



OHIO AUDITOR OF STATE
KEITH FABER



CITY OF KENT
PORTAGE COUNTY
DECEMBER 31, 2019

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**CITY OF KENT
PORTAGE COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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	405,817
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	234,696
NATIONAL ENDOWMENT FOR THE ARTS			
<i>Passed Through the Ohio Arts Council</i>			
ARTStart	45.025	207567	3,171
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through the Ohio Department of Health:</i>			
National State Based Tobacco Control Programs	93.305	06720014TU0319	28,097
National State Based Tobacco Control Programs	93.305	06720014TU0420	22,750
<i>Total Passed Through the Ohio Department of Health</i>			<u>50,847</u>
UNITED STATES FOOD AND DRUG ADMINISTRATION (Direct)			
Voluntary National Retail Food Grant Program	93.103	G-T-1810-06960	1,057
Voluntary National Retail Food Grant Program	93.103	G-T-1810-06266	3,000
Total U.S. Department of Health and Human Services			<u>54,904</u>
U.S. DEPARTMENT OF TRANSPORTION			
<i>Pass Through the Ohio Department of Transportation:</i>			
Highway Planning and Construction Cluster			
Highway Planning and Construction - North Water Street	20.205	PID 93759	93,542
Highway Planning and Construction - State Route 43 Signalization	20.205	PID 93442	905,745
Highway Planning and Construction - E. Summit Street Improvement	20.205	PID 84546	665,087
Total U.S. Department of Transportation			<u>1,664,374</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 2,362,962</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, 2019**

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, 2019. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - 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 E – REVOLVING LOAN FUND (RLF)

Activity in the Economic Adjustment Assistance CFDA 11.307 revolving loan fund during 2019:

Beginning loans receivable balance as of January 1, 2019	\$242,603
Loans made during 2019	\$100,000
Loan principal repaid	<u>\$(83,268)</u>
Ending loans receivable balance December 31, 2019	\$259,335
Cash Balance in the RLF at December 31, 2019	\$320,403
Total Value of the RLF EDA 11.307	\$579,738
Federal Share of RLF (70%)	\$405,817

OHIO AUDITOR OF STATE KEITH FABER



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

City of 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, the discretely presented component unit, 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 28, 2020, wherein we noted the City's health department was considered a separate legal entity and was presented as a discretely presented component unit rather than a department of the City and we referred to the financial impact of COVID-19 and the ensuing emergency measures that will impact subsequent periods.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Keith Faber
Auditor of State

Columbus, Ohio

July 28, 2020

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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 of Kent's major federal program for the year ended December 31, 2019. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal program.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on 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, 2019.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which Uniform Guidance requires us to report, described in the accompanying schedule of findings as item 2019-001. Our opinion on the major federal program is not modified with respect to these matters.

The City's response to our noncompliance finding is described in the accompanying corrective action plan. We did not subject the City's response to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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 was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified 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, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency, described in the accompanying schedule of findings as item 2019-001.

The City's response to the internal control over compliance finding we identified is described in the accompanying corrective action plan. We did not subject the City's response to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

This report only describes the scope of our tests of internal control over compliance and the results of this testing based on the 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, the discretely-presented component unit, 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated July 28, 2020, wherein we noted the City's health department was considered a separate legal entity and was presented as a discretely presented component unit rather than a department of the City and we referred to the financial impact of COVID-19 and the ensuing emergency measures that will impact subsequent periods. 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

July 28, 2020

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**CITY OF KENT
PORTAGE COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515**

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 weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	Yes
<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)?	Yes
<i>(d)(1)(vii)</i>	Major Programs (list):	Highway Planning and Construction Cluster
<i>(d)(1)(viii)</i>	Dollar Threshold: Type AIB Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

2 C.F.R. §180.300

Finding Number:	2019-001
CFDA Number and Title:	CFDA # 20.205 Highway Planning and Construction
Federal Award Identification Number / Year:	2019
Federal Agency:	U.S. Department of Transportation
Compliance Requirement:	Procurement, Suspension and Debarment
Pass-Through Entity:	Ohio Department of Transportation
Repeat Finding from Prior Audit?	No
Prior Audit Finding Number:	N/A

NONCOMPLIANCE AND SIGNIFICANT DEFICIENCY

2 C.F.R. § 1200.10 gives regulatory effect to the Department of Transportation for 2 C.F.R. § 180.300, which states, when you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking SAM (System for Award Management) Exclusions at <https://www.sam.gov/SAM/pages/public/searchRecords/search.jsf>; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person.

The City did not verify that one of the three (33%) vendors tested was not excluded or disqualified prior to entering into the contract or issuing payment. These contracts were covered transactions under the Code of Federal Regulations.

This was caused by a lack of internal controls over the federal suspension & debarment requirements.

The Auditors performed a search of the SAM for the vendors paid from Highway Planning and Construction grant and determined they were not excluded or disqualified.

The City should ensure vendors are not excluded or disqualified using one of the three allowable methods prior to entering into covered transactions. If a search is performed on SAM, the City should maintain documentation of the search prior to entering into a contract and issuing payment.

Official's Response: Refer to corrective action plan.



CITY OF KENT, OHIO
DEPARTMENT OF BUDGET AND FINANCE
Rhonda C. Hall, CPA, Director

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2019

Finding Number: 2019-001

Planned Corrective Action: The City received contradictory advice from the local ODOT office and was unaware of this requirement for professional service contracts. We are now requiring a review of all covered contracts to ensure compliance.

Anticipated Completion Date: Immediately

Responsible Contact Person: Rhonda Hall, Director of Budget and Finance

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2019
City of Kent
Ohio
Comprehensive Annual Financial Report
For the year ended
December 31, 2019

CITY OF KENT, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2019

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CITY OF KENT, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2019

Issued by The Department of Budget and Finance

RHONDA HALL, CPA
Director of Budget and Finance

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INTRODUCTORY SECTION



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CITY OF KENT, OHIO

Office of the City Manager

July 28, 2020

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, 2019, 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, 2019, have been audited for a sixth consecutive year 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 ("KSU" or "University"), which had a 2019 undergraduate enrollment of 27,716 students at the main campus in Kent and 37,411 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 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 7 years. In contrast, 2019 was marked by a decline in new investment, dropping to the lowest level of investment in the last 10 years at \$9.1 million.

Despite the decline in contractor related revenues, the City was able to maintain reserve balances and make investments in critical operational and capital needs that had been previously under-funded due to revenue limitations. With increasing fiscal uncertainty, the City of Kent has resumed a more conservative budget 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 3.25% in 2018 and 3% in 2019. The declining percentage in the wage increase parallels the declining revenue growth experienced by the City.

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 modest income gains 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 while still maintaining a relatively healthy financial position.

For year-end 2019, total City income tax collections were up 2.41 percent (\$346,696) and Kent State University's collections were up .32 percent (\$16,873) from 2018. Volatility in private sector income tax contributions continue to be monitored closely and it seems that the decline in 2018 City tax collections is more likely attributed to fluctuations in national business cycles rather than being an indicator of locally specific economic troubles. To that end, it was encouraging that the City posted a modest rebound in income taxes in 2019 following the 2.06 percent decrease it experienced in 2018.

Kent State University (KSU) remains the City's largest employer, contributing 35.1 percent of total municipal income tax revenues in 2019. It is worth noting that job growth occurring in the private sector has lessened the KSU percentage share of tax contributions 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 2019, Kent State University experienced a 1.4% decline in enrollment (only the third decline in 10 years) with a drop of 406 students for a total of 27,716 students on the Kent campus. Changes in international relations has had a chilling effect on foreign student enrollment and over 40% of the decline in the student body is attributable to the loss of 1,500 international students since 2017.

Following a precipitous drop in income tax revenues in 2016, the City enjoyed a modest tax rebound in 2017, followed by another dip in income taxes in 2018, that was in turn followed by another modest rebound in 2019 – all of which seems to reflect the uncertainty of national business cycles. Many local 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 towards a flattened growth curve. 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 national business cycle a chance to recover.

Although business cycles have impacted individual business profit and income tax contributions on a year to year basis, many business sectors in Kent report stronger than expected economic performance which led to continued incremental growth and diversification of the City's economic base in 2019. This diversification of income tax revenues is a long term financial goal of the City.

Investments in Kent

In 2019, Kent State University continued to fund an ongoing capital facilities re-investment program with new construction and renovations at the KSU Airport, the construction of the new KSU Design and Innovation Hub, and renovations at Dunbar Hall, Eastway Hall, Rockwell Hall, Satterfield Hall, and the KSU Student Center. 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 and the first phases began in 2019 with the bidding and design work for the new KSU Main Street Parking Deck, the realignment of Terrace Drive, the design of the new Business College, and the \$18 million City-KSU East Main Street improvement project.

With a total of \$9.1 million in construction investment for 2019, Kent experienced a decline in residential, multifamily and commercial investments, dropping \$30,000,000 from a near record high in 2018, and settling in at \$10 million less than the rolling 10-year average.

Single family residential construction was stable and the housing market overall 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 showed signs of oversupply as lease-up rates have declined from 90-95% occupied in the fall of 2017 to 65-90% occupied in the fall of 2019. 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 in 2019 the staff began holding a series of community meetings to 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 2019 the City obtained funding and approval to proceed with the \$1.3 million N. Water Street transportation improvement project with construction scheduled for summer 2020. In collaboration with Kent State University the City finalized partnership agreements and secured \$14 million towards the new transportation planning project to reconfigure the East Main Street corridor along the front campus of the University.

In 2019 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 10 years the City was awarded (or was a partner) in grant awards which has enabled the City to leverage grant funds to City funds at better than a 4:1 ratio.

Major Initiatives

In 2019 a number of new small businesses opened in downtown Kent including Barrio Tacos, D. P. Dough, Over Easy and Squirrel City Jewelers. These have proven to be popular additions to Kent's unique dining, retail and entertainment options that form the core of downtown Kent's growing reputation as a regional destination.

Several announcements were made in 2019 regarding the downtown construction of two apartment buildings, a new hotel, and two microbreweries scheduled to begin in 2020.

Other business announcements in 2019 included the opening of the Ace Hardware and Mockingbird Bakery both in University Plaza. Acorn & Evergreen Floral Studio, Tire Max, and Dollar General all opened in the Kent-Franklin JEDD in 2019.

The City continued to work with Franklin and Brimfield townships in 2019 to recruit new businesses and expand business development opportunities within the JEDD boundaries. As a result of the JEDD partnerships, the City received \$671,984 (on a cash basis) as its combined share of JEDD income taxes in 2019.

Long-term Financial Planning

During 2019, 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 2019, 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. 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 2019 was \$1,262,901.

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 2019. This was the 33rd 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,

A handwritten signature in black ink that reads "Dave Ruller". The letters are cursive and somewhat stylized.

Dave Ruller
City Manager

A handwritten signature in black ink that reads "Rhonda Hall". The letters are cursive and elegant.

Rhonda Hall, CPA
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, 2018

Christopher P. Morill

Executive Director/CEO

CITY OF KENT, OHIO
ELECTED OFFICIALS - 2019

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 - 2019

OFFICE OF CITY MANAGER
City Manager

David A. Ruller

OFFICE OF COUNCIL
Clerk of Council

Amy Wilkens

DEPARTMENT OF LAW
Law Director

Hope Jones

DEPARTMENT OF BUDGET AND FINANCE
Director of Budget and Finance
Controller

David A. Coffee *
Brian L. Huff

DEPARTMENT OF PUBLIC SAFETY
Safety Director
Fire Chief
Police Chief

Position is currently vacant
John Tosko
Michelle A. Lee

DEPARTMENT OF PUBLIC SERVICES
Service Director
City Engineer
Water Plant Supervisor
Sewer Plant Supervisor
Utilities Manager
Facilities Manager

Melanie Baker
James S. Bowling
Brian Johnson
Bill Schesventer
Gary Labajetta
Brad McKay

DEPARTMENT OF COMMUNITY DEVELOPMENT
Community Development Director
Economic Development Director

Bridget Susel
Tom Wilke

DEPARTMENT OF HEALTH
Health Commissioner

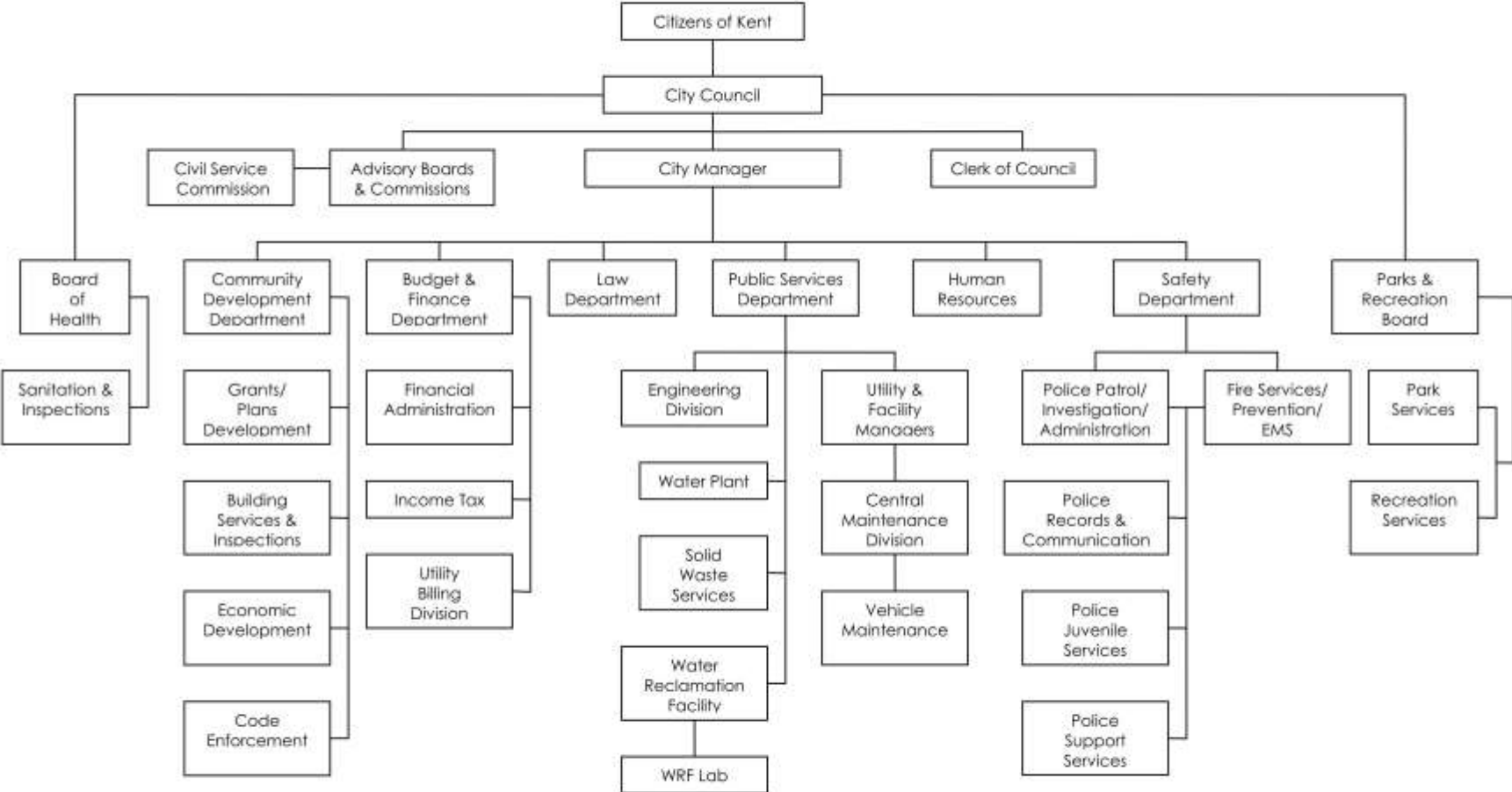
Joan Seidel

DEPARTMENT OF PARKS AND RECREATION
Director of Parks and Recreation
Parks Supervisor
Recreation Supervisor

Kevin Schwartzhoff
Charles S. Tuttle
Nancy R. Rice

* Rhonda Hall, CPA, effective February 2020

City of Kent, Ohio Organizational Chart





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FINANCIAL SECTION





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

INDEPENDENT AUDITOR'S REPORT

City of 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, the discretely presented component unit, 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Kent, Portage County, Ohio, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General 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 2019, the City's health department was considered a separate legal entity and was presented as a discretely presented component unit rather than a department of the City. In addition, as discussed in Note 24 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. We did not modify our opinion regarding these matters.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2020, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive style with a large initial "K".

Keith Faber
Auditor of State

Columbus, Ohio

July 28, 2020

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City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
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, 2019. 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 2019 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 \$127,472,569 (*net position*).
- Total net position increased by \$10,742,556 over 2018. Of this amount, governmental activities increased by \$12,146,594 and business-type activities decreased by \$1,404,038.
- Total capital assets increased by \$1,013,337 or 0.70 percent as compared to 2018. This increase reflects the increases of \$448,365 and \$564,972 to governmental capital assets and business-type capital assets, respectively.
- Total current and other assets increased by \$2,713,183 or 5.66 percent as compared to 2018. This increase reflects the increase of \$3,006,500 attributable to governmental activities and a decrease of \$293,317 attributable to business-type activities.
- Total liabilities and deferred inflows of resources decreased \$949,959 or 1.13 percent as compared to 2018. This decrease is comprised of a decrease in the governmental activities' liabilities and deferred inflows resources of \$3,912,873 and an increase in the liabilities and deferred inflows of resources of the business-type activities of \$2,962,914.

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, 2019
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
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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 pages 37-38 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 required supplementary information and 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 96 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 2019. 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, 2019
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 2019 compared to 2018.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018*	2019	2018*	2019	2018*
Assets						
Current and Other Assets	\$ 43,135,934	\$ 40,129,434	\$ 7,526,305	\$ 7,819,622	\$ 50,662,239	\$ 47,949,056
Net Pension Asset	26,885	24,516	22,006	20,064	48,891	44,580
Capital Assets, Net	92,448,270	91,999,905	53,586,579	53,021,607	146,034,849	145,021,512
<i>Total Assets</i>	<u>135,611,089</u>	<u>132,153,855</u>	<u>61,134,890</u>	<u>60,861,293</u>	<u>196,745,979</u>	<u>193,015,148</u>
Deferred Outflows of Resources						
Pension	9,285,469	4,421,647	2,172,861	993,211	11,458,330	5,414,858
OPEB	2,217,775	2,305,110	314,112	208,483	2,531,887	2,513,593
<i>Deferred Outflows of Resources</i>	<u>11,503,244</u>	<u>6,726,757</u>	<u>2,486,973</u>	<u>1,201,694</u>	<u>13,990,217</u>	<u>7,928,451</u>
Liabilities						
Current and Other Liabilities	6,655,426	7,565,781	775,523	651,253	7,430,949	8,217,034
Long-Term Liabilities:						
Due Within One Year	1,505,684	1,506,831	549,097	573,522	2,054,781	2,080,353
Due In More Than One Year:						
Net Pension Liability	33,073,221	23,195,546	7,134,481	4,010,685	40,207,702	27,206,231
Net OPEB Liability	6,842,527	20,246,977	3,376,139	2,748,054	10,218,666	22,995,031
Other Amounts	16,293,988	14,593,281	2,208,757	1,982,634	18,502,745	16,575,915
<i>Total Liabilities</i>	<u>64,370,846</u>	<u>67,108,416</u>	<u>14,043,997</u>	<u>9,966,148</u>	<u>78,414,843</u>	<u>77,074,564</u>
Deferred Inflows of Resources						
Property Taxes and PILOTs	3,510,442	3,329,875	-	-	3,510,442	3,329,875
Pension	321,898	2,067,516	144,915	1,040,362	466,813	3,107,878
OPEB	836,240	446,492	35,289	254,777	871,529	701,269
<i>Deferred Inflows of Resources</i>	<u>4,668,580</u>	<u>5,843,883</u>	<u>180,204</u>	<u>1,295,139</u>	<u>4,848,784</u>	<u>7,139,022</u>
Net Position						
Net Investment in Capital Assets	75,208,875	73,480,445	51,335,835	50,456,860	126,544,710	123,937,305
Restricted	11,546,151	18,371,625	-	-	11,546,151	18,371,625
Unrestricted	(8,680,119)	(25,923,757)	(1,938,173)	344,840	(10,618,292)	(25,578,917)
<i>Total Net Position</i>	<u>\$ 78,074,907</u>	<u>\$ 65,928,313</u>	<u>\$ 49,397,662</u>	<u>\$ 50,801,700</u>	<u>\$ 127,472,569</u>	<u>\$ 116,730,013</u>

* - Restated

City of Kent, Ohio
Management's Discussion and Analysis
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The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2019 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The City previously 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 and net pension asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* 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.

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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.

Over time, net position may serve over time as useful indicator of a government's financial position. The City's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources at the close of 2019 by \$127,472,569. Due to the GASB 68 and GASB 75, the City reports a net pension of liability of \$40,207,702 and net OPEB liability of \$10,218,666. The recording of these pension and OPEB liabilities results in the City reporting total unrestricted net position of a negative \$10,618,292 and the governmental activities unrestricted net position was a negative \$8,680,119, respectively. The unrestricted net position of the City's business-type activities was a negative \$1,938,173 or 3.92 percent of the total business-type activities' net position, with net investment in capital assets accounting for \$51,335,835.

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 \$11,546,151 or 9.06 percent, represents resources that are subject to external restrictions on how they may be used. Unrestricted net position has a deficit of \$10,618,292.

Total assets and deferred outflows of resources increased by \$9,792,597 from 2018 to 2019. The increase was main due to an increase in capital assets and increase in cash and cash equivalents and deferred inflows of resources.

Total liabilities and deferred inflows of resources experienced a decrease of \$949,959, which corresponds to a decrease of \$3,912,873 in governmental activities and an increase of \$2,962,914 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 and business 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 \$10,742,556 from 2018 to 2019. 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	
	2019	2018 *	2019	2018 *	2019	2018 *
Revenues						
Program Revenues:						
Charges for Services	\$ 3,204,224	\$ 3,754,129	\$ 9,059,447	\$ 9,315,974	\$ 12,263,671	\$ 13,070,103
Operating Grants and Contributions	1,358,314	1,014,476	-	-	1,358,314	1,014,476
Capital Grants and Contributions	1,977,927	3,361,639	672,323	107,647	2,650,250	3,469,286
General Revenues:						
Municipal Income Taxes	17,344,598	16,105,879	-	-	17,344,598	16,105,879
Property and Other Local Taxes	3,535,193	3,537,427	-	-	3,535,193	3,537,427
Payments in Lieu of Taxes	457,473	462,329	-	-	457,473	462,329
Grants and Entitlements	1,731,103	1,767,973	-	-	1,731,103	1,767,973
Investment Income	1,258,897	574,057	4,004	1,711	1,262,901	575,768
Gain on Sale of Capital Assets	45,006	4,656	1,179	6,957	46,185	11,613
All Other Revenues	531,810	630,269	99,987	130,885	631,797	761,154
Total Revenues	31,444,545	31,212,834	9,836,940	9,563,174	41,281,485	40,776,008
Program Expenses						
Security of Persons and Property	3,901,826	15,227,583	-	-	3,901,826	15,227,583
Public Health and Welfare	550,122	442,812	-	-	550,122	442,812
Leisure Time Activities	2,810,759	2,422,995	-	-	2,810,759	2,422,995
Community Development	2,281,042	1,613,437	-	-	2,281,042	1,613,437
Transportation	5,447,601	4,078,837	-	-	5,447,601	4,078,837
General Government	3,662,564	3,689,377	-	-	3,662,564	3,689,377
Interest and Fiscal Charges	644,037	627,987	-	-	644,037	627,987
Water	-	-	4,471,050	3,824,971	4,471,050	3,824,971
Sewer	-	-	5,355,091	5,013,265	5,355,091	5,013,265
Solid Waste	-	-	247,436	339,060	247,436	339,060
Storm Water Drainage	-	-	1,167,401	1,062,207	1,167,401	1,062,207
Total Expenses	19,297,951	28,103,028	11,240,978	10,239,503	30,538,929	38,342,531
Change in Net Position	12,146,594	3,109,806	(1,404,038)	(676,329)	10,742,556	2,433,477
Net Position Beginning of Year	65,928,313	62,818,507	50,801,700	51,478,029	116,730,013	114,296,536
Net Position End of Year	\$ 78,074,907	\$ 65,928,313	\$ 49,397,662	\$ 50,801,700	\$ 127,472,569	\$ 116,730,013

The implementation of GASB Statement No. 68 and 75 requires the reader to perform additional calculations to determine the City's Total Net Position at December 31, 2019 without the implementation of GASB Statement No. 68 and 75. This is an important exercise, as the State Pension Systems (OPERS & OP&F) collect, hold, invest, and distribute pensions to our employees, not the City of Kent.

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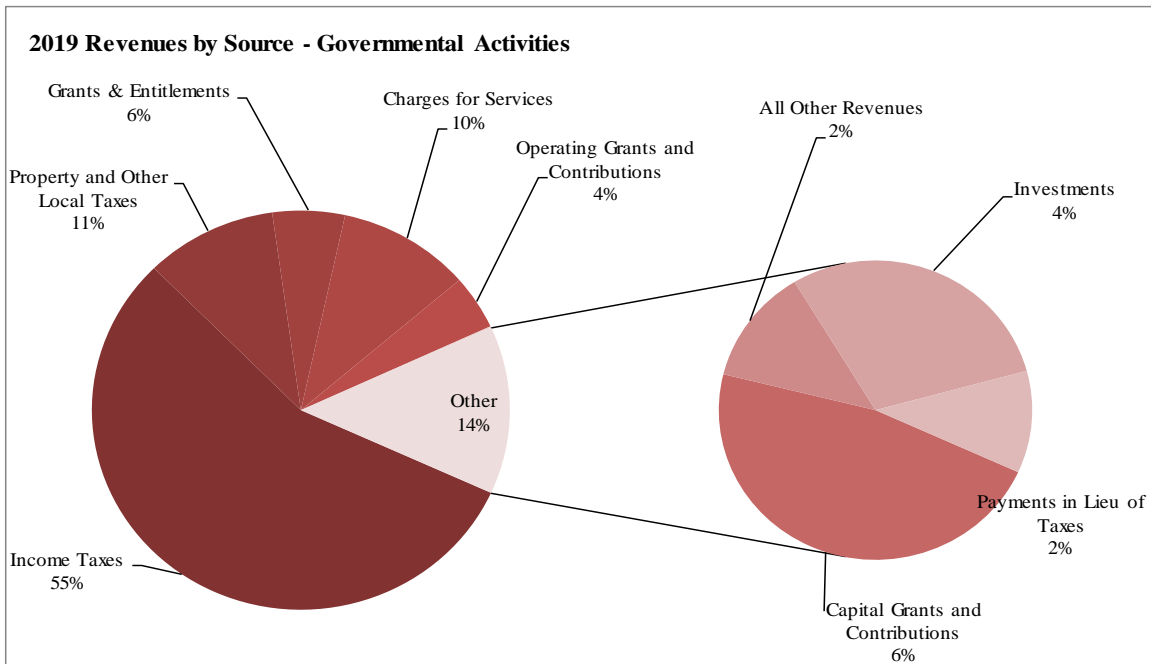
These calculations are as follows:

	Governmental Activities	Business-Type Activities
Total Net Position at December 31, 2019 (with GASB 68 and 75)	\$ 78,074,907	\$ 49,397,662
GASB 68/75 Calculations:		
Add:		
Deferred Inflows related to Pension	321,898	144,915
Deferred Inflows related to OPEB	836,240	35,289
Net Pension Liability	33,073,221	7,134,481
Net OPEB Liability	6,842,527	3,376,139
Less:		
Net Pension Asset	(26,885)	(22,006)
Deferred Outflows related to Pension	(9,285,469)	(2,172,861)
Deferred Outflows related to OPEB	(2,217,775)	(314,112)
Total Net Position (without GASB 68 and 75)	<u>\$ 107,618,664</u>	<u>\$ 57,579,507</u>

Governmental Activities

Governmental activities increased the City's net position by \$12,146,594 during 2019. Several types of revenues fund the City's governmental activities, with municipal income tax being the largest contributor. The City's total revenue increased by \$231,711 in 2019 as compared to 2018. As presented in table 2, municipal income tax revenues showed an increase of \$1,238,719 or 7.69 percent. This increase is mainly due to an increase in collections and the remainder due to the change in accruals in 2018. The increase in total revenues is offset by the decrease in capital grants and contributions. The decrease in capital grants and contributions is due to the significant amount of revenue received in 2018 from the Ohio Department of Transportation related to Summit Street and other capital projects, that was significantly less in 2019.

