real Assets	<u>8.00</u>	6.88	7.24
Total	<u><u>120.00 %</u></u>		

Note: Assumptions are geometric

* levered 2x

** numbers are net of expected inflation

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

Discount Rate The total pension liability was calculated using the discount rate of 8.00 percent. 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 percent. 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 percent, 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 percent), or one percentage point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$ 25,361,462	\$ 18,294,852	\$ 12,531,385

Note 14 – 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.

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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.

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.

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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.

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$14,351 for 2018.

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

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

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

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

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

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(Continued)

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

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 2018, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$33,910 for 2018. Of this amount, \$694 is reported as an accrued wages and benefits.

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

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

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(Continued)

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net OPEB Liability			
Prior Measurement Date	0.058530%	0.291240%	
Proportion of the Net OPEB Liability			
Current Measurement Date	<u>0.059180%</u>	<u>0.298085%</u>	
Change in Proportionate Share	<u>0.000650%</u>	<u>0.006845%</u>	
Proportionate Share of the Net OPEB			
Liability	\$ 6,426,512	\$ 16,889,106	\$ 23,315,618
OPEB Expense	\$ 569,624	\$ 1,361,900	\$ 1,931,524

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$5,006	\$0	\$5,006
Changes of assumptions	467,918	1,648,018	2,115,936
Changes in proportion and differences between City contributions and proportionate share of contributions	45,020	283,860	328,880
City contributions subsequent to the measurement date	<u>14,351</u>	<u>33,910</u>	<u>48,261</u>
Total Deferred Outflows of Resources	<u>\$532,295</u>	<u>\$1,965,788</u>	<u>\$2,498,083</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$85,182	\$85,182
Net difference between projected and actual earnings on OPEB plan investments	<u>478,732</u>	<u>111,171</u>	<u>589,903</u>
Total Deferred Inflows of Resources	<u>\$478,732</u>	<u>\$196,353</u>	<u>\$675,085</u>

\$48,261 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 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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Year Ending December 31:	OPERS	OP&F	Total
2019	\$127,949	\$242,192	\$370,141
2020	127,949	242,192	370,141
2021	(97,003)	242,192	145,189
2022	(119,683)	242,193	122,510
2023	0	269,985	269,985
Thereafter	0	496,771	496,771
Total	\$39,212	\$1,735,525	\$1,774,737

Actuarial Assumptions - OPERS

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

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

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

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.

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The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	34.00 %	1.88 %
Domestic Equities	21.00	6.37
Real Estate Investment Trust	6.00	5.91
International Equities	22.00	7.88
Other investments	17.00	5.39
Total	<u>100.00 %</u>	<u>4.98 %</u>

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

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

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

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
City's proportionate share of the net OPEB liability	\$8,537,899	\$6,426,512	\$4,718,421

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

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

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

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	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$6,148,802	\$6,426,512	\$6,713,379

Changes Between Measurement Date and Report Date

In October 2018, the OPERS Board adopted certain assumption changes which will impact their valuation prepared as of January 1, 2018. The most significant change is a reduction in the assumed actuarial rate of return from 6.50 percent to 6.00 percent. Although the exact amount of these changes is now known, it has the potential to impact, it has the potential to impact the City's net OPEB liability.

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

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

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

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

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

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

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

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

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The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2017, are summarized below:

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

Note: Assumptions are geometric.

* levered 2x

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

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

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

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For the Year Ended December 31, 2018
(Continued)

	1% Decrease (2.24%)	Current Discount Rate (3.24%)	1% Increase (4.24%)
City's proportionate share of the net OPEB liability	\$21,111,586	\$16,889,106	\$13,640,093

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

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

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

	1% Decrease	Current Rates	1% Increase
City's proportionate share of the net OPEB liability	\$13,119,761	\$16,889,106	\$21,968,907

Changes between Measurement Date and Report Date

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

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For the Year Ended December 31, 2018
(Continued)

Note 15 – Other Employee Benefits

A. Compensated Absences

Accumulated Unpaid Vacation and Compensatory Time City employees earn vacation leave ranging from 10 to 30 days per year based on length of service, except for firemen who accumulate vacation at rates from 6 to 14 tours of duty per year based on length of service. Accumulated vacation leave cannot exceed 15 days for some City employees, 5 tours of duty for firemen at the end of any year, and other City employees are not permitted to carry any accumulated vacation leave. All accumulated unused vacation time is paid upon termination.

The total obligation for vacation and compensatory time accrual for the City, including salary-related payments, amounted to \$1,355,411 as of December 31, 2018.

Accumulated Unpaid Sick Leave Sick leave for City employees is accrued at rates from 119.6 to 195 hours per year. Employees may convert 50 percent of their current year accumulated sick leave into a lump-sum payment within certain limitations. Employees who retire after 10 years of service may convert 50 percent of their accumulated sick leave days into a lump-sum payment within certain limitations. The obligation for sick leave accrual was calculated using the termination payments method and amounted to \$131,909 as of December 31, 2018.

Note 16 - Construction and Other Commitments

As of December 31, 2018, the City had capital contracts and retainage payables of \$1,802,373 and \$123,827 in governmental funds and business-type funds, respectively.

	<u>Contract Amount</u>
Governmental Activities	
Cedar Street Reconstruction	\$ 7,696
2017 Street Program	135,372
2018 Street Program	15,838
Summit Street Improvement	994,209
New Police Facility	455,515
2018 Concrete Program	17,506
Hike and Bike SR 59 Segment	37,540
State Route 43 Signalization	138,697
	\$1,802,373
Business-Type	
Cedar Street Reconstruction	\$ 23,085
Garth/Spaulding & Suzanne Waterline replacement	49,898
River St. Sanitary Sewer Replacement	50,844
	\$123,827

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Operating Lease where City is Lessor

On September 6, 2011, the City entered into a 75-year lease agreement with a private developer. In prior years, the City had purchased land with the intent of resale to private developers. In 2011, the City determined not to sell the land but rather lease the land to a developer for the development of the land. The development of the land will be consistent with the City's Urban Renewal Plan dated December 2005.

Based on accounting for leases, this lease is accounted for as an operating lease. Operating leases do not give rise to property rights or lease obligations.

The minimum future rentals on the lease are as follows:

<u>Years</u>	
2019	\$30,000
2020	30,000
2021	30,000
2022	30,000
2022	30,000
Thereafter	<u>150,068</u>
Total	<u><u>\$300,068</u></u>

Other Commitments

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are components of fund balance for subsequent year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. As of December 31, 2018, the City's commitments for encumbrances in the governmental funds were as follows:

	<u>Encumbrances Outstanding</u>
Major Funds:	
General	\$ 409,893
Income Tax Safety	35,892
Fire and Emergency Medical Services	332,936
Capital Projects	5,834,085
Police Facilities	41,568
Nonmajor Governmental Funds	<u>2,922,322</u>
Total	<u><u>\$ 9,576,696</u></u>

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(Continued)

Note 17 – Long-term Obligations

Changes in bonds and other long-term obligations of the City during 2018 were as follows:

	Restated Principal Outstanding 12/31/17	Additions	Deletions	Principal Outstanding 12/31/18	Due Within One Year
Governmental Activities					
General Obligation Bonds:					
\$4,465,000 Safety Center Construction					
2015 2.00% - 5.00%	\$4,215,000	\$0	\$125,000	\$ 4,090,000	\$ 130,000
Unamortized Premium	489,341	0	21,353	467,988	0
\$4,535,000 Safety Center Construction					
2014 2.00% - 5.00%	4,160,000	0	130,000	4,030,000	130,000
Unamortized Premium	362,460	0	16,538	345,922	0
\$1,295,000 Alley 4 Improvements					
2013 2.00% - 4.00%	1,130,000	0	55,000	1,075,000	55,000
\$4,195,000 Downtown Parking Improvements					
2013 2.00% - 5.00%	3,995,000	0	70,000	3,925,000	75,000
Unamortized Premium	100,242	0	4,177	96,065	0
<i>Total General Obligation Bonds</i>	<u>14,452,043</u>	<u>0</u>	<u>422,068</u>	<u>14,029,975</u>	<u>390,000</u>
Ohio Public Works Commission Loans					
\$512,940 Fairchild Avenue Improvements					
1999 0.00%	38,471	0	25,647	12,824	12,824
\$86,000 Elm-Mae-Morris Improvements					
2001 0.00%	12,900	0	4,300	8,600	4,300
\$136,900 Erie & Depeyster Street Reconstruction					
2012 0.00%	158,054	0	19,776	138,278	19,776
\$50,000 Rockwell/Whittier/Woodard Street Rehab					
2017 0.00%	30,034	14,168	2,210	41,992	4,420
\$150,000 S. Chestnut/Middlebury Road Rehab					
2017 0.00%	43,008	36,430	0	79,438	0
\$150,000 SR 43 Traffic Improvements					
2018 0.00%	0	161,780	0	161,780	0
\$250,000 East Summit Street Improvements					
2018 0.00%	0	126,548	0	126,548	0
<i>Total Ohio Public Works Commission Loans</i>	<u>282,467</u>	<u>338,926</u>	<u>51,933</u>	<u>569,460</u>	<u>41,320</u>
Net Pension Liability					
OPERS	7,436,794	0	2,230,520	5,206,274	0
OP&F	18,446,919	0	152,067	18,294,852	0
<i>Total Net Pension Liability</i>	<u>25,883,713</u>	<u>0</u>	<u>2,382,587</u>	<u>23,501,126</u>	<u>0</u>
Net OPEB Liability					
OPERS	3,281,504	285,748	0	3,567,252	0
OP&F	13,824,508	3,064,598	0	16,889,106	0
<i>Total Net OPEB Liability</i>	<u>17,106,012</u>	<u>3,350,346</u>	<u>0</u>	<u>20,456,358</u>	<u>0</u>
Workers' Compensation Claims Payable	41,394	20,214	3,134	58,474	5,067
Compensated Absences	1,378,178	1,114,874	1,016,278	1,476,774	1,098,701
<i>Total Governmental Activities</i>	<u>\$59,143,807</u>	<u>\$4,824,360</u>	<u>\$3,876,000</u>	<u>\$60,092,167</u>	<u>\$1,535,088</u>

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	Restated Principal Outstanding 12/31/17	Additions	Deletions	Principal Outstanding 12/31/18	Due Within One Year
Business-Type Activities					
Ohio Water Development Authority Loans					
\$485,851 Kent-Ravenna Interconnect					
2003 3.65%	\$184,081	\$0	\$27,974	\$156,107	\$29,005
\$4,372,503 Sanitary Sewer Improvements					
2003 3.66%	2,018,674	0	238,505	1,780,169	247,315
\$271,200 Franklin Hills Waterline					
2007 2.00%	142,280	0	13,742	128,538	14,018
<i>Total Ohio Water Development Authority Loans</i>	<u>2,345,035</u>	<u>0</u>	<u>280,221</u>	<u>2,064,814</u>	<u>290,338</u>
Ohio Public Works Commission Loans					
\$46,694 Elm-Mae-Morris Improvements					
2005 0.00%	23,345	0	2,335	21,010	2,335
\$52,650 Drainage Area Q - Phase 3					
2007 0.00%	28,961	0	2,632	26,329	2,632
\$233,100 Erie & Depeyster Street Reconstruction					
2012 0.00%	57,746	0	7,199	50,547	7,199
\$100,00 Drainage Area Q - Phase 5					
2015 0.00%	90,000	0	5,000	85,000	5,000
<i>Total Ohio Public Works Commission Loans</i>	<u>200,052</u>	<u>0</u>	<u>17,166</u>	<u>182,886</u>	<u>17,166</u>
<i>Net Pension Liability - OPERS</i>	5,960,421	0	1,787,431	4,172,990	0
<i>Net OPEB Liability - OPERS</i>	2,630,225	229,035		2,859,260	
Workers' Compensation Claims Payable	13,222	7,454	3,727	16,949	0
Compensated Absences	289,064	264,558	262,115	291,507	266,018
<i>Total Business-Type Activities</i>	<u>\$11,438,019</u>	<u>\$501,047</u>	<u>\$2,350,660</u>	<u>\$9,588,406</u>	<u>\$573,522</u>

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2018 are as follows:

Years	Governmental Activities				
	General		OPWC	Total	
	Obligation Bonds			Principal	Interest
	Principal	Interest	Principal	Principal	Interest
2019	\$390,000	\$548,175	\$41,320	\$431,320	\$548,175
2020	400,000	540,375	28,496	428,496	540,375
2021	415,000	531,050	24,196	439,196	531,050
2022	415,000	518,575	24,196	439,196	518,575
2023	435,000	504,025	24,196	459,196	504,025
2024-2028	2,440,000	2,269,200	59,290	2,499,290	2,269,200
2029-2033	2,955,000	1,747,700	0	2,955,000	1,747,700
2034-2038	3,635,000	1,057,500	0	3,635,000	1,057,500
2039-2043	2,035,000	254,500	0	2,035,000	254,500
Total	<u>\$13,120,000</u>	<u>\$7,971,100</u>	<u>\$201,694</u>	<u>\$13,321,694</u>	<u>\$7,971,100</u>

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Years	Business-Type Activities				
	OWDA Loans		OPWC	Total	
	Principal	Interest	Principal	Principal	Interest
2019	\$290,338	\$70,849	\$17,166	\$307,504	\$70,849
2020	300,822	60,363	17,166	317,988	60,363
2021	311,689	49,497	17,166	328,855	49,497
2022	322,953	38,233	17,166	340,119	38,233
2023	334,626	26,558	17,166	351,792	26,558
2034-2028	504,386	18,771	62,056	566,442	18,771
2029-2033	0	0	25,000	25,000	0
2034-2035	0	0	10,000	10,000	0
Total	<u>\$2,064,814</u>	<u>\$264,271</u>	<u>\$182,886</u>	<u>\$2,247,700</u>	<u>\$264,271</u>

Bonds issued are backed by the full faith, credit and general revenues of the City.

In 2003, the City entered into a loan agreement with OWDA for the Kent-Ravenna interconnect project. The OWDA loan was issued for \$485,851 at an interest rate of 3.65 percent and will mature in 2024. This loan will be paid from the Water Fund.

In 2003, the City entered into a loan agreement with OWDA for the sanitary sewer improvement project. The OWDA loan was issued for \$4,372,503 at an interest rate of 3.66 percent and will mature in 2025. This loan will be paid from the Sewer Fund.

In 2007, the City entered into a loan agreement with OWDA for the Franklin Hills waterline project. The OWDA loan was issued for \$271,200 at an interest rate of 2.00 percent and will mature in 2027. This loan will be paid from the Water Fund.

In 2013, the City entered into a grant/loan agreement with OPWC for the reconstruction of Erie and Depeyster Streets. The OPWC loan was issued for \$269,750 at an interest rate of 0.00 percent and will mature in 2025. This loan is split between governmental and proprietary funds.

In 2015 the City entered into a loan agreement with OPWC for the drainage area Q Phase five project. The OPWC loan was issued for \$100,000 at an interest rate of 0.00 percent and will mature in 2035. This loan will be paid from the Storm Water Drainage Fund.

In 2017 the City entered into a loan agreement with OPWC for the rehab of Rockwell/Whittier/Woodard Streets. The OPWC loan was issued for \$44,202 at an interest rate of 0.00 percent and will mature in 2028. This loan will be paid from the Capital Projects Fund.

In 2017 the City entered into a loan agreement with OPWC for the rehab of South Chestnut/Middlebury Roads. The OPWC loan was issued for \$150,000 at an interest rate of 0.00 percent and will mature in 2035. This loan will be paid from the Storm Water Drainage Fund. An amortization schedule has not been prepared by OPWC since the project is still ongoing.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

In 2018 the City entered into a loan agreement with OPWC for SR 43 traffic improvements. The OPWC loan was issued for \$150,000 at an interest rate of 0.00 percent. This loan will be paid from the Storm Water Drainage Fund. An amortization schedule has not been prepared by OPWC since the project is still ongoing.

In 2018 the City entered into a loan agreement with OPWC for East Summit street improvements. The OPWC loan was issued for \$250,000 at an interest rate of 0.00 percent. This loan will be paid from the Storm Water Drainage Fund. An amortization schedule has not been prepared by OPWC since the project is still ongoing.

On October 7, 2013, the City issued general obligation bonds in the total amount of \$5,490,000. These bonds will fully mature on December 1, 2043 and they carried various interest rates ranging from 2.00 percent to 5.00 percent. The proceeds from these bonds were used to retire bond anticipation notes that had matured on October 8, 2013. \$1,295,000 of the bond proceeds were utilized to retire \$1,230,000 in bond anticipation notes related to the improvements made to Alley 4. \$4,195,000 of the bond proceeds were utilized to retire \$4,000,000 in bond anticipation notes related to the improvements to the downtown parking areas.

On December 11, 2014, the City issued general obligation bonds in the total amount of \$4,535,000. These bonds will fully mature on December 1, 2039 and they carried various interest rates ranging from 2.00 percent to 5.00 percent. The proceeds from these bonds will be used for the construction of a new Safety Center for the City's police department.

On December 9, 2015, the City issued general obligation bonds in the total amount of \$4,465,000. These bonds will fully mature on December 1, 2039 and they carried various interest rates ranging from 2.00 percent to 5.00 percent. The proceeds from these bonds will be used for the construction of a new Safety Center for the City's police department.

For governmental activities, compensated absences and net pension liability are generally liquidated by the fund where the corresponding employee's salary and pension expenditure is recorded. There is no repayment schedule for net pension and net OPEB liability. However, employer contributions are most significantly made from the general fund, the major special revenue funds, police and fire pension nonmajor funds and the major enterprise funds. See Notes 13 and 14 for further information regarding net pension and net OPEB liability.

The City has the ability to issue \$2,065,050 of additional debt without obtaining voter approval.

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City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 18 – Note Obligations

A summary of note transactions for the year ended December 31, 2018 follows:

	Balance 12/31/17	Additions	Deletions	Balance 12/31/18
Governmental Activities				
2017, 2.00% - Refunding of Various Purpose Bonds, Series 1998	210,000	\$0	210,000	\$0
2017, 2.00% - Building Improvements	4,260,000	0	4,260,000	0
2017, 2.00% - Downtown Development	1,150,000	0	1,150,000	0
2018, 2.875% - Fire Station	0	510,000	0	510,000
2017, 2.00% - Street Improvements	0	1,070,000	0	1,070,000
2017, 2.00% - Police Station	0	3,250,000	0	3,250,000
Unamortized Premium	31,472	46,115	46,844	30,743
<i>Total Governmental Activities</i>	<u>5,651,472</u>	<u>4,876,115</u>	<u>5,666,844</u>	<u>4,860,743</u>
Business-Type Activities				
Sewer Fund				
2017, 2.00% - Sanitary Sewer Trunk Lines	375,000	0	375,000	0
2018, 2.875% - Sanitary Sewer Trunk Lines	0	315,000	0	315,000
Unamortized Premium	2,100	3,071	3,124	2,047
<i>Total Sewer Fund</i>	<u>377,100</u>	<u>318,071</u>	<u>378,124</u>	<u>317,047</u>
Total	<u>\$6,028,572</u>	<u>\$5,194,186</u>	<u>\$6,044,968</u>	<u>\$5,177,790</u>

On August 21, 2018, the City issued \$5.145 million in various purpose notes at an interest rate of 2.875 percent with a maturity date of August 21, 2019. Brief descriptions of the original purposes of the notes are provided in the schedule above. The notes are backed by the full faith and credit of the City of Kent. However, it is the intention of the City that all enterprise obligations be paid from operating income. Note proceeds of \$4.830 million and the corresponding liabilities were reflected in governmental funds which received the proceeds. Note proceeds of \$0.315 million and the corresponding liability were reflected in the proprietary fund which received the proceeds. All of the proceeds were used solely for the retirement of the 2017 various purpose notes. The notes were issued at a premium of \$49,186. A portion of the premium was offset against the corresponding interest expense, and the unamortized balance is reported as part of the carrying value of the notes in the respective funds.

Note 19 – Conduit Debt

The City is party to certain conduit debt obligations:

Type	On Behalf of	Principal Outstanding December 31, 2018	Year Issued
Multi-Family Housing Revenue Bonds	Silver Meadows Apartments	<u>\$7,865,000</u>	1999

Although conduit debt obligations bear the name of the City of Kent, the City has no responsibility for principal and interest payments on these issues.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 20 - Contingent Liabilities

There are several lawsuits pending in which the City is involved. City management estimates that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the financial statements of the City.

Under the terms of federal and state grants, periodic audits are required and certain expenditures may be questioned as not appropriate under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, will be immaterial.

Note 21 - Jointly Governed Organization

Northeast Ohio Public Energy Council The City is a member of The Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity and natural gas. NOPEC is currently comprised of over 220 communities who have been authorized by ballot to purchase electricity and natural gas on behalf of their citizens. The intent of NOPEC is to provide electricity and natural gas at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity and natural gas to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the nine-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. Financial information can be obtained by contacting the Board Chairman, 31360 Solon Road, Suite 33, Solon, Ohio 44139.

Note 22 – Joint Ventures

Kent-Franklin Township Joint Economic Development District (JEDD) – In June 2006, the City of Kent and Franklin Township entered into a contract to create the Kent-Franklin Township JEDD, which is a statutorily created subdivision of the State of Ohio. The JEDD was created to facilitate the economic development, to create or preserve jobs and employment opportunities, and to improve the economic welfare of the people in the State of Ohio, Portage County, the City of Kent, and Franklin Township. Each member of the five member Board of Directors is appointed to govern the District.

