

CITY OF KENT
PORTAGE COUNTY



THE CITY OF
Kent, Ohio

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2023

PLATTENBURG
Certified Public Accountants

OHIO AUDITOR OF STATE
KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

Members of City Council
City of Kent
930 Overholt Road
Kent, Ohio 44240

We have reviewed the *Independent Auditor's Report* of the City of Kent, Portage County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2023 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Kent is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads 'Keith Faber'.

Keith Faber
Auditor of State
Columbus, Ohio

July 12, 2024

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**CITY OF KENT
PORTAGE COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2023**

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CITY OF KENT
PORTAGE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Federal Grantor/ Pass-Through/ Program Title	Assistance Listing Number	Grant or Pass Through Entity Number	Total Federal Expenditures
U.S. DEPARTMENT OF COMMERCE			
<i>Direct Program:</i>			
<i>Economic Development Cluster:</i>			
Revolving Loan Fund Grant - Economic Adjustment Assistance	11.307	See Footnote E	\$ 440,296
Total Economic Development Cluster			<u>440,296</u>
Total U.S. Department of Commerce			<u>440,296</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Direct Program:</i>			
<i>CDBG - Entitlements Grant Cluster</i>			
Community Development Block Grant - Entitlement Grants	14.218	MC-39-0026	211,837
Total CDBG - Entitlement Grants Cluster			<u>211,837</u>
<i>Pass-Through Ohio Development Services:</i>			
Home Investment Partnerships Program	14.239	A-C-15-2CC-2	123,377
Total U.S. Department of Housing and Urban Development			<u>335,214</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Pass Through the Ohio Department of Health:</i>			
National State Based Tobacco Control Programs	93.305	06720014TU0319	69,857
State Physical Activity and Nutrition	93.439	50710-23	4,476
Immunization Cooperative Agreements	93.268	06710012CO0120	18,517
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	06710012CT0120	31,398
CDC's Collaboration with Academia to Strengthen Public Health	93.967	NE11OE0000065-01-00	110,605
<i>Direct Program:</i>			
Food and Drug Administration Research	93.103	G-BDEV1-202209-02578	5,000
Total U.S. Department of Health and Human Services			<u>239,853</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>Pass Through the Ohio Emergency Management Agency</i>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	133-65592-00	138,368
Total U.S. Department of Homeland Security			<u>138,368</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			
<i>Direct Program</i>			
AmeriCorps Volunteers In Service to America	94.013	N/A	13,015
Total Corporation for National and Community Service			<u>13,015</u>
U.S. DEPARTMENT OF THE TREASURY			
<i>Pass Through the State of Ohio Office of Budget and Management:</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	5CV4	975,854
<i>Pass Through the Ohio Department of Development:</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	497,010
<i>Pass Through the Ohio Emergency Management Agency:</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	AFRR-274-WELL	146,714
Total U.S. Department of the Treasury			<u>1,619,578</u>
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Pass Through the Ohio Department of Transportation:</i>			
<i>Highway Planning and Construction:</i>			
North Water Street	20.205	PID 109347	139,544
E. Main Street Improvements	20.205	PID 112026	718,606
Main/Water	20.205	PID 115340	39,601
Total Highway Planning and Construction			<u>897,751</u>
Total U.S. Department of Transportation			<u>897,751</u>
Totals			<u>\$ 3,684,075</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
FOR THE YEAR ENDED DECEMBER 31, 2023**

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, 2023. 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 ALN 11.307 revolving loan fund during 2023:

Beginning loans receivable balance as of January 1, 2023	\$ 420,738
Loan principal repaid	(338,750)
New Loans issued	<u>0</u>
Ending loans receivable balance December 31, 2023	81,988
Cash Balance in the RLF at December 31, 2023	<u>547,006</u>
Total Value of the RLF EDA 11.307	\$ <u>628,994</u>
Federal Share of RLF (70%)	\$ <u>440,296</u>

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, Ohio (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 19, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plattensburg & Associates, Inc.

Plattensburg & Associates, Inc.
Cincinnati, Ohio
June 19, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Kent, Ohio's (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. 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 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, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 19, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information 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, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plattensburg & Associates, Inc.

Plattensburg & Associates, Inc.
Cincinnati, Ohio
June 19, 2024

**CITY OF KENT, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2023**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

Coronavirus State and Local Fiscal Recovery Funds ALN 21.027

Dollar threshold used to distinguish between Type A and Type B Programs \$750,000

Auditee qualified as low-risk auditee? Yes

Section II – Findings Related to the Financial Statements Required to be reported in Accordance with GAGAS

None

Section III – Federal Award Findings and Questioned Costs

None

**CITY OF KENT
FOR THE YEAR ENDED DECEMBER 31, 2023**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
*UNIFORM GUIDANCE***

The City had no prior audit findings or questioned costs.