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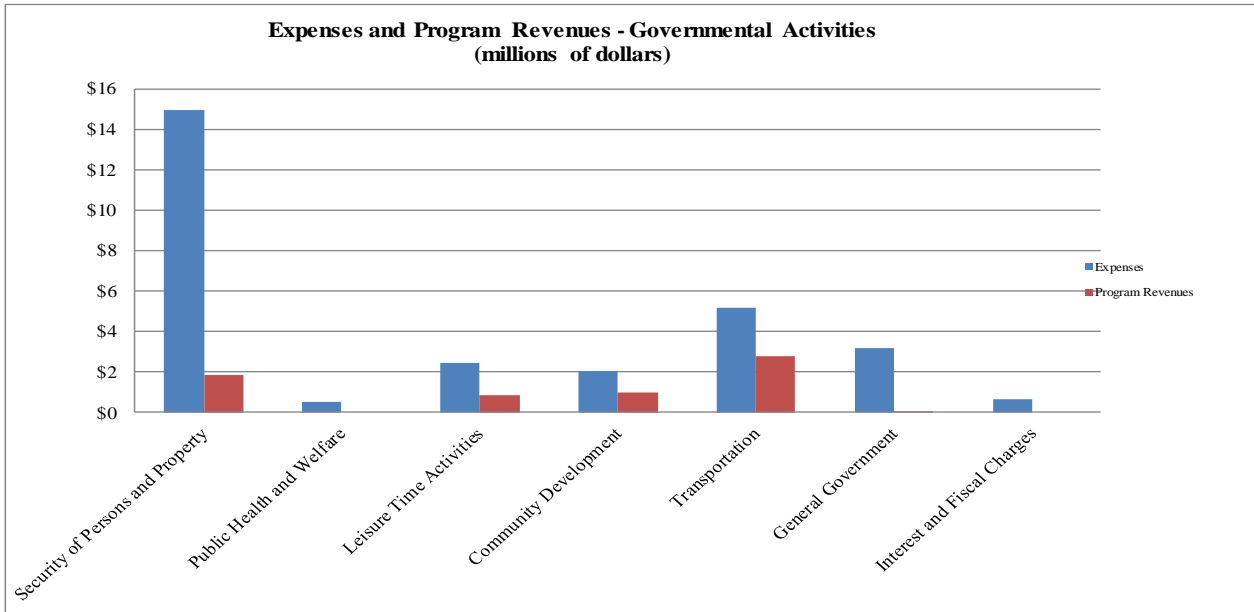


The provisions of GASB Statements 68 and 75 required the City to recognize a pension/OPEB adjustment that reduced expenses by \$9,661,501 in 2019 compared to 2018. As a result, it is difficult to ascertain the true operational cost of services and the changes in the cost of services from year to year. The table below shows the total cost of services by function with the GASB Statements 68 and 75 pension and OPEB costs removed.

	Governmental Activities	
	2019	2018
EXPENSES		
Program Expenses:		
Security of persons and property	\$ 14,950,058	\$ 12,890,594
Public health services	550,122	442,812
Leisure time activities	2,427,938	2,268,694
Community environment	2,021,651	1,512,388
Transportation	5,149,772	3,954,313
General government	3,215,874	3,508,564
Interest and fiscal charges	644,037	627,987
Total Expenses	\$ 28,959,452	\$ 25,205,352

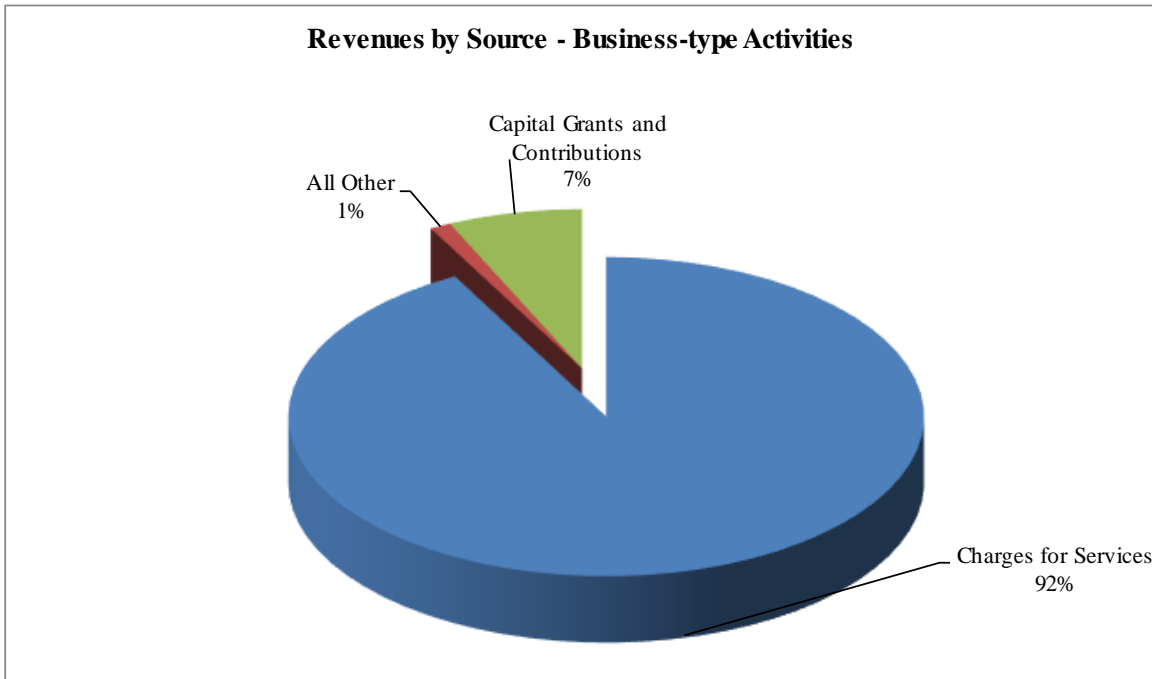
Using the adjusted table above, expenses in the governmental activities experienced an increase of \$3,754,100 or 14.89 percent. During 2019, the largest program area for the City is security of persons and property at 51.62 percent which includes police, fire and emergency medical services. Transportation is the next largest at 17.78 percent, of which \$1,622,908 or 31.51 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 11.10 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. Leisure Time Activities is the fourth largest area at 8.38 percent for operations of parks and recreation activities.

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Business-Type Activities

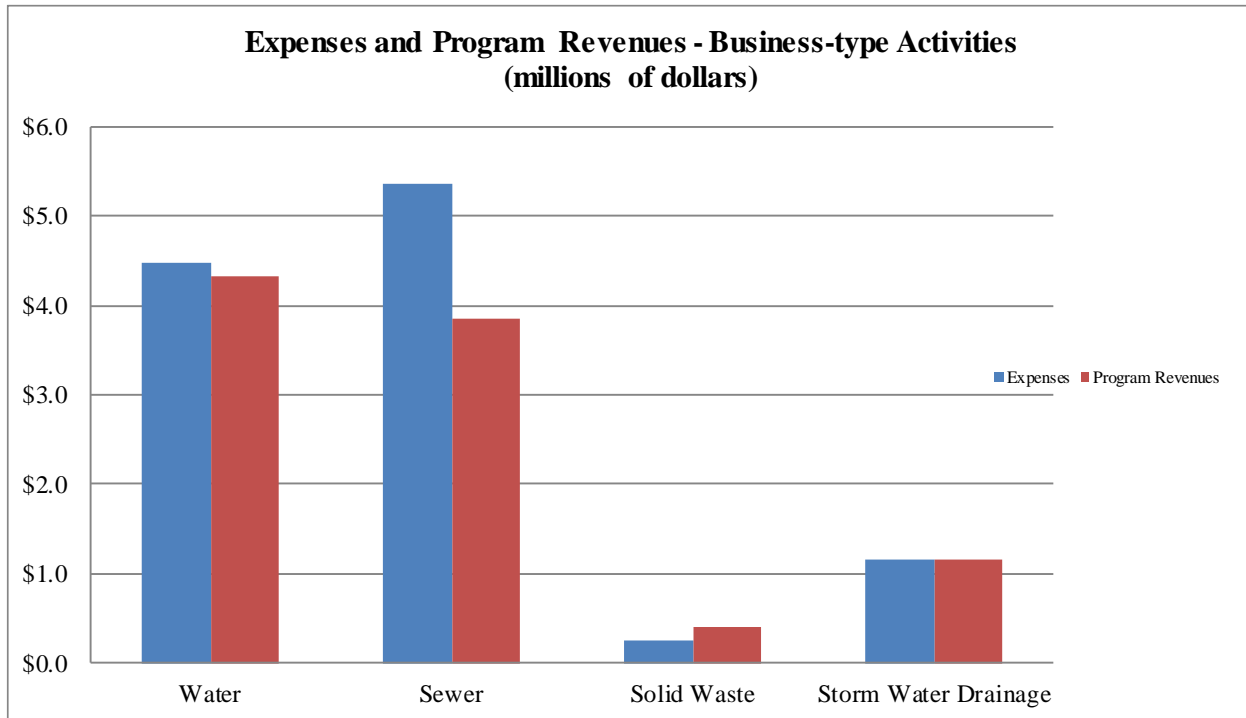
Business-type activities of the City, which include water, sewer, solid waste and storm water drainage operations, decreased the City's net position by \$1,404,038 or 2.76 percent.



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Charges for services account for 92.10 percent of total business-type revenues. Capital grants and contributions increased by \$564,676, which was offset by a decrease in charges for services by \$256,527. Overall, total revenues for the business-type activities increased slightly by \$273,766.

Expenses in the business-type activities experienced an increase of \$1,001,475 or 9.78 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 \$28,903,837, which represents an increase of \$3,417,267 or 13.41 percent as compared to 2018. 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 City's discretion.

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The remainder of the fund balance is nonspendable, restricted, or committed 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 increased by \$380,267 due to revenues generally exceeding expenses during 2019, including the fluctuation of amounts of funds transferred to various funds.

Fund balance for the City's Income Tax Safety Fund decreased by \$435,549 due to an increase in expenses. The increase in expenses is due to the planned spend-downs of the significant fund balance.

Fund balance for the City's Fire and Emergency Medical Services Fund increased by \$474,291 due to an increase in expenses. The increase in expenses is due to the planned spend-downs of the significant fund balance.

Fund balance for the City's Capital Projects Fund increased by \$1,020,520 due to the timing of project completions and payments to contractors.

Fund balance for the City's Police Facilities Fund increased by \$946,495 due to construction progressing and payments made during 2019 for the police facility and municipal income taxes.

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, respectively for the major enterprise funds.

Water	Sewer	Storm Water Drainage
(\$1,191,219)	(\$1,705,176)	\$946,000
(82,394)	(1,418,787)	(1,738)

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 2019. These rate increases became effective February 2019. 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 2019, 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 \$9,495,605 and the final amended budget was \$10,241,692, an increase of \$746,087. The increase was due to increased ambulance receipts, and other grants and subsidies. Actual revenues and other financing sources were \$10,481,301 or \$239,609 more than what was budgeted.

For the General Fund expenditures and other financing uses, the original budget amount was \$11,323,753 and the final amended budget was \$11,644,400, an increase of \$320,647. Actual expenditures and other financing uses were \$10,161,597 or \$1,482,803 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, 2019, was \$126,544,710. The City's investment in capital assets increased by \$1,728,430 or 2.35 percent for governmental activities and increased by \$878,975 for business-type activities when comparing 2019 to 2018.

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, 2019 to balances at December 31, 2018.

Table 3
Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018*	2019	2018	2019	2018*
Land	\$11,159,071	\$11,127,427	\$1,825,536	\$1,825,536	\$12,984,607	\$12,952,963
Buildings, Structures and Improvements	7,284,681	7,522,188	3,460,376	3,761,309	10,745,057	11,283,497
Vehicles, Machinery and Equipment	4,905,965	5,043,405	2,691,112	2,674,553	7,597,077	7,717,958
Construction in Progress	33,791,493	33,966,609	3,156,603	3,426,156	36,948,096	37,392,765
Infrastructure						
Roads, Bridges, Walks	32,700,667	31,532,345	0	0	32,700,667	31,532,345
Traffic Signals	2,606,393	2,807,931	0	0	2,606,393	2,807,931
Water	0	0	11,109,210	9,976,638	11,109,210	9,976,638
Sewer	0	0	17,844,384	17,735,383	17,844,384	17,735,383
Storm Water	0	0	13,499,358	13,622,032	13,499,358	13,622,032
Total Capital Assets	\$92,448,270	\$91,999,905	\$53,586,579	\$53,021,607	\$146,034,849	\$145,021,512

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Debt. At December 31, 2019, the City's bonds, notes and loans outstanding were \$21 million.

Table 4
Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<i>Long-Term Obligations:</i>						
General Obligation Bonds	\$13,597,907	\$14,029,975	\$0	\$0	\$13,597,907	\$14,029,975
OPWC Loans	864,395	569,460	219,726	182,886	1,084,121	752,346
OWDA Loans	0	0	1,774,476	2,064,814	1,774,476	2,064,814
Loans Payable	0	0	0	0	0	0
<i>Short-Term Obligations:</i>						
Notes Payable	3,645,000	4,830,000	255,000	315,000	3,900,000	5,145,000
Total	\$18,107,302	\$19,429,435	\$2,249,202	\$2,562,700	\$20,356,504	\$21,992,135

The City's total long-term debt decreased by \$1,635,631 or 7.44 percent. This decrease in long-term debt for 2019 is primarily due to the payment of principal on existing obligations.

Total short-term debt decreased by \$1,245,000 or 24.20 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 \$43,594,599 at December 31, 2019.

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 the challenge of working with very narrow margins from increasingly volatile revenue sources that has forced a gradual return to a more restrictive spending strategy.

Following a 10-year period of transformative re-investment in the downtown business district (totaling in excess of \$150 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.

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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 uncertainty despite a productive local economy.

Each new wave of re-investment in the City of 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 the City of 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 but over time these thinning City revenue sources have displayed an increased vulnerability to the lows of business cycles.

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 35% 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, the City Kent's financial strategy seeks to leverage and magnify those economic opportunities created by the University.

The economic restructuring (innovation replacing conventional manufacturing) that is underway in the City of 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 the City of 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 the City of 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 seek 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, particularly the construction of the new KSU Design and Innovation Hub.

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

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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.

Following an anomaly in 2015 and 2016 income tax receipts, the 2017 income tax rebound was believed to be validation that the City of 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, at least until 2019 bounced-back with another 2% increase. This new normal of revenue uncertainty seems to affirm the financial consequences on the City budget that comes from a decline in the more predictable state funding sources, leaving the City exposed to an increased reliance on business based income taxes that have displayed an ability to uncouple economic performance from income taxes (the “wageless” recovery).

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 the City of 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, the City of Kent was statistically "less worse" than nearly all of its neighboring cities and as the region's economy has begun to turn the corner, the City of 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. However, the gap is closing and the City of Kent must continue to pursue economic opportunities with a heightened level of urgency in order to keep pace and stretch the shallower returns of the wageless recovery.

The commercial construction rebound that began in 2009 experienced its most significant decline in a decade, settling in with the lowest rate of investment across all categories in the last 10 years. Some of that decline is considered a correction in the softening of the student apartment market and some of it reflects delays in planned commercial projects that should still proceed. However, 2019 serves as a reminder for the narrowing band of financial resiliency available to the City in these less certain economic times.

There are a number of mixed-use projects proposed for the downtown Kent that represent another \$30 million in new investment in the queue and although this new investment won’t solve all of the City's revenue uncertainty, the new housing supply, particularly in 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.

On a positive note, the Kent Area Chamber of Commerce (Kent Chamber) business membership doubled over the last 10 years, growing from 176 members in 2009 to 358 in 2019. Coinciding with the downtown revitalization, the Kent Chamber membership experienced 8 straight years of membership growth.

In 2019 a developer completed a \$1 million investment to renovate the historic downtown “courthouse” building for reuse as new Class A office space on South Water Street. Another local developer purchased the closed Star of the West flour mill on North Water Street with the intent to repurpose it as multi-use retail, office and residential project. The City commenced engineering and design work for the \$1.3 million North Water Street improvement project. These projects along with the two microbreweries planned on North Water Street line up this corridor for the next round of major investment in the downtown district.

City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

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.

In 2019 the City completed the \$3 million SR 43 Signal Upgrade project and began engineering and design work on the \$1.3 million North Water Street improvement project. In collaboration with Kent State University the City secured \$14 million in funding towards the new transportation improvement project to reconfigure the East Main Street corridor along the front campus of the University.

In 2019 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 continued its ongoing work with the Franklin and Brimfield townships as JEDD partners in 2019. A 15.3% increase in the combined income tax collections from the JEDDs, indicate that opportunities for growth remain strong.

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 2019, 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 more full-cost 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 2019, 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 2019 that advanced critical economic development priorities. City staff also continued to pursue efficiency and productivity improvements wherever possible in 2019.

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.

City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

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 2020 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.

City of Kent, Ohio
Statement of Net Position
Ended December 31, 2019

	Governmental Activities	Business-Type Activities	Total	Component Unit City of Kent Health District
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 30,141,156	\$ 6,291,256	\$ 36,432,412	\$ 233,020
Cash and Cash Equivalents:				
In Segregated Accounts	64,861	-	64,861	-
Cash Surrender Value of Life Insurance Policies	256,735	-	256,735	-
Materials and Supplies Inventory	576,338	87,933	664,271	-
Accounts Receivable	429,136	1,397,811	1,826,947	7,348
Accrued Interest Receivable	176,968	-	176,968	-
Intergovernmental Receivable	1,272,286	-	1,272,286	-
Internal Balances	957,535	(957,535)	-	-
Prepaid Items	295,726	106,268	401,994	5,172
Municipal Income Taxes Receivable	3,978,258	-	3,978,258	-
Property and Other Taxes Receivable	3,352,480	-	3,352,480	-
Payments in Lieu of Taxes Receivable	356,899	-	356,899	-
Loans Receivable	516,326	-	516,326	-
Special Assessments Receivable	261,730	600,572	862,302	-
Net Pension Asset	26,885	22,006	48,891	2,567
Assets Held for Resale	499,500	-	499,500	-
Nondepreciable Capital Assets	44,950,564	4,982,139	49,932,703	36,630
Depreciable Capital Assets	47,497,706	48,604,440	96,102,146	41,954
Total Assets	135,611,089	61,134,890	196,745,979	326,691
DEFERRED OUTFLOWS OF RESOURCES				
Pension	9,285,469	2,172,861	11,458,330	261,462
OPEB	2,217,775	314,112	2,531,887	41,987
Total Deferred Outflows of Resources	11,503,244	2,486,973	13,990,217	303,449
LIABILITIES				
Accounts Payable	650,166	314,135	964,301	13,972
Contracts and Retainage Payable	1,569,830	90,529	1,660,359	-
Accrued Wages and Benefits	368,158	112,404	480,562	15,002
Accrued Interest Payable	71,874	1,913	73,787	-
Claims Payable	228,128	-	228,128	-
Unearned Revenue	100,230	-	100,230	-
Notes Payable	3,667,040	256,542	3,923,582	-
Long-term Liabilities:				
Due within one year	1,505,684	549,097	2,054,781	23,116
Due in more than one year:				
Net Pension Liability	33,073,221	7,134,481	40,207,702	832,306
Net OPEB Liability	6,842,527	3,376,139	10,218,666	393,859
Other Amounts due in more than one year	16,293,988	2,208,757	18,502,745	15,224
Total Liabilities	64,370,846	14,043,997	78,414,843	1,293,479
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	3,153,543	-	3,153,543	-
Payments in Lieu of Taxes (PILOTs)	356,899	-	356,899	-
Pension	321,898	144,915	466,813	12,477
OPEB	836,240	35,289	871,529	1,069
Total Deferred Inflows of Resources	4,668,580	180,204	4,848,784	13,546
NET POSITION				
Net Investment in Capital Assets	75,208,875	51,335,835	126,544,710	78,584
Restricted for:				
Capital Projects	1,144,609	-	1,144,609	-
Debt Services	378,005	-	378,005	-
Streets and Highways	2,327,042	-	2,327,042	-
Public Facilities and Programs	2,404,538	-	2,404,538	-
Community Development Block Grant	298,461	-	298,461	-
Parks and Recreation	474,487	-	474,487	-
Police, Fire and EMS	2,884,621	-	2,884,621	-
Community Development	1,627,544	-	1,627,544	-
Other Purpose	6,844	-	6,844	237,808
Unrestricted	(8,680,119)	(1,938,173)	(10,618,292)	(993,277)
Total Net Position	\$ 78,074,907	\$ 49,397,662	\$ 127,472,569	\$ (676,885)

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, 2019

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Security of Persons and Property	\$ 3,901,826	\$ 1,869,518	\$ 25	\$ -
Public Health and Welfare	550,122	-	-	-
Leisure Time Activities	2,810,759	824,388	19,050	-
Community Development	2,281,042	389,224	244,968	365,000
Transportation	5,447,601	106,410	1,094,271	1,612,927
General Government	3,662,564	14,684	-	-
Interest and Fiscal Charges	644,037	-	-	-
Total Governmental activities	19,297,951	3,204,224	1,358,314	1,977,927
Business-type activities:				
Water	4,471,050	3,804,573	-	517,416
Sewer	5,355,091	3,843,322	-	5,779
Solid Waste	247,436	410,504	-	-
Storm Water Drainage	1,167,401	1,001,048	-	149,128
Total Business-type activities	11,240,978	9,059,447	-	672,323
Total Primary Government	\$ 30,538,929	\$ 12,263,671	\$ 1,358,314	\$ 2,650,250
Component Unit:				
City of Kent Health District	968,473	374,538	439,629	-
Total Component Unit	\$ 968,473	\$ 374,538	\$ 439,629	\$ -

General Revenues:

Property Taxes levied for:

General Purposes

Special Revenue

Municipal Income Taxes levied for:

General Purposes

Capital Outlay

Special Revenue

Other Local Taxes

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			Component
Governmental	Business-type		Unit
Activities	Activities	Total	City of Kent
			Health District
\$ (2,032,283)	\$ -	\$ (2,032,283)	-
(550,122)	-	(550,122)	-
(1,967,321)	-	(1,967,321)	-
(1,281,850)	-	(1,281,850)	-
(2,633,993)	-	(2,633,993)	-
(3,647,880)	-	(3,647,880)	-
(644,037)	-	(644,037)	-
<u>(12,757,486)</u>	<u>-</u>	<u>(12,757,486)</u>	<u>-</u>
-	(149,061)	(149,061)	-
-	(1,505,990)	(1,505,990)	-
-	163,068	163,068	-
-	(17,225)	(17,225)	-
-	(1,509,208)	(1,509,208)	-
<u>(12,757,486)</u>	<u>(1,509,208)</u>	<u>(14,266,694)</u>	<u>-</u>
			<u>(154,306)</u>
			<u>(154,306)</u>
1,879,618	-	1,879,618	-
1,300,182	-	1,300,182	-
3,398,482	-	3,398,482	-
5,538,477	-	5,538,477	-
8,407,639	-	8,407,639	-
355,393	-	355,393	-
457,473	-	457,473	-
1,731,103	-	1,731,103	-
1,258,897	4,004	1,262,901	-
45,006	1,179	46,185	-
531,810	99,987	631,797	2,132
<u>24,904,080</u>	<u>105,170</u>	<u>25,009,250</u>	<u>2,132</u>
12,146,594	(1,404,038)	10,742,556	(152,174)
65,928,313	50,801,700	116,730,013	(524,711)
<u>\$ 78,074,907</u>	<u>\$ 49,397,662</u>	<u>\$ 127,472,569</u>	<u>\$ (676,885)</u>

City of Kent, Ohio
Balance Sheet
Governmental Funds
December 31, 2019

	General Fund	Income Tax Safety	Fire and Emergency Medical Services	Capital Projects
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 11,959,361	\$ 1,001,144	\$ 2,716,858	\$ 8,312,100
Cash and Cash Equivalents:				
In Segregated Accounts	-	-	-	-
Materials and Supplies Inventory	-	35,760	-	-
Accrued Interest Receivable	172,904	-	-	-
Accounts Receivable	407,143	-	-	-
Interfund Receivable	1,764,466	-	-	-
Intergovernmental Receivable	583,140	33,359	-	59,759
Prepaid Items	49,076	121,004	65,097	9,413
Payments in Lieu of Taxes Receivable	-	-	-	-
Municipal Income Taxes Receivable	821,498	845,906	845,906	795,645
Property and Other Taxes Receivable	1,742,037	-	-	-
Special Assessments Receivable	-	-	-	170,391
Loans Receivable	-	-	-	-
Assets Held for Resale	134,500	-	-	-
Total Assets	\$ 17,634,125	\$ 2,037,173	\$ 3,627,861	\$ 9,347,308
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 184,720	\$ 131,036	\$ 127,328	\$ 129,199
Accrued Wages and Benefits	51,091	168,298	102,008	-
Contracts and Retainage Payable	-	-	-	1,569,830
Accrued Interest Payable	-	-	-	1,913
Interfund Payable	-	-	-	-
Unearned Revenue	-	-	-	-
Notes Payable	-	-	-	256,542
Total Liabilities	235,811	299,334	229,336	1,957,484
Deferred Inflows of Resources:				
Property Taxes and PILOTS	1,622,884	-	-	-
Unavailable Revenue - Delinquent Property Taxes	70,160	-	-	-
Unavailable Revenue - Municipal Income Taxes	560,027	576,667	576,667	542,403
Unavailable Revenue - Other	398,845	-	-	166,097
Total Deferred Inflows of Resources	2,651,916	576,667	576,667	708,500
Fund Balances:				
Nonspendable	1,948,042	156,764	65,097	9,413
Restricted	-	1,004,408	2,756,761	-
Committed	2,404,538	-	-	6,671,911
Assigned	350,129	-	-	-
Unassigned (Deficit)	10,043,689	-	-	-
Total Fund Balances (Deficit)	14,746,398	1,161,172	2,821,858	6,681,324
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 17,634,125	\$ 2,037,173	\$ 3,627,861	\$ 9,347,308