In 2018, the City received \$505,540 in income tax distributions from the JEDD. The joint venture is considered a separate reporting entity by the City's management. Accordingly, the joint venture's financial statements have not been included in the City's financial statements. The JEDD's financial statements can be obtained by contacting the City's Finance Department.

Kent-Brimfield Township Joint Economic Development District (JEDD) - In April 2005, the City of Kent and Brimfield Township entered into a contract to create the Kent-Brimfield Township JEDD, which is a statutorily created subdivision of the State of Ohio. The JEDD was created to facilitate the economic development, to create or preserve jobs and employment opportunities, and to improve the economic welfare of the people in the State of Ohio, Portage County, the City of Kent and Brimfield Township. Each member of the five member Board of Directors is appointed to govern the District.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

In 2018, the City received \$77,054 in income tax distributions from the JEDD. The joint venture is considered a separate reporting entity by the City's management. Accordingly, the joint venture's financial statements have not been included in the City's financial statements. The JEDD's financial statements can be obtained by contacting the City's Finance Department.

Note 23 – Tax Abatement Disclosure

As of December 31, 2018, the City of Kent provides tax incentives under two different programs: The Community Reinvestment Area and the Job Creation Tax Credit Program.

Real Estate Tax Abatement

Pursuant to Ohio Revised Code Chapter 5709, the City established its first Community Reinvestment Area (CRA) in 1983, its second one in 2005 and its most recent one in April of 2015. The City of Kent authorized the maximum eligible real property tax exemption for each CRA through the enacting legislation for the three different Community Reinvestment Areas. The 1983 CRA was established under what are known as pre-1994 ORC regulations and do not require a separate agreement with each property owner receiving a real property tax exemption. The City's two other CRAs were established under the more current ORC requirements so the actual amount of the real property exemption and term are determined separately for each company and is based on investment amount, employment estimates, and payroll commitments, which are then formalized in a contractual agreement approved by Kent City Council. The eligible real property tax exemption is applied to the increase in the assessed property tax valuation resulting from the improvements. The amount of the real property tax exemption is deducted from the recipient's property tax bill. The establishment of the Community Reinvestment Areas assists the City with job creation and job retention projects in order to strengthen the City's income tax base.

Income Tax Abatement

The Kent Job Creation Tax Credit Program, created in 2011, is an economic development incentive offered to qualifying businesses that agree to create a specified number of new jobs and if the job creation commitment is met, the qualified business can receive a refundable tax credit up to a maximum of 24% of the municipal income tax withheld for the payroll generated by the new employees. Kent City Council may grant an income tax credit that exceeds 24%, if extenuating circumstances exist, and the spirit of the program is satisfied. "Extenuating circumstances" may include but are not limited to: a plausible threat that an existing company will relocate out of the City of Kent in the absence of this incentive; prolonged, adverse national economic conditions; or the creation of more than 50 new positions. The City's Job Creation Tax Credit Program is structured so that it is only available to businesses that also enter into a Job Creation Tax Credit Agreement with the State of Ohio. The business provides the City with annual verification from the State of Ohio that the terms of the State's agreement have been met and that the State of Ohio issued the company an income tax credit.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

City Council's Incentive Criteria for Decision Making

The City of Kent has offered income tax incentives and CRA real property tax exemptions to various businesses based upon the level of investment, job creation and job retention resulting from a proposed project. Consideration is given to the quality of the jobs retained or created and the amount of capital investment when determining the level of incentive to award.

The following are the tax exemptions or other economic incentives provided in 2018, by the City, identified by dollar amount and type:

\$22,835	Total CRA II real property taxes exempted for two (2) active commercial CRA agreements.
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City of Kent, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System
Last Five Years (1)

Traditional Plan	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.059786%	0.058997%	0.059840%	0.058628%	0.058628%
City's Proportionate Share of the Net Pension Liability	\$9,379,264	\$13,397,215	\$10,365,044	\$7,071,191	\$6,911,477
City's Covered Payroll	\$7,900,731	\$7,635,042	\$7,443,358	\$7,211,608	\$7,057,815
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	118.71%	175.47%	139.25%	98.05%	97.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	77.25%	81.08%	86.45%	86.36%
Combined Plan	2018	2017	2016	2015	2014
City's Proportion of the Net Pension (Asset)	0.034467%	0.033715%	0.033850%	0.012633%	0.012633%
City's Proportionate Share of the Net Pension (Asset)	(\$46,921)	(\$18,765)	(\$16,474)	(\$4,864)	(\$1,326)
City's Covered Payroll	\$141,162	\$131,233	\$108,792	\$46,525	\$43,892
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Payroll	33.24%	14.30%	15.14%	10.45%	3.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	137.28%	116.55%	116.90%	114.83%	104.33%

(1) Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

Amounts presented as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information

City of Kent, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Police and Fire Pension Fund
Last Five Years (1)

Police	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.1450792%	0.1431999%	0.1462218%	0.1401723%	0.1401723%
City's Proportionate Share of the Net Pension Liability	\$8,904,168	\$9,070,138	\$9,406,552	\$7,261,510	\$6,826,831
City's Covered Payroll	\$3,544,416	\$3,460,921	\$3,312,074	\$3,088,474	\$3,078,837
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	251.22%	262.07%	284.01%	235.12%	221.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.91%	68.36%	66.77%	71.71%	73.00%
Fire	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.1530062%	0.1480412%	0.1510256%	0.1481493%	0.1481493%
City's Proportionate Share of the Net Pension Liability	\$9,390,684	\$9,376,781	\$9,715,583	\$7,674,751	\$7,215,336
City's Covered Payroll	\$3,020,894	\$2,909,770	\$2,764,847	\$2,654,217	\$2,585,304
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	310.86%	322.25%	351.40%	289.15%	279.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.91%	68.36%	66.77%	71.71%	73.00%

(1) Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

Amounts presented as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information

City of Kent, Ohio
Required Supplementary Information
Schedule of City Contributions - Pension
Ohio Public Employees Retirement System
Last Six Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Contractually Required Contributions</u>						
Traditional Plan	1,151,943	1,027,095	916,205	893,203	865,393	917,516
Combined Plan	<u>27,554</u>	<u>18,351</u>	<u>15,748</u>	<u>13,055</u>	<u>5,583</u>	<u>5,706</u>
Total Required Contributions	\$1,179,497	\$1,045,446	\$931,953	\$906,258	\$870,976	\$923,222
Contributions in Relation to the Contractually Required Contribution	<u>(\$1,179,497)</u>	<u>(\$1,045,446)</u>	<u>(\$931,953)</u>	<u>(\$906,258)</u>	<u>(\$870,976)</u>	<u>(\$923,222)</u>
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll						
Traditional Plan	\$8,228,164	\$7,900,731	\$7,635,042	\$7,443,358	\$7,211,608	\$7,057,815
Combined Plan	\$196,814	\$141,162	\$131,233	\$108,792	\$46,525	\$43,892
<u>Pension Contributions as a Percentage of Covered Payroll</u>						
Traditional Plan	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
Combined Plan	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%

(1) Information prior to 2013 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

See accompanying notes to the required supplementary information

City of Kent, Ohio
Required Supplementary Information
Schedule of City Contributions - Pension
Ohio Police and Fire Pension Fund
Last Ten Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>Contractually Required Contributions</u>										
Police	\$694,216	\$673,439	\$657,575	\$629,294	\$586,810	\$484,301	\$401,894	\$400,210	\$591,145	\$579,701
Fire	<u>\$735,138</u>	<u>\$709,910</u>	<u>\$683,796</u>	<u>\$649,739</u>	<u>\$623,741</u>	<u>\$523,007</u>	<u>\$452,940</u>	<u>\$442,026</u>	<u>\$570,884</u>	<u>\$566,465</u>
Total Required Contributions	\$1,429,354	\$1,383,349	\$1,341,371	\$1,279,033	\$1,210,551	\$1,007,308	\$854,834	\$842,236	\$1,162,029	\$1,146,166
Contributions in Relation to the Contractually Required Contribution	<u>(\$1,429,354)</u>	<u>(\$1,383,349)</u>	<u>(\$1,341,371)</u>	<u>(\$1,279,033)</u>	<u>(\$1,210,551)</u>	<u>(\$1,007,308)</u>	<u>(\$854,834)</u>	<u>(\$842,236)</u>	<u>(\$1,162,029)</u>	<u>(\$1,146,166)</u>
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>City's Covered Payroll</u>										
Police	\$3,653,768	\$3,544,416	\$3,460,921	\$3,312,074	\$3,088,474	\$3,078,837	\$3,152,110	\$3,138,902	\$4,636,431	\$4,546,675
Fire	\$3,128,247	\$3,020,894	\$2,909,770	\$2,764,847	\$2,654,217	\$2,585,304	\$2,625,739	\$2,562,470	\$3,309,472	\$3,283,855
<u>Pension Contributions as a Percentage of Covered Payroll</u>										
Police	19.00%	19.00%	19.00%	19.00%	19.00%	[1]	12.75%	12.75%	12.75%	12.75%
Fire	23.50%	23.50%	23.50%	23.50%	23.50%	[1]	17.25%	17.25%	17.25%	17.25%

[1] – The portion of the City's contributions to fund pension obligations from January 1, 2013 thru May 31, 2013, for both police officers and firefighters was 14.81 percent and 19.31 percent, respectively. The portion of the City's contributions to fund pension obligations from June 1, 2013 thru December 31, 2013 for both police officers and firefighters was 16.65 percent and 21.15 percent, respectively.

See accompanying notes to the required supplementary information

City of Kent, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability
Ohio Public Employees Retirement System
Last Two Years (1)

	2018	2017
City's Proportion of the Net OPEB Liability	0.059180%	0.058530%
City's Proportionate Share of the Net OPEB Liability	\$ 6,426,512	\$ 5,911,729
City's Covered Payroll	\$ 8,382,762	\$ 8,088,762
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	76.66%	73.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%	54.04%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

Amounts presented as of the City's measurement date, which is the prior calendar year end.

See accompanying notes to the required supplementary information

City of Kent, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability
Ohio Police and Fire Pension Fund
Last Two Years (1)

	2018	2017
City's Proportion of the Net OPEB Liability	0.298085%	0.291240%
City's Proportionate Share of the Net OPEB Liability	\$ 16,889,106	\$ 13,824,508
City's Covered Payroll	\$ 6,565,310	\$ 6,370,691
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	257.25%	217.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.13%	15.96%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

Amounts presented as of the City's measurement date, which is the prior calendar year end.

See accompanying notes to the required supplementary information

City of Kent, Ohio
Required Supplementary Information
Schedule of City Contributions - OPEB
Ohio Public Employees Retirement System
Last Four Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 14,351	\$ 94,053	\$ 168,434	\$ 151,417
Contributions in Relation to the Contractually Required Contribution	<u>(14,351)</u>	<u>(94,053)</u>	<u>(168,434)</u>	<u>(151,417)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 8,783,751	\$ 8,382,762	\$ 8,088,762	\$ 7,832,214
Contributions as a Percentage of Covered Payroll	0.16%	1.12%	2.08%	1.93%

(1) Information prior to 2015 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

See accompanying notes to the required supplementary information

City of Kent, Ohio
Required Supplementary Information
Schedule of City Contributions - OPEB
Ohio Police and Fire Pension Fund
Last Ten Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually Required Contribution	\$ 33,910	\$ 32,827	\$ 31,660	\$ 30,292	\$ 28,619	\$ 192,322	\$ 390,006	\$ 384,843	\$ 365,188	\$ 359,984
Contributions in Relation to the Contractually Required Contribution	<u>(33,910)</u>	<u>(32,827)</u>	<u>(31,660)</u>	<u>(30,292)</u>	<u>(28,619)</u>	<u>(192,322)</u>	<u>(390,006)</u>	<u>(384,843)</u>	<u>(365,188)</u>	<u>(359,984)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 6,782,015	\$ 6,565,310	\$ 6,370,691	\$ 6,076,921	\$ 5,742,691	\$ 5,664,141	\$ 5,777,849	\$ 5,701,372	\$ 7,945,903	\$ 7,830,530
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%	3.62%	6.75%	6.75%	6.75%	6.75%

See accompanying notes to the required supplementary information

City of Kent, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2018

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

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

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) 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.

Net OPEB Liability

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

Changes in assumptions: For 2018, the single discount rate changed from 4.23 percent to 3.85 percent

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Net Pension Liability

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 changes of assumptions affected the total pension liability since the prior measurement date: (a) the investment rate of return was reduced from 8.25 percent to 8.00 percent (b) the projected salary increases was reduced from 4.25% to 3.75% (c) the payroll increases was reduced from 3.75% to 3.25% (d) the inflation assumptions was reduced from 3.25% to 2.75% (e) the cost of living adjustments was reduced from 2.60% to 2.20% (f) rates of withdrawal, disability and service retirement were updated to reflect recent experience (g) mortality rates were updated to the RP-2014 Total Employee and Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2016 (h) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2016.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Net OPEB Liability

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

Changes in assumptions: For 2018, the single discount rate changed from 3.79 percent to 3.24 percent.

**Combining Statements -
Nonmajor Governmental Funds
and Fiduciary Funds**

Combining Statements and Individual Fund Schedules

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Special Revenue Funds

Special Revenue funds are established to account for and report the proceeds of specific revenue sources (other than special assessments or those for major capital projects) that are restricted or committed by law or administrative action to expenditures for specific purposes. A description of the City's special revenue funds follows:

West Side Fire Fund - This fund accounts for the revenue from property taxes levied and expenditures relative to operation of the West Side fire station.

Street Construction, Maintenance and Repair Fund - This fund accounts for a percentage of the revenue from the City's share of State gasoline taxes and vehicle registration fees. State law requires that these taxes be used for maintenance of streets. Additional financing is provided by income tax revenues restricted by City Charter.

State Highway Fund - This fund accounts for a percentage of the revenue from the City's share of State gasoline taxes and vehicle registration fees. State law requires that these taxes be used for maintenance of state highways.

Parks and Recreation Fund - This fund accounts for the revenue from property taxes levied and the expenditures relative to operation and maintenance of the parks and recreation programs. Additional financing is provided by user charges.

Food Service Fund - This fund accounts for the revenue from food service permits and the expenditures relative to the operation of a food service inspection program.

Income Tax Fund - This fund accounts for the revenue received from the municipal income tax that is not restricted by City Charter, the expenditures relative to the administration of income tax collections, and transfers to support the operations of other funds as defined by annual Council appropriations. Due to the implementation of GASB Statement No. 54, this fund was combined with the General Fund on the governmental fund financial statements but remained a separate fund in the budgetary schedules because it has a separate legally adopted budget.

Revolving Housing Fund - This fund accounts for the revenue received from housing inspections and the expenditures relative to the operation of the housing inspection program.

State and Local Forfeits Fund - This fund accounts for the revenue received from state and local law enforcement agencies due to the City's participation in an arrest and property seizure. State law requires that these monies be used for criminal apprehension purposes.

Drug Law Enforcement Fund - This fund accounts for the revenue received from mandatory drug fines as the result of felony drug convictions. State law requires that these monies be used for drug-related law enforcement activities.

Combining Statements and Individual Fund Schedules

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Special Revenue Funds (continued)

Enforcement and Education Fund - This fund accounts for the revenue received from fines as the result of convictions of operating a motor vehicle while under the influence. State law requires that these monies be used to enforce such laws or to educate the public about such laws.

Law Enforcement Trust Fund - This fund accounts for the revenue received from federal law enforcement agencies due to the City's participation in an arrest and property seizure. State law requires that these monies be used for criminal apprehension purposes.

Community Development Block Grant Fund - This fund accounts for the revenue from the federal government and expenditures as prescribed under the Community Development Block Grant and the Comprehensive Housing Improvement Program.

Neighborhood Stabilization Fund – This fund accounts for the City's share of a Federal Grant passed thru the Ohio Department of Development and Portage County to provide funding for activities that assist with the stabilization of residential property values. These funds can be used for several types of activities, including the demolition of blighted residential structures, the rehabilitation of abandoned and foreclosed residential units; or the development of new single-family residential units to replace blighted structures that have been demolished.

Wireless 911 Fund - This fund accounts for the revenue received from a surcharge to wireless telephone customers. The surcharge is paid to the State and then distributed to the counties and the local governments. State law requires that these funds be used for the provision of an enhanced wireless 911 emergency phone call service.

Swimming Pool Inspections Fund - This fund accounts for the revenue received from swimming pool inspections and the expenditures relative to the operation of the swimming pool inspection program.

Police Pension Fund - This fund accounts for the revenue from property taxes levied for the partial payment of the current liability for police disability and pension.

Fire Pension Fund - This fund accounts for the revenue from property taxes levied for the partial payment of the current liability for fire disability and pension.

Urban Development Action Grant Fund - This fund accounts for the revenue received from federal government, Community Development loans and expenditures relative to the operation of this program.

Combining Statements and Individual Fund Schedules

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Special Revenue Funds (continued)

Kent Downtown Community Urban Redevelopment Corporation Fund – This fund accounts for the activities of the Kent Downtown Community Urban Redevelopment Corporation (the City’s blended component unit). This Organization was formed to hold titles to properties as a nominee for the City for use to initiate and conduct projects for the clearance, replanning, development and redevelopment of blighted areas within the City and to provide for the welfare and improvement and maintenance of the central business district of the City. This Organization is a separate legal entity from the City and the City does not provide a budget for this Organization. Therefore, a budgetary schedule is not provided for this fund.

Nonmajor Debt Service Fund

The Debt Service Fund is established to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest and to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. A description of the City’s debt service fund follows:

General Obligation Debt Service Fund - The General Obligation Debt Service Fund accounts for the resources that are used for payment of principal and interest and fiscal charges on general obligation debt.

Nonmajor Capital Projects Fund

The Capital Project fund is established to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. A description of the City’s capital project fund follows:

Muni PI Tax Increment Equivalent Fund - This fund accounts for the accumulation of resources (primarily debt proceeds and payments in lieu of taxes) that will be used for the development of the City’s downtown.

City of Kent, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 3,396,585	\$ 291,997	\$ 578,566	\$ 4,267,148
Cash and Cash Equivalents:				
In Segregated Accounts	64,861	-	-	64,861
Materials and Supplies Inventory	279,310	-	-	279,310
Accrued Interest Receivable	2,791	-	-	2,791
Accounts Receivable	16,930	-	-	16,930
Intergovernmental Receivable	493,567	-	-	493,567
Prepaid Items	31,231	-	-	31,231
Accrued Interest Receivable	-	-	359,167	359,167
Municipal Income Taxes Receivable	171,935	-	-	171,935
Property and Other Taxes Receivable	1,560,294	-	-	1,560,294
Special Assessments Receivable	119,417	130,760	-	250,177
Loans Receivable	506,395	-	-	506,395
Total Assets	\$ 6,643,316	\$ 422,757	\$ 937,733	\$ 8,003,806
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 98,828	\$ -	\$ -	\$ 98,828
Accrued Wages and Benefits	45,464	-	-	45,464
Contracts Payable	37,540	-	-	37,540
Accrued Interest Payable	-	-	10,254	10,254
Interfund Payable	125,000	91,000	-	216,000
Workers' Compensation Claims Payable	5,067	-	-	5,067
Notes Payable	-	30,743	1,070,000	1,100,743
Total Liabilities	311,899	121,743	1,080,254	1,513,896
Deferred Inflows of Resources:				
Property Taxes and PILOTs	1,477,331	-	359,167	1,836,498
Unavailable Revenue - Delinquent Property Taxes	68,637	-	-	68,637
Unavailable Revenue - Municipal Income Taxes	106,872	-	-	106,872
Unavailable Revenue - Other	488,590	130,760	-	619,350
Total Deferred Inflows of Resources	2,141,430	130,760	359,167	2,631,357
Fund Balances:				
Nonspendable	310,541	-	-	310,541
Restricted	3,879,446	170,254	-	4,049,700
Unassigned (Deficit)	-	-	(501,688)	(501,688)
Total Fund Balances (Deficit)	4,189,987	170,254	(501,688)	3,858,553
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 6,643,316	\$ 422,757	\$ 937,733	\$ 8,003,806

City of Kent, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
REVENUES				
Property Taxes	\$ 1,675,018	\$ -	\$ -	\$ 1,675,018
Municipal Income Taxes	901,042	-	-	901,042
Payments in Lieu of Taxes	-	-	462,329	462,329
Intergovernmental	1,190,087	-	-	1,190,087
Interest	28,990	-	-	28,990
Fees, Licenses, and Permits	270,746	-	-	270,746
Fines and Forfeitures	5,852	-	-	5,852
Charges for Services	944,458	-	-	944,458
Special Assessments	62,798	50,482	-	113,280
All Other Revenues	99,776	5,597	-	105,373
Total Revenues	<u>5,178,767</u>	<u>56,079</u>	<u>462,329</u>	<u>5,697,175</u>
EXPENDITURES				
Current:				
Security of Persons and Property	494,005	-	-	494,005
Public Health and Welfare	215,249	-	-	215,249
Leisure Time Activities	2,065,095	-	-	2,065,095
Community Development	73,412	-	22,255	95,667
Transportation	2,043,623	-	-	2,043,623
General Government	-	-	-	-
Capital Outlay	526,214	-	-	526,214
Debt Service:				
Principal Retirement	-	29,947	125,000	154,947
Interest and Fiscal Charges	-	-	232,122	232,122
Debt Issuance Costs	-	-	6,176	6,176
Total Expenditures	<u>5,417,598</u>	<u>29,947</u>	<u>385,553</u>	<u>5,833,098</u>
Excess of Revenues Over (Under) Expenditures	<u>(238,831)</u>	<u>26,132</u>	<u>76,776</u>	<u>(135,923)</u>
OTHER FINANCING SOURCES				
Proceeds from Sale of Capital Assets	52,128	-	-	52,128
Transfers In	106,640	268,708	-	375,348
Total Other Financing Sources	<u>158,768</u>	<u>268,708</u>	<u>-</u>	<u>427,476</u>
Net Change in Fund Balances	(80,063)	294,840	76,776	291,553
Fund Balances - Beginning of Year	4,270,050	(124,586)	(578,464)	3,567,000
Fund Balances - End of Year	<u>\$ 4,189,987</u>	<u>\$ 170,254</u>	<u>\$ (501,688)</u>	<u>\$ 3,858,553</u>