CITY OF KENT, OHIO



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2023

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CITY OF KENT, OHIO



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2023

Issued by The Department of Budget and Finance

Rhonda C. Hall, CPA
Director of Budget and Finance

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INTRODUCTORY SECTION



City of Kent, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2023
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CITY OF KENT, OHIO

Office of the City Manager

June 19, 2024

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

The Annual Comprehensive Financial Report (ACFR) of the City of Kent (the City) for the fiscal year ended December 31, 2023, 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, 2023, after being audited for six consecutive years by the Auditor of State of Ohio's Office now has changed to the independent accounting firm Plattenburg & Associates, Inc. Their 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 2023 undergraduate enrollment of 25,283 students at the main campus in Kent and 33,530 students region-wide. The City covers an area of approximately 9.29 square miles. The City's 2020 census population was 29,826.

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

Between 2011 and 2015 the City's downtown redevelopment produced record setting investments. From 2016 to 2018 commercial and residential investments remained strong with totals either at or above pre-redevelopment investment levels. 2019 showed signs of a softening in the local construction market but it was the arrival of COVID19 in 2020 that pushed investment to their lowest levels in the last 20 years. 2021 produced an investment rebound, rising from \$6.3 million to \$38 million, and 2022 construction investments stayed above the 20-year average at \$26.3 million. In 2023 investments jumped to \$46,972,659, the 3rd highest investment total in the last 25 years.

For year-end 2023, total City income tax collections were up 5.3% \$887,983 and Kent State University's collections increased by 3% \$152,628. Kent State's income tax contributions are forecast to decline as the University rolls out a new multi-year plan to cut the University's budget by 30% due to reductions in State funding for higher education. The University's cost cutting strategy includes delaying capital improvement projects, downsizing the University's property/building inventory, eliminating, or consolidating low enrollment majors, and reducing staff and faculty head count through attrition and retirement.

Overall, the City's gains in tax collections in 2023 reflect the expanded contributions from the City's business community following a decline in percentage contributions from Kent State University. In the last 3 years, Kent State's proportional share of City income taxes dropped from 32.2% to 28.6%, which is down from an historical high of nearly 40%.

The labor market in Kent remains tight, with labor shortages limiting business growth (particularly in the hospitality sector) but with rising inflation, wages have rebounded, contributing to net wage growth. The service sector (led by Davey Tree) and the manufacturing sector continued to make notable gains in their economic output in 2023 which helped offset the reduced pace of growth in the educational and hospitality sectors.

With successive years of income tax growth, the City was able to sustain targeted reserve balances and honor investment commitments in critical operational and capital needs, including renegotiating employee wages to keep salaries competitive in the tight labor market. The City maintained an aggressive posture on restraining operating expenses to combat rising inflation that continued to push prices higher. The income tax growth and the budget containment measures, combined with supplemental ARPA and CARES Act funding, enabled the City to avoid any furloughs or layoffs and balance the budget without adding new or increased taxes or fees.

The City agreed to union and non-union employee salary increases of 3.25% in 2018 and 3% in 2019 but no raises were provided when COVID struck in 2020. Union negotiations were underway with all the bargaining units in 2021 and 3-year agreements were in place by the start of 2022. The City agreed to a combination of a one-time supplemental pay benefit and a 3% pay raise for the 2022 contract year.

In 2023, the City recognized the need to increase employee salaries to attract and retain talented workers in a tight labor market, so the City opened union negotiations a year ahead of schedule and provided employees with an 8% pay raise in 2023, and committed to 4% in 2024 and 4% in 2025. As a service organization, ensuring a competitive salary for the workforce was the City's top priority in 2023 and the adjusted salary rates met that critical need.

Historically the strength of Kent's economy has been the stabilizing influence of Kent State University which has been relatively recession-proof. However, the announcement of State funding cuts for higher education in 2023, combined with the shrinking demographic of college aged students, pushed Kent State to reassess their staffing levels, degree programs, and facility/property inventory as they plan to cut \$17 million in 2024, followed by 3 more years of budget cuts.

In 2020-21 Kent State used the pandemic as an opportunity to begin to improve their financial competitiveness in the crowded higher education market, initiating an employee buy-out/retirement campaign and staff/faculty pay cuts to reduce payroll expenses. The impacts of the cumulative cuts were evident in Kent State's reduced income tax contributions in 2021 (-\$345,921). KSU income taxes improved in 2022 and 2023 but remain \$300,000 below 2020 income tax levels.

In an otherwise uncertain business climate, wage and income tax growth was healthier than expected with 8 out of 12 months showing income tax increases from 2022 to 2023. The City ended the year \$881,370 higher than 2022 which made the two year totals (2022 and 2023) the best back-to-back years of income tax growth in the last 20 years. New jobs contributed to this trend, but the growth seemed largely driven by increases in wages in response to the tight labor market.

Kent State University (KSU) remains the City's largest employer, contributing 28.6% of total municipal income tax revenues in 2023, down from 29.2% in 2022. At 28.6%, Kent State proportional share of income tax receipts reached its lowest point in over 20 years, approximately 10% less than historic averages. While the City's financial condition still benefits from the University's buffering effect on the City's tax base, private sector diversification has helped spread the financial risk across more industries and reduce the City's financial exposure to unforeseen market disruptions in any single sector, including higher education.

In 2023, Kent State University reported a .9% increase (252 students) in enrollment at the Kent campus (total 26,106), despite a 27% decline in international student enrollment. The 2023 freshman class is one of the top 10 largest classes in the university's 113-year history, and graduate student enrollment increased by 429 students or 43%. Across the 8 KSU campuses, enrollment rose by .9% or 321 students (total 33,530).