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, 2019</i>	
Police Facilities	Other Governmental Funds	Total Governmental Funds		
\$ 1,094,237	\$ 4,237,770	\$ 29,321,470	Total Governmental Funds Balance	\$ 28,903,837
-	64,861	64,861	<i>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</i>	
-	540,578	576,338		
-	4,064	176,968		
-	3,642	410,785	Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.	92,448,270
-	-	1,764,466		
-	596,028	1,272,286		
-	51,136	295,726	Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the funds:	
-	356,899	356,899	Delinquent property taxes	135,668
429,257	240,046	3,978,258	Municipal income taxes	2,712,038
-	1,610,443	3,352,480	Special assessments	257,436
-	91,339	261,730	Intergovernmental	703,929
-	516,326	516,326	Charges for services	119,981
-	365,000	499,500	Total	3,929,052
<u>\$ 1,523,494</u>	<u>\$ 8,678,132</u>	<u>\$ 42,848,093</u>		
			In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental funds, an interest expenditure is reported when due.	(44,536)
\$ -	\$ 77,883	\$ 650,166		
-	46,761	368,158	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.	181,713
-	-	1,569,830		
18,000	7,425	27,338		
-	122,000	122,000		
-	100,230	100,230		
2,414,512	995,986	3,667,040	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>2,432,512</u>	<u>1,350,285</u>	<u>6,504,762</u>	Deferred Outflows-Pension	9,285,469
			Deferred Inflows-Pension	(321,898)
-	1,887,558	3,510,442	Net Pension Asset	26,885
-	65,508	135,668	Net Pension Liability	(33,073,221)
292,631	163,643	2,712,038	Deferred Outflows - OPEB	2,217,775
-	516,404	1,081,346	Deferred Inflows - OPEB	(836,240)
<u>292,631</u>	<u>2,633,113</u>	<u>7,439,494</u>	Net OPEB Liability	(6,842,527)
			Total	(29,543,757)
-	591,714	2,771,030	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
-	4,526,950	8,288,119	General obligation bonds	(13,597,907)
-	-	9,076,449	OPWC loans	(864,395)
-	-	350,129	Compensated absences	(3,337,370)
(1,201,649)	(423,930)	8,418,110	Total	(17,799,672)
<u>(1,201,649)</u>	<u>4,694,734</u>	<u>28,903,837</u>		
<u>\$ 1,523,494</u>	<u>\$ 8,678,132</u>	<u>\$ 42,848,093</u>	Net Position of Governmental Activities	<u>\$ 78,074,907</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, 2019

	General Fund	Income Tax Safety	Fire and Emergency Medical Services	Capital Projects
REVENUES				
Property Taxes	\$ 1,638,094	\$ -	\$ -	\$ -
Municipal Income Taxes	3,364,347	3,528,253	3,528,253	3,392,690
Other Local Taxes	354,912	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	1,641,632	-	-	1,481,402
Interest	1,183,403	-	-	-
Fees, Licenses, and Permits	66,890	-	-	-
Fines and Forfeitures	312,443	-	-	-
Charges for Services	1,932,975	-	-	-
Contributions and Donations	250	-	25	-
Special Assessments	-	-	-	148,948
All Other Revenues	183,481	107,226	59,217	10,957
Total Revenues	<u>10,678,427</u>	<u>3,635,479</u>	<u>3,587,495</u>	<u>5,033,997</u>
EXPENDITURES				
Current:				
Security of Persons and Property	-	7,271,597	5,112,949	-
Public Health and Welfare	542,738	-	-	-
Leisure Time Activities	-	-	-	-
Community Development	1,378,952	-	-	365,000
Transportation	-	-	-	1,469,606
General Government	2,893,894	-	-	-
Capital Outlay	80,723	-	36,768	2,478,224
Debt Service:	-	-	-	-
Principal Retirement	-	-	-	30,350
Interest and Fiscal Charges	-	-	-	10,916
Debt Issuance Costs	-	-	-	1,790
Total Expenditures	<u>4,896,307</u>	<u>7,271,597</u>	<u>5,149,717</u>	<u>4,355,886</u>
Excess of Revenues Over/(Under) Expenditures	<u>5,782,120</u>	<u>(3,636,118)</u>	<u>(1,562,222)</u>	<u>678,111</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	90	659	36,513	-
OPWC Loans Issued	-	-	-	342,409
Transfers In	-	3,200,000	2,000,000	-
Transfers Out	(5,401,943)	-	-	-
Total Other Financing Sources (Uses)	<u>(5,401,853)</u>	<u>3,200,659</u>	<u>2,036,513</u>	<u>342,409</u>
Net Change in Fund Balances	380,267	(435,459)	474,291	1,020,520
Fund Balances (Deficit) - Beginning of Year, Restated	14,366,131	1,596,631	2,347,567	5,660,804
Fund Balances (Deficit) - End of Year	<u>\$ 14,746,398</u>	<u>\$ 1,161,172</u>	<u>\$ 2,821,858</u>	<u>\$ 6,681,324</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, 2019</i>	
Police Facilities	Other Governmental Funds	Total Governmental Funds		
\$ -	\$ 1,548,649	\$ 3,186,743	Net Change in Fund Balances-Total Governmental Funds	\$ 3,417,267
1,801,313	1,011,340	16,626,196		
-	-	354,912	<i>Amounts reported for Governmental Activities in the Statement of Activities are different because:</i>	
-	457,473	457,473	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.	
-	1,527,939	4,650,973		
-	65,143	1,248,546		
-	-	66,890		
-	12,485	324,928		
-	865,645	2,798,620		
-	384,050	384,325		
-	115,635	264,583		
-	177,951	538,832		
<u>1,801,313</u>	<u>6,166,310</u>	<u>30,903,021</u>	Capital outlay	\$ 2,893,844
			Depreciation	(2,438,289)
			Total	455,555
-	516,634	12,901,180	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.	(7,190)
-	-	542,738		
-	1,998,691	1,998,691		
-	180,967	1,924,919		
-	1,966,709	3,436,315		
164,306	-	3,058,200	Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
-	298,129	2,893,844		
260,000	147,124	437,474	Delinquent property taxes	(6,412)
410,736	235,415	657,067	Municipal income taxes	718,402
19,776	8,365	29,931	Special assessments	(171,967)
<u>854,818</u>	<u>5,352,034</u>	<u>27,880,359</u>	Intergovernmental	(1,262)
<u>946,495</u>	<u>814,276</u>	<u>3,022,662</u>	Charges for services	(51,617)
			Total	487,144
-	14,934	52,196	Other financing sources in the Governmental Funds increase long-term liabilities in the Statement of Net Position. These sources were	(342,409)
-	-	342,409		
-	201,943	5,401,943	Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
-	-	(5,401,943)		
-	216,877	394,605	Pension	2,104,917
946,495	1,031,153	3,417,267	OPEB	42,595
(2,148,144)	3,663,581	25,486,570	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.	
<u>\$ (1,201,649)</u>	<u>\$ 4,694,734</u>	<u>\$ 28,903,837</u>	Pension	(5,370,783)
			OPEB	12,884,772
			Repayment of debt principal are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	437,474
			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.	
			Compensated absences	(1,893,194)
			Workers' compensation claims	51,434
			Amortization of premiums	42,068
			Accrued interest on bonds	893
			Total	(1,798,799)
			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.	(163,949)
			Change in Net Position of Governmental Activities	<u>\$ 12,146,594</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
 General Fund
 For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$ 1,388,186	\$ 1,493,377	\$ 1,638,094	\$ 144,717
Other Local Taxes	301,174	355,000	355,393	393
Intergovernmental	1,405,329	1,609,621	1,612,210	2,589
Interest	561,636	510,000	662,744	152,744
Fees, Licenses and Permits	71,984	141,102	75,433	(65,669)
Fines and Forfeits	254,026	302,000	299,757	(2,243)
Charges for Services	1,675,916	1,972,542	1,977,622	5,080
Contributions and Donations	212	50	250	200
Miscellaneous	130,218	151,000	152,708	1,708
Total Revenues	<u>5,788,681</u>	<u>6,534,692</u>	<u>6,774,211</u>	<u>239,519</u>
Expenditures				
Current:				
Public Health and Welfare	630,163	655,163	335,145	320,018
Community Development	1,804,201	1,888,172	1,619,003	269,169
General Government	3,569,389	3,769,008	2,875,506	893,502
Total Expenditures	<u>6,003,753</u>	<u>6,312,343</u>	<u>4,829,654</u>	<u>1,482,689</u>
Excess of Revenues Over (Under) Expenditures	(215,072)	222,349	1,944,557	1,722,208
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	924	1,000	1,090	90
Advances In	106,000	106,000	106,000	-
Transfer In	3,600,000	3,600,000	3,600,000	-
Transfers Out	(5,320,000)	(5,332,057)	(5,331,943)	114
Total Other Financing Sources (Uses)	<u>(1,613,076)</u>	<u>(1,625,057)</u>	<u>(1,624,853)</u>	<u>204</u>
Net Change in Fund Balance	(1,828,148)	(1,402,708)	319,704	1,722,412
Fund Balance - Beginning of Year	5,058,411	5,058,411	5,058,411	-
Prior Year Encumbrances Appropriated	458,038	458,038	458,038	-
Fund Balance - End of Year	<u>\$ 3,688,301</u>	<u>\$ 4,113,741</u>	<u>\$ 5,836,153</u>	<u>\$ 1,722,412</u>

See accompanying notes to the basic financial statements.

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, 2019*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Intergovernmental	\$ 16,000	\$ -	\$ -	\$ -
Miscellaneous	169,067	6,033	116,293	110,260
Total Revenues	<u>185,067</u>	<u>6,033</u>	<u>116,293</u>	<u>110,260</u>
Expenditures				
Current:				
Security of Persons and Property				
Police				
Personal Services	7,010,447	7,010,447	6,661,605	348,842
Other	715,561	715,561	605,895	109,666
Total Expenditures	<u>7,726,008</u>	<u>7,726,008</u>	<u>7,267,500</u>	<u>458,508</u>
Excess of Revenues Over (Under) Expenditures	(7,540,941)	(7,719,975)	(7,151,207)	568,768
Other Financing Sources				
Proceeds from Sale of Capital Assets	1,000	34	659	625
Transfers In	6,723,933	6,723,933	6,723,933	-
Total Other Financing Sources	<u>6,724,933</u>	<u>6,723,967</u>	<u>6,724,592</u>	<u>625</u>
Net Change in Fund Balance	(816,008)	(996,008)	(426,615)	569,393
Fund Balance - Beginning of Year	1,221,232	1,221,232	1,221,232	-
Prior Year Encumbrances Appropriated	37,861	37,861	37,861	-
Fund Balance - End of Year	<u>\$ 443,085</u>	<u>\$ 263,085</u>	<u>\$ 832,478</u>	<u>\$ 569,393</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, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 23,095	\$ -	\$ -	\$ -
Contributions and Donations	675	675	25	(650)
Miscellaneous	352,297	64,297	65,262	965
Total Revenues	<u>376,067</u>	<u>64,972</u>	<u>65,287</u>	<u>315</u>
Expenditures				
Current:				
Security of Persons and Property				
Fire				
Personal Services	4,735,381	4,745,381	4,503,703	241,678
Other	524,913	528,913	484,728	44,185
Capital Outlay	848,030	1,396,245	848,272	547,973
Total Expenditures	<u>6,108,324</u>	<u>6,670,539</u>	<u>5,836,703</u>	<u>833,836</u>
Excess of Revenues Over (Under) Expenditures	(5,732,257)	(6,605,567)	(5,771,416)	834,151
Other Financing Sources				
Proceeds from Sale of Capital Assets	1,000	1,000	36,513	35,513
Transfers In	5,523,933	5,355,028	5,523,933	168,905
Total Other Financing Sources	<u>5,524,933</u>	<u>5,356,028</u>	<u>5,560,446</u>	<u>204,418</u>
Net Change in Fund Balance	(207,324)	(1,249,539)	(210,970)	1,038,569
Fund Balance - Beginning of Year	1,780,220	1,780,220	1,780,220	-
Prior Year Encumbrances Appropriated	334,219	334,219	334,219	-
Fund Balance - End of Year	<u>\$ 1,907,115</u>	<u>\$ 864,900</u>	<u>\$ 1,903,469</u>	<u>\$ 1,038,569</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, 2019

	Enterprise Funds				Total	Governmental Activities
	Water	Sewer	Storm Water Drainage	Nonmajor - Solid Waste		Internal Service Fund
ASSETS						
Current Assets:						
Equity in Pooled Cash and Cash Equivalents	\$ 1,759,368	\$ 2,059,947	\$ 1,434,370	\$ 1,037,571	\$ 6,291,256	\$ 819,686
Materials and Supplies Inventory	74,563	13,370	-	-	87,933	-
Accounts Receivable	563,522	598,174	163,937	72,178	1,397,811	18,351
Prepaid Items	49,745	45,696	9,302	1,525	106,268	-
Special Assessments Receivable	215,130	96,212	289,230	-	600,572	-
Total Current Assets	2,662,328	2,813,399	1,896,839	1,111,274	8,483,840	838,037
Noncurrent Assets:						
Cash Surrender Value of Life Insurance Policies	-	-	-	-	-	256,735
Net Pension Asset	9,084	10,372	2,200	350	22,006	-
Capital Assets:						
Land	1,340,365	412,575	72,596	-	1,825,536	-
Construction in Progress	1,450,755	1,126,017	579,831	-	3,156,603	-
Depreciable Assets, Net of Depreciation	12,742,155	22,185,644	13,676,641	-	48,604,440	-
Total Noncurrent Assets	15,542,359	23,734,608	14,331,268	350	53,608,585	256,735
Total Assets	18,204,687	26,548,007	16,228,107	1,111,624	62,092,425	1,094,772
DEFERRED OUTFLOWS OF RESOURCES						
Pension	896,993	1,024,101	217,088	34,679	2,172,861	-
OPEB	129,646	148,031	31,378	5,057	314,112	-
Total Deferred Outflows of Resources	1,026,639	1,172,132	248,466	39,736	2,486,973	-
LIABILITIES						
Current Liabilities:						
Accounts Payable	69,391	212,478	15,902	16,364	314,135	-
Accrued Wages and Benefits	46,168	54,564	9,893	1,779	112,404	-
Compensated Absences Payable	95,512	114,097	27,049	3,033	239,691	-
Contracts and Retainage Payable	59,076	31,453	-	-	90,529	-
Interfund Payable	-	-	16,000	101,466	117,466	1,525,000
Accrued Interest Payable	-	1,913	-	-	1,913	-
Health Insurance Claims Payable	-	-	-	-	-	228,128
Notes Payable	-	256,542	-	-	256,542	-
OWDA and OPWC Loans Payable	46,773	257,649	4,984	-	309,406	-
Total Current Liabilities	316,920	928,696	73,828	122,642	1,442,086	1,753,128
Noncurrent Liabilities:						
Compensated Absences Payable	184,849	263,161	68,572	7,379	523,961	-
OWDA and OPWC Loans Payable	270,684	1,286,511	127,601	-	1,684,796	-
Net Pension Liability	2,945,237	3,362,916	712,862	113,466	7,134,481	-
Net OPEB Liability	1,393,728	1,591,380	337,337	53,694	3,376,139	-
Total Noncurrent Liabilities	4,794,498	6,503,968	1,246,372	174,539	12,719,377	-
Total Liabilities	5,111,418	7,432,664	1,320,200	297,181	14,161,463	1,753,128
DEFERRED INFLOWS OF RESOURCES						
Pension	72,190	58,939	12,044	1,742	144,915	-
OPEB	23,119	10,178	1,846	146	35,289	-
Total Deferred Inflows of Resources	95,309	69,117	13,890	1,888	180,204	-
NET POSITION						
Net Investment in Capital Assets	15,215,818	21,923,534	14,196,483	-	51,335,835	-
Unrestricted	(1,191,219)	(1,705,176)	946,000	852,291	(1,098,104)	(658,356)
Total Net Position	\$ 14,024,599	\$ 20,218,358	\$ 15,142,483	\$ 852,291	\$ 49,397,662	\$ (658,356)

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.

(840,069)
\$ 49,397,662

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, 2019

	Enterprise Funds				Total	Governmental Activities
	Water	Sewer	Storm Water Drainage	Nonmajor - Solid Waste		Internal Service Fund
OPERATING REVENUES						
Charges for Services	\$ 3,832,041	\$ 3,874,148	\$ 1,007,223	\$ 411,563	\$ 9,124,975	\$ 3,459,510
Miscellaneous	36,508	53,885	9,312	282	99,987	112
Total Operating Revenues	<u>3,868,549</u>	<u>3,928,033</u>	<u>1,016,535</u>	<u>411,845</u>	<u>9,224,962</u>	<u>3,459,622</u>
OPERATING EXPENSES						
Salaries	1,790,055	2,095,865	453,868	69,029	4,408,817	-
Fringe Benefits	1,156,733	1,344,361	280,283	46,528	2,827,905	-
Materials and Supplies	377,046	211,226	-	100	588,372	-
Utilities	221,655	228,031	-	-	449,686	-
Contractual Services	323,369	461,000	61,890	131,779	978,038	559,945
Depreciation	584,991	895,412	371,360	-	1,851,763	-
Claims	-	-	-	-	-	3,139,505
Other	12,490	24,006	-	-	36,496	-
Total Operating Expense	<u>4,466,339</u>	<u>5,259,901</u>	<u>1,167,401</u>	<u>247,436</u>	<u>11,141,077</u>	<u>3,699,450</u>
Operating Income (Loss)	<u>(597,790)</u>	<u>(1,331,868)</u>	<u>(150,866)</u>	<u>164,409</u>	<u>(1,916,115)</u>	<u>(239,828)</u>
NONOPERATING REVENUES (EXPENSES)						
Gain on Sale of Capital Assets	264	915	-	-	1,179	-
(Loss) on Sale of Capital Assets	-	(38,292)	-	-	(38,292)	-
Interest	2,427	1,577	-	-	4,004	10,351
Interest and Fiscal Charges	(4,711)	(56,898)	-	-	(61,609)	-
Total Nonoperating Revenues (Expenses)	<u>(2,020)</u>	<u>(92,698)</u>	<u>-</u>	<u>-</u>	<u>(94,718)</u>	<u>10,351</u>
Capital Contributions	517,416	5,779	149,128	-	672,323	-
Change in Net Position	(82,394)	(1,418,787)	(1,738)	164,409	(1,338,510)	(229,477)
Net Position - Beginning of Year, Restated	14,106,993	21,637,145	15,144,221	687,882		(428,879)
Net Position - End of Year	<u>\$ 14,024,599</u>	<u>\$ 20,218,358</u>	<u>\$ 15,142,483</u>	<u>\$ 852,291</u>		<u>\$ (658,356)</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.

(65,528)
\$ (1,404,038)

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, 2019

	Enterprise Funds					Governmental
	Water	Sewer	Storm Water Drainage	Nonmajor - Solid Waste	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from Charges for Services	\$ 3,821,360	\$ 3,889,195	\$ 1,004,836	\$ 399,966	\$ 9,115,357	\$ 3,459,510
Other Cash Receipts	39,228	57,512	9,916	282	106,938	112
Cash Payments to Employees for Services	(1,617,891)	(1,852,627)	(392,821)	(62,450)	(3,925,789)	-
Cash Payments for Employee Benefits	(627,468)	(700,427)	(142,927)	(24,122)	(1,494,944)	-
Cash Payments for Goods and Services	(872,444)	(840,722)	(47,156)	(127,163)	(1,887,485)	(545,080)
Cash Payments for Claims	-	-	-	-	-	(3,060,267)
Other Cash Payments	(3,276)	(9,648)	-	-	(12,924)	-
Net Cash Provided by (Used in) Operating Activities	<u>739,509</u>	<u>543,283</u>	<u>431,848</u>	<u>186,513</u>	<u>1,901,153</u>	<u>(145,725)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Advances In	-	-	-	-	-	400,000
Advances Out	(32,100)	(38,980)	(110,000)	(109,000)	(290,080)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(32,100)</u>	<u>(38,980)</u>	<u>(110,000)</u>	<u>(109,000)</u>	<u>(290,080)</u>	<u>400,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital Grants and Contributions	495,168	-	148,328	-	643,496	-
Tap-in Fees	22,248	5,779	800	-	28,827	-
Special Assessments	40,686	32,363	23,298	-	96,347	-
Proceeds from Notes	-	255,000	-	-	255,000	-
Premium on Notes	-	2,313	-	-	2,313	-
Proceeds from Loans	52,515	-	1,491	-	54,006	-
Principal Paid on OWDA/OPWC Loans	(47,823)	(249,714)	(9,967)	-	(307,504)	-
Principal Paid on Notes	-	(315,000)	-	-	(315,000)	-
Interest Paid on OWDA/OPWC Loans	(4,711)	(53,825)	-	-	(58,536)	-
Interest Paid on Notes	-	(6,997)	-	-	(6,997)	-
Payments for Capital Acquisitions	(1,688,189)	(338,361)	(403,651)	-	(2,430,201)	-
Proceeds from Sale of Capital Assets	264	915	-	-	1,179	-
Net Cash Used in Capital and Related Financing Activities	<u>(1,129,842)</u>	<u>(667,527)</u>	<u>(239,701)</u>	<u>-</u>	<u>(2,037,070)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on Investments	2,427	1,577	-	-	4,004	-
Net Cash Provided by Investing Activities	<u>2,427</u>	<u>1,577</u>	<u>-</u>	<u>-</u>	<u>4,004</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(420,006)	(161,647)	82,147	77,513	(421,993)	254,275
Cash and Cash Equivalents - Beginning of Year	2,179,374	2,221,594	1,352,223	960,058	6,713,249	565,411
Cash and Cash Equivalents - End of Year	<u>\$ 1,759,368</u>	<u>\$ 2,059,947</u>	<u>\$ 1,434,370</u>	<u>\$ 1,037,571</u>	<u>\$ 6,291,256</u>	<u>\$ 819,686</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, 2019

	Enterprise Funds				Total	Governmental Activities
	Water	Sewer	Storm Water Drainage	Nonmajor - Solid Waste		Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS)						
TO NET CASH PROVIDED BY (USED IN) OPERATING						
ACTIVITIES						
Operating Income (Loss)	\$ (597,790)	\$ (1,331,868)	\$ (150,866)	\$ 164,409	\$ (1,916,115)	\$ (239,828)
Adjustments:						
Depreciation	584,991	895,412	371,360	-	1,851,763	-
Premium charged for Life Insurance Policies	-	-	-	-	-	14,865
(Increase) Decrease in Assets:						
Accounts Receivable	(7,961)	18,674	(1,783)	(11,597)	(2,667)	(18,351)
Materials and Supplies Inventory	9,170	(3,111)	-	-	6,059	-
Prepaid Items	(2,738)	1,197	(822)	(1,500)	(3,863)	-
Net Pension Asset	(801)	(915)	(195)	(31)	(1,942)	-
Deferred Outflows of Resources - Pension	(486,995)	(556,132)	(117,891)	(18,632)	(1,179,650)	-
Deferred Outflows of Resources - OPEB	(43,630)	(49,816)	(10,559)	(1,624)	(105,629)	-
Increase (Decrease) in Liabilities:						
Accounts Payable	54,139	77,884	15,902	6,216	154,141	-
Accrued Wages and Benefits	2,542	3,877	244	251	6,914	-
Compensated Absences Payable	167,922	237,433	60,428	6,362	472,145	-
Workers' Compensation Claims Payable	(7,006)	(8,125)	(1,558)	(260)	(16,949)	-
Net Pension Liability	1,289,557	1,472,436	312,123	49,680	3,123,796	-
Net OPEB Liability	259,284	296,055	62,757	9,989	628,085	-
Deferred Inflows of Resources - Pension	(382,734)	(412,174)	(86,899)	(13,640)	(895,447)	-
Deferred Inflows of Resources - OPEB	(98,441)	(97,544)	(20,393)	(3,110)	(219,488)	-
Health Insurance Claims Payable	-	-	-	-	-	97,589
Net Cash Provided by (Used in) Operating Activities	\$ 739,509	\$ 543,283	\$ 431,848	\$ 186,513	\$ 1,901,153	\$ (145,725)
<u>Schedule of Non-Cash Investing, Capital, and Financing Activities:</u>						
Net impact of accruals related to capital assets.	\$ 7,725	\$ (41,477)	\$ 8,926	\$ -	\$ (24,826)	\$ -

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

City of Kent, Ohio
Statement of Fiduciary Net Position
Custodial Fund
December 31, 2019

	Custodial Fund
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 138,181
Receivables:	
Accounts	13,347
Total Assets	<u>151,528</u>
LIABILITIES	
Due to External Parties	159,694
Total Liabilities	<u>159,694</u>
NET POSITION	
Individuals, Organizations, and Other Governments	(8,166)
Total Net Position	<u><u>\$ (8,166)</u></u>

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

City of Kent, Ohio
Statement of Changes in Fiduciary Net Position
Custodial Fund
For the Year Ended December 31, 2019

	Custodial Fund
ADDITIONS	
Licenses, Permits, & Fees Distributions for Other Governments	\$ 211,438
Miscellaneous	20,624
Total Additions	<u>232,062</u>
DEDUCTIONS	
Licenses, Permits, & Fees Distributions to Other Governments	228,018
Distributions to Individuals	12,210
Total Deductions	<u>240,228</u>
Net (Decrease) in Fiduciary Net Position	(8,166)
Net Position - Beginning of Year	-
Net Position - End of Year	<u><u>\$ (8,166)</u></u>

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

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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, 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 and discretely presented 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. The discretely presented component unit is reported in a separate column in the government-wide financial statement to emphasize that it is legally separate from the 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 not issue separate audited financial statements.