City of Kent, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018

	West Side Fire	Street Construction, Maintenance, and Repair	State Highway	Parks and Recreation	Food Service	Revolving Housing
ASSETS						
Equity in Pooled Cash and Cash Equivalents	\$ 73,694	\$ 1,136,950	\$ 70,467	\$ 621,005	\$ 145,988	\$ 37,179
Cash and Cash Equivalents:						
In Segregated Accounts	-	-	-	-	-	-
Materials and Supplies Inventory	-	279,310	-	-	-	-
Accrued Interest Receivable	-	2,548	243	-	-	-
Accounts Receivable	6,045	3,699	-	7,186	-	-
Intergovernmental Receivable	12,459	368,497	29,878	56,598	-	-
Prepaid Items	46	4,882	-	26,303	-	-
Municipal Income Taxes Receivable	-	171,935	-	-	-	-
Property and Other Taxes Receivable	236,662	14,326	-	1,091,388	-	-
Special Assessments Receivable	-	119,417	-	-	-	-
Loans Receivable	-	-	-	-	-	-
Total Assets	\$ 328,906	\$ 2,101,564	\$ 100,588	\$ 1,802,480	\$ 145,988	\$ 37,179
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ -	\$ 66,476	\$ -	\$ 6,491	\$ -	\$ -
Accrued Wages and Benefits	4,547	20,047	-	20,870	-	-
Contracts and Retainage Payable	-	-	-	37,540	-	-
Interfund Payable	-	-	-	50,000	-	-
Workers' Compensation Claims Payable	-	773	-	4,294	-	-
Total Liabilities	4,547	87,296	-	119,195	-	-
Deferred Inflows of Resources:						
Property Taxes and PILOTs	226,378	-	-	1,043,159	-	-
Unavailable Revenue - Delinq. Property Taxes	10,284	-	-	48,229	-	-
Unavailable Revenue - Municipal Income Taxes	-	106,872	-	-	-	-
Unavailable Revenue - Other	12,459	387,397	21,728	56,598	-	-
Total Deferred Inflows of Resources	249,121	494,269	21,728	1,147,986	-	-
Fund Balances:						
Nonspendable	46	284,192	-	26,303	-	-
Restricted	75,192	1,235,807	78,860	508,996	145,988	37,179
Total Fund Balances	75,238	1,519,999	78,860	535,299	145,988	37,179
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 328,906	\$ 2,101,564	\$ 100,588	\$ 1,802,480	\$ 145,988	\$ 37,179

State and Local Forfeits	Drug Law Enforcement	Enforcement and Education	Law Enforcement Trust	Community Development Block Grant	Neighborhood Stabilization	Wireless 911	Swimming Pool Inspections
\$ 4,767	\$ 21,794	\$ 19,165	\$ 2,077	\$ 292,875	\$ 127,046	\$ 231,449	\$ 11,805
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	15,727	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 4,767</u>	<u>\$ 21,794</u>	<u>\$ 19,165</u>	<u>\$ 2,077</u>	<u>\$ 308,602</u>	<u>\$ 127,046</u>	<u>\$ 231,449</u>	<u>\$ 11,805</u>
\$ -	\$ -	\$ -	\$ -	\$ 24,216	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	75,000	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	99,216	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
4,767	21,794	19,165	2,077	209,386	127,046	231,449	11,805
<u>4,767</u>	<u>21,794</u>	<u>19,165</u>	<u>2,077</u>	<u>209,386</u>	<u>127,046</u>	<u>231,449</u>	<u>11,805</u>
<u>\$ 4,767</u>	<u>\$ 21,794</u>	<u>\$ 19,165</u>	<u>\$ 2,077</u>	<u>\$ 308,602</u>	<u>\$ 127,046</u>	<u>\$ 231,449</u>	<u>\$ 11,805</u>

(Continued)

City of Kent, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2018

	Police Pension	Fire Pension	Urban Development Action Grant	Kent Downtown Community Urban Redevelopment Corporation	Total Nonmajor Special Revenue Funds
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 37,418	\$ 37,422	\$ 525,484	\$ -	\$ 3,396,585
Cash and Cash Equivalents:					
In Segregated Accounts	-	-	-	64,861	64,861
Materials and Supplies Inventory	-	-	-	-	279,310
Accrued Interest Receivable	-	-	-	-	2,791
Accounts Receivable	-	-	-	-	16,930
Intergovernmental Receivable	5,204	5,204	-	-	493,567
Prepaid Items	-	-	-	-	31,231
Municipal Income Taxes Receivable	-	-	-	-	171,935
Property and Other Taxes Receivable	108,959	108,959	-	-	1,560,294
Special Assessments Receivable	-	-	-	-	119,417
Loans Receivable	-	-	506,395	-	506,395
Total Assets	\$ 151,581	\$ 151,585	\$ 1,031,879	\$ 64,861	\$ 6,643,316
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ 1,645	\$ 98,828
Accrued Wages and Benefits	-	-	-	-	45,464
Contracts Payable	-	-	-	-	37,540
Interfund Payable	-	-	-	-	125,000
Workers' Compensation Claims Payable	-	-	-	-	5,067
Total Liabilities	-	-	-	1,645	311,899
Deferred Inflows of Resources:					
Property Taxes and PILOTs	103,897	103,897	-	-	1,477,331
Unavailable Revenue - Delinq. Property Taxes	5,062	5,062	-	-	68,637
Unavailable Revenue - Municipal Income Taxes	-	-	-	-	106,872
Unavailable Revenue - Other	5,204	5,204	-	-	488,590
Total Deferred Inflows of Resources	114,163	114,163	-	-	2,141,430
Fund Balances:					
Nonspendable	-	-	-	-	310,541
Restricted	37,418	37,422	1,031,879	63,216	3,879,446
Total Fund Balances	37,418	37,422	1,031,879	63,216	4,189,987
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 151,581	\$ 151,585	\$ 1,031,879	\$ 64,861	\$ 6,643,316



City of Kent, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2018

	West Side Fire	Street Construction, Maintenance, and Repair	State Highway	Parks and Recreation	Food Service
REVENUES					
Property Taxes	\$ 228,016	\$ 187,039	\$ -	\$ 1,050,681	\$ -
Municipal Income Taxes	-	901,042	-	-	-
Intergovernmental	24,917	728,335	59,054	138,233	-
Interest	-	14,200	1,030	-	-
Fees, Licenses, and Permits	-	-	-	-	143,745
Fines and Forfeitures	-	-	-	-	-
Charges for Services	-	54,885	-	889,573	-
Special Assessments	-	62,798	-	-	-
All Other Revenues	3,572	914	-	57,591	-
Total Revenues	256,505	1,949,213	60,084	2,136,078	143,745
EXPENDITURES					
Current:					
Security of Persons and Property	270,435	-	-	-	-
Public Health and Welfare	-	-	-	-	93,949
Leisure Time Activities	-	-	-	2,065,095	-
Community Development	-	-	-	-	-
Transportation	-	1,973,903	69,720	-	-
Capital Outlay	-	-	-	30,230	-
Total Expenditures	270,435	1,973,903	69,720	2,095,325	93,949
Excess of Revenues Over (Under) Expenditures	(13,930)	(24,690)	(9,636)	40,753	49,796
OTHER FINANCING SOURCES					
Proceeds from Sale of Capital Assets	-	50,533	-	1,595	-
Transfer In	-	-	-	6,640	-
Total Other Financing Sources	-	50,533	-	8,235	-
Net Change in Fund Balances	(13,930)	25,843	(9,636)	48,988	49,796
Fund Balances - Beginning of Year	89,168	1,494,156	88,496	486,311	96,192
Fund Balances - End of Year	\$ 75,238	\$ 1,519,999	\$ 78,860	\$ 535,299	\$ 145,988

Revolving Housing	State and Local Forfeits	Drug Law Enforcement	Enforcement and Education	Law Enforcement Trust	Community Development Block Grant	Neighborhood Stabilization	Wireless 911	Swimming Pool Inspections
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	69,082	-	-	-
-	-	-	-	-	469	279	-	-
119,351	-	-	-	-	-	-	-	7,650
-	-	3,262	2,590	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	37,699	-	-	-
<u>119,351</u>	<u>-</u>	<u>3,262</u>	<u>2,590</u>	<u>-</u>	<u>107,250</u>	<u>279</u>	<u>-</u>	<u>7,650</u>
-	-	3,570	-	-	-	-	-	-
116,539	-	-	-	-	-	-	-	4,761
-	-	-	-	-	-	-	-	-
-	-	-	-	-	72,633	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	495,984	-	-	-
<u>116,539</u>	<u>-</u>	<u>3,570</u>	<u>-</u>	<u>-</u>	<u>568,617</u>	<u>-</u>	<u>-</u>	<u>4,761</u>
<u>2,812</u>	<u>-</u>	<u>(308)</u>	<u>2,590</u>	<u>-</u>	<u>(461,367)</u>	<u>279</u>	<u>-</u>	<u>2,889</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	100,000	-	-	-
-	-	-	-	-	100,000	-	-	-
<u>2,812</u>	<u>-</u>	<u>(308)</u>	<u>2,590</u>	<u>-</u>	<u>(361,367)</u>	<u>279</u>	<u>-</u>	<u>2,889</u>
<u>34,367</u>	<u>4,767</u>	<u>22,102</u>	<u>16,575</u>	<u>2,077</u>	<u>570,753</u>	<u>126,767</u>	<u>231,449</u>	<u>8,916</u>
<u>\$ 37,179</u>	<u>\$ 4,767</u>	<u>\$ 21,794</u>	<u>\$ 19,165</u>	<u>\$ 2,077</u>	<u>\$ 209,386</u>	<u>\$ 127,046</u>	<u>\$ 231,449</u>	<u>\$ 11,805</u>

(Continued)

City of Kent, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2018

	Police Pension	Fire Pension	Urban Development Action Grant	Kent Downtown Community Urban Redevelopment Corporation	Total Nonmajor Special Revenue Funds
REVENUES					
Property Taxes	\$ 104,641	\$ 104,641	\$ -	\$ -	\$ 1,675,018
Income Taxes	-	-	-	-	901,042
Intergovernmental	10,407	10,407	149,652	-	1,190,087
Interest	-	-	13,012	-	28,990
Fees, Licenses, and Permits	-	-	-	-	270,746
Fines and Forfeitures	-	-	-	-	5,852
Charges for Services	-	-	-	-	944,458
Special Assessments	-	-	-	-	62,798
All Other Revenues	-	-	-	-	99,776
Total Revenues	115,048	115,048	162,664	-	5,178,767
EXPENDITURES					
Current:					
Security of Persons and Property	110,000	110,000	-	-	494,005
Public Health and Welfare	-	-	-	-	215,249
Leisure Time Activities	-	-	-	-	2,065,095
Community Development	-	-	779	-	73,412
Transportation	-	-	-	-	2,043,623
Capital Outlay	-	-	-	-	526,214
Total Expenditures	110,000	110,000	779	-	5,417,598
Excess of Revenues Over (Under) Expenditures	5,048	5,048	161,885	-	(238,831)
OTHER FINANCING SOURCES					
Proceeds from Sale of Capital Assets	-	-	-	-	52,128
Transfer In	-	-	-	-	106,640
Total Other Financing Sources	-	-	-	-	158,768
Net Change in Fund Balances	5,048	5,048	161,885	-	(80,063)
Fund Balances - Beginning of Year	32,370	32,374	869,994	63,216	4,270,050
Fund Balances - End of Year	\$ 37,418	\$ 37,422	\$ 1,031,879	\$ 63,216	\$ 4,189,987

Combining Statements

Fund Descriptions – Fiduciary Funds

Fiduciary Funds

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

Agency Fund

Agency Escrow Fund – This fund holds deposits held by the City and received from a contractor, developer, or individual to insure compliance with the ordinances of the City of Kent.

City of Kent, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended December 31, 2018

	<u>Balance</u> <u>12/31/2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2018</u>
Agency Escrow Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 316,896</u>	<u>\$ 479,212</u>	<u>\$ 452,896</u>	<u>\$ 343,212</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ 316,896</u>	<u>\$ 479,212</u>	<u>\$ 452,896</u>	<u>\$ 343,212</u>

**Individual Fund Schedules of
Revenues, Expenditures/Expenses and
Changes in Fund Balances/Fund Equity –
Budget (Non-GAAP Basis) and Actual**

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$ 1,297,425	\$ 1,480,912	\$ 1,504,695	\$ 23,783
Other Local Taxes	310,051	365,726	359,583	(6,143)
Intergovernmental	1,492,559	1,693,009	1,731,003	37,994
Interest	432,728	361,175	501,858	140,683
Fees, Licenses and Permits	240,867	239,649	279,347	39,698
Fines and Forfeits	258,340	298,360	299,611	1,251
Charges for Services	1,700,742	1,900,140	1,972,444	72,304
Contributions and Donations	43	-	50	50
Miscellaneous	188,747	204,300	218,900	14,600
Total Revenues	5,921,502	6,543,271	6,867,491	324,220
Expenditures				
Current:				
Public Health & Welfare				
Department of Health				
Personal Services	436,531	436,531	395,907	40,624
Other Expenses	177,468	198,468	181,407	17,061
Total Public Health and Welfare	613,999	634,999	577,314	57,685
Community Development				
Community Development				
Personal Services	549,772	564,772	552,064	12,708
Other Expenses	232,241	282,241	266,397	15,844
Total Community Development	782,013	847,013	818,461	28,552
Economic Development				
Personal Services	113,707	113,707	109,598	4,109
Other Expenses	75,092	94,376	31,426	62,950
Total Economic Development	188,799	208,083	141,024	67,059
Building				
Personal Services	292,955	292,955	235,965	56,990
Other Expenses	69,744	69,744	54,813	14,931
Total Building	362,699	362,699	290,778	71,921

(Continued)

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2018
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Main Street Program				
Other Expenses	60,000	60,000	60,000	-
Land Banking				
Other Expenses	35,000	35,000	-	35,000
Permit Parking				
Other Expenses	64,458	64,458	52,390	12,068
Shade Tree				
Other Expenses	134,023	134,023	118,113	15,910
Capital Outlay	10,000	10,000	10,000	-
Total Shade Tree	144,023	144,023	128,113	15,910
Urban Renewal				
Other Expenses	55,550	59,350	44,386	14,964
Total Community Development	1,692,542	1,780,626	1,535,152	245,474
General Government				
Service Administration				
Personal Services	69,189	69,189	61,369	7,820
Other Expenses	503,922	518,922	471,837	47,085
Total Service Administration	573,111	588,111	533,206	54,905
Rental Units				
Other Expenses	1,770	1,770	954	816
Engineering				
Personal Services	222,546	222,546	212,694	9,852
Other Expenses	127,095	165,695	141,668	24,027
Total Engineering	349,641	388,241	354,362	33,879
Law				
Personal Services	348,834	348,834	336,088	12,746
Other Expenses	203,548	203,548	136,219	67,329
Total Law	552,382	552,382	472,307	80,075
Budget and Finance				
Personal Services	174,475	243,575	237,036	6,539
Other Expenses	152,924	152,924	123,605	29,319
Total Budget and Finance	327,399	396,499	360,641	35,858

(Continued)

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2018
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Information Technology				
Personal Services	76,458	76,458	75,324	1,134
Other Expenses	139,387	139,387	125,570	13,817
Total Information Technology	215,845	215,845	200,894	14,951
Miscellaneous, Sundry and Contingency				
Other Expenses	438,401	479,401	354,846	124,555
Mayor's Office				
Personal Services	7,760	9,560	9,352	208
Other Expenses	6,574	6,574	4,265	2,309
Total Mayor's Office	14,334	16,134	13,617	2,517
City Council				
Personal Services	154,230	154,230	140,554	13,676
Other Expenses	34,870	34,870	24,121	10,749
Total City Council	189,100	189,100	164,675	24,425
Community Support				
Other Expenses	102,916	121,916	104,700	17,216
Office of City Manager				
City Manager				
Personal Services	300,120	300,120	281,154	18,966
Other Expenses	62,654	62,654	61,769	885
Total City Manager	362,774	362,774	342,923	19,851
Human Resources				
Personal Services	58,980	58,980	58,524	456
Other Expenses	20,674	20,674	16,542	4,132
Total Human Resources	79,654	79,654	75,066	4,588
City Hall Relocation				
Other Expenses	300,000	300,000	112,000	188,000
Civil Service				
Personal Services	29,381	29,381	26,299	3,082
Total Civil Service	67,887	67,887	53,149	14,738
Total General Government	3,575,214	3,759,714	3,143,340	616,374
Total Expenditures	5,881,755	6,175,339	5,255,806	919,533

(Continued)

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2018
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess of Revenues Over (Under) Expenditures	39,747	367,932	1,611,685	1,243,753
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	862	3,641	1,000	(2,641)
Advances In	106,000	106,000	106,000	-
Transfers In	3,600,000	3,600,000	3,600,000	-
Transfers Out	(5,200,000)	(5,306,640)	(5,306,640)	-
Total Other Financing Sources (Uses)	<u>(1,493,138)</u>	<u>(1,596,999)</u>	<u>(1,599,640)</u>	<u>(2,641)</u>
Net Change in Fund Balance	(1,453,391)	(1,229,067)	12,045	1,241,112
Fund Balance - Beginning of Year	4,743,986	4,743,986	4,743,986	-
Prior Year Encumbrances Appropriated	302,380	302,380	302,380	-
Fund Balance - End of Year	<u>\$ 3,592,975</u>	<u>\$ 3,817,299</u>	<u>\$ 5,058,411</u>	<u>\$ 1,241,112</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Income Tax Safety Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Intergovernmental	\$ 169,487	\$ 21,279	\$ 28,035	\$ 6,756
Miscellaneous	438,974	55,112	72,611	17,499
Total Revenues	<u>608,461</u>	<u>76,391</u>	<u>100,646</u>	<u>24,255</u>
Expenditures				
Current:				
Security of Persons and Property				
Police				
Personal Services	6,603,345	6,711,045	6,526,055	184,990
Other	652,870	652,870	568,728	84,142
Total Expenditures	<u>7,256,215</u>	<u>7,363,915</u>	<u>7,094,783</u>	<u>269,132</u>
Excess of Revenues Over (Under) Expenditures	(6,647,754)	(7,287,524)	(6,994,137)	293,387
Other Financing Sources				
Proceeds from Sale of Capital Assets	31,939	4,010	5,283	1,273
Transfers In	6,732,228	6,732,228	6,732,228	-
Total Other Financing Sources	<u>6,764,167</u>	<u>6,736,238</u>	<u>6,737,511</u>	<u>1,273</u>
Net Change in Fund Balance	116,413	(551,286)	(256,626)	294,660
Fund Balance - Beginning of Year	1,409,188	1,409,188	1,409,188	-
Prior Year Encumbrances Appropriated	68,670	68,670	68,670	-
Fund Balance - End of Year	<u>\$ 1,594,271</u>	<u>\$ 926,572</u>	<u>\$ 1,221,232</u>	<u>\$ 294,660</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Fire and Emergency Medical Services Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,351,336	\$ -	\$ 23,095	\$ 23,095
Contributions and Donations	39,496	-	675	675
Miscellaneous	3,256,137	43,484	55,649	12,165
Total Revenues	4,646,969	43,484	79,419	35,935
Expenditures				
Current:				
Security of Persons and Property				
Fire				
Personal Services	4,079,301	4,551,101	4,468,381	82,720
Other	500,213	519,138	470,838	48,300
Capital Outlay	1,724,874	1,966,874	1,035,839	931,035
Total Expenditures	6,304,388	7,037,113	5,975,058	1,062,055
Excess of Revenues Over (Under) Expenditures	(1,657,419)	(6,993,629)	(5,895,639)	1,097,990
Other Financing Sources				
Proceeds from Sale of Capital Assets	272,432	-	4,656	4,656
Transfers In	553,228	5,532,228	5,532,228	-
Total Other Financing Sources	825,660	5,532,228	5,536,884	4,656
Net Change in Fund Balance	(831,759)	(1,461,401)	(358,755)	1,102,646
Fund Balance - Beginning of Year	1,504,607	1,504,607	1,504,607	-
Prior Year Encumbrances Appropriated	634,368	634,368	634,368	-
Fund Balance - End of Year	\$ 1,307,216	\$ 677,574	\$ 1,780,220	\$ 1,102,646