The City's income tax history over the last 5 years reflects the ups and downs of national business cycles both pre and post COVID. 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. In 2020 the arrival of COVID19 disrupted all business cycles in ways never experienced before and the City was fortunate to close out the year with a comparatively flat 1.77% decline which was followed by a modest 2.3% increase in 2021, and then a significant increase of 11.5% in 2022 and a 5.3% increase in 2023.

The 11.5% increase in 2022 income taxes, followed by 5% in 2023, were positive economic indicators, particularly given the contraction efforts underway by Kent State University. Current economic conditions revealed some top business performers that were well positioned, both pre and post COVID, to leverage and grow their market share in the new economy. By contrast, the small business sector has had challenges regaining its footing and pivoting operations to match the new market conditions, resulting in a rise in small business downsizing and closures.

The confluence of these opposite economic trajectories, and the presence of large construction projects (KSU Business College, Dave Institute, City Hall) with their temporary income tax benefits, have created uncertainty in forecasting future income tax trends, particularly as all business sectors will also likely have their growth influenced by inflationary pressures and labor shortages.

Investments in Kent

In 2018, Kent State adopted its new 10-year Master Facilities Plan that includes over \$1 billion in new campus investments in Kent. In 2023, Kent State University capital facilities work included the \$18 million expansion of the College of Aeronautics, \$7 million renovation of Rockwell Hall, and the \$72 million new College of Business Administration building. Other campus projects included installation of a new 3.5 megawatt solar array, \$10 million realignment of Terrace Drive, and the pre-engineering work for the \$25 million City/KSU East Main Street Transportation Improvement project.

Following the 5th highest investment total in 2021, inflation, interest rates, and supply chain challenges led to a modest decline in construction investment in residential, multifamily and commercial properties in 2022, returning investment totals to the 20-year average of \$23 million. In 2023, investment totals soared to \$46 million, the 3rd highest total in the last 25 years.

The resale housing market remained strong as prices held their value, housing supply remained tight, and the duration of market listings before sale was notably short. The student housing market began to show early signs of possible oversupply as occupancy rates were steady (80-95%) for the newer student housing properties but the older properties showed lower occupancy rates than prior years, landing in the 50% to 65% range. The combination of incremental housing supply growth and a decline in enrollment is likely contributing to the emerging housing supply glut.

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 exacerbating a student housing glut and to preserve the quality of life in City neighborhoods. In 2022 the University deferred the proposed new "InterGenerational Village" while a new senior living facility opened at the City's southern border expanding opportunities for active and assisted living for seniors. In 2022 the City initiated a comprehensive review and update of its Design Guidelines that

was completed at the end of 2023. The City also adopted a Climate Action Plan in 2023 outlining opportunities for the City to lead carbon reduction efforts in the Kent community.

On the public side, the City aggressively pursued Federal, State and Regional grant funds for infrastructure improvement projects. As a result, the City was able to sustain reinvestment in City bridges, streets and sidewalks despite the financial insecurity created by COVID19. In 2022 the City received ARPA funding that was used to manage public health in the community, protect City first responders, support local businesses, and bridge gaps in critical infrastructure needs. The Federal ARPA funds continued to be used in 2023.

In 2022 the City broke ground on the construction of the new \$8.1 million City Administrative Building, and construction operations were in full swing in 2023, with an expected completion date in 2024.

Major Initiatives

As interest rates stabilized and inflationary pricing improved, new business investments in Kent increased. In 2023 Davey Tree completed their headquarters expansion and began construction on the Davey Research campus property. The more favorable financing environment led to another round of new business expansions, renovations, and store openings -- including Klaben Jeep Expansion, Renewable Lubricants. Bliss Ohio, UH Urgent Care facility, The College Mart, Copen Machine expansion, Marco's Pizza, Sun in Leo, Tiger Rae Boutique, The Flourish Plant Market, and Mamacita's. These new additions have helped keep commercial vacancy rates relatively low despite the downturn in small business storefront shopping after the pandemic.

The City continued to work with Franklin and Brimfield townships in 2023 to recruit new businesses and expand business development opportunities within the Joint Economic Development District (JEDD) boundaries. As a result of the JEDD partnerships, the City received \$662,506 (\$467,990 Franklin JEDD, \$194,516 Brimfield JEDD) as its combined share of JEDD income taxes in 2023.

Long-term Financial Planning

During 2023, 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 2023, 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 2023 was \$2,706,067 in our governmental funds.

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 comprehensive annual financial report 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 2022. This was the 37th consecutive year that the government has received this prestigious award. A Certificate of Achievement is valid for a period of only one year. The City believes this report conforms to the Certificate of Achievement program requirements, and has submitted it to the GFOA to determine its eligibility for another Certificate of Achievement.