Discretely Presented Component Unit City of Kent Health District provides numerous health-related services to the citizens of Kent. Services include: 1) annual licensing and inspections of restaurants, food service establishments, food vending machines, public swimming pools, tattoo and body art establishments, sanitation vehicles and multiple use housing units; 2) inspections of public schools and child care centers; 3) inspections of private well and septic systems inside the city limits; 4) rodent and mosquito control programs; 5) communicable disease prevention and treatment programs; 6) health education and tobacco free programs.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Based on the significant services and resources provided by the City to the Health District of the City, the City has chosen the discrete method of presentation for the Health District. The discrete method of presentation requires component unit data to be reported together with, but separately from the data of the primary government in the government-wide financial statements. The Health District operates on a fiscal year ending December 31. Separately issued financial statements can be obtained from the Budget and Finance Department, City of Kent, 930 Overholt Road, Kent, Ohio 44240, telephone (330) 678-8102.

Information in the following notes to the basic financial statements is applicable to the primary government. When information is provided relative to the component unit, it is specifically identified.

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.

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-types 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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Fund Financial Statements During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level, 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.

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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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.

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 (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The City's fiduciary fund is one custodial fund. The custodial fund is used to account for building code and state fees due to other governments.

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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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.

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.

Unearned revenue arises when assets are recognized before revenue recognition criteria has been satisfied.

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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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, 2019, but which were levied to finance year 2020 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes 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 2019, 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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

For 2019, 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.

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 2019 amounted to \$1,183,403, which includes \$504,578 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, 2019 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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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.

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 Health District 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 vesting method. An accrual for earned sick leave is made to the extent that is probable that benefits will result in termination payments. The amount is based on accumulated sick leave and employees’ wage rates at year-end, taking into consideration any limits specified in the Health District's vesting policy. The Health District records a liability for accumulated unused sick leave for employees after ten years of current service with the Health District.

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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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.

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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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.

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 several 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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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.

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 2019.

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, the blended component unit (included as a nonmajor special revenue fund) and the discretely presented component unit, 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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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. 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 and Fund Balance

Changes in Accounting Principles

During the year, the City implemented the following Governmental Accounting Standards Board (GASB) Statements:

GASB Statement No. 84, *Fiduciary Activities*. This Statement established specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. The City reviewed its fiduciary funds and certain funds will be reported in the new fiduciary fund classification of custodial funds while other funds have been reclassified as governmental funds. These changes were incorporated in the City's 2019 financial statements; however, there was no effect on the beginning net position/fund balance.

GASB Statement No. 95, *Postponement of the Effect Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The City has postponed the implementation of GASB Statement No. 83, GASB Statement No. 88 and GASB Statement No. 90.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Restatement of Net Position and Fund Balance

The City health department is considered legally separate from the City, therefore the City had to restate to reflect the City health department as the City of Kent Health District as a discretely presented component unit rather than a department of the City. It had the following effect on the fund balance and net position:

	General Fund	Income Tax Safety	Fire and Emergency Medical Services	Capital Projects	Police Facilities	Other Governmental	Total
Fund Balance December 31, 2018	\$ 14,350,156	\$ 1,596,631	\$ 2,347,567	\$ 5,660,804	\$ (2,148,144)	\$ 3,858,553	\$ 25,665,567
Adjustments:							
Health Department	15,975	-	-	-	-	(194,972)	(178,997)
Restated Fund Balance December 31, 2018	<u>\$ 14,366,131</u>	<u>\$ 1,596,631</u>	<u>\$ 2,347,567</u>	<u>\$ 5,660,804</u>	<u>\$ (2,148,144)</u>	<u>\$ 3,663,581</u>	<u>\$ 25,486,570</u>

	Water	Sewer	Storm Water Drainage	Solid Waste	Total
Net Position December 31, 2018	\$ 14,046,560	\$ 21,609,878	\$ 15,139,241	\$ 687,630	\$ 51,483,309
Adjustments:					
Health Department	60,433	27,267	4,980	252	92,932
Restated Net Position December 31, 2018	<u>\$ 14,106,993</u>	<u>\$ 21,637,145</u>	<u>\$ 15,144,221</u>	<u>\$ 687,882</u>	<u>\$ 51,576,241</u>

	Governmental Activities	Business -Type Activities	Component Unit
Net Position December 31, 2018	\$ 65,496,534	\$ 50,708,768	\$ -
Adjustments:			
Health Department	431,779	92,932	(524,711)
Restated Net Position December 31, 2018	<u>\$ 65,928,313</u>	<u>\$ 50,801,700</u>	<u>\$ (524,711)</u>

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 4 – Accountability and Compliance

Fund Deficits

As of December 31, 2019, the City's Muni PI Tax Increment Equivalent Fund and Police Facilities reported deficit fund balances of \$423,930 and \$1,201,649, 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).

The table on the next page summarizes 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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

	General	Income Tax Safety	Fire and Emergency Medical Services
Fund Balance - Budget Basis	\$5,836,153	\$832,478	\$1,903,469
Net Adjustment			
Revenue Accruals	3,746,154	879,265	845,906
Deferred Inflows	(2,640,461)	(576,667)	(576,667)
Expenditure Accruals	(190,830)	(189,997)	(130,815)
Assets Held for Resale	134,500	0	0
Inventories/Prepays	45,071	156,764	65,097
Investment Valuation	203,034	0	0
Funds Budgeted elsewhere	7,210,633	0	0
Encumbrances	402,144	59,329	714,868
Fund Balance - GAAP Basis	<u>\$14,746,398</u>	<u>\$1,161,172</u>	<u>\$2,821,858</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, 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;

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

- 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, 2019.

Cash on Hand

At December 31, 2019, 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, 2019, the carrying value of the City's deposits was \$3,116,323 (including \$233,020 of component unit cash). The cash balances per the banks were \$2,011,871, of which \$742,763 was insured by Federal depository insurance and \$295,842 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name, and \$973,266 was uninsured and uncollateralized. The City's financial institutions were approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System, resulting in the uninsured and uncollateralized balance.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(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, 2019. 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, 2019, fair value was \$207,814 above 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, 2019, 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	\$2,462,892	N/A	Daily	N/A	7.30%
U.S. Agencies Debt Securities	22,608,679	AA+	Various Maturities	2	66.99%
Money Market Mutual Funds	24,581	N/A	Daily	N/A	0.07%
Negotiable Certificate of Deposit	8,654,894	N/A	Various Maturities	2	25.64%
Total Investments	\$33,751,046				100.00%

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(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, 2019.

Investments	\$33,751,046
Carrying amount of the City's Deposits	3,116,323
Cash on Hand	1,105
Total	\$36,868,474
 <i>Governmental Activities</i>	
Governmental Funds	
Equity in Pooled Cash and Cash Equivalents	\$29,321,470
Cash and Cash Equivalents in Segregated Accounts	64,861
Internal Service Funds	
Equity in Pooled Cash and Cash Equivalents	819,686
Total Governmental Activities	30,206,017
 <i>Business-Type Activities</i>	
Enterprise Funds	
Equity in Pooled Cash and Cash Equivalents	6,291,256
 <i>Custodial Fund</i>	
	138,181
 <i>Component Unit</i>	
	233,020
Total	\$36,868,474

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City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(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	\$ 49,076	\$ 121,004	\$ 65,097	\$ 9,413	\$ -	\$ 51,136	\$ 295,726
Inventories	-	35,760	-	-	-	540,578	576,338
Interfund Balances	1,764,466	-	-	-	-	-	1,764,466
Assets Held for Resale	134,500	-	-	-	-	-	134,500
<i>Total Nonspendable</i>	<u>1,948,042</u>	<u>156,764</u>	<u>65,097</u>	<u>9,413</u>	<u>-</u>	<u>591,714</u>	<u>2,771,030</u>
<i>Restricted for</i>							
Police Pension	-	-	-	-	-	44,148	44,148
Fire Pension	-	-	-	-	-	44,152	44,152
Public Safety	-	1,004,408	2,756,761	-	-	282,647	4,043,816
Other Law Enforcement	-	-	-	-	-	56,307	56,307
Streets and Highways	-	-	-	-	-	1,412,518	1,412,518
Parks and Recreation	-	-	-	-	-	488,034	488,034
Community Development	-	-	-	-	-	1,901,417	1,901,417
Debt Service	-	-	-	-	-	297,727	297,727
<i>Total Restricted</i>	<u>-</u>	<u>1,004,408</u>	<u>2,756,761</u>	<u>-</u>	<u>-</u>	<u>4,526,950</u>	<u>8,288,119</u>
<i>Committed to</i>							
Public Facilities and Programs	2,404,538	-	-	-	-	-	2,404,538
Capital Improvement	-	-	-	6,671,911	-	-	6,671,911
<i>Total Committed</i>	<u>2,404,538</u>	<u>-</u>	<u>-</u>	<u>6,671,911</u>	<u>-</u>	<u>-</u>	<u>9,076,449</u>
<i>Assigned to</i>							
Community and Economic Development	177,252	-	-	-	-	-	177,252
General Governance	172,877	-	-	-	-	-	172,877
<i>Total Assigned</i>	<u>350,129</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350,129</u>
<i>Unassigned (Deficit)</i>	<u>10,043,689</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,201,649)</u>	<u>(423,930)</u>	<u>8,418,110</u>
Total Fund Balances	<u><u>\$ 14,746,398</u></u>	<u><u>\$ 1,161,172</u></u>	<u><u>\$ 2,821,858</u></u>	<u><u>\$ 6,681,324</u></u>	<u><u>\$ (1,201,649)</u></u>	<u><u>\$ 4,694,734</u></u>	<u><u>\$ 28,903,837</u></u>

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(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 2018 tax levy was based was \$415,186,660.

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, 2019
(Continued)

Note 10 – Interfund Activities

As of December 31, 2019, individual funds due to/from other funds that resulted from various interfund transactions were as follows:

<u>RECEIVABLE FUND</u>	<u>PAYABLE FUND</u>				<u>Total</u>
	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		
	Nonmajor	Internal Service	Storm Water Drainage	Nonmajor - Solid Waste	
<i>Governmental Funds</i>					
General	\$122,000	\$1,525,000	\$ 16,000	\$101,466	\$1,764,466

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, 2019, the balance of the manuscript debt was \$47,000, with the full amount due within one year.

Transfers made during the year ended December 31, 2019 were as follows:

<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
<i>Governmental Activities</i>	<i>Governmental</i>
	General
Income Tax Safety	\$3,200,000
Fire and Emergency Medical Services	2,000,000
Nonmajor Fund	201,943
Total Governmental Activities	\$5,401,943

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(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 \$228,128 reported in the fund at December 31, 2019, 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 2018 and 2019 were:

	<u>Beginning of Year</u>	<u>Claims</u>	<u>Payments</u>	<u>End of Year</u>
2018	\$ 144,860	\$ 2,887,500	\$ 2,901,821	\$ 130,539
2019	130,539	3,157,856	3,060,267	228,128

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, 2019
(Continued)

During 2019, 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.

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City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 12 - Capital Assets

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

	Restated Balance 12/31/18	Additions	Deletions	Balance 12/31/19
Governmental Activities				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$11,127,427	\$31,644	\$0	\$11,159,071
Construction in Progress	<u>33,966,609</u>	<u>2,351,657</u>	<u>(2,526,773)</u>	<u>33,791,493</u>
<i>Total Capital Assets, Not Being Depreciated</i>	<u>45,094,036</u>	<u>2,383,301</u>	<u>(2,526,773)</u>	<u>44,950,564</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings, Structures and Improvements	13,762,605	27,695	(162,701)	13,627,599
Vehicles, Machinery and Equipment	11,372,562	482,848	(47,779)	11,807,631
Infrastructure:				
Roads	57,841,348	1,191,630	0	59,032,978
Bridges	4,540,122	0	0	4,540,122
Sidewalks	54,014	1,335,143	0	1,389,157
Traffic Signals	<u>4,117,179</u>	<u>0</u>	<u>0</u>	<u>4,117,179</u>
<i>Total Capital Assets, Being Depreciated</i>	<u>91,687,830</u>	<u>3,037,316</u>	<u>(210,480)</u>	<u>94,514,666</u>
Less Accumulated Depreciation:				
Buildings, Structures and Improvements	(6,240,417)	(258,012)	155,511	(6,342,918)
Vehicles, Machinery and Equipment	(6,329,157)	(620,288)	47,779	(6,901,666)
Infrastructure:				
Roads	(29,604,221)	(1,241,027)	0	(30,845,248)
Bridges	(1,247,803)	(91,858)	0	(1,339,661)
Sidewalks	(51,115)	(25,566)	0	(76,681)
Traffic Signals	<u>(1,309,248)</u>	<u>(201,538)</u>	<u>0</u>	<u>(1,510,786)</u>
<i>Total Accumulated Depreciation</i>	<u>(44,781,961)</u>	<u>(2,438,289) *</u>	<u>203,290</u>	<u>(47,016,960)</u>
Total Capital Assets, Being Depreciated, Net	<u>46,905,869</u>	<u>599,027</u>	<u>(7,190)</u>	<u>47,497,706</u>
Governmental Activities Capital Assets, Net	<u>\$91,999,905</u>	<u>\$2,982,328</u>	<u>(\$2,533,963)</u>	<u>\$92,448,270</u>

* Depreciation expense was charged to governmental functions as follows:

<u>Governmental Activities</u>	
Security of Persons and Property	\$417,723
Leisure Time Activities	307,356
Community Development	12,571
Transportation	1,622,908
General Government	<u>77,731</u>
Total Depreciation Expense	<u>\$2,438,289</u>

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

	Balance 12/31/18	Additions	Deletions	Balance 12/31/19
Business-Type Activities				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$1,825,536	\$0	\$0	\$1,825,536
Construction in Progress	3,426,156	2,099,095	(2,368,648)	3,156,603
<i>Total Capital Assets, Not Being Depreciated</i>	<u>5,251,692</u>	<u>2,099,095</u>	<u>(2,368,648)</u>	<u>4,982,139</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings, Structures and Improvements	14,721,254	0	0	14,721,254
Vehicles, Machinery and Equipment	10,971,608	355,932	(41,230)	11,286,310
Infrastructure:				
Water Mains	17,313,187	1,461,234	0	18,774,421
Sanitary Sewers	28,321,175	675,191	0	28,996,366
Storm Water Drainage Lines	19,724,876	232,223	0	19,957,099
<i>Total Capital Assets, Being Depreciated</i>	<u>91,052,100</u>	<u>2,724,580</u>	<u>(41,230)</u>	<u>93,735,450</u>
Less Accumulated Depreciation:				
Buildings, Structures and Improvements	(10,959,945)	(300,933)	0	(11,260,878)
Vehicles, Machinery and Equipment	(8,297,055)	(301,081)	2,938	(8,595,198)
Infrastructure:				
Water Mains	(7,336,549)	(328,662)	0	(7,665,211)
Sanitary Sewers	(10,585,792)	(566,190)	0	(11,151,982)
Storm Water Drainage Lines	(6,102,844)	(354,897)	0	(6,457,741)
<i>Total Accumulated Depreciation</i>	<u>(43,282,185)</u>	<u>(1,851,763) *</u>	<u>2,938</u>	<u>(45,131,010)</u>
Total Capital Assets, Being Depreciated, Net	<u>47,769,915</u>	<u>872,817</u>	<u>(38,292)</u>	<u>48,604,440</u>
Business-Type Activities Capital Assets, Net	<u><u>\$53,021,607</u></u>	<u><u>\$2,971,912</u></u>	<u><u>(\$2,406,940)</u></u>	<u><u>\$53,586,579</u></u>

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

Business-Type Activities	
Water Fund	\$584,991
Sewer Fund	895,412
Storm Water Drainage Fund	371,360
	<u><u>\$1,851,763</u></u>

City of Kent, Ohio
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For the Year Ended December 31, 2019
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Capital asset activity for the component unit the year ended December 31, 2019, was as follows:

	<u>Restated Balance 12/31/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/19</u>
Component Unit				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	<u>\$36,630</u>	<u>\$0</u>	<u>\$0</u>	<u>\$36,630</u>
<i>Capital Assets, Being Depreciated:</i>				
Vehicles, Machinery and Equipment	<u>99,012</u>			<u>99,012</u>
Less Accumulated Depreciation:				
Vehicles, Machinery and Equipment	<u>(50,352)</u>	<u>(6,706)</u>	<u>0</u>	<u>(57,058)</u>
Total Capital Assets, Being Depreciated, Net	<u>48,660</u>	<u>(6,706)</u>	<u>0</u>	<u>41,954</u>
Component Unit Capital Assets, Net	<u><u>\$85,290</u></u>	<u><u>(\$6,706)</u></u>	<u><u>\$0</u></u>	<u><u>\$78,584</u></u>

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City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 13 – Defined Benefit Pension Plans

Net Pension Liability/Asset

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

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

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, 2019
(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 60 months 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. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for calculation of the annual cost-of-living adjustment.

When a traditional plan 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, 2019
(Continued)

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the members' contributions plus or minus the investment gains or losses resulting from the members' investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

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

	State and Local
2019 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2019 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 (including the component unit) contractually required contributions was \$1,212,741 for fiscal year ending December 31, 2019.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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

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

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 participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the members' base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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

	Police	Firefighters
2019 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 2019 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 \$1,471,258 for 2019. Of this amount, \$30,029 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/asset for OPERS was measured as of December 31, 2018, and the total pension liability/asset used to calculate the net pension liability/asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net pension liability/asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

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	0.059786%	0.034467%	0.145079%	0.153006%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.060919%	0.046018%	0.145088%	0.153290%	
Change in Proportionate Share	0.001133%	0.011551%	0.000009%	0.000284%	
 Proportionate Share of the Net Pension Liability/(Asset) - City of Kent	 \$ 15,852,173	 \$ (48,891)	 \$ 11,843,015	 \$ 12,512,514	 \$ 40,158,811
Proportionate Share of the Net Pension Liability - Component Unit	832,306	(2,567)	-	-	829,739
Pension Expense	\$ 3,777,138	\$ 12,470	\$ 1,623,828	\$ 1,719,427	\$ 7,132,863

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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

	OPERS	OP&F Police	OP&F Fire	Total	Component Unit - OPERS
Deferred Outflows of Resources					
Net difference between projected and actual earnings on pension plan investments	\$2,162,118	\$1,459,049	\$1,541,533	\$5,162,700	\$113,520
Changes of assumptions	1,390,883	313,974	331,723	2,036,580	73,027
Differences between expected and actual experience	733	486,581	514,088	1,001,402	38
Changes in proportion and differences between City contributions and proportionate share of contributions	188,421	184,068	261,658	634,147	14,379
City contributions subsequent to the measurement date	1,152,243	707,471	763,787	2,623,501	60,498
Total Deferred Outflows of Resources	\$4,894,398	\$3,151,143	\$3,412,789	\$11,458,330	\$261,462
Deferred Inflows of Resources					
Differences between expected and actual experience	\$228,119	\$11,058	\$11,685	\$250,862	\$11,977
Changes in proportion and differences between City contributions and proportionate share of contributions	50,997	82,991	81,963	215,951	500
Total Deferred Inflows of Resources	\$279,116	\$94,049	\$93,648	\$466,813	\$12,477

\$2,683,999 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension (including the component unit) will be recognized in pension expense as follows:

	OPERS	OP&F Police	OP&F Fire	Total
Year Ending December 31:				
2020	\$1,608,809	\$748,517	\$794,632	\$3,151,958
2021	788,470	429,469	457,545	\$1,675,484
2022	208,030	449,674	502,278	\$1,159,982
2023	1,054,603	679,331	748,742	\$2,482,676
2024	(3,139)	42,632	52,157	91,650
Thereafter	(5,247)	-	-	(5,247)
Total	\$3,651,526	\$2,349,623	\$2,555,354	\$8,556,503

Actuarial Assumptions - OPERS

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

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2018, 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 percent simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

The total pension asset in the December 31, 2018, 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 percent simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

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

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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 was at a loss of 2.94 percent for 2018.

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 2018 and the long-term expected real rates of return:

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

Discount Rate The discount rate used to measure the total pension liability was 7.2 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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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 7.2 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 (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

City's proportionate share of the net pension liability/(asset)	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Traditional Pension Plan	\$ 24,647,827	\$ 16,684,479	\$ 10,066,865
Combined Plan	\$ (17,027)	\$ (51,458)	\$ (76,390)

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

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

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00 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
Cost of Living Adjustments	3.00 percent simple, 2.2 percent simple for increases 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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

<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. 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.

<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 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, 2018 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 year Expected Real Rate of Return **</u>
Cash and Cash Equivalents	0.00 %	0.80 %
Domestic Equity	16.00	5.50
Non-US Equity	16.00	5.90
Core Fixed Income *	23.00	2.60
U.S. Inflation Linked Bonds *	17.00	2.30
High Yield Fixed Income	7.00	4.80
Real Estate	12.00	6.10
Private Markets	8.00	8.40
Master Limited Partnerships	8.00	6.40
Private Credit	5.00	7.50
Real Assets	8.00	7.00
Total	120.00 %	

Note: Assumptions are geometric

* levered 2x

** numbers are net of expected inflation

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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

Discount Rate The total 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	\$ 32,013,665	\$ 24,355,529	\$ 17,956,051

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.

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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
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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 health care 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 post-employment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund post-employment 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. During 2019, health care is not being funded.

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Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 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 0 percent during calendar year 2018. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's (including the component unit) contractually required contribution was \$14,789 for 2019.

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

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2019, the portion of employer contributions allocated to health care was 0.5 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 \$34,869 for 2019. Of this amount, \$716 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, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net OPEB Liability			
Prior Measurement Date	0.059180%	0.298085%	
Proportion of the Net OPEB Liability			
Current Measurement Date	<u>0.060558%</u>	<u>0.298378%</u>	
Change in Proportionate Share	<u>0.001378%</u>	<u>0.000293%</u>	
Proportionate Share of the Net OPEB			
Liability - City of Kent	\$ 7,501,475	\$ 2,717,191	\$ 10,218,666
Proportionate Share of the Net OPEB			
Liability - Component Unit	393,859	-	393,859
OPEB Expense	\$ 800,671	\$ (13,332,383)	\$ (12,531,712)

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For the Year Ended December 31, 2019
(Continued)

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>	<u>Component Unit - OPERS</u>
Deferred Outflows of Resources				
Differences between expected and actual experience	\$ 2,541	\$ -	\$ 2,541	\$ 133
Changes of assumptions	241,856	1,408,461	1,650,317	12,699
Net difference between projected and actual earnings on pension plan investments	343,899	91,979	435,878	18,056
Changes in proportion and differences between City contributions and proportionate share of contributions	139,722	254,509	394,231	10,361
City contributions subsequent to the measurement date	<u>14,051</u>	<u>34,869</u>	<u>48,920</u>	<u>738</u>
Total Deferred Outflows of Resources	<u>\$ 742,069</u>	<u>\$ 1,789,818</u>	<u>\$ 2,531,887</u>	<u>\$ 41,987</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$ 20,354	\$ 72,799	\$ 93,153	\$ 1,069
Changes of assumptions	-	752,247	752,247	-
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>26,129</u>	<u>-</u>	<u>26,129</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>\$ 46,483</u>	<u>\$ 825,046</u>	<u>\$ 871,529</u>	<u>\$ 1,069</u>

\$49,658 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 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB (including the component unit) will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2020	\$ 353,987	\$ 164,121	\$ 518,108
2021	124,260	164,121	288,381
2022	61,127	164,120	225,247
2023	182,341	191,941	374,282
2024	-	148,081	148,081
Thereafter	<u>-</u>	<u>97,519</u>	<u>97,519</u>
Total	<u>\$ 721,715</u>	<u>\$ 929,903</u>	<u>\$ 1,651,618</u>

City of Kent, Ohio
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For the Year Ended December 31, 2019
(Continued)

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, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial 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	3.96 percent
Prior Measurement date	3.85 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	3.71 percent
Health Care Cost Trend Rate	10.0 percent, initial 3.25 percent, ultimate in 2029
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006.

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

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

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

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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

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

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

Discount Rate A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.71 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 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

City of Kent, Ohio
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For the Year Ended December 31, 2019
(Continued)

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

The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 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 (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
City's proportionate share of the net OPEB liability	\$10,101,074	\$7,895,334	\$6,141,187

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 2019 is 10.00 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$7,589,129	\$7,895,334	\$8,248,000

Actuarial Assumptions – OP&F

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

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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

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

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

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
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	4.66 percent
Prior measurement date	3.24 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.

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

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For the Year Ended December 31, 2019
(Continued)

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.

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

The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018, are summarized below:

Asset Class	Target Allocation	30 year Expected Real Rate of Return **
Cash and Cash Equivalents	0.00 %	0.80 %
Domestic Equity	16.00	5.50
Non-US Equity	16.00	5.90
Core Fixed Income *	23.00	2.60
U.S. Inflation Linked Bonds *	17.00	2.30
High Yield Fixed Income	7.00	4.80
Real Estate	12.00	6.10
Private Markets	8.00	8.40
Master Limited Partnerships	8.00	6.40
Private Credit	5.00	7.50
Real Assets	8.00	7.00
Total	120.00 %	

Note: Assumptions are geometric

* levered 2x

** numbers are net of expected inflation

City of Kent, Ohio
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For the Year Ended December 31, 2019
(Continued)

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on 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 4.66 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 4.13 percent at December 31, 2018 and 3.16 percent at December 31, 2017, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 4.66 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 4.66 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 (3.66 percent), or one percentage point higher (5.66 percent) than the current rate.

	1% Decrease (3.66%)	Current Discount Rate (4.66%)	1% Increase (5.66%)
City's proportionate share of the net OPEB liability	\$3,310,279	\$2,717,191	\$2,219,342

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 because it is based on a medical benefit that is a flat dollar amount.

Changes between Measurement Date and Report Date

Beginning January 1, 2019 OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend-based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years.

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For the Year Ended December 31, 2019
(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 \$1,847,839 as of December 31, 2019.

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 vested method and amounted to \$2,253,183 as of December 31, 2019.

Note 16 - Construction and Other Commitments

As of December 31, 2019, the City had capital contracts and retainage payables of \$1,569,830 and \$90,529 in governmental funds and business-type funds, respectively.