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Capital Projects Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 2,395,380	\$ 4,871,531	\$ 4,862,084	\$ (9,447)
Special Assessments	40,548	82,463	82,303	(160)
Miscellaneous	4,173	8,486	8,470	(16)
Total Revenues	<u>2,440,101</u>	<u>4,962,480</u>	<u>4,952,857</u>	<u>(9,623)</u>
Expenditures				
Capital Outlay:				
Safety	161,296	361,296	325,928	35,368
Service	7,657,795	12,260,519	11,483,061	777,458
Budget and Finance	25,000	125,000	-	125,000
Total Capital Outlay	<u>7,844,091</u>	<u>12,746,815</u>	<u>11,808,989</u>	<u>937,826</u>
Debt Service:				
Principal	786,975	789,975	781,986	7,989
Interest & Fiscal Charges	15,200	15,200	15,200	-
Debt Issuance Costs	4,083	4,083	3,065	1,018
Total Debt Service	<u>806,258</u>	<u>809,258</u>	<u>800,251</u>	<u>9,007</u>
Total Expenditures	<u>8,650,349</u>	<u>13,556,073</u>	<u>12,609,240</u>	<u>946,833</u>
Excess of Revenues Over (Under) Expenditures	(6,210,248)	(8,593,593)	(7,656,383)	937,210
Other Financing Sources				
Bond Anticipation Notes Issued	251,259	510,991	510,000	(991)
Transfers In	2,828,520	3,528,057	3,528,057	-
Total Other Financing Sources	<u>3,079,779</u>	<u>4,039,048</u>	<u>4,038,057</u>	<u>(991)</u>
Net Change in Fund Balance	(3,130,469)	(4,554,545)	(3,618,326)	936,219
Fund Balance - Beginning of Year	1,652,299	1,652,299	1,652,299	-
Prior Year Encumbrances Appropriated	2,910,441	2,910,441	2,910,441	-
Fund Balance - End of Year	<u>\$ 1,432,271</u>	<u>\$ 8,195</u>	<u>\$ 944,414</u>	<u>\$ 936,219</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Police Facilities Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$ 22,511	\$ 740	\$ 23,898	\$ 23,158
Expenditures				
Capital Outlay:				
Safety	3,065,089	3,065,089	2,278,745	786,344
Debt Service:				
Principal	325,000	3,755,000	3,755,000	-
Interest & Fiscal Charges	3,845,300	415,300	415,300	-
Debt Issuance Costs	18,798	22,798	22,079	719
Total Debt Service	4,189,098	4,193,098	4,192,379	719
Total Expenditures	7,254,187	7,258,187	6,471,124	787,063
Excess of Revenues Over (Under) Expenditures	(7,231,676)	(7,257,447)	(6,447,226)	810,221
Other Financing Sources				
Bond Anticipation Notes Issued	3,061,369	3,264,972	3,250,000	(14,972)
Premium on Debt Issuance	-	21,784	-	(21,784)
Transfers In	1,766,120	1,812,504	1,812,504	-
Total Other Financing Sources (Uses)	4,827,489	5,099,260	5,062,504	(36,756)
Net Change in Fund Balance	(2,404,187)	(2,158,187)	(1,384,722)	773,465
Fund Balance - Beginning of Year	576,577	576,577	576,577	-
Prior Year Encumbrances Appropriated	2,089,595	2,089,595	2,089,595	-
Fund Balance - End of Year	\$ 261,985	\$ 507,985	\$ 1,281,450	\$ 773,465

City of Kent, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Water Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Interest	\$ 1,017	\$ 928	\$ 961	\$ 33
Charges for Services	3,988,263	3,641,725	3,770,236	128,511
Miscellaneous	67,919	62,017	64,206	2,189
Total Revenues	<u>4,057,199</u>	<u>3,704,670</u>	<u>3,835,403</u>	<u>130,733</u>
Expenses				
Current:				
Administrative Support				
Personal Services	523,382	575,482	583,772	(8,290)
Other Expenses	136,529	150,829	70,764	80,065
Capital Outlay	28,450	28,450	14,182	14,268
Total Administrative Support	<u>688,361</u>	<u>754,761</u>	<u>668,718</u>	<u>86,043</u>
Service				
Personal Services	1,690,883	1,730,883	1,607,083	123,800
Other Expenses	931,789	941,789	863,121	78,668
Capital Outlay	1,516,440	2,733,874	1,828,468	905,406
Total Service	<u>4,139,112</u>	<u>5,406,546</u>	<u>4,298,672</u>	<u>1,107,874</u>
Debt Service:				
Principal	46,516	46,516	46,516	-
Interest & Fiscal Charges	8,092	8,092	8,092	-
Total Debt Service	<u>54,608</u>	<u>54,608</u>	<u>54,608</u>	<u>-</u>
Total Expenses	<u>4,882,081</u>	<u>6,215,915</u>	<u>5,021,998</u>	<u>1,193,917</u>

(Continued)

City of Kent, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Water Fund
 For the Year Ended December 31, 2018
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess of Revenues Over (Under) Expenses	(824,882)	(2,511,245)	(1,186,595)	1,324,650
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	3,007	2,746	2,843	97
Capital Contribution - Grants	42,212	38,544	39,904	1,360
Capital Contributions - Tap-in Fees	57,742	52,724	54,585	1,861
Advances Out	(80,000)	(80,000)	(80,000)	-
Total Other Financing Sources (Uses)	<u>22,961</u>	<u>14,014</u>	<u>17,332</u>	<u>3,318</u>
Net Change in Fund Equity	(801,921)	(2,497,231)	(1,169,263)	1,327,968
Fund Equity - Beginning of Year	2,230,031	2,230,031	2,230,031	-
Prior Year Encumbrances Appropriated	424,899	424,899	424,899	-
Fund Equity - End of Year	<u>\$ 1,853,009</u>	<u>\$ 157,699</u>	<u>\$ 1,485,667</u>	<u>\$ 1,327,968</u>

City of Kent, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Sewer Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$ 1,097	\$ 744	\$ 750	\$ 6
Charges for Services	5,883,075	3,988,603	4,023,162	34,559
Miscellaneous	40,921	27,744	27,984	240
Total Revenues	5,925,093	4,017,091	4,051,896	34,805
Expenses				
Current:				
Administrative Support				
Personal Services	574,813	635,913	597,830	38,083
Other Expenses	150,734	165,034	72,165	92,869
Capital Outlay	35,635	35,635	21,367	14,268
Total Administrative Support	761,182	836,582	691,362	145,220
Service				
Personal Services	1,910,010	1,950,010	1,903,565	46,445
Other Expenses	1,004,383	1,004,383	933,023	71,360
Capital Outlay	3,853,121	2,017,271	1,530,571	486,700
Total Service	6,767,514	4,971,664	4,367,159	604,505

(Continued)

City of Kent, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Sewer Fund
 For the Year Ended December 31, 2018
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Debt Service:				
Principal Retirement	613,505	613,505	615,904	(2,399)
Interest & Fiscal Charges	66,288	66,288	66,288	-
Bond Issuance Costs	4,415	4,415	1,893	2,522
Total Debt Service	684,208	684,208	684,085	123
Total Expenses	8,212,904	6,492,454	5,742,606	749,848
Excess of Revenues Over (Under) Expenses	(2,287,811)	(2,475,363)	(1,690,710)	784,653
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	6,017	4,080	4,115	35
Capital Contribution - Grants	120,149	81,458	82,164	706
Premium on Debt Issuance	465,116	315,339	318,071	2,732
Advances Out	(65,000)	(65,000)	(65,000)	-
Transfers In	3,125	3,125	3,125	-
Transfer Out	(3,125)	(3,125)	(3,125)	-
Total Other Financing Sources (Uses)	526,282	335,877	339,350	3,473
Net Change in Fund Equity	(1,761,529)	(2,139,486)	(1,351,360)	788,126
Fund Equity - Beginning of Year	1,958,299	1,958,299	1,958,299	-
Prior Year Encumbrances Appropriated	909,197	909,197	909,197	-
Fund Equity - End of Year	\$ 1,105,967	\$ 728,010	\$ 1,516,136	\$ 788,126

City of Kent, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Storm Water Drainage Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Charges for Services	\$ 1,011,838	\$ 1,011,838	\$ 990,186	\$ (21,652)
Special Assessments	26,267	26,267	26,930	663
Miscellaneous	297	297	8	(289)
Total Revenues	1,038,402	1,038,402	1,017,124	(21,278)
Expenses				
Current:				
Budget and Finance				
Personal Services	306,635	306,635	273,015	33,620
Other Expenses	70,909	74,709	35,993	38,716
Capital Outlay	181,408	181,408	56,499	124,909
Total Budget and Finance	558,952	562,752	365,507	197,245
Service				
Personal Services	226,819	252,918	251,117	1,801
Other Expenses	25,280	25,280	731	24,549
Capital Outlay	581,500	1,040,485	263,818	776,667
Total Service	833,599	1,318,683	515,666	803,017
Debt Service:				
Interest & Fiscal Charges	9,968	9,968	9,968	-
Total Debt Service	9,968	9,968	9,968	-
Total Expenses	1,402,519	1,891,403	891,141	1,000,262
Excess of Revenues Over (Under) Expenses	(364,117)	(853,001)	125,983	978,984
Other Financing Sources				
Capital Contributions - Tap-in Fees	1,378	1,378	1,600	222
Advances Out	(110,000)	(110,000)	(110,000)	-
Total Other Financing Sources	(108,622)	(108,622)	(108,400)	222
Net Change in Fund Equity	(472,739)	(961,623)	17,583	979,206
Fund Equity - Beginning of Year	1,112,390	1,112,390	1,112,390	-
Prior Year Encumbrances Appropriated	170,476	170,476	170,476	-
Fund Equity - End of Year	\$ 810,127	\$ 321,243	\$ 1,300,449	\$ 979,206

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 West Side Fire Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$ 224,964	\$ 224,393	\$ 228,016	\$ 3,623
Intergovernmental	24,584	26,902	24,917	(1,985)
Total Revenues	249,548	251,295	252,933	1,638
Expenditures				
Current:				
Security of Persons and Property				
Fire				
Personal Services	256,301	256,301	250,244	6,057
Other	32,289	32,289	22,006	10,283
Total Expenditures	288,590	288,590	272,250	16,340
Net Change in Fund Balance	(39,042)	(37,295)	(19,317)	17,978
Fund Balance - Beginning of Year	85,944	85,944	85,944	-
Prior Year Encumbrances Appropriated	4,462	4,462	4,462	-
Fund Balance - End of Year	\$ 51,364	\$ 53,111	\$ 71,089	\$ 17,978

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Street Construction, Maintenance and Repair Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Other Local Taxes	\$ 118,092	\$ 172,787	\$ 184,751	\$ 11,964
Intergovernmental	471,082	689,268	736,992	47,724
Interest	8,747	12,798	13,684	886
Charges for Services	41,554	60,800	65,010	4,210
Special Assessments	40,140	58,731	62,798	4,067
Miscellaneous	584	855	914	59
Total Revenues	680,199	995,239	1,064,149	68,910
Expenditures				
Current:				
Transportation				
Public Service				
Personal Services	1,105,077	1,105,077	1,083,606	21,471
Other	1,283,442	1,283,442	975,777	307,665
Total Expenditures	2,388,519	2,388,519	2,059,383	329,136
Excess of Revenues Over (Under) Expenditures	(1,708,320)	(1,393,280)	(995,234)	398,046
Other Financing Sources				
Proceeds from Sale of Capital Assets	32,300	47,261	50,533	3,272
Transfers In	867,500	867,500	867,500	-
Total Other Financing Sources	899,800	914,761	918,033	3,272
Net Change in Fund Balance	(808,520)	(478,519)	(77,201)	401,318
Fund Balance - Beginning of Year	791,342	791,342	791,342	-
Prior Year Encumbrances Appropriated	199,311	199,311	199,311	-
Fund Balance - End of Year	\$ 182,133	\$ 512,134	\$ 913,452	\$ 401,318

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 State Highway Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 77,341	\$ 57,256	\$ 59,756	\$ 2,500
Interest	1,270	744	981	237
Total Revenues	<u>78,611</u>	<u>58,000</u>	<u>60,737</u>	<u>2,737</u>
Expenditures				
Current:				
Transportation				
Public Service				
Other	70,935	70,935	69,905	1,030
	<u>70,935</u>	<u>70,935</u>	<u>69,905</u>	<u>1,030</u>
Net Change in Fund Balance	7,676	(12,935)	(9,168)	3,767
Fund Balance - Beginning of Year	79,044	79,044	79,044	-
Fund Balance - End of Year	<u>\$ 87,655</u>	<u>\$ 67,044</u>	<u>\$ 70,811</u>	<u>\$ 3,767</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Parks and Recreation Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues				
Property Taxes	\$ 986,189	\$ 1,062,934	\$ 1,050,681	\$ (12,253)
Intergovernmental	158,409	170,736	168,768	(1,968)
Charges for Services	833,450	898,308	887,953	(10,355)
Miscellaneous	52,071	56,123	55,476	(647)
Total Revenues	<u>2,030,119</u>	<u>2,188,101</u>	<u>2,162,878</u>	<u>(25,223)</u>
Expenditures				
Current:				
Leisure Time Activities				
Parks & Recreation				
Personal Services	1,354,250	1,379,450	1,297,008	82,442
Other	720,855	720,855	626,003	94,852
Capital Outlay	355,992	355,992	267,150	88,842
Total Expenditures	<u>2,431,097</u>	<u>2,456,297</u>	<u>2,190,161</u>	<u>266,136</u>
Excess of Revenues Over (Under) Expenditures	(400,978)	(268,196)	(27,283)	240,913
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	1,497	1,614	1,595	(19)
Advances Out	(50,000)	(50,000)	(50,000)	-
Transfers In	6,640	6,640	6,640	-
Total Other Financing Sources (Uses)	<u>(41,863)</u>	<u>(41,746)</u>	<u>(41,765)</u>	<u>(19)</u>
Net Change in Fund Balance	(442,841)	(309,942)	(69,048)	240,894
Fund Balance - Beginning of Year	218,345	218,345	218,345	-
Prior Year Encumbrances Appropriated	279,198	279,198	279,198	-
Fund Balance - End of Year	<u>\$ 54,702</u>	<u>\$ 187,601</u>	<u>\$ 428,495</u>	<u>\$ 240,894</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Food Service Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fees, Licenses and Permits	\$ 100,800	\$ 140,800	\$ 143,745	\$ 2,945
Expenditures				
Current:				
Public Health and Welfare				
Health				
Personal Services	93,439	93,439	87,220	6,219
Other	8,019	30,773	6,733	24,040
Total Expenditures	101,458	124,212	93,953	30,259
Net Change in Fund Balance	(658)	16,588	49,792	33,204
Fund Balance - Beginning of Year	96,174	96,174	96,174	-
Fund Balance - End of Year	\$ 95,535	\$ 112,781	\$ 145,985	\$ 33,204

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Income Tax Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$ 15,345,842	\$ 15,811,976	\$ 16,182,651	\$ 370,675
Interest	7,510	5,546	7,920	2,374
Total Revenues	15,353,352	15,817,522	16,190,571	373,049
Expenditures				
Current:				
General Government				
Budget & Finance				
Personal Services	255,764	255,764	249,799	5,965
Other	2,644,235	2,608,404	2,595,443	12,961
Total Expenditures	2,899,999	2,864,168	2,845,242	18,926
Excess of Revenues Over Expenditures	12,453,353	12,953,354	13,345,329	391,975
Other Financing Sources (Uses)				
Advances In	308,000	308,000	308,000	-
Advances Out	-	(425,000)	(425,000)	-
Transfer Out	(16,395,304)	(17,141,225)	(17,141,225)	-
Total Other Financing Sources (Uses)	(16,087,304)	(17,258,225)	(17,258,225)	-
Net Change in Fund Balance	(3,633,951)	(4,304,871)	(3,912,896)	391,975
Fund Balance - Beginning of Year	5,894,981	5,894,981	5,894,981	-
Prior Year Encumbrances Appropriated	2,354,159	2,354,159	2,354,159	-
Fund Balance - End of Year	\$ 4,615,189	\$ 3,944,269	\$ 4,336,244	\$ 391,975

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Revolving Housing Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fees, Licenses and Permits	\$ 124,370	\$ 124,370	\$ 119,351	\$ (5,019)
Expenditures				
Current:				
Public Health and Welfare				
Health				
Personal Services	129,333	146,333	115,749	30,584
Other	10,538	10,538	789	9,749
Total Expenditures	139,871	156,871	116,538	40,333
Net Change in Fund Balance	(15,501)	(32,501)	2,813	35,314
Fund Balance - Beginning of Year	34,329	34,329	34,329	-
Fund Balance - End of Year	\$ 18,866	\$ 1,866	\$ 37,180	\$ 35,314

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 State and Local Forfeits Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues				
Fines and Forfeits	\$ 300	\$ 300	\$ -	\$ (300)
Expenditures				
Current:				
Security of Persons and Property				
Police				
Other	2,000	2,000	-	2,000
Net Change in Fund Balance	(1,700)	(1,700)	-	1,700
Fund Balance - Beginning of Year	4,767	4,767	4,767	-
Fund Balance - End of Year	\$ 3,067	\$ 3,067	\$ 4,767	\$ 1,700

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Drug Law Enforcement Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeits	\$ 2,000	\$ 2,000	\$ 3,262	\$ 1,262
Expenditures				
Current:				
Security of Persons and Property				
Police				
Other	8,500	12,000	3,570	8,430
Net Change in Fund Balance	(6,500)	(10,000)	(308)	9,692
Fund Balance - Beginning of Year	22,102	22,102	22,102	-
Fund Balance - End of Year	\$ 15,602	\$ 12,102	\$ 21,794	\$ 9,692

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Enforcement and Education Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeits	\$ 3,000	\$ 3,000	\$ 2,590	\$ (410)
Expenditures				
Current:				
Security of Persons and Property				
Police				
Other	6,000	6,000	-	6,000
Net Change in Fund Balance	(3,000)	(3,000)	2,590	5,590
Fund Balance - Beginning of Year	16,575	16,575	16,575	-
Fund Balance - End of Year	\$ 13,575	\$ 13,575	\$ 19,165	\$ 5,590

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Law Enforcement Trust Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Current:				
Security of Persons and Property				
Police and Others				
Other	1,000	1,000	-	1,000
Net Change in Fund Balance	(1,000)	(1,000)	-	1,000
Fund Balance - Beginning of Year	2,077	2,077	2,077	-
Fund Balance - End of Year	<u>\$ 1,077</u>	<u>\$ 1,077</u>	<u>\$ 2,077</u>	<u>\$ 1,000</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Community Development Block Grant Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Intergovernmental	\$ 83,936	\$ 285,314	\$ 263,926	\$ (21,388)
Interest	149	507	469	(38)
Miscellaneous	11,989	40,754	37,699	(3,055)
Total Revenues	<u>96,074</u>	<u>326,575</u>	<u>302,094</u>	<u>(24,481)</u>
Expenditures				
Current:				
Community Development				
Department of Community Development				
Personal Services	22,625	22,625	-	22,625
Other	246,888	353,888	248,361	105,527
Capital Outlay	217,449	539,676	533,149	6,527
Total Expenditures	<u>486,962</u>	<u>916,189</u>	<u>781,510</u>	<u>134,679</u>
Excess of Revenues Over (Under) Expenditures	(390,888)	(589,614)	(479,416)	110,198
Other Financing Sources (Uses)				
Advances In	75,000	75,000	75,000	-
Transfers In	100,000	100,000	100,000	-
Total Other Financing Sources	<u>175,000</u>	<u>175,000</u>	<u>175,000</u>	<u>-</u>
Net Change in Fund Balance	(215,888)	(414,614)	(304,416)	110,198
Fund Balance - Beginning of Year	269,033	269,033	269,033	-
Prior Year Encumbrances Appropriated	151,187	151,187	151,187	-
Fund Balance - End of Year	<u>\$ 204,332</u>	<u>\$ 5,606</u>	<u>\$ 115,804</u>	<u>\$ 110,198</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Neighborhood Stabilization Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$ 300	\$ 300	\$ 279	\$ (21)
Expenditures				
Current:				
Community Development				
Community Development				
Other	-	-	-	-
Net Change in Fund Balance	300	300	279	(21)
Fund Balance - Beginning of Year	126,767	126,767	126,767	-
Fund Balance - End of Year	<u>\$ 127,067</u>	<u>\$ 127,067</u>	<u>\$ 127,046</u>	<u>\$ (21)</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Wireless 911 Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures	-	-	-	-
Fund Balance - Beginning of Year	231,449	231,449	231,449	-
Fund Balance - End of Year	\$ 231,449	\$ 231,449	\$ 231,449	\$ -

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Swimming Pool Inspections Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fees, Licenses and Permits	\$ 7,000	\$ 7,000	\$ 7,650	\$ 650
Expenditures				
Current:				
Public Health and Welfare				
Health				
Personal Services	7,783	7,783	4,762	3,021
Other	577	577	-	577
Total Expenditures	8,360	8,360	4,762	3,598
Net Change in Fund Balance	(1,360)	(1,360)	2,888	4,248
Fund Balance - Beginning of Year	8,840	8,840	8,840	-
Prior Year Encumbrances Appropriated	77	77	77	-
Fund Balance - End of Year	\$ 7,557	\$ 7,557	\$ 11,805	\$ 4,248