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

Respectfully submitted,



Dave Ruller
City Manager



Rhonda Hall, CPA



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Kent
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

CITY OF KENT, OHIO
ELECTED OFFICIALS - 2023

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 - 2023

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

Rhonda C. Hall, CPA

Brian L. Huff, CPA

DEPARTMENT OF PUBLIC SAFETY

Safety Director

Fire Chief

Police Chief

Position is currently vacant

Bill Myers

Nicholas Shearer

DEPARTMENT OF PUBLIC SERVICES

Service Director

City Engineer

Water Plant Supervisor

Sewer Plant Supervisor

Utilities Manager

Facilities Manager

Melanie Baker

James S. Bowling

John Ellison

Bill Schesventer

Gary Labajetta

Brad McKay

DEPARTMENT OF COMMUNITY DEVELOPMENT

Community Development Director

Economic Development Director

Bridget Susel

Eric Helmstedter

DEPARTMENT OF HEALTH

Health Commissioner

Joan Seidel

DEPARTMENT OF PARKS AND RECREATION

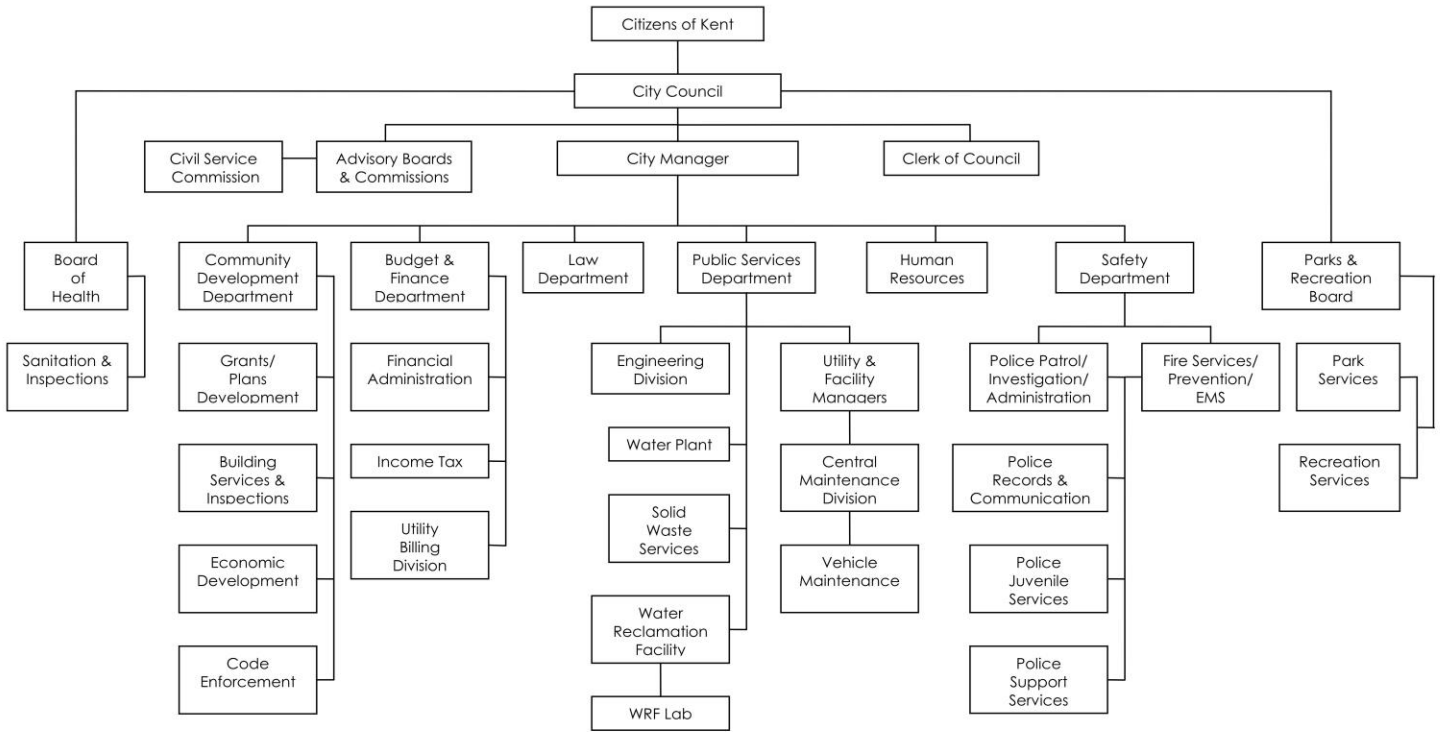
Director of Parks and Recreation

Parks Supervisor

Angela Manley

Charles S. Tuttle

City of Kent, Ohio Organizational Chart





FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, Ohio (the City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Parks and Recreation Fund, Income Tax Safety Fund, Fire and Emergency Medical Services Fund and the American Rescue Plan Act Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of pension information and other postemployment information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information 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, the combining and individual nonmajor fund financial statements and the schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2024, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.

Plattensburg & Associates, Inc.

Plattensburg & Associates, Inc.