	<u>Contract Amount</u>
Governmental Activities	
2018 Street Program	\$ 266,011
Summit Street Improvement	1,089,501
2018 Concrete Program	62,488
State Route 43 Signalization	151,830
	\$ 1,569,830
Business-Type	
Valleyview/Morris Water & Storm Improvements	\$ 54,301
Hudson Waterline Replacement	32,468
Motor Control Center Replacement	3,760
	\$ 90,529

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(Continued)

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>	
2020	\$ 30,000
2021	30,000
2022	30,000
2022	30,000
2023	30,000
Thereafter	<u>120,068</u>
Total	<u><u>\$ 270,068</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, 2019, the City's commitments for encumbrances in the governmental funds were as follows:

	<u>Encumbrances Outstanding</u>
Major Funds:	
General	\$ 350,129
Income Tax Safety	56,678
Fire and Emergency Medical Services	711,499
Capital Projects	3,377,876
Police Facilities	24,828
Nonmajor Governmental Funds	<u>3,104,095</u>
Total	<u><u>\$ 7,625,105</u></u>

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 17 – Long-term Obligations

Changes in bonds and other long-term obligations of the City during 2019 were as follows:

	Restated Principal Outstanding 12/31/18	Additions	Deletions	Principal Outstanding 12/31/19	Due Within One Year
Governmental Activities					
General Obligation Bonds:					
\$4,465,000 Safety Center Construction					
2015 2.00% - 5.00%	\$ 4,090,000	\$ -	\$ 130,000	\$ 3,960,000	\$ 135,000
Unamortized Premium	467,988	-	21,353	446,635	-
\$4,535,000 Safety Center Construction					
2014 2.00% - 5.00%	4,030,000	-	130,000	3,900,000	135,000
Unamortized Premium	345,922	-	16,538	329,384	-
\$1,295,000 Alley 4 Improvements					
2013 2.00% - 4.00%	1,075,000	-	55,000	1,020,000	60,000
\$4,195,000 Downtown Parking Improvements					
2013 2.00% - 5.00%	3,925,000	-	75,000	3,850,000	70,000
Unamortized Premium	96,065	-	4,177	91,888	-
<i>Total General Obligation Bonds</i>	<u>14,029,975</u>	<u>-</u>	<u>432,068</u>	<u>13,597,907</u>	<u>400,000</u>
Ohio Public Works Commission Loans - Direct Borrowings					
\$512,940 Fairchild Avenue Improvements					
1999 0.00%	12,824	-	12,824	-	-
\$86,000 Elm-Mae-Morris Improvements					
2001 0.00%	8,600	-	4,300	4,300	2,150
\$136,900 Erie & Depeyster Street Reconstruction					
2012 0.00%	138,278	-	19,776	118,502	9,888
\$50,000 Rockwell/Whittier/Woodard Street Rehab					
2017 0.00%	41,992	-	4,420	37,572	2,210
\$150,000 S. Chestnut/Middlebury Road Rehab					
2017 0.00%	79,438	43,633	6,154	116,917	6,154
\$150,000 SR 43 Traffic Improvements					
2018 0.00%	161,780	175,324	-	337,104	-
\$250,000 East Summit Street Improvements					
2018 0.00%	126,548	123,452	-	250,000	12,500
<i>Total Ohio Public Works Commission Loans</i>	<u>569,460</u>	<u>342,409</u>	<u>47,474</u>	<u>864,395</u>	<u>32,902</u>
Net Pension Liability					
OPERS	4,900,694	3,816,998	-	8,717,692	-
OP&F	18,294,852	6,060,677	-	24,355,529	-
<i>Total Net Pension Liability</i>	<u>23,195,546</u>	<u>9,877,675</u>	<u>-</u>	<u>33,073,221</u>	<u>-</u>
Net OPEB Liability					
OPERS	3,357,871	767,465	-	4,125,336	-
OP&F	16,889,106	-	14,171,915	2,717,191	-
<i>Total Net OPEB Liability</i>	<u>20,246,977</u>	<u>767,465</u>	<u>14,171,915</u>	<u>6,842,527</u>	<u>-</u>
Workers' Compensation Claims Payable	56,501	-	56,501	-	-
Compensated Absences	1,444,176	2,668,886	775,692	3,337,370	1,072,782
<i>Total Governmental Activities</i>	<u>\$ 59,542,635</u>	<u>\$ 13,656,435</u>	<u>\$ 15,483,650</u>	<u>\$ 57,715,420</u>	<u>\$ 1,505,684</u>

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

	Restated Principal Outstanding 12/31/18	Additions	Deletions	Principal Outstanding 12/31/19	Due Within One Year
Business-Type Activities					
Ohio Water Development Authority Loans - Direct Borrowings					
\$485,851 Kent-Ravenna Interconnect 2003 3.65%	\$ 156,107	\$ -	\$ 29,005	\$ 127,102	\$ 30,073
\$4,372,503 Sanitary Sewer Improvements 2003 3.66%	1,780,169	-	247,315	1,532,854	256,449
\$271,200 Franklin Hills Waterline 2007 2.00%	128,538	-	14,018	114,520	14,300
<i>Total Ohio Water Development Authority Loans</i>	<u>2,064,814</u>	<u>-</u>	<u>290,338</u>	<u>1,774,476</u>	<u>300,822</u>
Ohio Public Works Commission Loans - Direct Borrowings					
\$46,694 Elm-Mae-Morris Improvements 2005 0.00%	21,010	-	2,335	18,675	1,168
\$52,650 Drainage Area Q - Phase 3 2007 0.00%	26,329	-	2,632	23,697	1,316
\$233,100 Erie & Depeyster Street Reconstruction 2012 0.00%	50,547	-	7,199	43,348	3,600
\$100,00 Drainage Area Q - Phase 5 2015 0.00%	85,000	-	5,000	80,000	2,500
\$54,006 Hudson Water Line Replacement 2019 0.00%	-	54,006	-	54,006	-
<i>Total Ohio Public Works Commission Loans</i>	<u>182,886</u>	<u>54,006</u>	<u>17,166</u>	<u>219,726</u>	<u>8,584</u>
<i>Net Pension Liability - OPERS</i>	4,010,685	3,123,796	-	7,134,481	-
<i>Net OPEB Liability - OPERS</i>	2,748,054	628,085	-	3,376,139	-
Workers' Compensation Claims Payable	16,949	-	16,949	-	-
Compensated Absences	291,507	680,250	208,105	763,652	239,691
<i>Total Business-Type Activities</i>	<u>\$ 9,314,895</u>	<u>\$ 4,486,137</u>	<u>\$ 532,558</u>	<u>\$ 13,268,474</u>	<u>\$ 549,097</u>

Changes in long-term obligations of the component unit during 2019 were as follows:

	Restated Outstanding 12/31/18	Additions	Deletions	Outstanding 12/31/19	Due Within One Year
<i>Net Pension Liability - OPERS</i>	\$ 467,885	\$ 364,421	\$ -	\$ 832,306	\$ -
<i>Net OPEB Liability - OPERS</i>	320,587	73,272	-	393,859	-
Compensated Absences	32,598	33,999	28,257	38,340	23,116
<i>Total Long-term Liabilities</i>	<u>\$ 821,070</u>	<u>\$ 471,692</u>	<u>\$ 28,257</u>	<u>\$ 1,264,505</u>	<u>\$ 23,116</u>

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2019 are as follows:

Governmental Activities					
Years	General Obligation Bonds		OPWC	Total	
	Principal	Interest	Principal	Principal	Interest
2020	\$400,000	\$540,375	\$32,902	\$432,902	\$540,375
2021	415,000	531,050	63,654	478,654	531,050
2022	415,000	518,575	61,504	476,504	518,575
2023	435,000	504,025	61,504	496,504	504,025
2024	450,000	488,750	61,504	511,504	488,750
2025-2029	2,535,000	2,175,350	233,723	2,768,723	2,175,350
2030-2034	3,075,000	1,628,400	12,500	3,087,500	1,628,400
2035-2039	3,810,000	883,650	-	3,810,000	883,650
2040-2043	1,195,000	152,750	-	1,195,000	152,750
Total	\$12,730,000	\$7,422,925	\$527,291	\$13,257,291	\$7,422,925

Business-Type Activities					
Years	OWDA Loans		OPWC	Total	
	Principal	Interest	Principal	Principal	Interest
2020	\$300,822	\$60,363	\$8,584	\$309,406	\$60,363
2021	311,689	49,497	22,566	334,255	49,497
2022	322,953	38,233	22,566	345,519	38,233
2023	334,626	26,558	22,566	357,192	26,558
2024	311,973	14,772	22,566	334,539	14,772
2025-2029	192,413	3,999	82,972	275,385	3,999
2030-2034	-	-	30,406	30,406	-
2035-2036	-	-	7,500	7,500	-
Total	\$1,774,476	\$193,422	\$219,726	\$1,994,202	\$193,422

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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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.

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.

In 2019 the City entered into a loan agreement with OPWC for the Hudson Waterline Replacement. The OPWC loan was issued for \$54,006 at an interest rate of 0.00 percent. This loan will be paid from the Water and Storm Water Drainage Funds.

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 and OPEB 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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

The City has the ability to issue \$5,570,319 of additional debt without obtaining voter approval.

Note 18 – Note Obligations

A summary of note transactions for the year ended December 31, 2019 follows:

	Balance 12/31/18	Additions	Deletions	Balance 12/31/18
Governmental Activities				
2018, 2.875% - Fire Station	\$ 510,000	\$ -	\$ 510,000	\$ -
2018, 2.00% - Street Improvements	1,070,000	-	1,070,000	-
2018, 2.00% - Police Station	3,250,000	-	3,250,000	-
2019, 2.250% - Fire Station	-	255,000	-	255,000
2019, 2.250% - Street Improvements	-	990,000	-	990,000
2019, 2.250% - Police Station	-	2,400,000	-	2,400,000
Unamortized Premium	30,743	33,060	41,763	22,040
<i>Total Governmental Activities</i>	<u>4,860,743</u>	<u>3,678,060</u>	<u>4,871,763</u>	<u>3,667,040</u>
Business-Type Activities				
Sewer Fund				
2018, 2.875% - Sanitary Sewer Trunk Lines	315,000	-	315,000	-
2019, 2.250% - Sanitary Sewer Trunk Lines	-	255,000	-	255,000
Unamortized Premium	2,047	2,313	2,818	1,542
<i>Total Sewer Fund</i>	<u>317,047</u>	<u>257,313</u>	<u>317,818</u>	<u>256,542</u>
Total	<u>\$ 5,177,790</u>	<u>\$ 3,935,373</u>	<u>\$ 5,189,581</u>	<u>\$ 3,923,582</u>

On August 20, 2019, the City issued \$3.90 million in various purpose notes at an interest rate of 2.25 percent with a maturity date of August 19, 2020. 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 \$3.645 million and the corresponding liabilities were reflected in governmental funds which received the proceeds. Note proceeds of \$255,000 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 2018 various purpose notes. The notes were issued at a premium of \$35,373. 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, 2019	Year Issued
Multi-Family Housing Revenue Bonds	Silver Meadows Apartments	<u>\$7,415,000</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, 2019
(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 235 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 2019, the City received \$571,745 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, 2019
(Continued)

In 2019, the City received \$97,417 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, 2019, 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, 2019
(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 2019, by the City, identified by dollar amount and type:

\$30,206.03 Total CRA I real property taxes exempted for four (4) new commercial CRA projects.

Note 24 – Subsequent Event Notes

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

The City accepted a bid from a bank purchase bond issue in order to bond out the 4 note issues the City had outstanding for a combined \$3,275,000 bond. J.P. Morgan Chase was the winning bid at 1.29% for 11 years. Closing will not occur until the end of July 2020.

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 Six Years (1)

Traditional Plan (2)	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.060919%	0.059786%	0.058997%	0.059840%	0.058628%	0.058628%
City's Proportionate Share of the Net Pension Liability	\$16,684,479	\$9,379,264	\$13,397,215	\$10,365,044	\$7,071,191	\$6,911,477
City's Covered Payroll	\$8,228,164	\$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	202.77%	118.71%	175.47%	139.25%	98.05%	97.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%
Combined Plan (2)	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension (Asset)	0.046018%	0.034467%	0.033715%	0.033850%	0.012633%	0.012633%
City's Proportionate Share of the Net Pension (Asset)	(\$51,458)	(\$46,921)	(\$18,765)	(\$16,474)	(\$4,864)	(\$1,326)
City's Covered Payroll	\$196,814	\$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	26.15%	33.24%	14.30%	15.14%	10.45%	3.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	126.64%	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.

(2) Includes component unit

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 Six Years (1)

Police	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.145088%	0.1450792%	0.1431999%	0.1462218%	0.1401723%	0.1401723%
City's Proportionate Share of the Net Pension Liability	\$11,843,015	\$8,904,168	\$9,070,138	\$9,406,552	\$7,261,510	\$6,826,831
City's Covered Payroll	\$3,653,768	\$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	324.13%	251.22%	262.07%	284.01%	235.12%	221.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.07%	70.91%	68.36%	66.77%	71.71%	73.00%
Fire	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.153290%	0.1530062%	0.1480412%	0.1510256%	0.1481493%	0.1481493%
City's Proportionate Share of the Net Pension Liability	\$12,512,514	\$9,390,684	\$9,376,781	\$9,715,583	\$7,674,751	\$7,215,336
City's Covered Payroll	\$3,128,247	\$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	399.98%	310.86%	322.25%	351.40%	289.15%	279.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.07%	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 Seven Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Contractually Required Contributions (2)</u>							
Traditional Plan	\$ 1,181,989	\$ 1,151,943	\$ 1,027,095	\$ 916,205	\$ 893,203	\$ 865,393	\$ 917,516
Combined Plan	<u>30,752</u>	<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	\$1,212,741	\$1,179,497	\$1,045,446	\$931,953	\$906,258	\$870,976	\$923,222
Contributions in Relation to the Contractually Required Contribution	<u>(1,212,741)</u>	<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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>City's Covered Payroll (2)</u>							
Traditional Plan	\$8,442,779	\$8,228,164	\$7,900,731	\$7,635,042	\$7,443,358	\$7,211,608	\$7,057,815
Combined Plan	\$219,657	\$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%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
Combined Plan	14.00%	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.

(2) Includes component unit

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>2019</u>	<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>Contractually Required Contributions</u>										
Police	\$707,471	\$694,216	\$673,439	\$657,575	\$629,294	\$586,810	\$484,301	\$401,894	\$400,210	\$591,145
Fire	763,787	735,138	709,910	683,796	649,739	623,741	523,007	452,940	442,026	570,884
Total Required Contributions	\$1,471,258	\$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
Contributions in Relation to the Contractually Required Contribution	(1,471,258)	(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)
Contribution Deficiency / (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>City's Covered Payroll</u>										
Police	\$3,723,532	\$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
Fire	\$3,250,157	\$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
<u>Pension Contributions as a Percentage of Covered Payroll</u>										
Police	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	[1]	12.75%	12.75%	12.75%
Fire	23.50%	23.50%	23.50%	23.50%	23.50%	23.50%	[1]	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 (1)
Ohio Public Employees Retirement System
Last Three Years (2)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability	0.060558%	0.059180%	0.058530%
City's Proportionate Share of the Net OPEB Liability	\$ 7,895,334	\$ 6,426,512	\$ 5,911,729
City's Covered Payroll	\$ 8,783,751	\$ 8,382,762	\$ 8,088,762
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	89.89%	76.66%	73.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.33%	54.14%	54.04%

(1) Includes component unit

(2) 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 Three Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability	0.298378%	0.298085%	0.291240%
City's Proportionate Share of the Net OPEB Liability	\$ 2,717,191	\$ 16,889,106	\$ 13,824,508
City's Covered Payroll	\$ 6,782,015	\$ 6,565,310	\$ 6,370,691
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	40.06%	257.25%	217.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.57%	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 (1)
Ohio Public Employees Retirement System
Last Five Years (2)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 14,789	\$ 14,351	\$ 94,053	\$ 168,434	\$ 151,417
Contributions in Relation to the Contractually Required Contribution	<u>(14,789)</u>	<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>	<u>\$ -</u>
City Covered Payroll	\$ 8,662,436	\$ 8,783,751	\$ 8,382,762	\$ 8,088,762	\$ 7,832,214
Contributions as a Percentage of Covered Payroll	0.17%	0.16%	1.12%	2.08%	1.93%

(1) Includes component unit

(2) 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>2019</u>	<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>
Contractually Required Contribution	\$ 34,869	\$ 33,910	\$ 32,827	\$ 31,660	\$ 30,292	\$ 28,619	\$ 192,322	\$ 390,006	\$ 384,843	\$ 365,188
Contributions in Relation to the Contractually Required Contribution	<u>(34,869)</u>	<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>
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	\$ 6,973,689	\$ 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
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	3.62%	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, 2019

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 2014-2019.

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. For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 7.50% to 7.20%.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2019.

Changes in assumptions: For 2018, the single discount rate changed from 4.23% to 3.85%. For 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected investment return was reduced from 6.50% to 6.00% (b) In January 2020, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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 2014-2019.

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. For 2019; There have been no OP&F pension plan amendments adopted or changes in assumptions between the measurement date and the report date that would have impacted the actuarial valuation of the pension plan as of the measurement date.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018. For 2019, see below regarding changes to stipend-based model.

Changes in assumptions: For 2018, the single discount rate changed from 3.79 percent to 3.24 percent. For 2019, the changes of assumptions were: (a) beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years (b) beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5%

**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.

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.

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.

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.

Combining Statements and Individual Fund Schedules

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Special Revenue Funds (continued)

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.

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.

Escrow Fund – this fund holds deposits held by the City and received from a contractor, developer, or individual to ensure compliance with the ordinances of the City of Kent. Due to the implementation of GASB Statement No. 84, this fund was moved to a special revenue fund, but is not yet required to have a budget, therefore a budgetary schedule is not provided for this fund.

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.

Combining Statements and Individual Fund Schedules

Fund Descriptions – Nonmajor Governmental Funds

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, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 3,313,562	\$ 344,727	\$ 579,481	\$ 4,237,770
Cash and Cash Equivalents:	-			
In Segregated Accounts	64,861	-	-	64,861
Materials and Supplies Inventory	540,578	-	-	540,578
Accrued Interest Receivable	4,064	-	-	4,064
Accounts Receivable	3,642	-	-	3,642
Intergovernmental Receivable	596,028	-	-	596,028
Prepaid Items	51,136	-	-	51,136
Accrued Interest Receivable	-	-	356,899	356,899
Municipal Income Taxes Receivable	240,046	-	-	240,046
Property and Other Taxes Receivable	1,610,443	-	-	1,610,443
Special Assessments Receivable	11,061	80,278	-	91,339
Loans Receivable	516,326	-	-	516,326
Assets Held for Resale	365,000	-	-	365,000
Total Assets	<u>\$ 7,316,747</u>	<u>\$ 425,005</u>	<u>\$ 936,380</u>	<u>\$ 8,678,132</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 77,883	\$ -	\$ -	\$ 77,883
Accrued Wages and Benefits	46,761	-	-	46,761
Accrued Interest Payable	-	-	7,425	7,425
Interfund Payable	75,000	47,000	-	122,000
Unearned Revenue	100,230	-	-	100,230
Notes Payable	-	-	995,986	995,986
Total Liabilities	<u>299,874</u>	<u>47,000</u>	<u>1,003,411</u>	<u>1,350,285</u>
Deferred Inflows of Resources:				
Property Taxes and PILOTs	1,530,659	-	356,899	1,887,558
Unavailable Revenue - Delinquent Property Taxes	65,508	-	-	65,508
Unavailable Revenue - Municipal Income Taxes	163,643	-	-	163,643
Unavailable Revenue - Other	436,126	80,278	-	516,404
Total Deferred Inflows of Resources	<u>2,195,936</u>	<u>80,278</u>	<u>356,899</u>	<u>2,633,113</u>
Fund Balances:				
Nonspendable	591,714	-	-	591,714
Restricted	4,229,223	297,727	-	4,526,950
Unassigned (Deficit)	-	-	(423,930)	(423,930)
Total Fund Balances (Deficit)	<u>4,820,937</u>	<u>297,727</u>	<u>(423,930)</u>	<u>4,694,734</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 7,316,747</u>	<u>\$ 425,005</u>	<u>\$ 936,380</u>	<u>\$ 8,678,132</u>

City of Kent, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
REVENUES				
Property Taxes	\$ 1,548,649	\$ -	\$ -	\$ 1,548,649
Municipal Income Taxes	1,011,340	-	-	1,011,340
Payments in Lieu of Taxes	-	-	457,473	457,473
Intergovernmental	1,527,939	-	-	1,527,939
Interest	65,143	-	-	65,143
Fines and Forfeitures	12,485	-	-	12,485
Charges for Services	865,645	-	-	865,645
Contributions and Donations	384,050	-	-	384,050
Special Assessments	65,153	50,482	-	115,635
All Other Revenues	153,836	24,115	-	177,951
Total Revenues	<u>5,634,240</u>	<u>74,597</u>	<u>457,473</u>	<u>6,166,310</u>
EXPENDITURES				
Current:				
Security of Persons and Property	516,634	-	-	516,634
Leisure Time Activities	1,998,691	-	-	1,998,691
Community Development	175,032	-	5,935	180,967
Transportation	1,966,709	-	-	1,966,709
Capital Outlay	298,129	-	-	298,129
Debt Service:				
Principal Retirement	-	17,124	130,000	147,124
Interest and Fiscal Charges	-	-	235,415	235,415
Debt Issuance Costs	-	-	8,365	8,365
Total Expenditures	<u>4,955,195</u>	<u>17,124</u>	<u>379,715</u>	<u>5,352,034</u>
Excess of Revenues Over (Under) Expenditures	<u>679,045</u>	<u>57,473</u>	<u>77,758</u>	<u>814,276</u>
OTHER FINANCING SOURCES				
Proceeds from Sale of Capital Assets	14,934	-	-	14,934
Transfers In	131,943	70,000	-	201,943
Total Other Financing Sources	<u>146,877</u>	<u>70,000</u>	<u>-</u>	<u>216,877</u>
Net Change in Fund Balances	825,922	127,473	77,758	1,031,153
Fund Balances (Deficit) - Beginning of Year, Restated	3,995,015	170,254	(501,688)	3,663,581
Fund Balances (Deficit) - End of Year	<u>\$ 4,820,937</u>	<u>\$ 297,727</u>	<u>\$ (423,930)</u>	<u>\$ 4,694,734</u>

City of Kent, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019

	West Side Fire	Street Construction, Maintenance, and Repair	State Highway	Parks and Recreation
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 57,076	\$ 1,139,369	\$ 73,915	\$ 519,915
Cash and Cash Equivalents:				
In Segregated Accounts	-	-	-	-
Materials and Supplies Inventory	-	540,578	-	-
Accrued Interest Receivable	-	3,711	353	-
Accounts Receivable	-	-	-	3,642
Intergovernmental Receivable	12,123	451,417	36,601	60,075
Prepaid Items	4,463	24,311	-	22,362
Municipal Income Taxes Receivable	-	240,046	-	-
Property and Other Taxes Receivable	242,003	14,276	-	1,115,178
Special Assessments Receivable	-	11,061	-	-
Loans Receivable	-	-	-	-
Assets Held for Resale	-	-	-	-
Total Assets	\$ 315,665	\$ 2,424,769	\$ 110,869	\$ 1,721,172
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 521	\$ 40,425	\$ -	\$ 20,166
Accrued Wages and Benefits	5,357	21,047	-	20,357
Interfund Payable	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	5,878	61,472	-	40,523
Deferred Inflows of Resources:				
Property Taxes and PILOTs	232,004	-	-	1,069,325
Unavailable Revenue - Delinq. Property Taxes	9,999	-	-	45,853
Unavailable Revenue - Municipal Income Taxes	-	163,643	-	-
Unavailable Revenue - Other	12,123	308,962	24,154	55,075
Total Deferred Inflows of Resources	254,126	472,605	24,154	1,170,253
Fund Balances:				
Nonspendable	4,463	564,889	-	22,362
Restricted	51,198	1,325,803	86,715	488,034
Total Fund Balances	55,661	1,890,692	86,715	510,396
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 315,665	\$ 2,424,769	\$ 110,869	\$ 1,721,172

State and Local Forfeits	Drug Law Enforcement	Enforcement and Education	Law Enforcement Trust	Community Development Block Grant	Neighborhood Stabilization	Wireless 911
\$ 4,767	\$ 27,092	\$ 22,371	\$ 2,077	\$ 363,999	\$ 139,382	\$ 231,449
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	24,588	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 4,767</u>	<u>\$ 27,092</u>	<u>\$ 22,371</u>	<u>\$ 2,077</u>	<u>\$ 388,587</u>	<u>\$ 139,382</u>	<u>\$ 231,449</u>
\$ -	\$ -	\$ -	\$ -	\$ 15,126	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	75,000	-	-
-	-	-	-	-	-	-
-	-	-	-	90,126	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	24,588	-	-
-	-	-	-	24,588	-	-
-	-	-	-	-	-	-
4,767	27,092	22,371	2,077	273,873	139,382	231,449
4,767	27,092	22,371	2,077	273,873	139,382	231,449
<u>\$ 4,767</u>	<u>\$ 27,092</u>	<u>\$ 22,371</u>	<u>\$ 2,077</u>	<u>\$ 388,587</u>	<u>\$ 139,382</u>	<u>\$ 231,449</u>

(Continued)

City of Kent, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2019

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Urban Development Action Grant</u>	<u>Escrow Fund</u>	<u>Kent Downtown Community Urban Redevelopment Corporation</u>	<u>Total Nonmajor Special Revenue Funds</u>
ASSETS						
Equity in Pooled Cash and Cash Equivalents	\$ 44,148	\$ 44,152	\$ 543,620	\$ 100,230	\$ -	\$ 3,313,562
Cash and Cash Equivalents:						
In Segregated Accounts	-	-	-	-	64,861	64,861
Materials and Supplies Inventory	-	-	-	-	-	540,578
Accrued Interest Receivable	-	-	-	-	-	4,064
Accounts Receivable	-	-	-	-	-	3,642
Intergovernmental Receivable	5,612	5,612	-	-	-	596,028
Prepaid Items	-	-	-	-	-	51,136
Municipal Income Taxes Receivable	-	-	-	-	-	240,046
Property and Other Taxes Receivable	119,493	119,493	-	-	-	1,610,443
Special Assessments Receivable	-	-	-	-	-	11,061
Loans Receivable	-	-	516,326	-	-	516,326
Assets Held for Resale	-	-	-	-	365,000	365,000
Total Assets	<u>\$ 169,253</u>	<u>\$ 169,257</u>	<u>\$ 1,059,946</u>	<u>\$ 100,230</u>	<u>\$ 429,861</u>	<u>\$ 7,316,747</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 1,645	\$ 77,883
Accrued Wages and Benefits	-	-	-	-	-	46,761
Interfund Payable	-	-	-	-	-	75,000
Deferred Revenue	-	-	-	100,230	-	100,230
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,230</u>	<u>1,645</u>	<u>299,874</u>
Deferred Inflows of Resources:						
Property Taxes and PILOTs	114,665	114,665	-	-	-	1,530,659
Unavailable Revenue - Delinq. Property Taxes	4,828	4,828	-	-	-	65,508
Unavailable Revenue - Municipal Income Taxes	-	-	-	-	-	163,643
Unavailable Revenue - Other	5,612	5,612	-	-	-	436,126
Total Deferred Inflows of Resources	<u>125,105</u>	<u>125,105</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,195,936</u>
Fund Balances:						
Nonspendable	-	-	-	-	-	591,714
Restricted	44,148	44,152	1,059,946	-	428,216	4,229,223
Total Fund Balances	<u>44,148</u>	<u>44,152</u>	<u>1,059,946</u>	<u>-</u>	<u>428,216</u>	<u>4,820,937</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 169,253</u>	<u>\$ 169,257</u>	<u>\$ 1,059,946</u>	<u>\$ 100,230</u>	<u>\$ 429,861</u>	<u>\$ 7,316,747</u>