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Police Pension Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$ 102,162	\$ 103,074	\$ 104,641	\$ 1,567
Intergovernmental	10,161	11,230	10,407	(823)
Total Revenues	<u>112,323</u>	<u>114,304</u>	<u>115,048</u>	<u>744</u>
Expenditures				
Current:				
Security of Persons and Property				
Police				
Personal Services	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>-</u>
Net Change in Fund Balance	2,323	4,304	5,048	744
Fund Balance - Beginning of Year	<u>32,370</u>	<u>32,370</u>	<u>32,370</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 34,693</u></u>	<u><u>\$ 36,674</u></u>	<u><u>\$ 37,418</u></u>	<u><u>\$ 744</u></u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Fire Pension Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$ 102,162	\$ 103,074	\$ 104,641	\$ 1,567
Intergovernmental	10,161	11,230	10,407	(823)
Total Revenues	<u>112,323</u>	<u>114,304</u>	<u>115,048</u>	<u>744</u>
Expenditures				
Current:				
Security of Persons and Property				
Fire				
Personal Services	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>-</u>
Net Change in Fund Balance	2,323	4,304	5,048	744
Fund Balance - Beginning of Year	<u>32,374</u>	<u>32,374</u>	<u>32,374</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 34,697</u></u>	<u><u>\$ 36,678</u></u>	<u><u>\$ 37,422</u></u>	<u><u>\$ 744</u></u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Urban Development Action Grant Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$ 10,212	\$ 8,657	\$ 13,012	\$ 4,355
Miscellaneous	49,788	51,343	63,436	12,093
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>76,448</u>	<u>16,448</u>
Expenditures				
Current:				
Community Development				
City Manager				
Other	50,000	401,000	400,519	481
Net Change in Fund Balance	10,000	(341,000)	(324,071)	16,929
Fund Balance - Beginning of Year	849,556	849,556	849,556	-
Fund Balance - End of Year	<u>\$ 859,556</u>	<u>\$ 508,556</u>	<u>\$ 525,485</u>	<u>\$ 16,929</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Debt Service Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$ 15,950	\$ 26,295	\$ 50,482	\$ 24,187
Expenditures				
Current:				
General Government				
Budget and Finance				
Other	3,500	3,500	1,231	2,269
Debt Service:				
Principal	280,947	280,947	280,947	-
Interest & Fiscal Charges	12,120	12,120	12,120	-
Bond Issuance Costs	1,127	1,127	-	1,127
Total Debt Service	294,194	294,194	293,067	1,127
Total Expenditures	297,694	297,694	294,298	3,396
Excess of Revenues Over (Under) Expenditures	(281,744)	(271,399)	(243,816)	27,583
Other Financing Sources				
Premium on Debt Issuance	14,887	24,542	47,115	22,573
Transfers In	268,708	268,708	268,708	-
Total Other Financing Sources	283,595	293,250	315,823	22,573
Net Change in Fund Balance	1,851	21,851	72,007	50,156
Fund Balance - Beginning of Year	219,990	219,990	219,990	-
Fund Balance - End of Year	<u>\$ 221,841</u>	<u>\$ 241,841</u>	<u>\$ 291,997</u>	<u>\$ 50,156</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Muni PI Tax Increment Equivalent Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Payments in Lieu of Taxes	\$ 467,661	\$ 442,060	\$ 462,329	\$ 20,269
Expenditures				
Capital Outlay:				
Community Development	29,311	29,311	32,430	(3,119)
Debt Service:				
Principal	1,275,000	1,283,404	1,275,000	8,404
Interest & Fiscal Charges	235,975	237,530	235,975	1,555
Debt Issuance Costs	6,176	6,217	6,176	41
Total Debt Service	1,517,151	1,527,151	1,517,151	10,000
Total Expenditures	1,546,462	1,556,462	1,549,581	6,881
Excess of Revenues Over (Under) Expenditures	(1,078,801)	(1,114,402)	(1,087,252)	27,150
Other Financing Sources				
Bond Anticipation Notes Issued	1,082,339	1,097,497	1,070,000	(27,497)
Premium on Debt Issuance	-	10,443	-	(10,443)
Total Other Financing Sources	1,082,339	1,107,940	1,070,000	(37,940)
Net Change in Fund Balance	3,538	(6,462)	(17,252)	(10,790)
Fund Balance - Beginning of Year	556,332	556,332	556,332	-
Prior Year Encumbrances Appropriated	29,311	29,311	29,311	-
Fund Balance - End of Year	\$ 589,181	\$ 579,181	\$ 568,391	\$ (10,790)

City of Kent, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Solid Waste Fund
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$ 558,000	\$ 558,000	\$ 517,748	\$ (40,252)
All Other Revenues	-	-	15,943	15,943
Total Revenues	<u>558,000</u>	<u>558,000</u>	<u>533,691</u>	<u>(24,309)</u>
Expenses				
Current:				
Service				
Personal Services	84,089	84,089	82,408	1,681
Other Expenses	557,655	557,655	307,516	250,139
Total Expenses	<u>641,744</u>	<u>641,744</u>	<u>389,924</u>	<u>251,820</u>
Excess of Revenues Over (Under) Expenses	(83,744)	(83,744)	143,767	227,511
Other Financing Uses				
Advances Out	(109,000)	(109,000)	(109,000)	-
Total Other Financing Uses	<u>(109,000)</u>	<u>(109,000)</u>	<u>(109,000)</u>	<u>-</u>
Net Change in Fund Equity	(192,744)	(192,744)	34,767	227,511
Fund Equity - Beginning of Year	838,220	838,220	838,220	-
Prior Year Encumbrances Appropriated	59,972	59,972	59,972	-
Fund Equity - End of Year	<u>\$ 705,448</u>	<u>\$ 705,448</u>	<u>\$ 932,959</u>	<u>\$ 227,511</u>



STATISTICAL SECTION



City of Kent, Ohio

Statistical Section

This part of City of Kent's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2 - S8
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, income taxes and property taxes.	S9 – S17
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S18 – S21
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	S22 – S23
Operating Information These schedules contain service 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.	S24 – S33

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Kent, Ohio

Net Position by Component Accrual Basis of Accounting Last Ten Years

Table 1

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental Activities										
Net Investment in										
Capital Assets	\$73,565,735	\$67,360,368	\$60,061,703	\$55,391,747	\$39,903,344	\$39,451,103	\$38,898,560	\$37,887,705	\$34,486,661	\$32,644,284
Restricted	18,566,597	18,027,734	20,795,807	18,029,115	17,879,819	15,340,542	13,973,116	11,523,440	10,583,375	11,445,419
Unrestricted	<u>(26,635,798)</u>	<u>(5,548,617)</u>	<u>(7,211,295)</u>	<u>(4,101,580)</u>	<u>11,937,532</u>	<u>11,257,214</u>	<u>11,291,239</u>	<u>12,407,928</u>	<u>15,181,317</u>	<u>15,581,099</u>
<i>Total Governmental Activities Net Position</i>	<u>65,496,534</u>	<u>79,839,485</u>	<u>73,646,215</u>	<u>69,319,282</u>	<u>69,720,695</u>	<u>66,048,859</u>	<u>64,162,915</u>	<u>61,819,073</u>	<u>60,251,353</u>	<u>59,670,802</u>
Business Type - Activities										
Net Investment in										
Capital Assets	50,456,860	49,952,592	49,624,570	49,925,407	49,833,675	48,867,706	49,793,993	49,593,173	50,033,315	49,221,658
Unrestricted	<u>251,908</u>	<u>4,113,816</u>	<u>5,207,511</u>	<u>4,576,955</u>	<u>7,183,616</u>	<u>7,990,163</u>	<u>7,937,790</u>	<u>7,334,716</u>	<u>7,321,992</u>	<u>7,913,744</u>
<i>Total Business-Type Activities Net Position</i>	<u>50,708,768</u>	<u>54,066,408</u>	<u>54,832,081</u>	<u>54,502,362</u>	<u>57,017,291</u>	<u>56,857,869</u>	<u>57,731,783</u>	<u>56,927,889</u>	<u>57,355,307</u>	<u>57,135,402</u>
Primary Government										
Net Investment in										
Capital Assets	124,022,595	117,312,960	109,686,273	105,317,154	89,737,019	88,318,809	88,692,553	87,480,878	84,519,976	81,865,942
Restricted	18,566,597	18,027,734	20,795,807	18,029,115	17,879,819	15,340,542	13,973,116	11,523,440	10,583,375	11,445,419
Unrestricted	<u>(26,383,890)</u>	<u>(1,434,801)</u>	<u>(2,003,784)</u>	<u>475,375</u>	<u>19,121,148</u>	<u>19,247,377</u>	<u>19,229,029</u>	<u>19,742,644</u>	<u>22,503,309</u>	<u>23,494,843</u>
<i>Total Primary Government Net Position</i>	<u>\$116,205,302</u>	<u>\$133,905,893</u>	<u>\$128,478,296</u>	<u>\$123,821,644</u>	<u>\$126,737,986</u>	<u>\$122,906,728</u>	<u>\$121,894,698</u>	<u>\$118,746,962</u>	<u>\$117,606,660</u>	<u>\$116,806,204</u>

The periods noted above do not reflect amounts restated.

City of Kent, Ohio

Changes in Net Position Accrual Basis of Accounting Last Ten Years

Table 2

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Program Revenues										
Governmental Activities:										
Charges for Services:										
Security of Persons and Property	\$2,031,970	\$1,734,417	\$1,727,198	\$1,509,255	\$1,462,625	\$1,746,787	\$1,504,097	\$1,419,667	\$1,472,354	\$1,345,473
Public Health and Welfare	376,250	331,773	311,770	293,058	264,534	213,738	184,556	160,213	151,774	163,857
Leisure Time Activities	859,038	790,276	667,353	767,323	694,019	593,189	515,414	709,428	483,292	519,474
Community Development	418,762	396,100	417,610	413,530	222,108	259,516	233,565	250,093	58,576	59,667
Transportation	54,885	42,212	57,985	111,934	52,848	40,798	37,412	28,985	38,632	40,256
General Government	110,373	49,797	28,559	93,893	51,191	62,500	104,859	170,899	63,132	71,777
Subtotal - Charges for Services	3,851,278	3,344,575	3,210,475	3,188,993	2,747,325	2,916,528	2,579,903	2,739,285	2,267,760	2,200,504
Operating Grants and Contributions:										
Security of Persons and Property	44,680	12,245	41,354	86,441	146,158	85,049	165,394	133,319	50,659	236,658
Public Health and Welfare	0	0	0	0	0	0	6,892	11,926	9,977	8,564
Leisure Time Activities	55,572	0	7,100	7,150	5,050	6,400	6,300	13,549	0	0
Community Development	200,126	6,696	580,234	137,763	731,476	502,927	1,624,800	657,956	704,125	337,839
Transportation	791,018	858,807	813,816	738,936	864,307	805,517	768,006	785,830	804,778	793,252
General Government	0	0	0	0	6,729	0	0	0	0	0
Subtotal - Operating Grants and Contributions	1,091,396	877,748	1,442,504	970,290	1,753,720	1,399,893	2,571,392	1,602,580	1,569,539	1,376,313
Capital Grants and Contributions:										
Security of Persons and Property	0	0	0	0	0	54,563	0	186,789	0	0
Leisure Time Activities	0	644,428	0	27,909	375,702	730,884	644,119	250,000	32,297	7,001
Community Development	0	0	0	0	184,257	1,301,307	1,253,088	380,851	0	0
Transportation	3,361,639	6,112,002	5,184,058	12,571,371	467,278	1,357,189	905,425	1,980,191	873,056	1,998,656
General Government	0	0	0	0	0	0	0	290,880	0	0
Subtotal - Capital Grants and Contributions	3,361,639	6,756,430	5,184,058	12,599,280	1,027,237	3,443,943	2,802,632	3,088,711	905,353	2,005,657
Total Governmental Activities Program Revenues	8,304,313	10,978,753	9,837,037	16,758,563	5,528,282	7,760,364	7,953,927	7,430,576	4,742,652	5,582,474
Business-Type Activities:										
Charges for Services:										
Water	3,814,274	3,538,859	3,319,116	3,429,946	3,006,999	3,281,466	3,197,503	2,741,795	2,706,968	2,635,679
Sewer	4,021,710	4,002,825	3,954,158	4,261,658	3,904,905	3,961,787	4,150,757	3,566,055	3,491,363	3,433,218
Solid Waste	482,892	580,308	541,363	521,150	484,830	508,985	445,105	424,599	419,696	400,690
Storm Water Drainage	997,098	983,070	963,591	562,743	565,152	496,051	565,338	555,853	548,930	560,039
Subtotal - Charges for Services	9,315,974	9,105,062	8,778,228	8,775,497	7,961,886	8,248,289	8,358,703	7,288,302	7,166,957	7,029,626
Operating Grants and Contributions:										
Water	0	0	0	0	0	0	0	0	0	0
Sewer	0	0	0	0	0	0	0	180,546	0	0
Solid Waste	0	0	0	0	0	0	12,500	12,500	12,500	12,500
Subtotal - Operating Grants and Contributions	0	0	0	0	0	0	12,500	193,046	12,500	12,500
Capital Grants and Contributions										
Water	54,587	36,750	196,294	129,054	19,051	75,817	334,491	134,295	127,177	91,076
Sewer	51,460	41,927	270,555	198,770	31,962	62,312	70,760	194,121	57,438	111,524
Storm Water Drainage	1,600	156,103	163,893	326,085	202,918	39,990	167,150	86,604	1,083,023	586,939
Subtotal - Capital Grants and Contributions	107,647	234,780	630,742	653,909	253,931	178,119	572,401	415,020	1,267,638	789,539
Total Business-Type Activities Program Revenues	9,423,621	9,339,842	9,408,970	9,429,406	8,215,817	8,426,408	8,943,604	7,896,368	8,447,095	7,831,665
Total Primary Government Program Revenues	\$17,727,934	\$20,318,595	\$19,246,007	\$26,187,969	\$13,744,099	\$16,186,772	\$16,897,531	\$15,326,944	\$13,189,747	\$13,414,139

City of Kent, Ohio

Changes in Net Position (continued) Accrual Basis of Accounting Last Ten Years

Table 2

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses										
Governmental Activities:										
Security of Persons and Property	\$15,227,583	\$13,445,628	\$13,327,470	\$12,085,275	\$11,106,253	\$10,907,162	\$11,293,807	\$11,155,689	\$10,595,357	\$10,369,569
Public Health and Welfare	1,048,660	978,817	865,759	751,049	733,837	724,497	678,085	666,053	632,398	620,303
Leisure Time Activities	2,422,995	2,290,693	2,182,450	2,129,354	1,876,396	1,745,256	1,682,142	1,611,324	1,438,323	1,382,046
Community Development	1,613,437	2,081,122	2,180,658	2,013,840	2,154,400	3,529,274	4,022,927	3,002,485	1,787,031	1,771,093
Transportation	4,078,837	5,491,314	5,132,998	5,194,392	3,720,312	3,801,634	3,408,722	3,732,080	3,713,225	3,462,831
General Government	3,689,377	3,192,464	3,051,990	3,980,966	3,015,330	2,775,445	2,988,674	3,090,494	2,852,097	2,848,297
Interest and Fiscal Charges	627,987	645,096	625,093	599,464	441,711	321,067	247,423	196,981	143,384	215,996
<i>Total Governmental Activities Expenses</i>	<i>28,708,876</i>	<i>28,125,134</i>	<i>27,366,418</i>	<i>26,754,340</i>	<i>23,048,239</i>	<i>23,804,335</i>	<i>24,321,780</i>	<i>23,455,106</i>	<i>21,161,815</i>	<i>20,670,135</i>
Business-Type Activities										
Water	3,885,404	3,925,238	3,614,125	3,940,584	3,266,800	3,579,906	3,224,228	3,239,611	3,306,197	3,339,193
Sewer	5,040,532	4,869,479	4,304,016	4,170,412	3,888,272	3,693,322	3,849,553	4,139,302	3,985,170	4,062,437
Solid Waste	339,312	387,087	375,328	354,304	360,163	362,196	428,292	434,718	453,846	479,740
Storm Water Drainage	1,067,187	1,011,067	872,141	927,030	776,836	871,773	730,942	813,922	664,552	287,644
<i>Total Business-Type Activities Expenses</i>	<i>10,332,435</i>	<i>10,192,871</i>	<i>9,165,610</i>	<i>9,392,330</i>	<i>8,292,071</i>	<i>8,507,197</i>	<i>8,233,015</i>	<i>8,627,553</i>	<i>8,409,765</i>	<i>8,169,014</i>
<i>Total Primary Government Program Expenses</i>	<i>39,041,311</i>	<i>38,318,005</i>	<i>36,532,028</i>	<i>36,146,670</i>	<i>31,340,310</i>	<i>32,311,532</i>	<i>32,554,795</i>	<i>32,082,659</i>	<i>29,571,580</i>	<i>28,839,149</i>
Net (Expense)/Revenue										
Governmental Activities	(\$20,404,563)	(\$17,146,381)	(\$17,529,381)	(\$9,995,777)	(\$17,519,957)	(\$16,043,971)	(\$16,367,853)	(\$16,024,530)	(\$16,419,163)	(\$15,087,661)
Business-Type Activities	(908,814)	(853,029)	243,360	37,076	(76,254)	(80,789)	710,589	(731,185)	37,330	(337,349)
<i>Total Primary Government Net (Expense)/Revenue</i>	<i>(\$21,313,377)</i>	<i>(\$17,999,410)</i>	<i>(\$17,286,021)</i>	<i>(\$9,958,701)</i>	<i>(\$17,596,211)</i>	<i>(\$16,124,760)</i>	<i>(\$15,657,264)</i>	<i>(\$16,755,715)</i>	<i>(\$16,381,833)</i>	<i>(\$15,425,010)</i>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes:										
Property and Other Local Taxes Levied For:										
General Purposes	\$1,863,809	\$1,868,194	\$1,827,297	\$2,153,989	\$1,909,075	\$1,826,973	\$1,796,724	\$1,620,411	\$1,626,108	\$1,639,561
Other Purposes	1,673,618	1,689,726	1,670,369	1,600,001	1,396,312	1,396,589	1,424,728	1,618,587	1,593,553	1,578,221
Municipal Income Taxes	16,105,879	16,809,427	15,529,037	16,687,329	15,322,764	12,163,342	12,921,715	10,962,364	10,800,430	10,402,223
Payments in Lieu of Taxes	462,329	408,906	368,097	511,990	372,968	0	0	0	0	0
Grants and Entitlements not Restricted to Specific Programs	1,767,973	1,807,042	1,830,099	1,807,531	1,600,833	1,935,682	1,668,485	2,735,703	2,446,005	2,403,218
Investment Earnings	574,057	382,400	332,106	288,799	192,313	144,065	206,287	221,008	232,274	443,814
Gain on Sale of Capital Assets	4,656	0	0	2,409,100	23,761	0	0	0	0	0
Miscellaneous	630,269	373,956	299,309	300,254	460,767	463,264	475,985	574,177	301,344	165,543
Transfers	0	0	0	0	0	0	0	(140,000)	0	0
<i>Total Governmental Activities</i>	<i>23,082,590</i>	<i>23,339,651</i>	<i>21,856,314</i>	<i>25,758,993</i>	<i>21,278,793</i>	<i>17,929,915</i>	<i>18,493,924</i>	<i>17,592,250</i>	<i>16,999,714</i>	<i>16,632,580</i>
Business-Type Activities										
Investment Earnings	1,711	16	256	14,185	34,289	17,795	29,250	33,514	76,543	187,029
Gain on Sale of Capital Assets	6,957	0	11,860	2,192	6,842	0	0	0	23,796	0
Miscellaneous	130,885	87,340	74,243	118,447	194,545	55,730	64,055	130,253	82,236	129,495
Transfers	0	0	0	0	0	0	0	140,000	0	0
<i>Total Business-Type Activities</i>	<i>139,553</i>	<i>87,356</i>	<i>86,359</i>	<i>134,824</i>	<i>235,676</i>	<i>73,525</i>	<i>93,305</i>	<i>303,767</i>	<i>182,575</i>	<i>316,524</i>
<i>Total Primary Government</i>	<i>23,222,143</i>	<i>23,427,007</i>	<i>21,942,673</i>	<i>25,893,817</i>	<i>21,514,469</i>	<i>18,003,440</i>	<i>18,587,229</i>	<i>17,896,017</i>	<i>17,182,289</i>	<i>16,949,104</i>
Change in Net Position										
Governmental Activities	2,678,027	6,193,270	4,326,933	15,763,216	3,758,836	1,885,944	2,126,071	1,567,720	580,551	1,544,919
Business-Type Activities	(769,261)	(765,673)	329,719	171,900	159,422	(7,264)	803,894	(427,418)	219,905	(20,825)
<i>Total Primary Government Change in Net Position</i>	<i>\$1,908,766</i>	<i>\$5,427,597</i>	<i>\$4,656,652</i>	<i>\$15,935,116</i>	<i>\$3,918,258</i>	<i>\$1,878,680</i>	<i>\$2,929,965</i>	<i>\$1,140,302</i>	<i>\$800,456</i>	<i>\$1,524,094</i>

The periods noted above do not reflect amounts restated.