Cincinnati, Ohio

June 19, 2024

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City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2023
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, 2023. 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 2023 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 \$146,362,669 (*net position*).
- Total net position increased by \$4,923,578 over 2022. Of this amount, governmental activities increased by \$2,665,278 and business-type activities increased by \$2,258,300.
- Total capital assets increased by \$4,064,239 or 2.79 percent as compared to 2022. This increase reflects the increase of \$3,031,183 to governmental capital assets and \$1,033,056 to business-type capital assets.
- Total current and other assets increased by \$1,210,151 or 1.61 percent as compared to 2022. This increase reflects the increase of \$722,590 and \$487,561 attributable to governmental activities and to business-type activities, respectively.
- Total liabilities and deferred inflows of resources increased \$6,670,753 or 7.38 percent as compared to 2022. This increase is comprised of an increase in the governmental activities and in business-type activities' liabilities and deferred inflows resources of \$5,950,031 and \$720,722, respectively.

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, 2023
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-seven 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, Parks and Recreation, the Income Tax Safety Fund, the Fire and Emergency Medical Services Fund, American Rescue Plan Act Fund and the Capital Projects Fund, all of which are considered to be major funds. Data from the other twenty-one governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for each of its funds. A budgetary comparison statement/schedule (non-GAAP basis) has been provided for each governmental and enterprise fund to demonstrate budgetary compliance.

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

City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2023
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 35 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 statements can be found on pages 39-40 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 41 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 98 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 2023. 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, 2023
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 2023 compared to 2022.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and Other Assets	\$ 63,384,576	\$ 62,897,015	\$ 12,844,026	\$ 12,121,436	\$ 76,228,602	\$ 75,018,451
Net Pension and OPEB Asset	74,809	1,135,756	44,355	720,615	119,164	1,856,371
Capital Assets, Net	93,681,020	90,649,837	55,937,152	54,904,096	149,618,172	145,553,933
<i>Total Assets</i>	<u>157,140,405</u>	<u>154,682,608</u>	<u>68,825,533</u>	<u>67,746,147</u>	<u>225,965,938</u>	<u>222,428,755</u>
Deferred Outflows of Resources						
Pension	12,581,210	6,733,933	2,422,194	843,780	15,003,404	7,577,713
OPEB	2,051,458	1,741,223	373,405	52,183	2,424,863	1,793,406
<i>Deferred Outflows of Resources</i>	<u>14,632,668</u>	<u>8,475,156</u>	<u>2,795,599</u>	<u>895,963</u>	<u>17,428,267</u>	<u>9,371,119</u>
Liabilities						
Current and Other Liabilities	8,334,138	9,196,866	728,413	966,402	9,062,551	10,163,268
Long-Term Liabilities:						
Due Within One Year	2,149,317	2,209,675	712,227	662,164	2,861,544	2,871,839
Due In More Than One Year:						
Net Pension Liability	36,494,003	20,327,933	5,806,581	1,812,737	42,300,584	22,140,670
Net OPEB Liability	2,209,026	3,065,202	123,185.00	-	2,332,211	3,065,202
Asset Retirement Obligation	-	-	4,400,000	4,400,000	4,400,000	4,400,000
Other Amounts	24,997,359	25,151,141	2,668,431	2,887,766	27,665,790	28,038,907
<i>Total Liabilities</i>	<u>74,183,843</u>	<u>59,950,817</u>	<u>14,438,837</u>	<u>10,729,069</u>	<u>88,622,680</u>	<u>70,679,886</u>
Deferred Inflows of Resources						
Property Taxes and PILOTs	4,199,861	4,167,748	-	-	4,199,861	4,167,748
Pension	1,843,759	10,048,365	125,713	2,422,375	1,969,472	12,470,740
OPEB	2,191,784	2,302,286	47,739	740,123	2,239,523	3,042,409
<i>Deferred Inflows of Resources</i>	<u>8,235,404</u>	<u>16,518,399</u>	<u>173,452</u>	<u>3,162,498</u>	<u>8,408,856</u>	<u>19,680,897</u>
Net Position						
Net Investment in Capital Assets	72,008,136	72,811,518	53,111,021	51,537,201	125,119,157	124,348,719
Restricted	16,811,975	14,937,065	66,682	-	16,878,657	14,937,065
Unrestricted	533,715	(1,060,035)	3,831,140	3,213,342	4,364,855	2,153,307
<i>Total Net Position</i>	<u>\$ 89,353,826</u>	<u>\$ 86,688,548</u>	<u>\$ 57,008,843</u>	<u>\$ 54,750,543</u>	<u>\$ 146,362,669</u>	<u>\$ 141,439,091</u>

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The net pension liability (NPL) and net pension asset are 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 post-employment 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, net pension asset, and net OPEB 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/asset and the net OPEB liability/asset 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 post-employment 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 health care 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 2023 by \$146,362,669. Due to the GASB 68 and GASB 75, the City reports a net pension of liability of \$42,300,584 and net OPEB liability of \$2,332,211.

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 \$16,878,657 or 11.53 percent, represents resources that are subject to external restrictions on how they may be used. Unrestricted net position is \$4,364,855.

Total assets and deferred outflows of resources increased by \$11,594,331 from 2022 to 2023. The increase was mainly due to capital assets and deferred outflows of resources for pension. The changes in deferred outflows and inflows of resources, net pension liability, net pension asset, net OPEB asset, and net OPEB liability are due to the recording of GASB Statements No. 68 and 75 as previously discussed.