City of Kent, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019

	West Side Fire	Street Construction, Maintenance, and Repair	State Highway	Parks and Recreation
REVENUES				
Property Taxes	\$ 234,875	\$ -	\$ -	\$ 1,082,762
Municipal Income Taxes	-	1,011,340	-	-
Intergovernmental	18,201	1,092,667	73,269	110,150
Interest	-	31,744	2,367	-
Fines and Forfeitures	-	-	-	-
Charges for Services	-	41,257	-	824,388
Contributions and Donations	-	-	-	19,050
Special Assessments	-	65,153	-	-
All Other Revenues	-	21,497	-	53,807
Total Revenues	253,076	2,263,658	75,636	2,090,157
EXPENDITURES				
Current:				
Security of Persons and Property	272,653	-	-	-
Leisure Time Activities	-	-	-	1,998,691
Community Development	-	-	-	-
Transportation	-	1,898,928	67,781	-
Capital Outlay	-	2,861	-	242,365
Total Expenditures	272,653	1,901,789	67,781	2,241,056
Excess of Revenues Over (Under) Expenditures	(19,577)	361,869	7,855	(150,899)
OTHER FINANCING SOURCES				
Proceeds from Sale of Capital Assets	-	8,824	-	6,110
Transfer In	-	-	-	119,886
Total Other Financing Sources	-	8,824	-	125,996
Net Change in Fund Balances	(19,577)	370,693	7,855	(24,903)
Fund Balances - Beginning of Year	75,238	1,519,999	78,860	535,299
Fund Balances - End of Year	\$ 55,661	\$ 1,890,692	\$ 86,715	\$ 510,396

State and Local Forfeits	Drug Law Enforcement	Enforcement and Education	Law Enforcement Trust	Community Development Block Grant	Neighborhood Stabilization	Wireless 911
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	211,204	-	-
-	-	-	-	357	279	-
-	9,279	3,206	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	78,532	-	-
-	9,279	3,206	-	290,093	279	-
-	3,981	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	172,703	-	-
-	-	-	-	-	-	-
-	-	-	-	52,903	-	-
-	3,981	-	-	225,606	-	-
-	5,298	3,206	-	64,487	279	-
-	-	-	-	-	-	-
-	-	-	-	-	12,057	-
-	-	-	-	-	12,057	-
-	5,298	3,206	-	64,487	12,336	-
4,767	21,794	19,165	2,077	209,386	127,046	231,449
<u>\$ 4,767</u>	<u>\$ 27,092</u>	<u>\$ 22,371</u>	<u>\$ 2,077</u>	<u>\$ 273,873</u>	<u>\$ 139,382</u>	<u>\$ 231,449</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, 2019

	Police Pension	Fire Pension	Urban Development Action Grant	Escrow Fund	Kent Downtown Community Urban Redevelopment Corporation	Total Nonmajor Special Revenue Funds
REVENUES						
Property Taxes	\$ 115,506	\$ 115,506	\$ -	\$ -	\$ -	\$1,548,649
Income Taxes	-	-	-	-	-	1,011,340
Intergovernmental	11,224	11,224	-	-	-	1,527,939
Interest	-	-	30,396	-	-	65,143
Fines and Forfeitures	-	-	-	-	-	12,485
Charges for Services	-	-	-	-	-	865,645
Contributions and Donations	-	-	-	-	365,000	384,050
Special Assessments	-	-	-	-	-	65,153
All Other Revenues	-	-	-	-	-	153,836
Total Revenues	<u>126,730</u>	<u>126,730</u>	<u>30,396</u>	<u>-</u>	<u>365,000</u>	<u>5,634,240</u>
EXPENDITURES						
Current:						
Security of Persons and Property	120,000	120,000	-	-	-	516,634
Leisure Time Activities	-	-	-	-	-	1,998,691
Community Development	-	-	2,329	-	-	175,032
Transportation	-	-	-	-	-	1,966,709
Capital Outlay	-	-	-	-	-	298,129
Total Expenditures	<u>120,000</u>	<u>120,000</u>	<u>2,329</u>	<u>-</u>	<u>-</u>	<u>4,955,195</u>
Excess of Revenues Over (Under) Expenditures	<u>6,730</u>	<u>6,730</u>	<u>28,067</u>	<u>-</u>	<u>365,000</u>	<u>679,045</u>
OTHER FINANCING SOURCES						
Proceeds from Sale of Capital Assets	-	-	-	-	-	14,934
Transfer In	-	-	-	-	-	131,943
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,877</u>
Net Change in Fund Balances	6,730	6,730	28,067	-	365,000	825,922
Fund Balances - Beginning of Year	37,418	37,422	1,031,879	-	63,216	3,995,015
Fund Balances - End of Year	<u>\$ 44,148</u>	<u>\$ 44,152</u>	<u>\$ 1,059,946</u>	<u>\$ -</u>	<u>\$ 428,216</u>	<u>\$4,820,937</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, 2019*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Property Taxes	\$ 1,388,186	\$ 1,493,377	\$ 1,638,094	\$ 144,717
Other Local Taxes	301,174	355,000	355,393	393
Intergovernmental	1,405,329	1,609,621	1,612,210	2,589
Interest	561,636	510,000	662,744	152,744
Fees, Licenses and Permits	71,984	141,102	75,433	(65,669)
Fines and Forfeits	254,026	302,000	299,757	(2,243)
Charges for Services	1,675,916	1,972,542	1,977,622	5,080
Contributions and Donations	212	50	250	200
Miscellaneous	130,218	151,000	152,708	1,708
Total Revenues	5,788,681	6,534,692	6,774,211	239,519
Expenditures				
Current:				
Public Health & Welfare				
Department of Health				
Personal Services	448,125	448,125	234,534	213,591
Other Expenses	182,038	207,038	100,611	106,427
Total Public Health and Welfare	630,163	655,163	335,145	320,018
Community Development				
Community Development				
Personal Services	597,546	597,546	546,817	50,729
Other Expenses	283,736	283,736	240,846	42,890
Total Community Development	881,282	881,282	787,663	93,619
Economic Development				
Personal Services				
Personal Services	119,722	119,722	113,682	6,040
Other Expenses	45,301	55,272	17,056	38,216
Total Economic Development	165,023	174,994	130,738	44,256
Building				
Personal Services				
Personal Services	305,506	305,506	281,778	23,728
Other Expenses	74,465	74,465	43,232	31,233
Total Building	379,971	379,971	325,010	54,961

(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, 2019
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Main Street Program				
Other Expenses	70,000	70,000	70,000	-
Land Banking				
Other Expenses	10,000	10,000	9,563	437
Permit Parking				
Other Expenses	63,702	127,702	97,987	29,715
Shade Tree				
Other Expenses	166,923	166,923	154,620	12,303
Capital Outlay	-	10,000	10,000	-
Total Shade Tree	166,923	176,923	164,620	12,303
Urban Renewal				
Other Expenses	67,300	67,300	33,422	33,878
Total Community Development	1,804,201	1,888,172	1,619,003	269,169
General Government				
Service Administration				
Personal Services	70,060	70,060	64,498	5,562
Other Expenses	537,472	537,472	444,679	92,793
Total Service Administration	607,532	607,532	509,177	98,355
Rental Units				
Other Expenses	1,100	1,100	941	159
Engineering				
Personal Services	231,502	231,502	219,962	11,540
Other Expenses	163,393	163,393	135,453	27,940
Total Engineering	394,895	394,895	355,415	39,480
Law				
Personal Services	320,560	320,560	289,741	30,819
Other Expenses	166,173	166,173	98,842	67,331
Total Law	486,733	486,733	388,583	98,150
Budget and Finance				
Personal Services	185,199	185,199	169,121	16,078
Other Expenses	155,456	155,456	122,106	33,350
Total Budget and Finance	340,655	340,655	291,227	49,428

(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, 2019
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Information Technology				
Personal Services	80,395	84,395	81,122	3,273
Other Expenses	257,711	261,130	129,598	131,532
Total Information Technology	338,106	345,525	210,720	134,805
Miscellaneous, Sundry and Contingency				
Other Expenses	507,159	507,159	306,342	200,817
Mayor's Office				
Personal Services	9,530	9,530	9,521	9
Other Expenses	5,709	5,709	4,052	1,657
Total Mayor's Office	15,239	15,239	13,573	1,666
City Council				
Personal Services	161,266	161,266	106,253	55,013
Other Expenses	32,904	32,904	14,299	18,605
Total City Council	194,170	194,170	120,552	73,618
Community Support				
Other Expenses	116,336	117,536	89,176	28,360
Office of City Manager				
City Manager				
Personal Services	314,000	314,000	306,951	7,049
Other Expenses	63,670	63,670	63,538	132
Total City Manager	377,670	377,670	370,489	7,181
Human Resources				
Personal Services	61,964	64,964	62,252	2,712
Other Expenses	22,209	22,209	16,499	5,710
Total Human Resources	84,173	87,173	78,751	8,422
City Hall Relocation				
Capital Outlay	32,923	220,923	101,923	119,000
Civil Service				
Personal Services	31,105	31,105	22,040	9,065
Other Expenses	41,593	41,593	16,597	24,996
Total Civil Service	72,698	72,698	38,637	34,061
Total General Government	3,569,389	3,769,008	2,875,506	893,502
Total Expenditures	6,003,753	6,312,343	4,829,654	1,482,689

(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, 2019
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess of Revenues Over (Under) Expenditures	(215,072)	222,349	1,944,557	1,722,208
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	924	1,000	1,090	90
Advances In	106,000	106,000	106,000	-
Transfers In	3,600,000	3,600,000	3,600,000	-
Transfers Out	(5,320,000)	(5,332,057)	(5,331,943)	114
Total Other Financing Sources (Uses)	<u>(1,613,076)</u>	<u>(1,625,057)</u>	<u>(1,624,853)</u>	<u>204</u>
Net Change in Fund Balance	(1,828,148)	(1,402,708)	319,704	1,722,412
Fund Balance - Beginning of Year	5,058,411	5,058,411	5,058,411	-
Prior Year Encumbrances Appropriated	458,038	458,038	458,038	-
Fund Balance - End of Year	<u>\$ 3,688,301</u>	<u>\$ 4,113,741</u>	<u>\$ 5,836,153</u>	<u>\$ 1,722,412</u>

See accompanying notes to the basic financial statements.

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, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 16,000	\$ -	\$ -	\$ -
Miscellaneous	169,067	6,033	116,293	110,260
Total Revenues	<u>185,067</u>	<u>6,033</u>	<u>116,293</u>	<u>110,260</u>
Expenditures				
Current:				
Security of Persons and Property				
Police				
Personal Services	7,010,447	7,010,447	6,661,605	348,842
Other	715,561	715,561	605,895	109,666
Total Expenditures	<u>7,726,008</u>	<u>7,726,008</u>	<u>7,267,500</u>	<u>458,508</u>
Excess of Revenues Over (Under) Expenditures	(7,540,941)	(7,719,975)	(7,151,207)	568,768
Other Financing Sources				
Proceeds from Sale of Capital Assets	1,000	34	659	625
Transfers In	6,723,933	6,723,933	6,723,933	-
Total Other Financing Sources	<u>6,724,933</u>	<u>6,723,967</u>	<u>6,724,592</u>	<u>625</u>
Net Change in Fund Balance	(816,008)	(996,008)	(426,615)	569,393
Fund Balance - Beginning of Year	1,221,232	1,221,232	1,221,232	-
Prior Year Encumbrances Appropriated	37,861	37,861	37,861	-
Fund Balance - End of Year	<u>\$ 443,085</u>	<u>\$ 263,085</u>	<u>\$ 832,478</u>	<u>\$ 569,393</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, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Intergovernmental	\$ 23,095	\$ -	\$ -	\$ -
Contributions and Donations	675	675	25	(650)
Miscellaneous	352,297	64,297	65,262	965
Total Revenues	<u>376,067</u>	<u>64,972</u>	<u>65,287</u>	<u>315</u>
Expenditures				
Current:				
Security of Persons and Property				
Fire				
Personal Services	4,735,381	4,745,381	4,503,703	241,678
Other	524,913	528,913	484,728	44,185
Capital Outlay	848,030	1,396,245	848,272	547,973
Total Expenditures	<u>6,108,324</u>	<u>6,670,539</u>	<u>5,836,703</u>	<u>833,836</u>
Excess of Revenues Over (Under) Expenditures	(5,732,257)	(6,605,567)	(5,771,416)	834,151
Other Financing Sources				
Proceeds from Sale of Capital Assets	1,000	1,000	36,513	35,513
Transfers In	5,523,933	5,355,028	5,523,933	168,905
Total Other Financing Sources	<u>5,524,933</u>	<u>5,356,028</u>	<u>5,560,446</u>	<u>204,418</u>
Net Change in Fund Balance	(207,324)	(1,249,539)	(210,970)	1,038,569
Fund Balance - Beginning of Year	1,780,220	1,780,220	1,780,220	-
Prior Year Encumbrances Appropriated	334,219	334,219	334,219	-
Fund Balance - End of Year	<u>\$ 1,907,115</u>	<u>\$ 864,900</u>	<u>\$ 1,903,469</u>	<u>\$ 1,038,569</u>

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, 2019*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Intergovernmental	\$ 1,977,581	\$ 1,885,026	\$ (92,555)
Special Assessments	151,757	144,654	(7,103)
Miscellaneous	125,304	119,441	(5,863)
Total Revenues	2,254,642	2,149,121	(105,521)
Expenditures			
Capital Outlay:			
Safety	558,980	446,599	112,381
Service	10,962,208	8,209,728	2,752,480
Community Development	22,000	20,564	1,436
Budget and Finance	125,000	11,000	114,000
Administration Support	9,000	9,000	-
Total Capital Outlay	11,677,188	8,696,891	2,980,297
Debt Service:			
Principal	540,375	533,151	7,224
Interest & Fiscal Charges	14,663	14,662	1
Debt Issuance Costs	1,790	1,790	-
Total Debt Service	556,828	549,603	7,225
Total Expenditures	12,234,016	9,246,494	2,987,522
Excess of Revenues Over (Under) Expenditures	(9,979,374)	(7,097,373)	2,882,001
Other Financing Sources			
Bond Anticipation Notes Issued	267,521	255,000	(12,521)
Premium on Debt Issuances	2,427	2,313	(114)
Transfers In	3,237,674	3,237,674	-
Total Other Financing Sources	3,507,622	3,494,987	(12,635)
Net Change in Fund Balance	(6,471,752)	(3,602,386)	2,869,366
Fund Balance - Beginning of Year	944,414	944,414	-
Prior Year Encumbrances Appropriated	5,993,857	5,993,857	-
Fund Balance - End of Year	\$ 466,519	\$ 3,335,885	\$ 2,869,366

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, 2019*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Miscellaneous	\$ 31,384	\$ -	\$ (31,384)
Expenditures			
Capital Outlay:			
Safety	1,036,827	649,348	387,479
Debt Service:			
Principal	3,510,000	3,510,000	-
Interest & Fiscal Charges	431,138	431,138	-
Debt Issuance Costs	20,341	19,776	565
Total Debt Service	3,961,479	3,960,914	565
Total Expenditures	4,998,306	4,610,262	388,044
Excess of Revenues Over (Under) Expenditures	(4,966,922)	(4,610,262)	356,660
Other Financing Sources			
Bond Anticipation Notes Issued	2,347,507	2,400,000	52,493
Premium on Debt Issuance	31,650	21,768	(9,882)
Transfers In	1,689,459	1,689,458	(1)
Total Other Financing Sources	4,068,616	4,111,226	42,610
Net Change in Fund Balance	(898,306)	(499,036)	399,270
Fund Balance - Beginning of Year	1,281,450	1,281,450	-
Prior Year Encumbrances Appropriated	188,224	188,224	-
Fund Balance - End of Year	\$ 571,368	\$ 970,638	\$ 399,270

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, 2019*

	Budgeted Amounts		Actual		Variance with Final Budget Positive (Negative)
	Final				
Revenues					
Property Taxes	\$ 229,122		\$ 234,875		\$ 5,753
Intergovernmental	25,804		24,246		(1,558)
Total Revenues	254,926		259,121		4,195
Expenditures					
Current:					
Security of Persons and Property					
Fire					
Personal Services	268,910		254,984		13,926
Other	29,033		24,045		4,988
Total Expenditures	297,943		279,029		18,914
Net Change in Fund Balance	(43,017)		(19,908)		23,109
Fund Balance - Beginning of Year	71,089		71,089		-
Prior Year Encumbrances Appropriated	2,606		2,606		-
Fund Balance - End of Year	\$ 30,678		\$ 53,787		\$ 23,109

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, 2019*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Intergovernmental	\$ 925,000	\$ 1,055,897	\$ 130,897
Interest	12,722	20,666	7,944
Charges for Services	34,980	44,956	9,976
Special Assessments	62,798	65,153	2,355
Miscellaneous	500	21,497	20,997
Total Revenues	<u>1,036,000</u>	<u>1,208,169</u>	<u>172,169</u>
Expenditures			
Current:			
Transportation			
Public Service			
Personal Services	1,157,201	1,122,739	34,462
Other	1,607,073	1,185,584	421,489
Total Expenditures	<u>2,764,274</u>	<u>2,308,323</u>	<u>455,951</u>
Excess of Revenues Over (Under) Expenditures	(1,728,274)	(1,100,154)	628,120
Other Financing Sources			
Proceeds from Sale of Capital Assets	1,000	8,824	7,824
Transfers In	1,000,000	1,000,000	-
Total Other Financing Sources	<u>1,001,000</u>	<u>1,008,824</u>	<u>7,824</u>
Net Change in Fund Balance	(727,274)	(91,330)	635,944
Fund Balance - Beginning of Year	913,452	913,452	-
Prior Year Encumbrances Appropriated	212,812	212,812	-
Fund Balance - End of Year	<u>\$ 398,990</u>	<u>\$ 1,034,934</u>	<u>\$ 635,944</u>

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, 2019*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues			
Intergovernmental	\$ 57,050	\$ 68,972	\$ 11,922
Interest	950	1,312	362
Total Revenues	<u>58,000</u>	<u>70,284</u>	<u>12,284</u>
Expenditures			
Current:			
Transportation			
Public Service			
Other	<u>70,185</u>	<u>69,800</u>	<u>385</u>
Net Change in Fund Balance	(12,185)	484	12,669
Fund Balance - Beginning of Year	70,811	70,811	-
Prior Year Encumbrances Appropriated	<u>185</u>	<u>185</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 58,811</u>	<u>\$ 71,480</u>	<u>\$ 12,669</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, 2019*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Property Taxes	\$ 1,040,355	\$ 1,082,762	\$ 42,407
Intergovernmental	276,000	110,150	(165,850)
Charges for Services	792,101	825,817	33,716
Contributions and Donations	8,738	14,050	5,312
Miscellaneous	19,438	55,922	36,484
Total Revenues	<u>2,136,632</u>	<u>2,088,701</u>	<u>(47,931)</u>
Expenditures			
Current:			
Leisure Time Activities			
Parks & Recreation			
Personal Services	1,412,462	1,356,196	56,266
Other	719,201	674,948	44,253
Capital Outlay	461,691	341,598	120,093
Total Expenditures	<u>2,593,354</u>	<u>2,372,742</u>	<u>220,612</u>
Excess of Revenues Over (Under) Expenditures	(456,722)	(284,041)	172,681
Other Financing Sources (Uses)			
Proceeds from Sale of Capital Assets	1,595	6,110	4,515
Advances Out	(50,000)	(50,000)	-
Transfers In	120,000	119,886	(114)
Total Other Financing Sources (Uses)	<u>71,595</u>	<u>75,996</u>	<u>4,401</u>
Net Change in Fund Balance	(385,127)	(208,045)	177,082
Fund Balance - Beginning of Year	428,495	428,495	-
Prior Year Encumbrances Appropriated	192,509	192,509	-
Fund Balance - End of Year	<u>\$ 235,877</u>	<u>\$ 412,959</u>	<u>\$ 177,082</u>

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, 2019*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Municipal Income Taxes	\$ 16,130,394	\$ 16,573,684	\$ 443,290
Interest	48,920	5,460	(43,460)
Total Revenues	<u>16,179,314</u>	<u>16,579,144</u>	<u>399,830</u>
Expenditures			
Current:			
General Government			
Budget & Finance			
Personal Services	269,714	251,664	18,050
Other	2,681,351	2,578,115	103,236
Total Expenditures	<u>2,951,065</u>	<u>2,829,779</u>	<u>121,286</u>
Excess of Revenues Over Expenditures	13,228,249	13,749,365	521,116
Other Financing Sources (Uses)			
Advances In	234,080	234,080	-
Advances Out	(400,000)	(400,000)	-
Transfer Out	(16,644,999)	(16,644,998)	1
Total Other Financing Sources (Uses)	<u>(16,810,919)</u>	<u>(16,810,918)</u>	<u>1</u>
Net Change in Fund Balance	(3,582,670)	(3,061,553)	521,117
Fund Balance - Beginning of Year	4,336,244	4,336,244	-
Prior Year Encumbrances Appropriated	2,379,734	2,379,734	-
Fund Balance - End of Year	<u>\$ 3,133,308</u>	<u>\$ 3,654,425</u>	<u>\$ 521,117</u>

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, 2019*

	Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
	Final		
Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures			
Current:			
Security of Persons and Property			
Police			
Other	2,000	-	2,000
Net Change in Fund Balance	(2,000)	-	2,000
Fund Balance - Beginning of Year	4,767	4,767	-
Fund Balance - End of Year	<u>\$ 2,767</u>	<u>\$ 4,767</u>	<u>\$ 2,000</u>

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, 2019*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Fines and Forfeits	\$ -	\$ 9,279	\$ 9,279
Expenditures			
Current:			
Security of Persons and Property			
Police			
Other	12,000	3,981	8,019
Net Change in Fund Balance	(12,000)	5,298	17,298
Fund Balance - Beginning of Year	21,794	21,794	-
Fund Balance - End of Year	\$ 9,794	\$ 27,092	\$ 17,298

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, 2019*

	Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
	Final		
Revenues			
Fines and Forfeits	\$ 3,000	\$ 3,206	\$ 206
Expenditures			
Current:			
Security of Persons and Property			
Police			
Other	6,000	-	6,000
Net Change in Fund Balance	(3,000)	3,206	6,206
Fund Balance - Beginning of Year	19,165	19,165	-
Fund Balance - End of Year	\$ 16,165	\$ 22,371	\$ 6,206

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, 2019*

	Budgeted Amounts		Variance with Final Budget Positive - (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues	\$ -	\$ -	\$ -
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	<u>2,077</u>	<u>2,077</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 2,077</u></u>	<u><u>\$ 2,077</u></u>	<u><u>\$ -</u></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, 2019*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Intergovernmental	\$ 243,201	\$ 226,931	\$ (16,270)
Interest	400	357	(43)
Miscellaneous	39,974	78,532	38,558
Total Revenues	<u>283,575</u>	<u>305,820</u>	<u>22,245</u>
Expenditures			
Current:			
Community Development			
Department of Community Development			
Personal Services	8,453	-	8,453
Other	441,671	307,490	134,181
Capital Outlay	126,000	126,000	-
Total Expenditures	<u>576,124</u>	<u>433,490</u>	<u>142,634</u>
Net Change in Fund Balance	(292,549)	(127,670)	164,879
Fund Balance - Beginning of Year	115,804	115,804	-
Prior Year Encumbrances Appropriated	177,071	177,071	-
Fund Balance - End of Year	<u>\$ 326</u>	<u>\$ 165,205</u>	<u>\$ 164,879</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, 2019*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues			
Interest	\$ 300	\$ 279	\$ (21)
Expenditures			
Current:			
Community Development			
Community Development			
Other	<u>139,100</u>	<u>-</u>	<u>139,100</u>
Excess of Revenues Over (Under) Expenditures	(138,800)	279	139,079
Other Financing Sources			
Transfers In	<u>12,057</u>	<u>12,057</u>	<u>-</u>
Net Change in Fund Balance	(126,743)	12,336	139,079
Fund Balance - Beginning of Year	<u>127,046</u>	<u>127,046</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 303</u></u>	<u><u>\$ 139,382</u></u>	<u><u>\$ 139,079</u></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, 2019*

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

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, 2019

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues			
Property Taxes	\$ 113,556	\$ 115,506	\$ 1,950
Intergovernmental	11,000	11,224	224
Total Revenues	<u>124,556</u>	<u>126,730</u>	<u>2,174</u>
Expenditures			
Current:			
Security of Persons and Property			
Police			
Personal Services	<u>120,000</u>	<u>120,000</u>	<u>-</u>
Net Change in Fund Balance	4,556	6,730	2,174
Fund Balance - Beginning of Year	<u>37,418</u>	<u>37,418</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 41,974</u></u>	<u><u>\$ 44,148</u></u>	<u><u>\$ 2,174</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, 2019*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Property Taxes	\$ 113,556	\$ 115,506	\$ 1,950
Intergovernmental	11,000	11,224	224
Total Revenues	<u>124,556</u>	<u>126,730</u>	<u>2,174</u>
Expenditures			
Current:			
Security of Persons and Property			
Fire			
Personal Services	<u>120,000</u>	<u>120,000</u>	<u>-</u>
Net Change in Fund Balance	4,556	6,730	2,174
Fund Balance - Beginning of Year	<u>37,422</u>	<u>37,422</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 41,978</u></u>	<u><u>\$ 44,152</u></u>	<u><u>\$ 2,174</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, 2019*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Interest	\$ 9,900	\$ 30,396	\$ 20,496
Miscellaneous	50,100	89,091	38,991
Total Revenues	60,000	119,487	59,487
Expenditures			
Current:			
Community Development			
City Manager			
Other	110,000	101,352	8,648
Net Change in Fund Balance	(50,000)	18,135	68,135
Fund Balance - Beginning of Year	525,485	525,485	-
Fund Balance - End of Year	\$ 475,485	\$ 543,620	\$ 68,135