City of Kent, Ohio

Governmental Activities Tax Revenues by Source
Accrual Basis of Accounting
Last Ten Years

Table 3

City of Kent, Ohio
Governmental Activities Tax Revenues by Source
Last Nine Years
(Accrual Basis of Accounting)

<u>Year</u>	<u>Municipal Income Taxes</u>	<u>Property and Other Local Taxes</u>	<u>Total</u>
2018	\$16,105,879	\$3,537,427	\$19,643,306
2017	16,809,427	3,557,920	20,367,347
2016	15,529,037	3,497,666	19,026,703
2015	16,687,329	3,753,990	20,441,319
2014	15,322,764	3,305,387	18,628,151
2013	12,163,342	3,223,562	15,386,904
2012	12,921,715	3,221,452	16,143,167
2011	10,962,364	3,238,998	14,201,362
2010	10,800,430	3,219,661	14,020,091
2009	10,402,223	3,217,782	13,620,005

City of Kent, Ohio

Fund Balances, Governmental Funds Modified Accrual Basis of Accounting Last Ten Years

Table 4

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund										
Nonspendable	\$1,970,156	\$1,947,979	\$3,148,164	\$3,604,995	\$4,960,977	\$2,411,417	\$2,033,323	\$1,159,430	\$2,529,366	\$0
Committed	2,378,998	2,353,458	2,327,888	2,302,348	2,276,808	2,276,808	0	0	0	0
Assigned	409,893	210,972	309,949	221,857	294,510	305,274	2,894,067	2,863,740	2,744,000	0
Unassigned	9,591,109	10,267,779	9,587,507	9,797,755	5,438,123	7,688,581	732,615	3,204,918	4,346,151	0
Reserved	0	0	0	0	0	0	0	0	0	1,639,853
Unreserved	0	0	0	0	0	0	0	0	0	7,792,430
Total General Fund	14,350,156	14,780,188	15,373,508	15,926,955	12,970,418	12,682,080	5,660,005	7,228,088	9,619,517	9,432,283
All Other Governmental Funds										
Nonspendable	565,959	444,358	445,052	455,723	4,595,363	4,204,736	4,303,876	4,269,688	187,302	0
Restricted	7,750,320	7,852,656	14,657,131	15,661,713	11,491,915	6,371,314	7,000,667	5,129,268	5,000,566	0
Committed	5,648,964	4,390,114	4,276,398	2,921,531	2,578,713	6,661,690	7,416,462	6,000,683	5,580,030	0
Assigned							0	0	0	0
Unassigned (Deficit)	(2,649,832)	(2,471,506)	(1,018,500)	(892,659)	(949,135)	(5,720,431)	(6,186,570)	(5,461,833)	(115,035)	0
Reserved	0	0	0	0	0	0	0	0	0	2,212,363
Unreserved:										
Designated:										
Special Revenue funds										
For Public Facilities and Programs	0	0	0	0	0	0	0	0	0	2,162,966
Undesignated (Deficit), Reported in:										
Special Revenue funds	0	0	0	0	0	0	0	0	0	8,062,407
Capital Projects funds	0	0	0	0	0	0	0	0	0	(711,829)
Total All Other Governmental Funds	11,315,411	10,215,622	18,360,081	18,146,308	17,716,856	11,517,309	12,534,435	9,937,806	10,652,863	11,725,907
Total Governmental Funds	\$25,665,567	\$24,995,810	\$33,733,589	\$34,073,263	\$30,687,274	\$24,199,389	\$18,194,440	\$17,165,894	\$20,272,380	\$21,158,190

Note: In 2011, the City implemented GASB Statement No. 54. As a result, the 2010 fund balances were reclassified to reflect the effects of GASB Statement No. 54.

City of Kent, Ohio

Changes in Fund Balances, Governmental Funds Modified Accrual Basis of Accounting Last Ten Years

Table 5

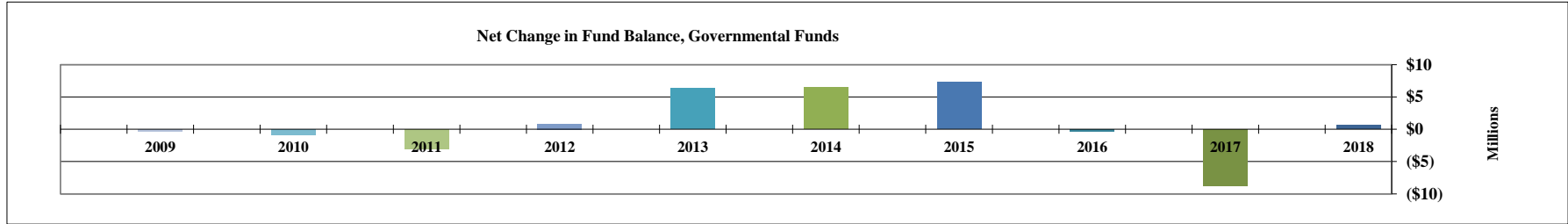
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Taxes:										
Property and Other Local Taxes	\$3,537,347	\$3,554,524	\$3,754,936	\$3,477,279	\$3,430,049	\$3,219,884	\$3,253,169	\$3,252,122	\$3,188,957	\$3,191,649
Municipal Income Taxes	16,173,757	16,425,784	15,746,639	16,522,458	14,947,349	12,545,597	11,921,978	10,785,019	10,497,813	10,525,332
Payments in Lieu of Taxes	462,329	408,906	368,097	511,990	372,968	0	0	0	0	0
Charges for Services	2,979,199	2,542,446	2,524,653	2,235,836	2,117,668	2,384,258	1,905,500	1,815,145	1,710,682	1,782,466
Fees, Licenses and Permits	558,636	424,912	383,602	598,196	423,085	414,466	396,389	737,262	203,840	195,432
Fines and Forfeitures	294,039	340,127	290,389	270,676	215,851	201,463	223,148	182,599	215,091	232,475
Intergovernmental	6,173,038	9,881,732	8,112,873	3,160,870	3,763,838	6,978,903	6,824,535	6,694,046	4,933,568	5,776,055
Contributions and Donations	725	0	0	12,246,493	0	0	0	0	0	0
Special Assessments	172,429	221,523	149,785	134,333	166,455	170,144	200,091	154,563	162,134	134,760
Interest	562,586	368,217	317,069	270,211	173,655	128,104	178,996	187,822	199,075	411,319
Miscellaneous	385,469	368,970	667,978	380,239	509,397	550,012	357,551	214,177	301,496	169,412
Total Revenues	31,299,554	34,537,141	32,316,021	39,808,581	26,120,315	26,592,831	25,261,357	24,022,755	21,412,656	22,418,900
Expenditures										
Current:										
Security of Persons and Property	12,278,699	11,841,104	11,412,483	11,349,702	10,723,832	10,553,514	10,263,063	10,283,338	10,132,948	9,769,228
Public Health and Welfare	946,620	875,813	827,419	741,845	719,149	723,475	621,527	665,015	624,153	614,382
Leisure Time Activities	2,076,417	1,795,084	1,844,700	1,683,258	1,617,012	1,529,772	1,444,809	1,401,566	1,316,516	1,311,301
Community Development	1,488,843	1,937,742	2,128,439	1,734,365	2,144,934	3,526,550	3,225,697	3,023,979	1,787,852	1,748,287
Transportation	2,243,882	3,495,634	3,155,370	3,160,843	2,112,695	2,219,883	1,803,687	2,185,911	1,859,655	1,871,613
General Government	3,060,763	2,864,129	2,793,395	3,061,925	2,831,873	2,668,437	2,680,256	2,972,845	2,772,347	2,740,057
Capital Outlay	7,825,913	18,544,516	8,966,215	17,107,260	3,835,844	4,250,559	3,695,672	5,912,555	3,764,921	4,171,122
Debt Service:										
Principal Retirement	431,933	1,328,405	881,904	354,991	29,947	60,947	1,434,937	201,973	209,947	198,947
Interest and Fiscal Charges	648,697	644,470	654,654	490,638	357,801	130,467	191,040	197,800	144,108	216,718
Bond Issuance Costs	29,023	30,519	17,518	120,195	114,419	140,230	62,354	0	0	0
Total Expenditures	31,030,790	43,357,416	32,682,097	39,805,022	24,487,506	25,803,834	25,423,042	26,844,982	22,612,447	22,641,655
Excess of Revenues Over (Under) Expenditures	268,764	(8,820,275)	(366,076)	3,559	1,632,809	788,997	(161,685)	(2,822,227)	(1,199,791)	(222,755)

City of Kent, Ohio

Changes in Fund Balances, Governmental Funds Modified Basis of Accounting (continued) Last Ten Years

Table 5

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Other Financing Sources (Uses)										
Proceeds from Sale of Capital Assets	62,067	9,454	26,402	2,409,100	23,761	15,726	15,346	5,741	0	0
General Obligation Bonds Issued	0	0	0	4,465,000	4,535,000	5,490,000	0	0	0	0
Premium on Debt Issued	0	0	0	533,826	413,452	117,994	0	0	0	0
Loan Proceeds	338,926	73,042	0	1,171	42,863	113,232	1,117,114	0	455,101	0
Transfers In	5,575,348	6,180,248	5,557,992	5,831,822	3,259,948	266,947	270,762	268,522	10,178,069	9,834,480
Transfers Out	(5,575,348)	(6,180,248)	(5,557,992)	(5,991,822)	(3,419,948)	(426,947)	(430,762)	(558,522)	(10,319,189)	(9,946,880)
Total Other Financing Sources (Uses)	400,993	82,496	26,402	7,249,097	4,855,076	5,576,952	972,460	(284,259)	313,981	(112,400)
Net Change in Fund Balances	\$669,757	(\$8,737,779)	(\$339,674)	\$7,252,656	\$6,487,885	\$6,365,949	\$810,775	(\$3,106,486)	(\$885,810)	(\$335,155)
Debt Service as a Percentage of Noncapital Expenditures	4.66%	7.95%	6.48%	2.42%	1.88%	0.89%	7.48%	1.91%	1.85%	2.25%



City of Kent, Ohio

Governmental Funds' Tax Revenues by Source
Modified Accrual Basis of Accounting
Last Ten Years

Table 6

<u>Year</u>	<u>Municipal Income Taxes</u>	<u>Property and Other Local Taxes</u>	<u>Total</u>
2018	\$16,173,757	\$3,537,347	\$19,711,104
2017	16,425,784	3,554,524	19,980,308
2016	15,746,639	3,754,936	19,501,575
2015	16,522,458	3,477,279	19,999,737
2014	14,947,349	3,430,049	18,377,398
2013	12,545,597	3,219,884	15,765,481
2012	11,921,978	3,253,169	15,175,147
2011	10,785,019	3,252,122	14,037,141
2010	10,497,813	3,188,957	13,686,770
2009	10,525,332	3,191,649	13,716,981

City of Kent, Ohio

Income Tax Revenue Base and Collections (Cash Basis)

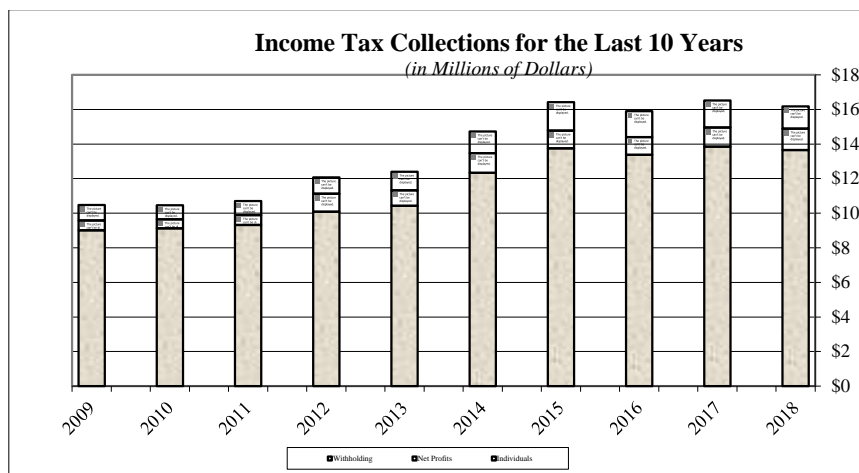
Last Ten Years

Table 7

Tax Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2018	2.25%	\$16,182,875	\$13,652,263	84.35%	\$1,231,238	7.61%	\$1,299,374	8.03%
2017	2.25	16,523,087	13,839,558	83.75	1,113,206	6.74	1,570,323	9.50
2016	2.25	15,899,464	13,370,776	84.09	1,022,789	6.43	1,505,899	9.47
2015	2.25	16,416,347	13,748,146	83.74	1,022,937	6.23	1,645,264	10.02
2014	2.25	14,732,950	12,333,821	83.71	1,131,339	7.68	1,267,790	8.61
2013	2.00	12,397,812	10,422,124	84.06	899,704	7.26	1,075,984	8.68
2012	2.00	12,067,888	10,090,208	84.06	1,030,657	8.54	947,023	7.85
2011	2.00	10,711,488	9,320,111	87.01	568,412	5.31	822,965	7.68
2010	2.00	10,453,032	9,127,346	87.32	514,532	4.92	811,154	7.76
2009	2.00	10,482,215	9,014,860	86.00	563,146	5.37	904,209	8.63

Source: City of Kent; Department of Budget and Finance; Income Tax Division

The City levies a 2.25% income tax on substantially all income earned within the City. This 2.25% income tax rate was increased from 2.00% income tax effective January 1, 2014. Additional increases in the income tax rate require voter approval. City residents pay City income tax on income earned outside the City, however a 100% credit, up to 2.25% is allowed for income taxes paid to other municipalities.



City of Kent, Ohio

Top Ten Income Tax Withholders

Current and Nine Years Ago

Table 8

2018		
Rank	Employer Name	
1	Kent State University	
2	Kent City Board of Education	
3	Davey Tree Expert Co., Inc.	
4	City of Kent	
5	Smithers-Oasis Company	
6	Land-O-Lakes	
7	Ametek Technical & Industrial	
8	Klaben Ford Lincoln Mercury	
9	MAC Trailer	
10	University Hospitals Health	

2009		
2018 Rank	Rank	Employer Name
1	1	Kent State University
2	2	Kent City Schools
3	3	Davey Tree Expert Co., Inc.
4	4	City of Kent
7	5	Ametek, Inc
6	6	Land O Lakes
5	7	Smithers-Oasis Company
8	8	Klaben Family Ford, Inc.
n/a	9	ACS Industries Inc
n/a	10	Seal Master Corp

Source: City of Kent; Department of Budget and Finance; Income Tax Division

Due to legal restrictions and confidentiality requirements, the City cannot disclose the amount of withholdings by taxpayer.

n/a - Information is not available.

City of Kent, Ohio

*Property Tax Rates – Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)*

Last Ten Years

Table 9

Tax Year/ Collection Year	City of Kent Direct Rates					Overlapping Rates			Total Direct & Overlapping Rates
	General Fund	West Side Fire Station	Recreation Fund	Police Pension Fund	Fire Pension Fund	Total City	Portage County	Kent City School District	
2017/2018	\$ 4.76	\$ 0.73	\$ 3.45	\$ 0.30	\$ 0.30	\$ 9.54	\$ 13.62	\$ 110.83	\$ 133.99
2016/2017	4.76	0.73	3.45	0.30	0.30	9.54	13.62	110.92	134.08
2015/2016	4.76	0.73	3.45	0.30	0.30	9.54	13.62	110.97	134.13
2014/2015	4.76	0.73	3.45	0.30	0.30	9.54	13.62	111.22	134.38
2013/2014	4.76	0.73	3.45	0.30	0.30	9.54	13.62	111.24	134.40
2012/2013	4.76	0.73	3.45	0.30	0.30	9.54	13.62	102.73	125.89
2011/2012	4.76	0.73	3.45	0.30	0.30	9.54	13.62	102.73	125.89
2010/2011	4.76	0.73	3.45	0.30	0.30	9.54	13.62	102.57	125.73
2009/2010	4.76	0.73	3.45	0.30	0.30	9.54	13.62	102.91	126.07
2008/2009	4.76	0.73	3.45	0.30	0.30	9.54	13.62	102.42	125.58



City of Kent, Ohio

Assessed Valuations and Estimated Actual Values of Taxable Property

Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2018	\$229,795,580	\$143,905,720	\$1,067,718,000	\$7,312,670	\$10,914,433
2017	228,519,490	138,846,400	1,049,616,829	7,043,860	10,513,224
2016	227,733,470	135,546,600	1,037,943,057	6,517,190	9,727,149
2015	223,631,000	120,648,230	983,654,943	6,366,170	9,501,746
2014	223,150,150	121,763,920	985,468,771	6,160,110	9,194,194
2013	222,686,490	109,348,950	948,672,686	5,708,560	8,520,239
2012	244,935,210	96,240,890	974,788,857	5,159,580	7,700,866
2011	245,769,930	97,898,140	981,908,771	4,896,150	7,307,687
2010	245,425,880	99,440,840	985,333,486	4,703,740	7,020,507
2009	256,434,590	100,457,690	1,019,692,229	4,346,170	6,486,821

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

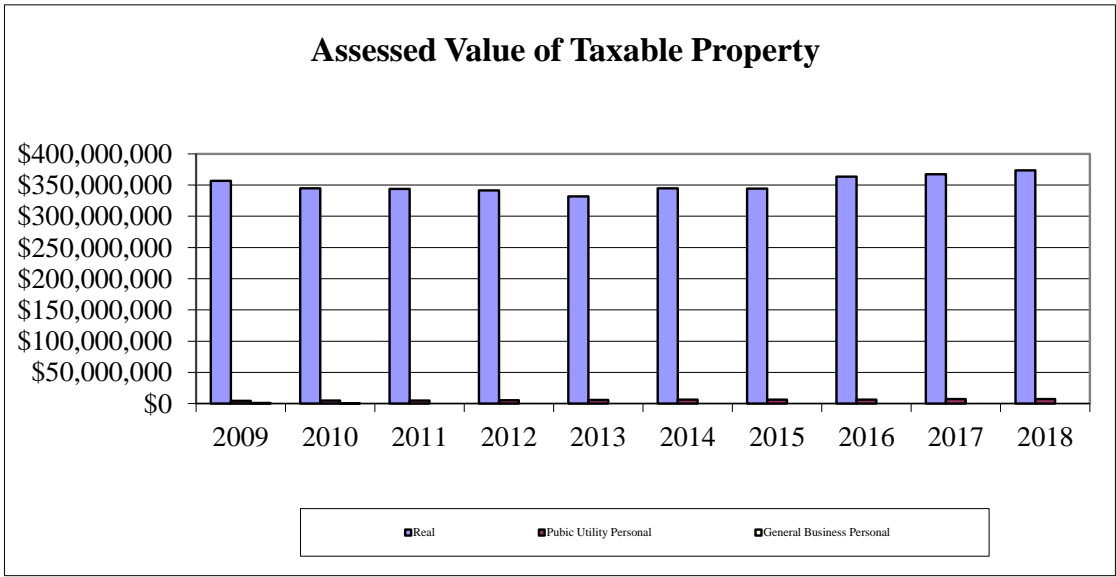
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Public utility personal property is assessed at 88% of actual value (1997-2004) and 67% of actual value (2005-2008). General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. For collection year 2006 both types of general business tangible personal property were assessed at 18.75 percent. The percentage will be 6.25 percent for 2008 and completely phased out for periods after 2008.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

Sources: Portage County, Ohio; County Auditor, Ohio Department of Taxation

Table 10

<u>Tangible Personal Property</u>					
<u>General Business</u>		<u>Total</u>			
<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Ratio</u>	<u>Direct Tax Rate</u>
\$0	\$0	\$381,013,970	\$1,078,632,433	35.32%	9.54
0	0	374,409,750	1,060,130,052	35.32	9.54
0	0	369,797,260	1,047,670,206	35.30	9.54
0	0	350,645,400	993,156,689	35.31	9.54
0	0	351,074,180	994,662,965	35.30	9.54
0	0	337,744,000	957,192,925	35.28	9.54
0	0	346,335,680	982,489,723	35.25	9.54
0	0	348,564,220	989,216,458	35.24	9.54
549,540	8,792,640	350,120,000	1,001,146,633	34.97	9.54
1,043,340	16,693,440	362,281,790	1,042,872,489	34.97	9.54



City of Kent, Ohio

Property Tax Levies and Collections

Last Ten Years

Table 11

<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections (1)</u>	<u>Percent of Total Tax Collections to Tax Levy (1)</u>	<u>Accumulated Outstanding Delinquent Taxes</u>
2018	\$ 3,294,797	\$ 3,214,897	97.57%	\$ 83,737	\$ 3,298,634	100.12%	\$ 135,927
2017	3,276,092	3,234,876	98.74	71,364	3,306,240	100.92	106,189
2016	3,235,916	3,149,608	97.33	348,708	3,498,316	108.11	130,422
2015	3,140,019	3,040,892	96.84	123,279	3,164,171	100.77	208,441
2014	3,390,720	3,055,380	90.11	107,240	3,162,620	93.27	216,271
2013	3,011,295	2,926,504	97.18	102,987	3,029,491	100.60	156,571
2012	3,094,935	3,003,867	97.06	107,602	3,111,469	100.53	226,103
2011	3,102,660	2,991,353	96.41	114,216	3,105,569	100.09	267,134
2010	3,110,607	2,971,714	95.53	98,660	3,070,374	98.71	284,989
2009	3,115,522	3,002,879	96.38	94,310	3,097,189	99.41	254,285

Source: Portage County, Ohio; County Auditor

(1) Total tax collections include penalties and interest collected on delinquent taxes, as well as amounts received for the State of Ohio for the homestead and rollback reduction. Please note that the County does not provide information that segregates penalties and interest collected from the actual property taxes collected from the tax levy.

Note: The County is aware of the requirement to report delinquent tax collections by levy year rather than by collection year. The County's current computer system tracks levy amounts by either current levy or delinquent levy. Once amounts become part of the delinquent levy, the ability to track information by levy year is lost. The County is looking at options to provide this information in the future.