Total liabilities and deferred inflows of resources experienced an increase of \$6,670,753, which corresponds to an increase of \$5,950,031 in governmental activities due to the increase in net pension liability which was offset by the decrease deferred inflows from GASB Statement No. 68, and an increase in the business-type funds of \$720,722.

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.

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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	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues:						
Charges for Services	\$ 3,353,645	\$ 3,088,940	\$ 11,022,274	\$ 9,933,746	\$ 14,375,919	\$ 13,022,686
Operating Grants and Contributions	3,610,327	2,583,992	-	-	3,610,327	2,583,992
Capital Grants and Contributions	1,262,575	1,828,549	1,442,165	415,039	2,704,740	2,243,588
General Revenues:						
Municipal Income Taxes	20,009,073	19,270,472	-	-	20,009,073	19,270,472
Property and Other Local Taxes	3,964,140	3,874,877	-	-	3,964,140	3,874,877
Payments in Lieu of Taxes	431,488	437,753	-	-	431,488	437,753
Grants and Entitlements	2,054,148	1,993,679	-	-	2,054,148	1,993,679
Investment Income	2,714,455	(2,022,878)	988	470	2,715,443	(2,022,408)
Gain on Sale of Capital Assets	-	-	576	1,503	576	1,503
All Other Revenues	304,078	414,427	16,373	69,679	320,451	484,106
Total Revenues	37,703,929	31,469,811	12,482,376	10,420,437	50,186,305	41,890,248
Program Expenses						
Security of Persons and Property	18,438,678	13,391,453	-	-	18,438,678	13,391,453
Public Health and Welfare	646,724	656,740	-	-	646,724	656,740
Leisure Time Activities	2,271,880	1,519,771	-	-	2,271,880	1,519,771
Community Development	2,125,536	1,770,463	-	-	2,125,536	1,770,463
Transportation	6,634,607	7,332,450	-	-	6,634,607	7,332,450
General Government	4,218,434	3,133,300	-	-	4,218,434	3,133,300
Interest and Fiscal Charges	702,792	731,868	-	-	702,792	731,868
Water	-	-	4,258,171	3,114,962	4,258,171	3,114,962
Sewer	-	-	4,153,742	4,394,898	4,153,742	4,394,898
Solid Waste	-	-	522,560	364,533	522,560	364,533
Storm Water Drainage	-	-	1,289,603	1,106,774	1,289,603	1,106,774
Total Expenses	35,038,651	28,536,045	10,224,076	8,981,167	45,262,727	37,517,212
Change in Net Position	2,665,278	2,933,766	2,258,300	1,439,270	4,923,578	4,373,036
Net Position Beginning of Year	86,688,548	83,754,782	54,750,543	53,311,273	141,439,091	137,066,055
Net Position End of Year	\$ 89,353,826	\$ 86,688,548	\$ 57,008,843	\$ 54,750,543	\$ 146,362,669	\$ 141,439,091

The recording 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, 2023 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.

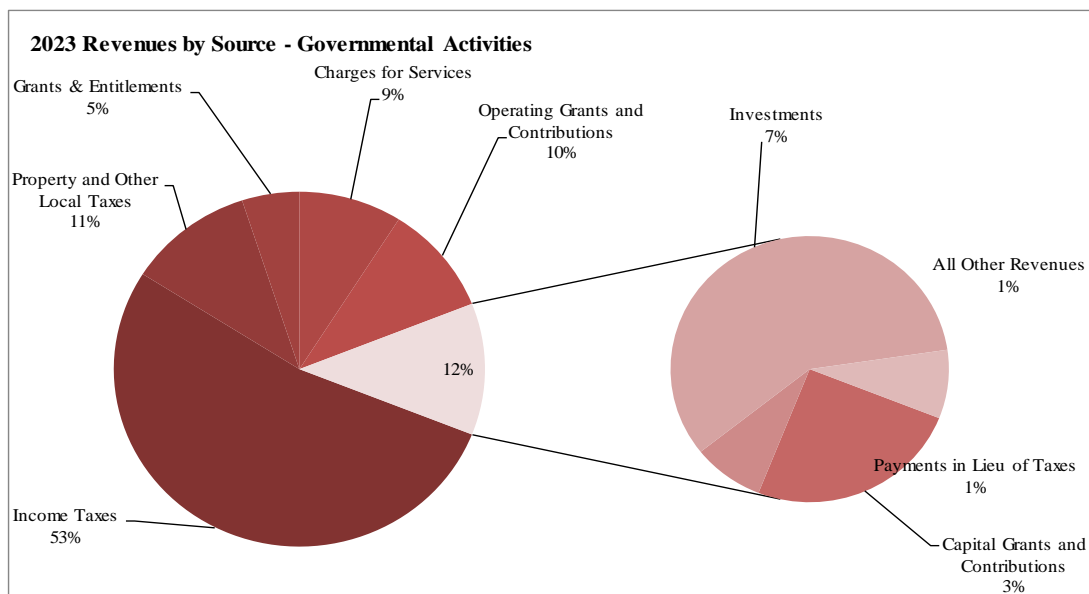
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These calculations are as follows:

	Governmental Activities	Business-Type Activities
Total Net Position at December 31, 2023 (with GASB 68 and 75)	\$ 89,353,826	\$ 57,008,843
GASB 68/75 Calculations:		
Add:		
Deferred Inflows related to Pension	1,843,759	125,713
Deferred Inflows related to OPEB	2,191,784	47,739
Net Pension Liability	36,494,003	5,806,581
Net OPEB Liability	2,209,026	123,185
Less:		
Net Pension Asset	(74,809)	(44,355)
Deferred Outflows related to Pension	(12,581,210)	(2,422,194)
Deferred Outflows related to OPEB	(2,051,458)	(373,405)
Total Net Position (without GASB 68 and 75)	\$ 117,384,921	\$ 60,272,107

Governmental Activities

Governmental activities increased the City's net position by \$2,665,278 during 2023. 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 \$6,234,118 in 2023 as compared to 2022. As presented in table 2, municipal income tax revenues showed an increase of \$738,601 or 3.83 percent. This increase is due to an increase in collections and the remainder due to the change in accruals. The increase in operating grants and contribution is mainly due numerous grants received in 2023. The significant change and the reporting of negative investment income is due to changes in fair value of securities held in the City's investment portfolio as of year-end and increase in interest rates.

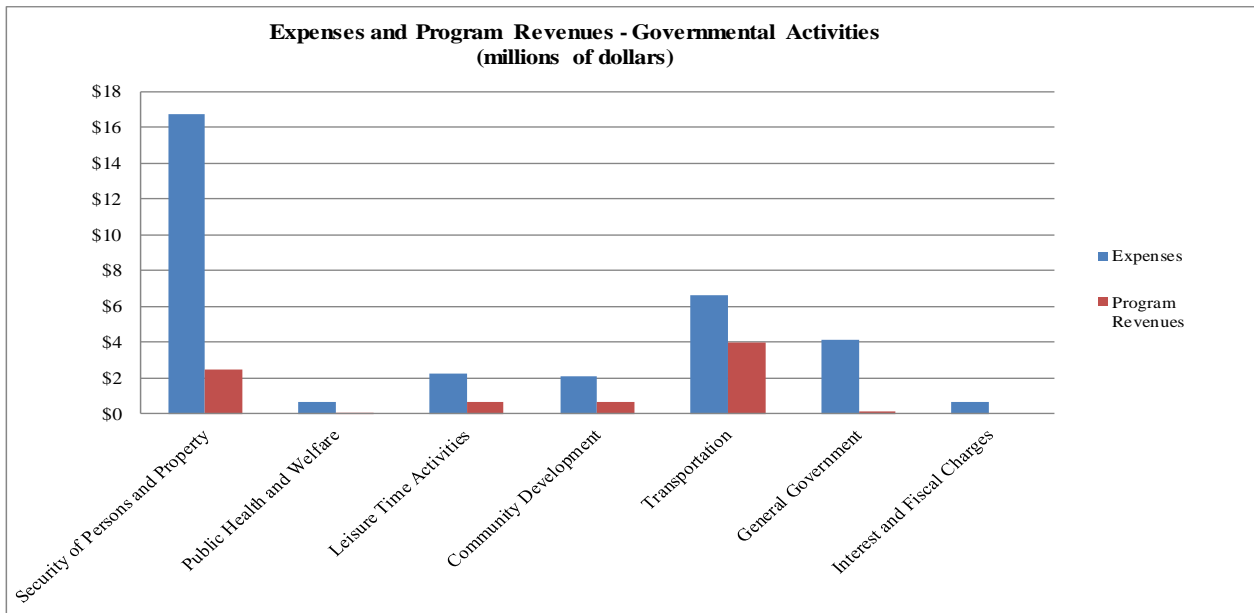


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The provisions of GASB Statements 68 and 75 required the City to recognize a pension/OPEB adjustment that increased expenses by \$1,898,221 in 2023 and decreased expenses by \$2,617,508 in 2022. As a result, it is difficult to ascertain the true operational 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	
	2023	2022
EXPENSES		
Program Expenses:		
Security of persons and property	\$ 16,750,747	\$ 14,218,960
Public health services	646,724	656,740
Leisure time activities	2,227,540	1,871,222
Community environment	2,092,003	2,075,141
Transportation	6,598,212	7,648,925
General government	4,122,412	3,950,697
Interest and fiscal charges	702,792	731,868
Total Expenses	\$ 33,140,430	\$ 31,153,553