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, 2019*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Special Assessments	\$ 15,000	\$ 50,482	\$ 35,482
Expenditures			
Current:			
General Government			
Budget and Finance			
Other	3,500	1,231	2,269
Debt Service:			
Principal	61,124	61,124	-
Interest & Fiscal Charges	5,460	5,460	-
Total Debt Service	66,584	66,584	-
Total Expenditures	70,084	67,815	2,269
Excess of Revenues Over (Under) Expenditures	(55,084)	(17,333)	37,751
Other Financing Sources			
Premium on Debt Issuance	-	63	63
Transfers In	70,000	70,000	-
Total Other Financing Sources	70,000	70,063	63
Net Change in Fund Balance	14,916	52,730	37,814
Fund Balance - Beginning of Year	291,997	291,997	-
Fund Balance - End of Year	\$ 306,913	\$ 344,727	\$ 37,814

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, 2019*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues			
Payments in Lieu of Taxes	\$ 390,000	\$ 457,473	\$ 67,473
Expenditures			
Capital Outlay:			
Service	16,175	16,110	65
Debt Service:			
Principal	1,200,000	1,200,000	-
Interest & Fiscal Charges	241,238	241,237	1
Debt Issuance Costs	8,698	8,365	333
Total Debt Service	1,449,936	1,449,602	334
Total Expenditures	<u>1,466,111</u>	<u>1,465,712</u>	<u>399</u>
Excess of Revenues Over (Under) Expenditures	(1,076,111)	(1,008,239)	67,872
Other Financing Sources			
Bond Anticipation Notes Issued	1,089,000	990,000	(99,000)
Premium on Debt Issuance	10,425	8,979	(1,446)
Total Other Financing Sources	<u>1,099,425</u>	<u>998,979</u>	<u>(100,446)</u>
Net Change in Fund Balance	23,314	(9,260)	(32,574)
Fund Balance - Beginning of Year	568,391	568,391	-
Prior Year Encumbrances Appropriated	10,175	10,175	-
Fund Balance - End of Year	<u>\$ 601,880</u>	<u>\$ 569,306</u>	<u>\$ (32,574)</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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities										
Net Investment in										
Capital Assets										
Restricted	\$75,208,875	\$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
Unrestricted	11,546,151	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
	<u>(8,680,119)</u>	<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>
Total Governmental Activities Net Position	<u>78,074,907</u>	<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>
Business Type - Activities										
Net Investment in										
Capital Assets										
Unrestricted	51,335,835	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
	<u>(1,938,173)</u>	<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>
Total Business-Type Activities Net Position	<u>49,397,662</u>	<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>
Primary Government										
Net Investment in										
Capital Assets										
Restricted	126,544,710	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
Unrestricted	11,546,151	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
	<u>(10,618,292)</u>	<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>
Total Primary Government Net Position	<u>\$127,472,569</u>	<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>

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Program Revenues										
Governmental Activities:										
Charges for Services:										
Security of Persons and Property	\$ 1,869,518	\$ 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
Public Health and Welfare	-	376,250	331,773	311,770	293,058	264,534	213,738	184,556	160,213	151,774
Leisure Time Activities	824,388	859,038	790,276	667,353	767,323	694,019	593,189	515,414	709,428	483,292
Community Development	389,224	418,762	396,100	417,610	413,530	222,108	259,516	233,565	250,093	58,576
Transportation	106,410	54,885	42,212	57,985	111,934	52,848	40,798	37,412	28,985	38,632
General Government	14,684	110,373	49,797	28,559	93,893	51,191	62,500	104,859	170,899	63,132
Subtotal - Charges for Services	3,204,224	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
Operating Grants and Contributions:										
Security of Persons and Property	25	44,680	12,245	41,354	86,441	146,158	85,049	165,394	133,319	50,659
Public Health and Welfare	-	-	-	-	-	-	-	6,892	11,926	9,977
Leisure Time Activities	19,050	55,572	-	7,100	7,150	5,050	6,400	6,300	13,549	-
Community Development	244,968	200,126	6,696	580,234	137,763	731,476	502,927	1,624,800	657,956	704,125
Transportation	1,094,271	791,018	858,807	813,816	738,936	864,307	805,517	768,006	785,830	804,778
General Government	-	-	-	-	-	6,729	-	-	-	-
Subtotal - Operating Grants and Contributions	1,358,314	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
Capital Grants and Contributions:										
Security of Persons and Property	-	-	-	-	-	-	54,563	-	186,789	-
Leisure Time Activities	-	-	644,428	-	27,909	375,702	730,884	644,119	250,000	32,297
Community Development	365,000	-	-	-	-	184,257	1,301,307	1,253,088	380,851	-
Transportation	1,612,927	3,361,639	6,112,002	5,184,058	12,571,371	467,278	1,357,189	905,425	1,980,191	873,056
General Government	-	-	-	-	-	-	-	-	290,880	-
Subtotal - Capital Grants and Contributions	1,977,927	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
Total Governmental Activities Program Revenues	6,540,465	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
Business-Type Activities:										
Charges for Services:										
Water	3,804,573	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
Sewer	3,843,322	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
Solid Waste	410,504	482,892	580,308	541,363	521,150	484,830	508,985	445,105	424,599	419,696
Storm Water Drainage	1,001,048	997,098	983,070	963,591	562,743	565,152	496,051	565,338	555,853	548,930
Subtotal - Charges for Services	9,059,447	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
Operating Grants and Contributions:										
Sewer	-	-	-	-	-	-	-	-	180,546	-
Solid Waste	-	-	-	-	-	-	-	12,500	12,500	12,500
Subtotal - Operating Grants and Contributions	-	-	-	-	-	-	-	12,500	193,046	12,500
Capital Grants and Contributions:										
Water	517,416	54,587	36,750	196,294	129,054	19,051	75,817	334,491	134,295	127,177
Sewer	5,779	51,460	41,927	270,555	198,770	31,962	62,312	70,760	194,121	57,438
Storm Water Drainage	149,128	1,600	156,103	163,893	326,085	202,918	39,990	167,150	86,604	1,083,023
Subtotal - Capital Grants and Contributions	672,323	107,647	234,780	630,742	653,909	253,931	178,119	572,401	415,020	1,267,638
Total Business-Type Activities Program Revenues	9,731,770	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
Total Primary Government Program Revenues	\$ 16,272,235	\$ 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

City of Kent, Ohio

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

Table 2

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Governmental Activities:										
Security of Persons and Property	\$ 3,901,826	\$ 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
Public Health and Welfare	550,122	1,048,660	978,817	865,759	751,049	733,837	724,497	678,085	666,053	632,398
Leisure Time Activities	2,810,759	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
Community Development	2,281,042	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
Transportation	5,447,601	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
General Government	3,662,564	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
Interest and Fiscal Charges	644,037	627,987	645,096	625,093	599,464	441,711	321,067	247,423	196,981	143,384
<i>Total Governmental Activities Expenses</i>	<i>19,297,951</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>
Business-Type Activities										
Water	4,471,050	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
Sewer	5,355,091	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
Solid Waste	247,436	339,312	387,087	375,328	354,304	360,163	362,196	428,292	434,718	453,846
Storm Water Drainage	1,167,401	1,067,187	1,011,067	872,141	927,030	776,836	871,773	730,942	813,922	664,552
<i>Total Business-Type Activities Expenses</i>	<i>11,240,978</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>Total Primary Government Program Expenses</i>	<i>30,538,929</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>
Net (Expense)/Revenue										
Governmental Activities	(12,757,486)	(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)
Business-Type Activities	(1,509,208)	(908,814)	(853,029)	243,360	37,076	(76,254)	(80,789)	710,589	(731,185)	37,330
<i>Total Primary Government Net (Expense)/Revenue</i>	<i>\$ (14,266,694)</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>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes:										
Property and Other Local Taxes Levied For:										
General Purposes	\$ 1,879,618	\$ 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
Other Purposes	1,300,182	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
Municipal Income Taxes	17,699,991	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
Payments in Lieu of Taxes	457,473	462,329	408,906	368,097	511,990	372,968	-	-	-	-
Grants and Entitlements not Restricted to										
Specific Programs	1,731,103	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
Investment Earnings	1,258,897	574,057	382,400	332,106	288,799	192,313	144,065	206,287	221,008	232,274
Gain on Sale of Capital Assets	45,006	4,656	-	-	2,409,100	23,761	-	-	-	-
Miscellaneous	531,810	630,269	373,956	299,309	300,254	460,767	463,264	475,985	574,177	301,344
Transfers	-	-	-	-	-	-	-	-	(140,000)	-
<i>Total Governmental Activities</i>	<i>24,904,080</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>
Business-Type Activities										
Investment Earnings	4,004	1,711	16	256	14,185	34,289	17,795	29,250	33,514	76,543
Gain on Sale of Capital Assets	1,179	6,957	-	11,860	2,192	6,842	-	-	-	23,796
Miscellaneous	99,987	130,885	87,340	74,243	118,447	194,545	55,730	64,055	130,253	82,236
Transfers	-	-	-	-	-	-	-	-	140,000	-
<i>Total Business-Type Activities</i>	<i>105,170</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>Total Primary Government</i>	<i>25,009,250</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>
Change in Net Position										
Governmental Activities	12,146,594	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
Business-Type Activities	(1,404,038)	(769,261)	(765,673)	329,719	171,900	159,422	(7,264)	803,894	(427,418)	219,905
<i>Total Primary Government Change in Net Position</i>	<i>\$ 10,742,556</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>

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

<u>Year</u>	<u>Municipal Income Taxes</u>	<u>Property and Other Local Taxes</u>	<u>Total</u>
2019	\$17,699,991	\$3,179,800	\$20,879,791
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

City of Kent, Ohio

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

Table 4

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund										
Nonspendable	\$1,948,042	\$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
Committed	2,404,538	2,378,998	2,353,458	2,327,888	2,302,348	2,276,808	2,276,808	-	-	-
Assigned	350,129	409,893	210,972	309,949	221,857	294,510	305,274	2,894,067	2,863,740	2,744,000
Unassigned	10,043,689	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
Total General Fund	14,746,398	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
All Other Governmental Funds										
Nonspendable	822,988	565,959	444,358	445,052	455,723	4,595,363	4,204,736	4,303,876	4,269,688	187,302
Restricted	8,288,119	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
Committed	6,671,911	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
Unassigned (Deficit)	(1,625,579)	(2,649,832)	(2,471,506)	(1,018,500)	(892,659)	(949,135)	(5,720,431)	(6,186,570)	(5,461,833)	(115,035)
Total All Other Governmental Funds	14,157,439	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
Total Governmental Funds	\$28,903,837	\$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

City of Kent, Ohio

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

Table 5

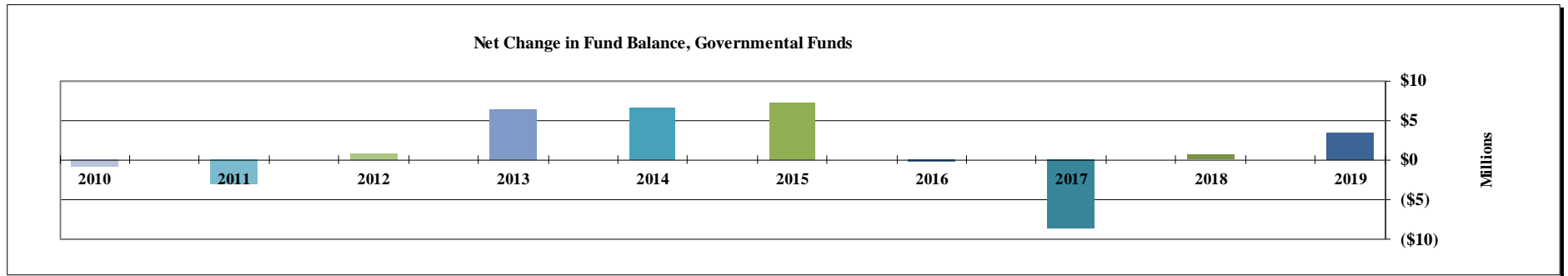
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Taxes:										
Property and Other Local Taxes	\$3,541,655	\$3,537,347	\$3,554,524	\$3,754,936	\$3,477,279	\$3,430,049	\$3,219,884	\$3,253,169	\$3,252,122	\$3,188,957
Municipal Income Taxes	16,626,196	16,173,757	16,425,784	15,746,639	16,522,458	14,947,349	12,545,597	11,921,978	10,785,019	10,497,813
Payments in Lieu of Taxes	457,473	462,329	408,906	368,097	511,990	372,968	-	-	-	-
Charges for Services	2,798,620	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
Fees, Licenses and Permits	66,890	558,636	424,912	383,602	598,196	423,085	414,466	396,389	737,262	203,840
Fines and Forfeitures	324,928	294,039	340,127	290,389	270,676	215,851	201,463	223,148	182,599	215,091
Intergovernmental	4,650,973	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
Contributions and Donations	384,325	725	-	-	12,246,493	-	-	-	-	-
Special Assessments	264,583	172,429	221,523	149,785	134,333	166,455	170,144	200,091	154,563	162,134
Interest	1,248,546	562,586	368,217	317,069	270,211	173,655	128,104	178,996	187,822	199,075
Miscellaneous	538,832	385,469	368,970	667,978	380,239	509,397	550,012	357,551	214,177	301,496
Total Revenues	30,903,021	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
Expenditures										
Current:										
Security of Persons and Property	12,901,180	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
Public Health and Welfare	542,738	946,620	875,813	827,419	741,845	719,149	723,475	621,527	665,015	624,153
Leisure Time Activities	1,998,691	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
Community Development	1,924,919	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
Transportation	3,436,315	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
General Government	3,058,200	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
Capital Outlay	2,893,844	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
Debt Service:										
Principal Retirement	437,474	431,933	1,328,405	881,904	354,991	29,947	60,947	1,434,937	201,973	209,947
Interest and Fiscal Charges	657,067	648,697	644,470	654,654	490,638	357,801	130,467	191,040	197,800	144,108
Bond Issuance Costs	29,931	29,023	30,519	17,518	120,195	114,419	140,230	62,354	-	-
Total Expenditures	27,880,359	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
Excess of Revenues Over (Under) Expenditures	3,022,662	268,764	(8,820,275)	(366,076)	3,559	1,632,809	788,997	(161,685)	(2,822,227)	(1,199,791)

City of Kent, Ohio

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

Table 5

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Other Financing Sources (Uses)										
Proceeds from Sale of Capital Assets	52,196	62,067	9,454	26,402	2,409,100	23,761	15,726	15,346	5,741	-
General Obligation Bonds Issued	-	-	-	-	4,465,000	4,535,000	5,490,000	-	-	-
Premium on Debt Issued	-	-	-	-	533,826	413,452	117,994	-	-	-
Loan Proceeds	342,409	338,926	73,042	-	1,171	42,863	113,232	1,117,114	-	455,101
Transfers In	5,401,943	5,575,348	6,180,248	5,557,992	5,831,822	3,259,948	266,947	270,762	268,522	10,178,069
Transfers Out	(5,401,943)	(5,575,348)	(6,180,248)	(5,557,992)	(5,991,822)	(3,419,948)	(426,947)	(430,762)	(558,522)	(10,319,189)
<i>Total Other Financing Sources (Uses)</i>	<u>394,605</u>	<u>400,993</u>	<u>82,496</u>	<u>26,402</u>	<u>7,249,097</u>	<u>4,855,076</u>	<u>5,576,952</u>	<u>972,460</u>	<u>(284,259)</u>	<u>313,981</u>
<i>Net Change in Fund Balances</i>	<u>\$3,417,267</u>	<u>\$669,757</u>	<u>(\$8,737,779)</u>	<u>(\$339,674)</u>	<u>\$7,252,656</u>	<u>\$6,487,885</u>	<u>\$6,365,949</u>	<u>\$810,775</u>	<u>(\$3,106,486)</u>	<u>(\$885,810)</u>
 Debt Service as a Percentage of Noncapital Expenditures	 5.46%	 4.66%	 7.95%	 6.48%	 2.42%	 1.88%	 0.89%	 7.48%	 1.91%	 1.85%



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>
2019	\$16,626,196	\$3,541,655	\$20,167,851
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

City of Kent, Ohio

Income Tax Revenue Base and Collections (Cash Basis)

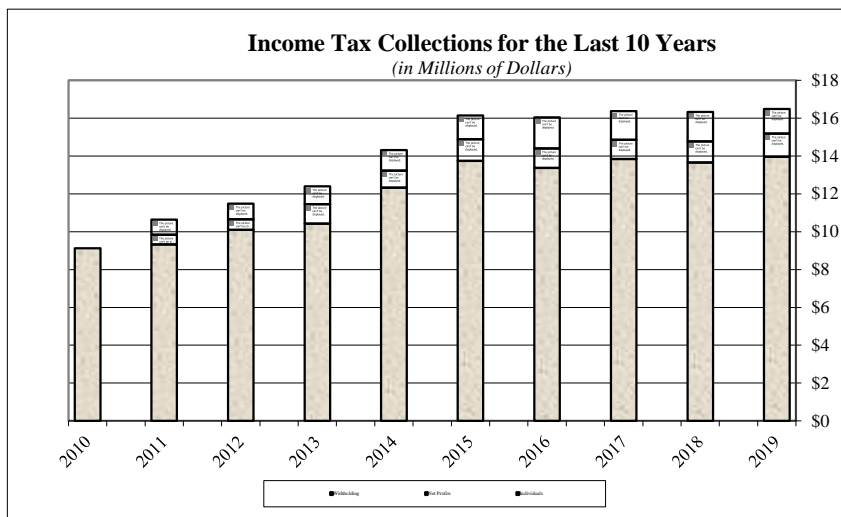
Last Ten Years

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
2019	2.25%	\$16,572,904	\$13,952,415	84.18%	\$1,016,461	6.13%	\$1,604,028	9.68%
2018	2.25	16,182,875	13,652,263	83.75	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

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

2019		
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 Enterprises Inc	
10	Aramark Food And Support Services	

2010		
2019 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
6	5	Land O Lakes
5	6	Smithers-Oasis Company
8	7	Klaben Family Ford, Inc.
15	8	ACS Industries Inc
21	9	Don Joseph Inc
n/a	10	Robinson Memorial Hospital

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	
2018/2019	\$ 4.76	\$ 0.73	\$ 3.45	\$ 0.30	\$ 0.30	\$ 9.54	\$ 13.62	\$ 110.48	\$ 133.64
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

Source: Portage County, Ohio; County Auditor



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
2019	\$255,720,030	\$151,894,600	\$1,164,613,229	\$7,572,030	\$11,301,537
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

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

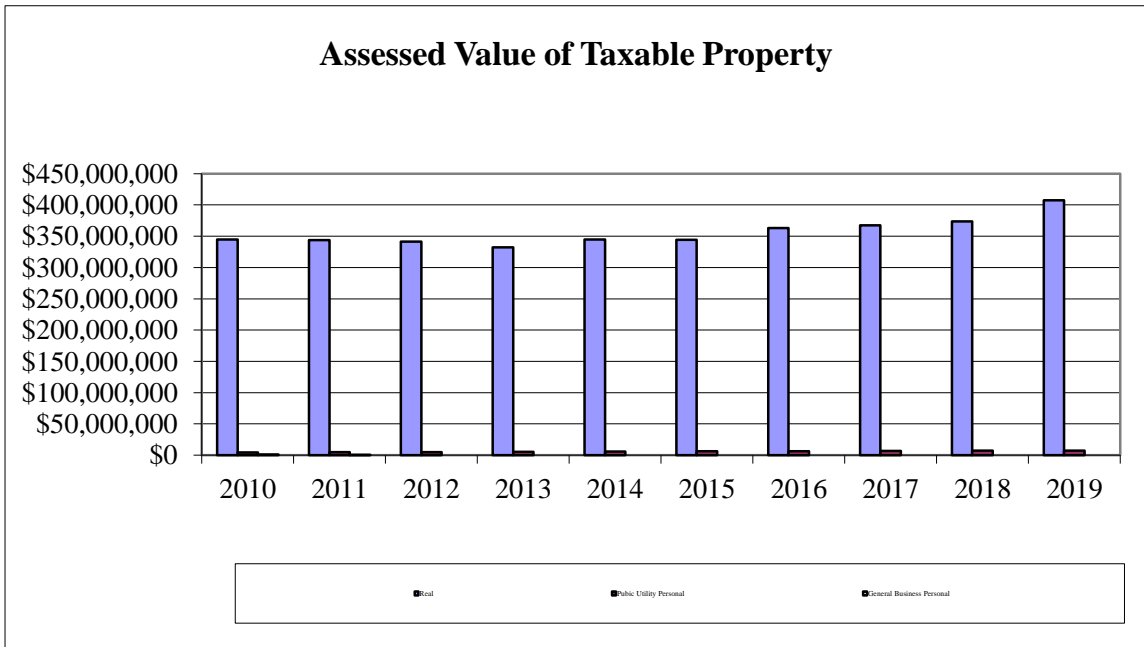
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Public utility personal property is assessed at 88% of actual value (1997-2004) and 67% of actual value (2005-2008). General business tangible personal property was assessed in previous 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

Tangible Personal Property					
General Business		Total			
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	Direct Tax Rate
\$ -	\$ -	\$ 415,186,660	\$ 1,175,914,766	35.31%	9.54
-	-	381,013,970	1,078,632,433	35.32	9.54
-	-	374,409,750	1,060,130,052	35.32	9.54
-	-	369,797,260	1,047,670,206	35.30	9.54
-	-	350,645,400	993,156,689	35.31	9.54
-	-	351,074,180	994,662,965	35.30	9.54
-	-	337,744,000	957,192,925	35.28	9.54
-	-	346,335,680	982,489,723	35.25	9.54
-	-	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



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>
2019	\$ 3,480,801	\$ 3,414,378	98.09%	\$ 85,500	\$ 3,499,878	100.55%	\$ 120,309
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

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

2019 and 2010

Table 12

Taxpayer	2019	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Province Kent OH LLC	\$15,218,710	3.67 %
ACC OP (University Edge Kent) LLC	10,188,330	2.45
CDC-Kent LLC	7,383,010	1.78
Mikey Ryan LLC	4,888,030	1.18
DSMP-Kent LLC	4,282,360	1.03
Douglas Partners LLC	3,888,850	0.94
Whitehall Terrace Investors LLC	3,367,810	0.81
Kent Summit LLC	3,136,870	0.76
SLK Global Solutions	2,714,950	0.65
Klaben Property Management LLC	2,175,390	0.52
Total	\$57,244,310	13.78 %
Total Assessed Valuation	\$415,186,660	
Taxpayer	2010	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Mickey Ryan LLC	\$2,941,120	0.85 %
Draucker, Carl A.	2,623,460	0.75
Silver Meadows Ltd.	2,500,100	0.71
Whitehall Terrace Investors LLC	2,190,900	0.63
DSMP - Kent LLC	2,365,790	0.68
Douglas Partners	2,126,710	0.61
New Indian Valley Ltd.	1,845,940	0.53
Fontaine Trailer Company	1,732,750	0.49
Davey Tree Expert Co	1,693,550	0.48
Inn at Golden Pond Ltd.	1,675,520	0.48
Total	\$21,695,840	6.20 %
Total Assessed Valuation	\$350,120,000	

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

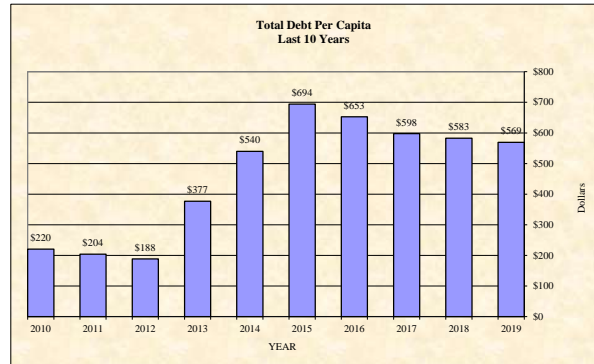
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita

Last Ten Years

Table 13

Year	General Obligation Bonds	OPWC Loans	Loans Payable	OPWC Loans	OWDA Loans	Total Debt	Per Capita
2019	\$ 13,597,907	\$ 864,395	\$ -	\$ 219,726	\$ 1,774,476	\$ 16,456,504	\$ 569
2018	14,029,975	569,460	-	182,886	2,064,814	16,847,135	583
2017	14,452,043	282,467	-	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	-	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

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

<u>Year</u>	<u>Population (1)</u>	<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Gross Bonded Debt (3)</u>	<u>Accumulated Resources Restricted for Repayment</u>	<u>Net General Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>Net Bonded Debt Per Capita</u>
2019	28,904	\$1,175,914,766	\$13,597,907	(\$378,005)	\$13,219,902	1.12 %	\$457.37
2018	28,904	1,078,632,433	14,029,975	(301,014)	13,728,961	1.27	\$474.98
2017	28,904	1,060,130,052	14,452,043	(267,832)	14,184,211	1.34	490.74
2016	28,904	1,047,670,206	14,869,111	(225,860)	14,643,251	1.40	506.62
2015	28,904	993,156,689	15,281,179	(219,717)	15,061,462	1.52	521.09
2014	28,904	994,662,965	10,549,847	(201,441)	10,348,406	1.04	358.03
2013	28,904	957,192,925	5,606,950	(385,140)	5,221,810	0.55	180.66
2012	28,904	982,489,723	-	(443,454)	-	0.00	0.00
2011	28,904	989,216,458	1,370,000	(483,475)	886,525	0.09	30.67
2010	28,904	1,001,146,633	1,530,000	(516,342)	1,013,658	0.10	35.07

Sources:

- (1) U. S. Bureau of Census, 2010 Census of Population.
- (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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total Assessed Property Value	\$415,186,660	\$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
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	\$ 43,594,599	\$ 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
Debt Outstanding:										
General Obligation Bonds - Governmental Activities	13,597,907	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
Bond Anticipation Notes - Governmental Activities	3,667,040	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
Bond Anticipation Notes - Business Type Activities	256,542	317,047	377,100	437,007	497,011	557,401	617,474	675,000	735,000	795,000
Total Gross Indebtedness	17,521,489	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
Less:										
Bond Anticipation Notes - Business Type Activities	(256,542)	(317,047)	(377,100)	(437,007)	(497,011)	(557,401)	(617,474)	(675,000)	(735,000)	(795,000)
General Obligation Bond Retirement Fund Balance	-	-	-	-	-	-	-	-	(47,709)	(32,145)
Total Net Debt Applicable to Debt Limit	17,264,947	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
Legal Debt Margin Within 10 ½ % Limitations	\$26,329,652	\$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
Legal Debt Margin as a Percentage of the Debt Limit	60.40%	52.78%	48.86%	55.03%	50.19%	60.06%	71.12%	71.69%	75.31%	86.07%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	\$22,835,266	\$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
Total Gross Indebtedness	17,521,489	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
Less:										
Bond Anticipation Notes - Business Type Activities	(256,542)	(317,047)	(377,100)	(437,007)	(497,011)	(557,401)	(617,474)	(675,000)	(735,000)	(795,000)
General Obligation Bond Retirement Fund Balance	-	-	-	-	-	-	-	-	(47,709)	(32,145)
Net Debt Within 5 ½ % Limitations	17,264,947	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
Unvoted Legal Debt Margin Within 5 ½ % Limitations	\$5,570,319	\$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
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	24.39%	9.85%	2.37%	14.15%	4.91%	23.74%	44.86%	45.95%	52.86%	73.40%