City of Kent, Ohio

Principal Taxpayers – Real Estate Tax

2018 and 2009

Table 12

Taxpayer	2018	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Province Kent OH LLC	\$13,860,000	3.64 %
ACC OP (University Edge Kent) LLC	10,346,880	2.72
CDC-Kent LLC	7,140,020	1.87
Mikey Ryan LLC	4,665,500	1.22
DSMP-Kent LLC	4,296,250	1.13
Douglas Partners LLC	3,850,000	1.01
Whitehall Terrace Investors LLC	3,478,830	0.91
Kent Summit LLC	2,277,450	0.60
Klaben Property Management LLC	2,004,490	0.53
Franklin Crossing OH LP	1,951,430	0.51
Total	\$53,870,850	14.13 %
Total Assessed Valuation	\$381,013,970	
Taxpayer	2009	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Mickey Ryan LLC	\$2,941,120	0.82 %
Draucker, Carl A.	2,623,460	0.72
Silver Meadows Ltd.	2,500,100	0.69
Whitehall Terrace Investors LLC	2,389,170	0.66
DSMP - Kent LLC	2,365,790	0.65
Douglas Partners	2,126,710	0.59
New Indian Valley Ltd.	1,845,940	0.51
Fontaine Trailer Company	1,732,750	0.48
Davey Tree Expert Co	1,693,550	0.47
Inn at Golden Pond Ltd.	1,675,520	0.46
Total	\$21,894,110	6.04 %
Total Assessed Valuation	\$362,281,790	

Source: Portage County, Ohio; County Treasurer

(1) The amounts presented represent the assessed values upon which 2018 and 2009 collections were based.

City of Kent, Ohio

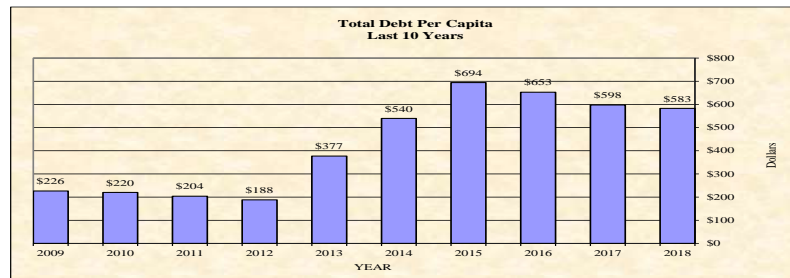
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita

Last Ten Years

Table 13

Year	Governmental Activities			Business-Type Activities		Total Debt	Per Capita
	General Obligation Bonds	OPWC Loans	Loans Payable	OPWC Loans	OWDA Loans		
2018	\$14,029,975	\$569,460	\$0	\$182,886	\$2,064,814	\$16,847,135	\$583
2017	14,452,043	282,467	0	200,052	2,345,035	17,279,597	598
2016	14,869,111	259,148	903,682	217,218	2,615,496	18,864,655	653
2015	15,281,179	308,871	1,365,863	234,384	2,876,541	20,066,838	694
2014	10,549,847	337,647	1,445,907	139,351	3,128,501	15,601,253	540
2013	5,606,950	324,731	1,445,907	144,318	3,371,694	10,893,600	377
2012	0	241,446	1,445,907	145,827	3,606,429	5,439,609	188
2011	1,370,000	231,053	375,123	82,108	3,833,003	5,891,287	204
2010	1,530,000	246,026	455,101	84,592	4,051,703	6,367,422	220
2009	1,685,000	275,973	0	89,559	4,262,805	6,313,337	226

Note: Population and Personal Income data are presented with Demographic information.



City of Kent, Ohio

*Ratio of General Obligation Bonded Debt to Assessed Value and Bonded Debt Per Capita
Last Ten Years*

Table 14

Year	Population (1)		Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt (3)	Accumulated Resources Restricted for Repayment	Net General Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt Per Capita
2018	28,904	b	\$1,078,632,433	\$14,029,975	(\$301,014)	\$13,728,961	1.27 %	\$474.98
2017	28,904	b	1,060,130,052	14,452,043	(267,832)	14,184,211	1.34	490.74
2016	28,904	b	1,047,670,206	14,869,111	(225,860)	14,643,251	1.40	506.62
2015	28,904	b	993,156,689	15,281,179	(219,717)	15,061,462	1.52	521.09
2014	28,904	b	994,662,965	10,549,847	(201,441)	10,348,406	1.04	358.03
2013	28,904	b	957,192,925	5,606,950	(385,140)	5,221,810	0.55	180.66
2012	28,904	b	982,489,723	0	(443,454)	0	0.00	0.00
2011	28,904	b	989,216,458	1,370,000	(483,475)	886,525	0.09	30.67
2010	28,904	b	1,001,146,633	1,530,000	(516,342)	1,013,658	0.10	35.07
2009	27,906	a	1,042,872,489	1,685,000	(572,836)	1,112,164	0.11	39.85

Sources:

(1) U. S. Bureau of Census, Census of Population.
 (a) 2000 Federal Census
 (b) 2010 Federal Census

(2) Portage County, Ohio; County Auditor

(3) Includes all long-term general obligation bonded debt

City of Kent, Ohio

Legal Debt Margin

Last Ten Years

Table 15

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Assessed Property Value	\$381,013,970	\$374,409,750	\$369,797,260	\$350,645,400	\$351,074,180	\$337,744,000	\$346,335,680	\$348,564,220	\$350,120,000	\$362,281,790
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	40,006,467	39,313,024	38,828,712	36,817,767	36,862,789	35,463,120	36,365,246	36,599,243	36,762,600	38,039,588
Debt Outstanding:										
General Obligation Bonds - Governmental Activities	14,029,975	14,452,043	14,869,111	15,281,179	10,549,847	5,606,950	0	1,370,000	1,530,000	1,685,000
Bond Anticipation Notes - Governmental Activities	4,860,743	5,651,472	2,591,901	3,057,726	4,174,422	4,635,015	10,295,000	7,715,000	3,625,000	2,965,000
Bond Anticipation Notes - Business Type Activities	317,047	377,100	437,007	497,011	557,401	617,474	675,000	735,000	795,000	855,000
Total Gross Indebtedness	19,207,765	20,480,615	17,898,019	18,835,916	15,281,670	10,859,439	10,970,000	9,820,000	5,950,000	5,505,000
Less:										
Bond Anticipation Notes - Business Type Activities	(317,047)	(377,100)	(437,007)	(497,011)	(557,401)	(617,474)	(675,000)	(735,000)	(795,000)	(855,000)
General Obligation Bond Retirement Fund Balance	0	0	0	0	0	0	0	(47,709)	(32,145)	(18,424)
Total Net Debt Applicable to Debt Limit	18,890,718	20,103,515	17,461,012	18,338,905	14,724,269	10,241,965	10,295,000	9,037,291	5,122,855	4,631,576
Legal Debt Margin Within 10 ½ % Limitations	\$21,115,749	\$19,209,509	\$21,367,700	\$18,478,862	\$22,138,520	\$25,221,155	\$26,070,246	\$27,561,952	\$31,639,745	\$33,408,012
Legal Debt Margin as a Percentage of the Debt Limit	52.78%	48.86%	55.03%	50.19%	60.06%	71.12%	71.69%	75.31%	86.07%	87.82%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	\$20,955,768	\$20,592,536	\$20,338,849	\$19,285,497	\$19,309,080	\$18,575,920	\$19,048,462	\$19,171,032	\$19,256,600	\$19,925,498
Total Gross Indebtedness	19,207,765	20,480,615	17,898,019	18,835,916	15,281,670	10,859,439	10,970,000	9,820,000	5,950,000	5,505,000
Less:										
Bond Anticipation Notes - Business Type Activities	(317,047)	(377,100)	(437,007)	(497,011)	(557,401)	(617,474)	(675,000)	(735,000)	(795,000)	(855,000)
General Obligation Bond Retirement Fund Balance	0	0	0	0	0	0	0	(47,709)	(32,145)	(18,424)
Net Debt Within 5 ½ % Limitations	18,890,718	20,103,515	17,461,012	18,338,905	14,724,269	10,241,965	10,295,000	9,037,291	5,122,855	4,631,576
Unvoted Legal Debt Margin Within 5 ½ % Limitations	\$2,065,050	\$489,021	\$2,877,837	\$946,592	\$4,584,811	\$8,333,955	\$8,753,462	\$10,133,741	\$14,133,745	\$15,293,922
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	9.85%	2.37%	14.15%	4.91%	23.74%	44.86%	45.95%	52.86%	73.40%	76.76%

Source: City Financial Records

City of Kent, Ohio

Computation of Direct and Overlapping General Obligation Bonded Debt

December 31, 2018

Table 16

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Kent			
General Obligation Bonds	\$14,029,975	100.00 %	\$14,029,975
OPWC Loans	569,460	100.00	569,460
<i>Total Direct Debt</i>	<u>\$14,599,435</u>		<u>\$14,599,435</u>
Overlapping			
Kent City School District (2)			
General Obligation Bonds	12,780,000	68.93	8,809,254
Portage County (3)			
General Obligation Bonds	16,223,567	10.65	1,727,810
Special Assessment Bonds	146,833	10.65	15,638
OWDA Loans	97,186	10.65	10,350
<i>Total Overlapping Debt</i>	<u>29,247,586</u>		<u>10,563,052</u>
Total	<u><u>\$43,847,021</u></u>		<u><u>\$25,162,487</u></u>

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

(2) Source: Kent City Schools Treasurer

(3) Source: Portage County, Ohio; County Auditor

City of Kent, Ohio

Demographic and Economic Statistics

Last Ten Years

Table 17

Year	Population (1)		Total Personal Income (4)	Personal Income Per Capita (1)	Median Household Income (1)	School Enrollment (2)	Portage County Unemployment Rate (3)	City of Kent Unemployment Rate (3)
2018	28,904	b	\$552,066,400	\$19,100	\$26,696	3,228	4.8%	4.1%
2017	28,904	b	552,066,400	19,100	26,696	3,225	4.7%	3.8%
2016	28,904	b	552,066,400	19,100	26,696	3,244	5.0%	4.3%
2015	28,904	b	552,066,400	19,100	26,696	3,713	4.9%	4.2%
2014	28,904	b	552,066,400	19,100	26,696	3,314	4.8%	4.2%
2013	28,904	b	552,066,400	19,100	26,696	3,297	6.6%	5.2%
2012	28,904	b	552,066,400	19,100	26,696	3,374	6.8%	7.7%
2011	28,904	b	552,066,400	19,100	26,696	3,496	8.3%	7.7%
2010	28,904	b	552,066,400	19,100	26,696	3,314	9.8%	7.9%
2009	27,906	a	419,008,590	15,015	29,582	3,389	9.9%	7.5%

(1) Source: U. S. Census

(a) 2000 Federal Census

(b) 2010 Federal Census

(2) Source: Ohio Department of Education Website: "<http://www.ode.state.oh.us/data/>" for Kent City School District

(3) Source: U.S. Department of Labor, Bureau of Labor Statistics

(4) Computation of per capita personal income multiplied by population

City of Kent, Ohio

Principal Employers

Current and Nine Years Ago

Table 18

2018		
Employer	Percentage of City's Withholding	Percentage of Total City W-2's processed
Kent State University	43.90%	
Kent City Board of Education	4.80%	
Davey Tree Expert Co., Inc.	3.90%	
City of Kent	2.70%	
Smithers-Oasis Company	2.10%	
Land-O-Lakes	1.80%	
Ametek Inc	1.61%	
Klaben Ford Lincoln Mercury	1.34%	
MAC Trailer Enterprises	1.06%	
University Hospital Health	0.89%	
Total	\$ 8,431,613	64.10%
Total City's Withholdings	\$ 13,153,843	
2009 *		
Employer	Percentage of City's Withholding	Percentage of Total City W-2's processed
Kent State University	10,456	
Kent City Schools	900	
Davey Tree	N/A	
City of Kent	275	
Land O Lakes	196	
OHNH Emp LLC	177	
Smithers Oasis	149	
Klaben Family Ford Inc	90	
Don Joseph Inc.	72	
Robinson Memorial Hospital - STR	67	
Total	\$ 12,382	81.27%
Total W-2's Processed	\$ 15,235	

City of Kent, Ohio

City Government Employees by Function/Program

Last Ten Years

Table 19

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government										
City Council										
Councilman	9	9	9	9	9	9	9	9	9	9
Clerk of Council	1	1	1	1	1	1	1	1	1	1
Mayor										
Mayor/President of Council	1	1	1	1	1	1	1	1	1	1
City Manager										
City Manager	1	1	1	1	1	1	1	1	1	1
Executive Secretary to City Manager	1	1	1	1	1	1	1	1	1	1
Human Resources										
Human Resources Manager	1	1	1	1	1	1	1	1	1	1
Civil Service										
Civil Service Commissioner	0	0	0	0	0	3	3	3	3	3
Civil Service Coordinator (P/T starting in 2014)	1	1	1	1	1	1	1	1	1	0
Administrative Assistant to										
Civil Service Commission	0	0	0	0	0	0	0	0	0	1
Law										
Director of Law	1	1	1	1	1	1	1	1	1	1
Assistant Law Director/Prosecutor	1	1	1	1	1	1	1	1	1	1
Assistant Law Director	1	1	1	1	1	1	1	1	1	1
Executive Secretary to Dir. Of Law	1	1	1	1	1	1	1	1	1	1
Finance Administration										
Director of Budget & Finance	1	1	1	1	1	1	1	1	1	1
Controller	1	1	1	1	1	1	1	1	1	1
Operations Analyst	1	1	1	1	1	1	1	1	1	1
Senior Account Clerk	1	1	1	1	1	1	1	1	1	1
Account Clerk	5	5	5	5	5	5	5	5	5	5
Administrative Assistant to										
Director of Budget & Finance	0	0	0	0	0	0	0	0	0	0
Tax Administration										
Income Tax Commissioner	0	0	0	0	0	0	0	0	0	0
Income Tax Auditor	1	1	1	1	1	1	1	1	1	1
Account Clerk	0	0	0	0	0	0	0	0	0	0
Service Administration										
Director of Public Service	1	1	1	1	1	1	1	1	1	1
Administrative Assistant to										
Director of Public Service	1	1	1	1	1	1	1	1	1	1
Account Clerk	1	1	1	1	1	1	1	1	1	1
Engineering Aide I	1	1	1	1	1	1	1	1	1	0

City of Kent, Ohio

City Government Employees by Function/Program (continued)

Last Ten Years

Table 19

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Engineering										
Deputy Service Director/ Superintendent of Engineering	1	1	1	1	1	1	1	1	1	1
Senior Engineer	3	3	3	3	3	3	2	2	2	2
Senior Engineer (Part-time)	0	0	0	0	0	0	1	1	1	0
Design Engineer	0	0	0	0	0	0	0	0	0	1
Engineering Technician	2	2	2	2	2	2	2	2	2	2
Engineering Aide I	0	0	0	0	0	0	0	0	0	1
Engineering Aide II	1	1	1	1	1	1	1	1	1	1
Security of Persons and Property										
Safety Director										
Safety Director	1	1	1	1	1	1	1	1	1	1
Police										
Police Chief	1	1	1	1	1	1	1	1	1	1
Police Captain	2	2	2	2	2	2	2	2	2	2
Lieutenant	5	5	5	5	5	5	5	5	5	5
Technical Sergeant	4	4	4	4	4	4	4	4	4	4
Police Officer	27	27	27	27	27	27	27	27	27	27
Administrative Assistant to Chief	1	1	1	1	1	1	1	1	1	1
Secretary to Police Department	1	1	1	1	1	1	1	1	1	1
Records and Communications										
Coordinator - Dispatchers	1	1	1	1	1	1	3	3	3	3
Clerk-Dispatcher	9	9	9	9	9	9	7	7	7	7
Clerk-Dispatcher (Part-time)	3	3	3	3	3	3	3	3	3	3
Juvenile Services										
Juvenile Counselor	1	1	1	1	1	1	1	1	1	1
Police Officer	3	3	3	3	3	3	3	3	3	3
Support Services										
Compliance Officer	2	2	2	2	1	1	1	1	1	1
Detention Officer	6	6	6	6	6	6	6	6	6	6
Fire										
Fire Chief	1	1	1	1	1	1	1	1	1	1
Fire Captain	3	3	3	3	3	3	3	3	3	3
Fire Lieutenant	3	3	3	3	3	3	3	3	3	3
Firefighter	28	28	28	28	28	27	27	27	27	27
Fireman - Paid on Call	3	3	3	3	3	3	3	3	3	3
Fire Services Specialist	1	1	1	1	1	1	1	1	1	1
Community Services - Fire										
Fire Lieutenant	2	2	2	2	2	2	2	2	2	2

City of Kent, Ohio

City Government Employees by Function/Program (continued)

Last Ten Years

Table 19

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Central Maintenance										
Utilities Manager	1	1	1	1	1	1	1	0	0	0
Facilities Manager	1	1	1	1	1	1	1	0	0	0
Cent. Maint. Mgr./Water Dist. Spec.	0	0	0	0	0	0	0	1	1	1
Assignment Supervisor	0	0	1	0	0	0	0	0	0	0
Chief Operator	3	3	3	3	3	3	3	3	3	3
Repair Operator	3	3	3	3	3	3	3	3	3	3
Service Technician/Gardener	1	1	1	1	1	1	1	1	1	1
Service Worker	9	9	8	8	9	11	11	11	11	11
Carpenter	1	1	1	1	1	1	1	1	1	1
Arborist Supervisor	0	0	0	0	0	0	0	1	1	1
Laborers	4	4	4	5	4	0	0	0	0	0
Account Clerk	1	1	1	0	0	1	1	1	1	1
Vehicle Maintenance										
Master Mechanic	1	1	1	1	1	1	1	1	1	1
Mechanic	3	3	3	3	3	3	3	3	3	3
Basic Utility Services										
Water Treatment Plant										
Supervisor - Water Plant	1	1	1	1	1	1	1	1	1	1
Water Laboratory Technician	1	1	1	1	1	1	1	1	1	1
Plant Mechanic	1	1	1	1	1	1	1	1	1	1
Water Plant Chief Operator	1	1	1	1	1	1	1	1	1	1
Water Plant Operator	5	5	5	5	5	5	5	5	5	5
Laborer (General Maintenance)	1	1	1	1	1	1	1	1	1	1
Wastewater Treatment Plant										
Water Reclamation Facility Manager	1	1	1	1	1	1	1	1	1	1
Equipment Technician	1	1	0	0	0	0	0	0	0	0
Plant Mechanic	1	1	1	1	1	1	1	1	1	1
Chemist	1	1	1	1	1	1	1	0	0	0
Lab Tech	1	1	1	1	1	1	1	0	0	0
Enviromental Tech	1	1	1	1	1	1	1	0	0	0
Wastewater Plant Operator	7	7	7	7	7	7	7	7	7	7
Chief Operator	1	1	1	1	1	1	1	1	1	1
Public Health Services										
Health										
Health Commissioner	1	1	1	1	1	1	1	1	1	1
Deputy Health Commissioner	0	0	0	0	0	0	0	1	1	1
Chief Sanitarian	1	1	1	1	1	1	0	0	0	0
Accreditation Coordinator (Part-Time)	1	1	1	1	0	0	0	0	0	0
Public Health Sanitarian	2	2	2	2	2	2	3	2	2	2
Administrative Assistant to										
Health Commissioner	1	1	1	1	1	1	1	1	1	1
Laboratory Technician	0	0	0	0	0	0	0	2	2	2
Chemist	0	0	0	0	0	0	0	1	1	1
Secretary (Full-time)	1	1	1	1	0	0	0	0	0	0
Secretary (Part-time)	0	0	0	1	1	1	1	1	1	1

City of Kent, Ohio

City Government Employees by Function/Program (continued)

Last Ten Years

Table 19

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Leisure Time Activities										
Parks and Recreation										
Director - Parks and Recreation	1	1	1	1	1	1	1	1	1	1
Supervisor - Recreation	1	1	1	1	1	1	1	1	1	1
Supervisor - Parks	1	1	1	1	1	1	1	1	1	1
Account Clerk	1	1	1	1	1	1	1	1	1	1
Parks Maintenance Laborer	2	2	2	2	2	2	2	2	2	2
Senior Parks Crew Leader	1	1	1	1	1	1	1	1	1	1
Part-time and Seasonal	46	46	45	45	45	45	37	35	34	34
KABC Coordinator	5	5	5	5	5	5	1	1	1	1
K-6 Child Care (Full-Time)	1	1	1	1	1	1	1	1	1	1
K-6 Child Care (Part-Time)	16	16	16	16	16	16	16	16	16	16
Community Development										
Community Development										
Director of Community Development	1	1	1	1	1	1	1	1	1	1
Administrative Assistant to Director of Community Development	1	1	1	1	1	1	1	1	1	1
Grants & Neighborhood Programs Cord Plans Administrator	0	0	0	0	0	0	0	0	0	0
Development Planner	1	1	1	1	1	1	1	1	1	1
Economic Development Coordinator	0	0	0	0	0	0	0	0	0	0
Development Engineer	1	1	1	1	1	1	1	1	1	1
Building										
Building Services Supervisor	1	1	1	1	1	1	1	1	1	1
Specialized Inspectors (Part-time)	8	8	8	8	5	5	5	5	5	5
Code Enforcement Officer (Full-time)	2	1	1	1	1	1	1	1	1	1
Account Clerk	1	1	1	1	1	1	1	1	1	1
Main Street Program										
Coordinator	0	0	0	0	0	0	0	1	1	1
Economic Development										
Economic Development Director	1	1	1	1	1	1	1	1	1	1
Totals All Departments	<u>300</u>	<u>299</u>	<u>297</u>	<u>297</u>	<u>291</u>	<u>292</u>	<u>280</u>	<u>279</u>	<u>278</u>	<u>278</u>
Full-Time	201	198	198	199	196	193	192	193	193	193
Part-Time	99	101	99	98	95	99	88	86	85	85

Source: City of Kent Department of Budget and Finance, Annual Approved Budget - Positions Funded