City of Kent, Ohio

Computation of Direct and Overlapping General Obligation Bonded Debt

December 31, 2019

Table 16

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Kent			
General Obligation Bonds	\$13,597,907	100.00 %	\$13,597,907
OPWC Loans	864,395	100.00	864,395
<i>Total Direct Debt</i>	<u>\$14,462,302</u>		<u>\$14,462,302</u>
Overlapping			
Kent City School District (2)			
General Obligation Bonds	10,885,000	68.63	7,470,376
Portage County (3)			
General Obligation Bonds	14,825,024	10.65	1,578,865
Special Assessment Bonds	99,255	10.65	10,571
OWDA Loans	63,990	10.65	6,815
<i>Total Overlapping Debt</i>	<u>25,873,269</u>		<u>9,066,627</u>
Total	<u><u>\$40,335,571</u></u>		<u><u>\$23,528,929</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)
2019	28,904	\$552,066,400	\$19,100	\$26,696	3,253	4.1%	3.5%
2018	28,904	552,066,400	19,100	26,696	3,228	4.8%	4.1%
2017	28,904	552,066,400	19,100	26,696	3,225	4.7%	3.8%
2016	28,904	552,066,400	19,100	26,696	3,244	5.0%	4.3%
2015	28,904	552,066,400	19,100	26,696	3,713	4.9%	4.2%
2014	28,904	552,066,400	19,100	26,696	3,314	4.8%	4.2%
2013	28,904	552,066,400	19,100	26,696	3,297	6.6%	5.2%
2012	28,904	552,066,400	19,100	26,696	3,374	6.8%	7.7%
2011	28,904	552,066,400	19,100	26,696	3,496	8.3%	7.7%
2010	28,904	552,066,400	19,100	26,696	3,314	9.8%	7.9%

(1) Source: U. S. Census - 2010

(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

City of Kent, Ohio

Principal Employers

Current and Nine Years Ago

Table 18

2019		
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%	
Aramark Food and support Service	0.89%	
Total	\$ 8,700,683	64.10%
Total City's Withholdings	\$ 13,572,641	

2010		
Employer	Percentage of City's Withholding	Percentage of Total City W-2's processed
Kent State University	66.85%	
Kent City Schools	5.69%	
Davey Tree	1.83%	
City of Kent	1.71%	
Land O Lakes	1.27%	
OHNH Emp LLC	0.80%	
Smithers Oasis	0.60%	
Klaben Family Ford Inc	0.59%	
Don Joseph Inc.	0.46%	
Robinson Memorial Hospital - STR	0.42%	
Total	N/A	80.22%
Total W-2's Processed	\$ 15,704	

City of Kent, Ohio

City Government Employees by Function/Program

Last Ten Years

Table 19

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
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
Information Technology										
IT & Communications Manager	1	1	1	1	0	0	0	0	0	0
Civil Service										
Civil Service Commissioner	0	0	0	0	0	0	3	3	3	3
Civil Service Coordinator (Part-Time)	1	1	1	1	1	1	0	0	0	0
Civil Service Coordinator (Full-Time)	0	0	0	0	0	0	1	1	1	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
Tax Administration										
Income Tax Auditor	1	1	1	1	1	1	1	1	1	1
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	1

City of Kent, Ohio

City Government Employees by Function/Program (continued)

Last Ten Years

Table 19

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
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	3	2	2	2
Senior Engineer (Part-time)	0	0	0	0	0	0	0	1	1	1
Engineering Technician	2	2	2	2	2	2	2	2	2	2
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	28	28	28	28	28	28	28	28	28	28
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	1	3	3	3
Clerk-Dispatcher	11	9	9	9	9	9	9	7	7	7
Clerk-Dispatcher (Part-time)	0	3	3	3	3	3	3	3	3	3
Records Clerk	1	0	0	0	0	0	0	0	0	0
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	2	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	27	27	27	27	27	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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Central Maintenance										
Utilities Manager	1	1	1	1	1	1	1	1	0	0
Facilities Manager	1	1	1	1	1	1	1	1	0	0
Cent. Maint. Mgr./Water Dist. Spec.	0	0	0	0	0	0	0	0	1	1
Assignment Supervisor	0	0	0	1	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	9	8	8	9	11	11	11	11
Carpenter	1	1	1	1	1	1	1	1	1	1
Arborist Supervisor	0	0	0	0	0	0	0	0	1	1
Laborers	4	4	4	4	5	4	0	0	0	0
Account Clerk	1	1	1	1	0	0	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
Plant Mechanic	1	1	1	1	1	1	1	1	1	1
Chemist	1	1	1	1	1	1	1	1	0	0
Lab Technician	1	1	1	1	1	1	1	1	0	0
Enviromental Technician	1	1	1	1	1	1	1	1	0	0
Water Reclamation Facility Operator	7	7	7	7	7	7	7	7	7	7
Water Reclamation Facility Chief Operator	1	1	1	1	1	1	1	1	1	1
Public Health Services (Component Unit)										
Health										
Health Commissioner	1	1	1	1	1	1	1	1	1	1
Deputy Health Commissioner	0	0	0	0	0	0	0	0	1	1
Chief Sanitarian	1	1	1	1	1	1	1	0	0	0
Accreditation Coordinator (Full-Time)	1	1	0	0	0	0	0	0	0	0
Accreditation Coordinator (Part-Time)	0	0	1	1	1	0	0	0	0	0
Public Health Sanitarian	2	2	2	2	2	2	2	3	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	0	2	2
Chemist	0	0	0	0	0	0	0	0	1	1
Secretary (Full-time)	1	1	1	1	1	0	0	0	0	0
Secretary (Part-time)	0	0	0	0	1	1	1	1	1	1

City of Kent, Ohio

City Government Employees by Function/Program (continued)

Last Ten Years

Table 19

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
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
Recreation Specialist	1	1	1	1	1	1	1	1	1	1
Part-time and Seasonal	46	46	46	45	45	45	45	37	35	34
KABC Coordinator (Part-Time)	5	5	5	5	5	5	5	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 Coord Development Planner	1	1	1	1	1	1	1	1	1	1
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	8	5	5	5	5	5
Code Enforcement Officer	2	2	1	1	1	1	1	1	1	1
Construction Clerk	1	1	1	1	1	1	1	1	1	1
Coordinator	0	0	0	0	0	0	0	0	1	1
Economic Development										
Economic Development Director	1	1	1	1	1	1	1	1	1	1
Totals All Departments	<u>300</u>	<u>300</u>	<u>299</u>	<u>298</u>	<u>297</u>	<u>291</u>	<u>293</u>	<u>281</u>	<u>280</u>	<u>279</u>
Full-Time	201	201	198	198	199	196	193	192	193	193
Part-Time	99	99	101	99	98	95	99	88	86	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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government										
Number of Buildings	0.25	0.25	0.25	0.25	0.25	1.5	1.5	1.5	1.5	1.5
Administrative Vehicles	6	4	4	4	4	4	4	4	4	4
Police										
Stations	2	2	2	1	1	1	1	1	1	1
Vehicles	27	28	28	28	27	25	25	26	25	25
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Vehicles	14	14	15	15	13	14	13	13	13	13
Recreation										
Number of Buildings	10	10	10	10	10	10	9	9	9	8
Number of Parks	24	24	24	24	24	24	23	23	23	23
Park Acreage	380	380	380	380	373	367	364	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	15
Vehicles	11	11	12	11	11	11	10	11	11	11
Transportation										
Number of Buildings	3.5	3.5	3.5	3.5	3.5	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	90.00	90.00	90.00	90.00	90.00
Service Vehicles	48	47	55	54	53	52	48	53	55	55
Public Health and Welfare										
Number of Buildings	0	0	0	0	0	0.50	0.50	0.50	0.50	0.50
Service Vehicles	6	6	8	6	5	5	5	4	5	5
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	2	1	2	2
Water										
Treatment Plant	1	1	1	1	1	1	1	1	1	1
Water Lines (Linear Feet)	570240	570240	374437	374437	374437	374,437	374,437	374,437	374,437	374,437
Vehicles	6	6	7	6	7	7	6	6	6	6
Sewer										
Treatment Plant	1	1	1	1	1	1	1	1	1	1
Sanitary Sewers (Linear Feet)	424,820	424,820	334,132	334,132	334,132	334,132	334,132	334,132	334,132	334,132
Vehicles	7	7	7	7	9	7	7	7	5	5
Storm Water Drainage										
Storm Sewers (Linear Feet)	386,518	386,518	383,918	383,918	383,918	383,918	383,918	383,918	383,918	383,918

Source: City of Kent capital asset records

City of Kent, Ohio

Operating Indicators by Function/Program

Last Ten Years

Table 21

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
City Council and Clerk of Council										
Number of Ordinances/Resolutions Passed	142	149	162	113	174	178	145	143	127	119
Number of Passports Accepted	210	159	108	216	226	329	325	355	373	443
Civil Service										
City of Kent:										
Entry Level Examinations	5	7	9	2	10	6	4	7	3	7
Promotional Examinations	2	3	0	1	5	0	0	5	2	1
Kent City School District:										
Entry Level Examinations	1	0	3	2	3	1	0	2	2	1
Promotional Examinations	0	0	0	0	0	0	0	0	0	1
Budget and Finance Department										
Number of checks/vouchers issued	5,087	5,265	5,369	5,445	5,293	5,392	5,402	5,471	5,651	5,595
Number of W-2's issued	286	286	290	292	279	289	268	267	267	269
Budget and Finance Department - Utility Billing										
Number of Bills Mailed	97,324	96,099	95,653	95,595	95,273	95,273	92,400	92,400	92,400	94,302
Number of Delinquent Notices Sent	0	0	0	0	0	0	0	0	0 *	10,716
* as of 2011 no longer sent out										
Building Department Indicators										
Construction Permits Issued	129	162	158	157	163	150	153	285	229	155
Estimated Value of Construction	\$43,407	\$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
Number of permits issued	1011	965	835	919	971	862	752	970	848	614
Amount of Revenue generated from permits	\$157,993	\$560,176	\$195,595	\$175,598	\$673,928	\$285,587	\$410,158	\$8,070,390	\$1,016,442	\$160,411
Number of contract registrations issued	549	508	452	465	399	299	266	145	190	208
Revenue generated from above	\$36,150	\$35,196	\$30,300	\$30,200	\$27,050	\$15,000	\$15,675	\$5,625	\$6,263	\$6,712
Number of Planning Commission Docket Items	15	13	16	22	23	13	19	29	25	27
Zoning Board of Appeals Docket Items	19	17	19	27	14	21	19	25	29	21

City of Kent, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 21

		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Public Services Department - Engineering											
	Unit										
Total Number of Projects	EA	35	37	37	40	33	30	30	25	27	30
Total Dollars All Projects	\$	\$5,258,286	\$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
Total Professional Services Support	\$	\$871,068	\$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
Total Division Operating	\$	\$33,926	\$35,346	\$33,769	\$30,804	\$47,045	\$45,409	\$34,133	\$31,827	\$30,798	\$26,538
Private Inspection Request		285	290	412	399	425	210	187	243	171	149
Public Services Department - Central Maintenance											
	Unit										
Street Repair (Curbs, aprons, berms, asphalt)	Hr.s	5,483	7,328	8,575	4,611	5,927	3,513	4,131	4,322	3,338	3,983
Paint Striping	Hr.s	1,018	564	0	1,031	772	120	757	1,224	808	1,121
Street Sweeper	Hr.s	1,624	1,835	1,579	1,170	1,002	352	910	888	993	1,148
Cold Patch	Hr.s	686	833	1,613	513	692	1,492	706	1,313	1,339	1,179
Snow & Ice Removal regular	Hr.s	2,005	1,300	862	1,581	1,971	1,585	1,740	1,013	1,588	5,758
Snow & Ice Removal overtime	Hr.s	3,148	1,571	1,375	1,040	1,100	1,838	1,764	1,221	1,501	2,665
Sewer and Sanitary calls for service	Ea	7	10	5	9	27	26	60	57	55	57
After hours Sewer Calls	Hr.s	8	4	72	49	66	42	72	54	74	62
Sewer Crew	Hr.s	1,701	1,637	2,772	3,046	3,071	2,186	2,445	1,939	1,809	2,012
Sewer jet, Vac-all, other services	Hr.s	410	324	1,729	1,249	1,350	1,344	2,451	1,538	1,808	2,012
Water Distribution Maintenance	Hr.s	8,513	8,765	8,718	8,820	8,092	8,045	6,286	6,943	5,624	8,124
Number of Water Breaks	Ea	34	17	8	14	13	29	19	25	12	44
Water Meter Reading	Hr.s	192	192	192	192	510	456	412	486	953	1,309
Landscaping, Tree Maint.(Stump-Chipper service)	Hr.s	4,547	3,932	2,743	2,322	2,394	1,788	2,837	3,158	3,972	4,193
Leaf collection	Hr.s	1,624	2,221	1,422	1,365	1,957	2,046	1,747	1,551	2,864	2,800
Holiday lights setup	Hr.s	366	360	324	292	265	289	160	189	48	56
Downtown Square events	Hr.s	386	531	520	517	409	517	580	614	585	576
Equipment repair	Hr.s	7,099	7,367	7,147	7,962	8,562	7,754	7,565	7,536	7,661	8,448
Sign department	Hr.s	2,080	2,264	1,878	2,208	1,671	1,041	1,324	1,595	1,110	1,054
Number of Trees Planted per year	Ea	363	685	54	58	65	90	84	111	244	N/A
Gallons of Calcium Chloride used (Year Jan-Dec)	Gal.s	0	0	0	0	0	0	0	4,426	5,525	8,512
Cost of Calcium Chloride Purchased	\$/Gal.	0	0	0	0	0	\$0.000	\$0.000	\$0.550	\$0.550	\$0.970
Gallons of Aqua Salina used(Year Jan-Dec)	Gal.s	4,750	15,000	24,832	25,801	36,496	17,030	10,000	N/A	N/A	N/A
Cost of Aqua Salina	\$/Gal.	\$0.43	\$0.43	\$0.43	\$0.63	\$0.34	\$0.34	\$0.23	N/A	N/A	N/A
Tons of snow melting salt used (Year Jan-Dec)	Tons	1,896	2,800	3,439	2,458	2,832	2,473	4,783	1,621	3,196	3,687
Cost of salt purchased	\$/Ton	79.82	48.47	54.47	54.47	59.99	27.50	37.13	\$43.20	\$43.20	\$43.00
Public Services Department - Water Reclamation											
Wastewater rates (per 1st 300 cu. ft.)	\$	17.06	16.56	15.62	15.16	14.72	\$14.29	\$14.29	\$12.61	\$11.57	\$11.57
Total yearly flow	MG	914.8	800	764	713	764	890	840	737	832	756
Average daily flow	MGD	2.51	2.19	2.09	1.95	2.09	2.44	2.30	2.02	2.28	2.00
Sludge removed (dry tons)	\$/Ton	340	337	323	334	340	386	343	363	351	359
Treatment chemical cost	\$	\$78,074	\$56,438	\$143,723	\$137,463	\$123,036	\$119,728	\$123,533	\$55,645	\$56,750	\$64,699
Treatment electrical cost	\$	\$121,687	\$143,920	\$124,082	\$108,790	\$113,798	\$101,263	\$98,000	\$108,259	\$167,112	\$161,314

City of Kent, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 21

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	
Public Services Department - Water Treatment Plant											
	Unit										
Raw Water from wells	MG	925	982	955	968	883.04	944.20	1,036.37	1,032.45	988.01	1,000.70
Annual pumpage - finished water	MG	850	878	848	876	873.48	901.98	900.22	909.68	885.43	918.34
Lime	\$/Ton	\$173	\$132	\$132	\$147	\$147	\$147	\$147	\$138	\$138	\$124
Soda ash	\$/Ton	\$330	\$330	\$330	\$377	\$376	\$376	\$376	\$376	\$359	\$359
Chlorine	\$/Ton	\$610	\$540	\$540	\$540	\$540	\$540	\$540	\$540	\$510	\$510
Hydrofluosilicic acid	\$/Ton	\$702	\$702	\$702	\$702	\$702	\$702	\$702	\$702	\$702	\$720
Carbon dioxide	\$/Ton	\$116	\$116	\$116	\$116	\$116	\$116	\$116	\$154	\$150	\$150
Electric (wells, plant, booster stations, tanks)	Ttl. \$	\$174,020	\$189,166	\$191,080	\$189,911	\$173,762	\$158,885	\$148,404	\$154,186	\$158,764	\$178,180
Lime sludge production plant	CY	\$1,369.00	\$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
Lime sludge removed from plant and lagoons	CY	1880.00	1070.00	2145.00	2576.00	2711.00	771.50	1,817.20	2,044.90	3,825.00	3,760.30
Lime	tons	690.00	719.00	719.00	723.09	738.90	753.13	742.04	744.89	716.17	733.08
Soda Ash	tons	225	268	268	240.88	243.04	281.61	276.91	289.04	295.49	291.45
Chlorine	tons	11.53	11.59	11.59	11.81	11.61	11.79	11.61	11.89	11.46	11.88
Carbon Dioxide	tons	51	51.81	51.81	52.77	45.53	45.15	46.56	41.69	41.69	41.40
Hydrofluosilicic acid	tons	14.71	17.63	16.63	16.16	15.88	16.46	16.53	16.27	16.27	17.14
Rainfall	inches	47.16	34.55	34.58	30.92	29.73	39.79	37.98	33.14	44.14	30.79
Police											
Total Calls for Services		27,981	25,609	25,701	28,545	22,949	20,534	18,062	19,680	19,470	20,669
Number of traffic citations issued		3,122	2,872	2,874	3,541	3,366	3,023	2,576	3,393	2,841	3,247
Number of parking citations issued		11,262	11,733	12,751	9,056	8,179	3,814	3,492	2,546	2,468	2,915
Number of criminal arrests		1,685	1,605	1,878	2,222	2,208	2,261	2,102	2,391	2,066	2,110
Number of accident reports completed		647	705	753	1,015	1,067	815	861	843	856	839
Part I Offenses (major offenses)		420	598	651	745	772	837	955	951	926	885
Animal Warden service calls		425	358	380	374	399	365	431	558	389	492
DUI arrests		182	145	164	182	186	187	205	277	237	214
Motor Vehicle Accidents		647	705	753	1,015	1,067	815	861	843	856	839
Property Damage Accidents		405	405	422	673	739	458	565	531	540	526
Fatalities from Motor Vehicle Accidents		0	0	0	0	0	2	0	1	0	0
Community Diversion Program Youths		29	22	30	37	34	46	70	70	48	55
Fire											
Fire Losses:											
City of Kent		\$170,000	\$197,000	\$409,750	\$155,000	\$242,530.00	\$398,180	\$347,225	\$335,906	\$111,800	\$183,850
Kent State University		\$0	\$0	\$0	\$0	\$26,000.00	\$0	\$1,010,500	\$10,452	\$150,000	\$0
Franklin Township		\$0	\$0	\$93,600	\$243,905	\$20,000.00	\$9,000	\$58,700	\$3,037	\$8,900	\$119,000
Other		\$40,000	\$0	\$0	\$0	\$0.00	\$0	\$0	\$0	\$0	\$0
Total Fire Losses		\$210,000	\$197,000	\$503,350	\$398,905	\$288,530	\$407,180	\$1,416,425	\$349,395	\$270,700	\$302,850

City of Kent, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 21

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Fire - continued										
Fire Calls:										
City of Kent	789	673	622	650	627	540	561	629	521	571
Kent State University	147	127	120	74	53	65	87	210	240	196
Franklin Township	205	173	171	140	132	116	118	173	138	140
Other	44	33	46	52	45	49	59	50	49	46
Total Fire Calls	1,185	1,006	959	916	857	770	825	1,062	948	953
Emergency Medical Services Calls:										
City of Kent	2,574	2,660	2,540	2,336	2,326	2,311	2,296	2,215	2,373	2,395
Kent State University	318	374	306	360	357	391	346	438	378	335
Franklin Township	553	568	473	461	378	410	412	445	368	351
Other	43	72	40	71	71	52	55	43	40	48
Total Emergency Medical Services Calls	3,488	3,674	3,359	3,228	3,132	3,164	3,109	3,141	3,159	3,129
Total Calls for Service (Fire & EMS)	4,673	4,680	4,318	4,144	3,989	3,934	3,934	4,203	4,095	4,082
Community Development										
Grants received due to Community Development Dept.	\$283,165	\$277,478	\$248,453	\$271,075	\$253,380	\$268,778	\$275,277	\$264,116	\$515,952	\$478,841
Ohio Arts Council	3171	3284	3457	N/A	N/A	N/A	N/A	\$38,855	\$224,289	N/A
Health Department										
Health Inspections:										
Food Service Operations	716	681	676	664	676	795	722	1,342	1,068	1,041
Housing	536	558	525	542	677	893	805	1,695	1,633	1,622
Swimming Pools	71	61	54	69	62	31	37	157	129	144
Nuisances	126	102	118	209	398	634	344	523	510	545
All Other	109	88	49	43	49	111	124	193	182	171
Total Inspections	1558	1490	1422	1527	1862	2,464	1,915	3,910	3,522	3,523
Permits & Licenses Issued:										
Food Establishment Licenses	249	253	264	259	280	315	281	253	220	183
Housing Licenses	310	309	307	310	307	308	322	569	523	538
All Other Licenses	65	50	57	51	48	60	62	39	65	63
Total Permits & Licenses	624	612	628	620	635	683	665	861	808	784
Child Immunizations	186	156	188	278	218	212	246	218	114	80
Birth and Death Certificates Issued (Original & Copies)	10,394	9,781	9,123	9,072	7,968	6,783	3,844	3,315	3,593	3,034

- 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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Recreation										
Program Revenue:										
Adult Leagues and Programs	\$33,200	\$32,104	\$30,275	\$33,111	\$38,992	\$49,186	\$69,662	\$62,216	\$36,846	\$35,475
Youth Leagues and Programs	121,000	118,887	120,338	97,106	88,244	86,263	79,188	76,248	77,707	93,878
Camps and Lessons	58,200	57,297	65,099	67,406	60,065	61,529	69,490	58,262	59,413	56,792
Preschool Programs	42,749	39,172	38,347	29,617	35,946	25,484	33,321	30,248	23,331	28,069
KABC Leagues	34,658	40,404	39,649	31,457	28,781	28,681	24,410	21,225	22,594	26,381
Special Events/Other	54,000	51,564	44,362	65,111	87,911	38,569	25,180	18,355	18,460	58,652
Non-Resident Fees	13,141	15,677	15,540	14,837	14,654	15,050	17,750	13,733	13,329	12,401
After School and Summer Programs	373,199	318,391	334,915	289,340	283,276	257,977	227,006	208,380	192,698	201,467
Fitness Center	41,896	39,959	42,688	40,297	47,476	32,758	0	0	0	0
Total Program Revenue	\$772,043	\$713,455	\$731,213	\$668,282	\$685,345	\$595,497	\$546,007	\$488,667	\$444,378	\$513,115
Number of Participants:										
KABC (5-18 years old)	373	383	371	333	292	353	375	395	430	446
Fall Soccer (4-12 years old)	310	302	376	324	403	383	328	404	360	410
Spring Soccer (4-12 years old)	425	327	451	391	439	448	407	379	453	424
School Age Child Care (6-12 years old)	191	175	170	150	130	156	175	151	93	110
Flag Football (6-12 years old)	171	158	125	114	113	130	125	104	118	94
Basketball	714	373	391	475	586	629	458	319	358	412
Lacrosse	15	N/A	14	17	43	35	40	86	80	85
Volleyball	12	10	N/A	N/A	N/A	N/A	N/A	N/A	37	37
Wrestling	23	24	13	N/A	11	19	24	32	16	15
Karate	43	26	44	69	91	N/A	147	173	133	120
Sports Camps	302	348	305	188	332	353	375	447	403	480
Preschool Kinderbound	20	19	19	17	17	26	28	28	21	22
Preschool Tiny Tots	N/A	N/A	N/A	N/A	N/A	N/A	11	22	20	18
Summer Day Camps - All	1,240	1,381	1,500	1,560	1,292	1,281	230	229	254	243
Note: 2014, 2007, and 2006 are on a per week basis										
Ice Hockey	N/A	N/A	N/A	N/A	N/A	N/A	0	0	0	0
USTA	N/A	N/A	N/A	N/A	N/A	N/A	17	22	20	23
Theater	46	40	39	34	61	43	43	57	54	63
Cheer	N/A	N/A	29	N/A	N/A	45	25	24	44	56
Adult Tennis	59	15	22	8	32	23	20	28	23	18
Adult Softball Teams	103	64	61	65	83	86	47	44	69	51
Adult Men's Basketball	60	120	80	92	130	112	102	95	95	111
Black Squirrel Triathlon	N/A	N/A	N/A	N/A	N/A	75	56	113	273	197
Art in the Park Artists	86	105	92	91	92	100	98	101	108	96
Kids Nite Out	206	149	199	176	155	115	147	147	147	148
Turkey Trot	400	557	564	538	755	549	614	388	385	242
Adult Fitness Class	2,004	5,364	1,784	1,796	1,577	1,452	1,352	1,262	N/A	N/A
Adult Egg Hunt	890	854	747	744	809	720	577	N/A	N/A	N/A
PC Tennis Open	59	38	22	13	17	35	N/A	N/A	N/A	N/A
Hip Hop Hoops	51	50	66	96	100	58	N/A	N/A	N/A	N/A
Creative Arts	N/A	31	24	23	27	46	N/A	N/A	N/A	N/A
Youth Artist	21	24	26	14	21	N/A	N/A	N/A	N/A	N/A
Graveyard Scramble	0	0	0	0	230	N/A	N/A	N/A	N/A	N/A
FootSkills-Soccer	91	103	94	68	60	N/A	N/A	N/A	N/A	N/A
Adult Education Classes	63	62	63	46	87	N/A	N/A	N/A	N/A	N/A
Basketball (outdoor)	170	180	18	16	N/A	N/A	N/A	N/A	N/A	N/A
BabySitter	28	12	33	15	N/A	N/A	N/A	N/A	N/A	N/A
Cross Country	47	22	29	25	N/A	N/A	N/A	N/A	N/A	N/A
Tumbling for Tots	22	35	30	30	N/A	N/A	N/A	N/A	N/A	N/A
Schools Out Ice Skating	100	143	104	85	N/A	N/A	N/A	N/A	N/A	N/A
Basketball Skills Camp	0	51	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Source: City of Kent	60									



OHIO AUDITOR OF STATE KEITH FABER



CITY OF KENT

PORTAGE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 8/13/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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