City of Kent, Ohio

Capital Assets Statistics by Function/Program

Last Ten Years

Table 20

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government										
Number of Buildings	0.25	0.25	0.25	0.25	1.5	1.5	1.5	1.5	1.5	1.5
Administrative Vehicles	4	4	4	4	4	4	4	4	4	4
Police										
Stations	2	2	1	1	1	1	1	1	1	1
Vehicles	28	28	28	27	25	25	26	25	25	26
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Vehicles	14	15	15	13	14	13	13	13	13	15
Recreation										
Number of Buildings	10	10	10	10	10	9	9	9	8	7
Number of Parks	24	24	24	24	24	23	23	23	23	23
Park Acreage	380	380	380	373	367	364	354	354	354	354
Number of Baseball Diamonds	6	6	6	6	6	6	6	6	6	6
Number of Soccer Fields	15	15	15	15	15	15	15	15	15	10
Vehicles	11	12	11	11	11	10	11	11	11	10
Transportation										
Number of Buildings	3.5	3.5	3.5	3.5	3.75	3.75	3.75	3.75	3.75	3.75
Salt Dome	1	1	1	1	1	1	1	1	1	1
Streets (Center Lane Miles)	90	90	90	90	90.00	90.00	90.00	90.00	90.00	89.90
Service Vehicles	47	55	54	53	52	48	53	55	55	55
Public Health and Welfare										
Number of Buildings	0	0	0	0	0.50	0.50	0.50	0.50	0.50	0.50
Service Vehicles	6	8	6	5	5	5	4	5	5	6
Community Development										
Number of Buildings	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Service Vehicles	2	2	2	2	2	2	1	2	2	2
Water										
Treatment Plant	1	1	1	1	1	1	1	1	1	1
Water Lines (Linear Feet)	570240	374437	374437	374437	374,437	374,437	374,437	374,437	374,437	368,220
Vehicles	6	7	6	7	7	6	6	6	6	6
Sewer										
Treatment Plant	1	1	1	1	1	1	1	1	1	1
Sanitary Sewers (Linear Feet)	424,820	334,132	334,132	334,132	334,132	334,132	334,132	334,132	334,132	332,090
Vehicles	7	7	7	9	7	7	7	5	5	5
Storm Water Drainage										
Storm Sewers (Linear Feet)	386,518	383,918	383,918	383,918	383,918	383,918	383,918	383,918	383,918	382,330

Source: City of Kent capital asset records

City of Kent, Ohio

Operating Indicators by Function/Program

Last Ten Years

Table 21

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
City Council and Clerk of Council										
Number of Ordinances/Resolutions Passed	149	162	113	174	178	145	143	127	119	139
Number of Passports Accepted	159	108	216	226	329	325	355	373	443	420
Civil Service										
City of Kent:										
Entry Level Examinations	7	9	2	10	6	4	7	3	7	9
Promotional Examinations	3	0	1	5	0	0	5	2	1	3
Kent City School District:										
Entry Level Examinations	0	3	2	3	1	0	2	2	1	1
Promotional Examinations	0	0	0	0	0	0	0	0	1	0
Budget and Finance Department										
Number of checks/vouchers issued	5,265	5,369	5,445	5,293	5,392	5,402	5,471	5,651	5,595	5,756
Number of W-2's issued	286	290	292	279	289	268	267	267	269	275
Budget and Finance Department - Income Tax										
Transaction Totals:										
Individual Returns	n/a	n/a	13,485	13,485	12,962	13,116	11,138	6,697	7,446	15,517
Business (Net Profit) Returns	n/a	n/a	3,188	3,188	3,285	2,771	2,517	1,471	1,523	2,794
Withholding Accounts	n/a	n/a	16,064	16,064	15,299	14,191	13,024	9,735	9,461	11,061
Total Transactions	n/a	n/a	32,737 *	32,737 *	31,546 *	30,078 *	26,679	17,903	18,430	29,372
* as of May extensions not due until Oct. n/a- not available n/a- not available until later										
Budget and Finance Department - Utility Billing										
Number of Bills Mailed	96,099	95,653	95,595	95,273	95,273	92,400	92,400	92,400	94,302	77,251
Number of Delinquent Notices Sent	0	0	0	0	0	0	0	0 *	10,716	10,136
* as of 2011 no longer sent out										
Building Department Indicators										
Construction Permits Issued	162	158	157	163	150	153	285	229	155	196
Estimated Value of Construction	\$36,601,120	\$15,400,116	\$22,334,047	\$28,759,761	\$11,701,280	\$16,094,881	\$54,781,339	\$57,678,055	\$5,207,307	\$3,151,776
Number of permits issued	965	835	919	971	862	752	970	848	614	770
Amount of Revenue generated from permits	\$560,176	\$195,595	\$175,598	\$673,928	\$285,587	\$410,158	\$8,070,390	\$1,016,442	\$160,411	\$183,823
Number of contract registrations issued	508	452	465	399	299	266	145	190	208	254
Revenue generated from above	\$35,196	\$30,300	\$30,200	\$27,050	\$15,000	\$15,675	\$5,625	\$6,263	\$6,712	\$6,812
Number of Planning Commission Docket Items	13	16	22	23	13	19	29	25	27	13
Zoning Board of Appeals Docket Items	17	19	27	14	21	19	25	29	21	20

City of Kent, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 21

		2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Public Services Department - Engineering											
	Unit										
Total Number of Projects	EA	37	37	40	33	30	30	25	27	30	24
Total Dollars All Projects	\$	\$8,132,540	\$18,442,392	\$9,241,958	\$4,788,282	\$5,459,997	\$13,569,897	\$18,714,486	\$922,406	\$9,295,845	\$4,654,978
Total Professional Services Support	\$	\$1,299,092	\$1,174,163	\$1,277,004	\$1,142,122	\$1,232,942	\$1,801,415	\$2,504,285	\$1,737,999	\$2,165,201	\$1,291,834
Total Division Operating	\$	\$35,346	\$33,769	\$30,804	\$47,045	\$45,409	\$34,133	\$31,827	\$30,798	\$26,538	\$40,040
Private Inspection Request		290	412	399	425	210	187	243	171	149	153
Public Services Department - Central Maintenance											
	Unit										
Street Repair (Curbs, aprons, berms, asphalt)	Hr.s	7,328	8,575	4,611	5,927	3,513	4,131	4,322	3,338	3,983	4,028
Paint Striping	Hr.s	564	0	1,031	772	120	757	1,224	808	1,121	871
Street Sweeper	Hr.s	1,835	1,579	1,170	1,002	352	910	888	993	1,148	1,132
Cold Patch	Hr.s	833	1,613	513	692	1,492	706	1,313	1,339	1,179	1,380
Snow & Ice Removal regular	Hr.s	1,300	862	1,581	1,971	1,585	1,740	1,013	1,588	5,758	2,375
Snow & Ice Removal overtime	Hr.s	1,571	1,375	1,040	1,100	1,838	1,764	1,221	1,501	2,665	2,028
Sewer and Sanitary calls for service	Ea	10	5	9	27	26	60	57	55	57	44
After hours Sewer Calls	Hr.s	4	72	49	66	42	72	54	74	62	65
Sewer Crew	Hr.s	1,637	2,772	3,046	3,071	2,186	2,445	1,939	1,809	2,012	2,089
Sewer jet, Vac-all, other services	Hr.s	324	1,729	1,249	1,350	1,344	2,451	1,538	1,808	2,012	2,089
Water Distribution Maintenance	Hr.s	8,765	8,718	8,820	8,092	8,045	6,286	6,943	5,624	8,124	7,981
Number of Water Breaks	Ea	17	8	14	13	29	19	25	12	44	32
Water Meter Reading	Hr.s	192	192	192	510	456	412	486	953	1,309	1,573
Landscaping, Tree Maint.(Stump-Chipper service)	Hr.s	3,932	2,743	2,322	2,394	1,788	2,837	3,158	3,972	4,193	5,753
Leaf collection	Hr.s	2,221	1,422	1,365	1,957	2,046	1,747	1,551	2,864	2,800	1,590
Holiday lights setup	Hr.s	360	324	292	265	289	160	189	48	56	48
Downtown Square events	Hr.s	531	520	517	409	517	580	614	585	576	532
Equipment repair	Hr.s	7,367	7,147	7,962	8,562	7,754	7,565	7,536	7,661	8,448	8,436
Sign department	Hr.s	2,264	1,878	2,208	1,671	1,041	1,324	1,595	1,110	1,054	1,077
Number of Trees Planted per year	Ea	685	54	58	65	90	84	111	244	N/A	191
Gallons of Calcium Chloride used (Year Jan-Dec)	Gal.s	0	0	0	0	0	0	4,426	5,525	8,512	7,140
Cost of Calcium Chloride Purchased	\$/Gal.	0	0	0	0	\$0.000	\$0.000	\$0.550	\$0.550	\$0.970	\$0.960
Gallons of Aqua Salina used(Year Jan-Dec)	Gal.s	15,000	24,832	25,801	36,496	17,030	10,000	N/A	N/A	N/A	N/A
Cost of Aqua Salina	\$/Gal.	\$0.43	\$0.43	\$0.63	\$0.34	\$0.34	\$0.23	N/A	N/A	N/A	N/A
Tons of snow melting salt used (Year Jan-Dec)	Tons	2,800	3,439	2,458	2,832	2,473	4,783	1,621	3,196	3,687	4,188
Cost of salt purchased	\$/Ton	48.47	54.47	54.47	59.99	27.50	37.13	\$43.20	\$43.20	\$43.00	\$43.20
Public Services Department - Water Reclamation											
Wastewater rates (per 1st 300 cu. ft.)	\$	16.56	15.62	15.16	14.72	\$14.29	\$14.29	\$12.61	\$11.57	\$11.57	\$11.22
Total yearly flow	MG	800	764	713	764	890	840	737	832	756	989
Average daily flow	MGD	2.19	2.09	1.95	2.09	2.44	2.30	2.02	2.28	2.00	2.00
Sludge removed (dry tons)	\$/Ton	337	323	334	340	386	343	363	351	359	329
Treatment chemical cost	\$	\$56,438	\$143,723	\$137,463	\$123,036	\$119,728	\$123,533	\$55,645	\$56,750	\$64,699	\$66,548
Treatment electrical cost	\$	\$143,920	\$124,082	\$108,790	\$113,798	\$101,263	\$98,000	\$108,259	\$167,112	\$161,314	\$190,931

City of Kent, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 21

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	
Public Services Department - Water Treatment Plant											
	Unit										
Raw Water from wells	MG	982	955	968	883.04	944.20	1,036.37	1,032.45	988.01	1,000.70	932.00
Annual pumpage - finished water	MG	878	848	876	873.48	901.98	900.22	909.68	885.43	918.34	929.00
Lime	\$/Ton	\$132	\$132	\$147	\$147	\$147	\$147	\$138	\$138	\$124	\$124
Soda ash	\$/Ton	\$330	\$330	\$377	\$376	\$376	\$376	\$376	\$359	\$359	\$281
Chlorine	\$/Ton	\$540	\$540	\$540	\$540	\$540	\$540	\$540	\$510	\$510	\$510
Hydrofluosilicic acid	\$/Ton	\$702	\$702	\$702	\$702	\$702	\$702	\$702	\$702	\$720	\$484
Carbon dioxide	\$/Ton	\$116	\$116	\$116	\$116	\$116	\$116	\$154	\$150	\$150	\$176
Electric (wells, plant, booster stations, tanks)	Ttd. \$	\$189,166	\$191,080	\$189,911	\$173,762	\$158,885	\$148,404	\$154,186	\$158,764	\$178,180	\$178,266
Lime sludge production plant	CY	\$1,536.00	\$2,951.00	\$1,535.00	\$1,532.70	1,840.80	2,009.80	2,029.30	2,065.70	1,982.50	1,986.40
Lime sludge removed from plant and lagoons	CY	1070.00	2145.00	2576.00	2711.00	771.50	1,817.20	2,044.90	3,825.00	3,760.30	1,986.70
Lime	tons	719.00	719.00	723.09	738.90	753.13	742.04	744.89	716.17	733.08	639.90
Soda Ash	tons	268	268	240.88	243.04	281.61	276.91	289.04	295.49	291.45	288.80
Chlorine	tons	11.59	11.59	11.81	11.61	11.79	11.61	11.89	11.46	11.88	12.31
Carbon Dioxide	tons	51.81	51.81	52.77	45.53	45.15	46.56	41.69	41.69	41.40	38.34
Hydrofluosilicic acid	tons	17.63	16.63	16.16	15.88	16.46	16.53	16.27	16.27	17.14	16.06
Rainfall	inches	34.55	34.58	30.92	29.73	39.79	37.98	33.14	44.14	30.79	36.38
Police											
Total Calls for Services		25,609	25,701	28,545	22,949	20,534	18,062	19,680	19,470	20,669	21,765
Number of traffic citations issued		2,872	2,874	3,541	3,366	3,023	2,576	3,393	2,841	3,247	3,554
Number of parking citations issued		11,733	12,751	9,056	8,179	3,814	3,492	2,546	2,468	2,915	3,834
Number of criminal arrests		1,605	1,878	2,222	2,208	2,261	2,102	2,391	2,066	2,110	2,440
Number of accident reports completed		705	753	1,015	1,067	815	861	843	856	839	818
Part I Offenses (major offenses)		598	651	745	772	837	955	951	926	885	911
Animal Warden service calls		358	380	374	399	365	431	558	389	492	470
DUI arrests		145	164	182	186	187	205	277	237	214	302
Motor Vehicle Accidents		705	753	1,015	1,067	815	861	843	856	839	818
Property Damage Accidents		405	422	673	739	458	565	531	540	526	512
Fatalities from Motor Vehicle Accidents		0	0	0	0	2	0	1	0	0	0
Community Diversion Program Youths		22	30	37	34	46	70	70	48	55	70
Fire											
Fire Losses:											
City of Kent		\$197,000	\$409,750	\$155,000	\$242,530.00	\$398,180	\$347,225	\$335,906	\$111,800	\$183,850	\$1,048,500
Kent State University		\$0	\$0	\$0	\$26,000.00	\$0	\$1,010,500	\$10,452	\$150,000	\$0	\$150,000
Franklin Township		\$0	\$93,600	\$243,905	\$20,000.00	\$9,000	\$58,700	\$3,037	\$8,900	\$119,000	\$8,900
Other		\$0	\$0	\$0	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0
Total Fire Losses		\$197,000	\$503,350	\$398,905	\$288,530	\$407,180	\$1,416,425	\$349,395	\$270,700	\$302,850	\$1,207,400

City of Kent, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 21

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Fire - continued										
Fire Calls:										
City of Kent	673	622	650	627	540	561	629	521	571	602
Kent State University	127	120	74	53	65	87	210	240	196	212
Franklin Township	173	171	140	132	116	118	173	138	140	118
Other	33	46	52	45	49	59	50	49	46	3
Total Fire Calls	1,006	959	916	857	770	825	1,062	948	953	935
Emergency Medical Services Calls:										
City of Kent	2,660	2,540	2,336	2,326	2,311	2,296	2,215	2,373	2,395	2,421
Kent State University	374	306	360	357	391	346	438	378	335	347
Franklin Township	568	473	461	378	410	412	445	368	351	341
Other	72	40	71	71	52	55	43	40	48	8
Total Emergency Medical Services Calls	3,674	3,359	3,228	3,132	3,164	3,109	3,141	3,159	3,129	3,117
Total Calls for Service (Fire & EMS)	4,680	4,318	4,144	3,989	3,934	3,934	4,203	4,095	4,082	4,052
Community Development										
Grants received due to Community Development Dept.	\$277,478	\$248,453	\$271,075	\$253,380	\$268,778	\$275,277	\$264,116	\$515,952	\$478,841	\$383,118
Grants received for other Departments	N/A	N/A	N/A	N/A	N/A	N/A	\$38,855	\$224,289	N/A	N/A
Health Department										
Health Inspections:										
Food Service Operations	681	676	664	676	795	722	1,342	1,068	1,041	1,072
Housing	558	525	542	677	893	805	1,695	1,633	1,622	1,824
Swimming Pools	61	54	69	62	31	37	157	129	144	134
Nuisances	102	118	209	398	634	344	523	510	545	514
All Other	88	49	43	49	111	124	193	182	171	129
Total Inspections	1,490	1,422	1,527	1,862	2,464	1,915	3,910	3,522	3,523	3,673
Permits & Licenses Issued:										
Food Establishment Licenses	253	264	259	280	315	281	253	220	183	199
Housing Licenses	309	307	310	307	308	322	569	523	538	548
All Other Licenses	50	57	51	48	60	62	39	65	63	56
Total Permits & Licenses	612	628	620	635	683	665	861	808	784	803
Child Immunizations	156	188	278	218	212	246	218	114	80	123
Birth and Death Certificates Issued (Original & Copies)	9,781	9,123	9,072	7,968	6,783	3,844	3,315	3,593	3,034	2,982

- Starting in Spring 2014, Kent Health Dept. assumed the records for the entire County which used to be serviced by the City of Ravenna

City of Kent, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 21

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Recreation										
Program Revenue:										
Adult Leagues and Programs	\$32,104	\$30,275	\$33,111	\$38,992	\$49,186	\$69,662	\$62,216	\$36,846	\$35,475	\$28,723
Youth Leagues and Programs	118,887	120,338	97,106	88,244	86,263	79,188	76,248	77,707	93,878	84,106
Camps and Lessons	57,297	65,099	67,406	60,065	61,529	69,490	58,262	59,413	56,792	58,725
Preschool Programs	39,172	38,347	29,617	35,946	25,484	33,321	30,248	23,331	28,069	24,369
KABC Leagues	40,404	39,649	31,457	28,781	28,681	24,410	21,225	22,594	26,381	22,289
Special Events/Other	51,564	44,362	65,111	87,911	38,569	25,180	18,355	18,460	58,652	57,436
Non-Resident Fees	15,677	15,540	14,837	14,654	15,050	17,750	13,733	13,329	12,401	13,371
After School and Summer Programs	318,391	334,915	289,340	283,276	257,977	227,006	208,380	192,698	201,467	209,426
Fitness Center	39,959	42,688	40,297	47,476	32,758	0	0	0	0	0
Total Program Revenue	\$713,455	\$731,213	\$668,282	\$685,345	\$595,497	\$546,007	\$488,667	\$444,378	\$513,115	\$498,445
Number of Participants:										
KABC (5-18 years old)	383	371	333	292	353	375	395	430	446	480
Fall Soccer (4-12 years old)	302	376	324	403	383	328	404	360	410	368
Spring Soccer (4-12 years old)	327	451	391	439	448	407	379	453	424	431
School Age Child Care (6-12 years old)	175	170	150	130	156	175	151	93	110	110
Flag Football (6-12 years old)	158	125	114	113	130	125	104	118	94	85
Basketball	373	391	475	586	629	458	319	358	412	397
Lacrosse	N/A	14	17	43	35	40	86	80	85	70
Volleyball	10	N/A	N/A	N/A	N/A	N/A	N/A	37	37	45
Wrestling	24	13	N/A	11	19	24	32	16	15	34
Karate	26	44	69	91	N/A	147	173	133	120	24
Sports Camps	348	305	188	332	353	375	447	403	480	453
Preschool Kinderbound	19	19	17	17	26	28	28	21	22	21
Preschool Tiny Tots	N/A	N/A	N/A	N/A	N/A	11	22	20	18	18
Summer Day Camps - All	1,381	1,500	1,560	1,292	1,281	230	229	254	243	228
Note: 2014, 2007, and 2006 are on a per week basis										
Ice Hockey	N/A	N/A	N/A	N/A	N/A	0	0	0	0	23
USTA	N/A	N/A	N/A	N/A	N/A	17	22	20	23	51
Theater	40	39	34	61	43	43	57	54	63	58
Cheer	N/A	29	N/A	N/A	45	25	24	44	56	27
Adult Tennis	15	22	8	32	23	20	28	23	18	22
Adult Softball Teams	64	61	65	83	86	47	44	69	51	52
Adult Men's Basketball	120	80	92	130	112	102	95	95	111	N/A
Black Squirrel Triathlon	N/A	N/A	N/A	N/A	75	56	113	273	197	N/A
Art in the Park Artists	105	92	91	92	100	98	101	108	96	N/A
Kids Nite Out	149	199	176	155	115	147	147	167	148	N/A
Turkey Trot	557	564	538	755	549	614	388	385	242	N/A
Adult Fitness Class	5,364	1,784	1,796	1,577	1,452	1,352	1,262	N/A	N/A	N/A
Adult Egg Hunt	854	747	744	809	720	577	N/A	N/A	N/A	N/A
PC Tennis Open	38	22	13	17	35	N/A	N/A	N/A	N/A	N/A
Hip Hop Hoops	50	66	96	100	58	N/A	N/A	N/A	N/A	N/A
Creative Arts	31	24	23	27	46	N/A	N/A	N/A	N/A	N/A
Youth Artist	24	26	14	21	N/A	N/A	N/A	N/A	N/A	N/A
Graveyard Scramble	0	0	0	230	N/A	N/A	N/A	N/A	N/A	N/A
FootSkills-Soccer	103	94	68	60	N/A	N/A	N/A	N/A	N/A	N/A
Adult Education Classes	62	63	46	87	N/A	N/A	N/A	N/A	N/A	N/A
Basketball (outdoor)	180	18	16	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BabySitter	12	33	15	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cross Country	22	29	25	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Tumbling for Tots	35	30	30	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Schools Out Ice Skating	143	104	85	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basketball Skills Camp	51	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: City of Kent



OHIO AUDITOR OF STATE
KEITH FABER



CITY OF KENT

PORTAGE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 2, 2019**