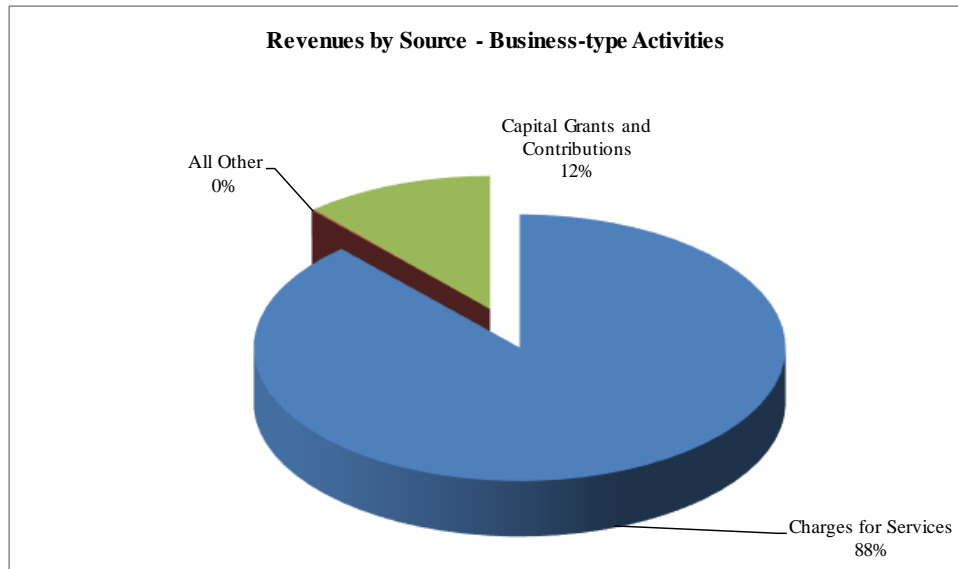
Using the adjusted table above, expenses in the governmental activities experienced an increase of \$1,986,877 or 6.38 percent. During 2023, the largest program area for the City is security of persons and property at 50.54 percent which includes police, fire and emergency medical services. Transportation is the next largest at 19.91 percent, of which \$2,481,211 or 37.60 percent of the total transportation expenses are attributable to the annual depreciation expenses from transportation-related activities. General Government is the third largest area at 12.44 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.



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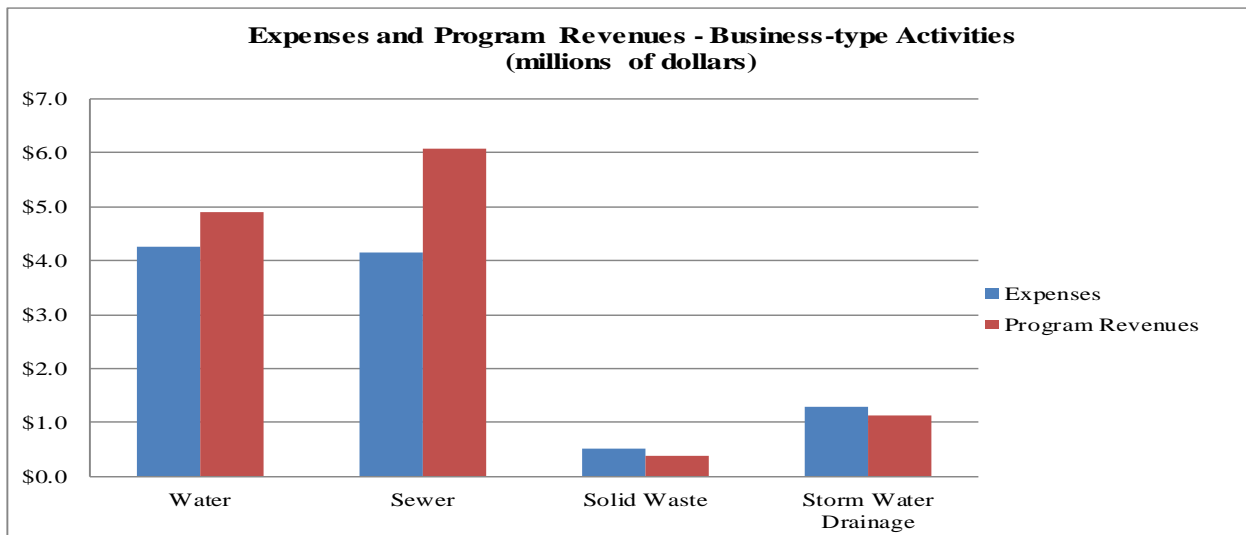
Business-Type Activities

Business-type activities of the City, which include water, sewer, solid waste and storm water drainage operations, increased the City's net position by \$2,258,300 or 4.12 percent.



Charges for services account for 88.30 percent of total business-type revenues. Capital grants and contributions increased by \$1,027,156, and charges for services increased by \$1,088,528. Overall, total revenues for the business-type activities increased by \$2,061,939. The increase in charges for services and capital grants and contributions are due to a nine percent rate increase in water and sewer rates and the use of several grants, including ARPA money.

Expenses in the business-type activities experienced an increase of \$1,242,909 or 13.84 percent, mainly due to a credit to fringe expense in 2023 in the amount of \$81,840 as opposed to the 2022 in the amount of \$937,601 for the recording of GASB Statements No. 68 and 75.



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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 \$47,040,901, which represents an increase of \$248,814 or 0.53 percent as compared to 2022. 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.

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 \$1,949,229 due to the fluctuation of amounts of funds transferred to various funds, and high amounts of interest and income taxes.

Fund balance for the City's Parks and Recreation Fund decreased by \$52,224 due to increased expenses for staffing.

Fund balance for the City's Income Tax Safety Fund increased by \$165,202 due to revenues from transfers exceeding expenses.

Fund balance for the City's Fire and Emergency Medical Services Fund increased by \$314,033 due to an increase in revenue. The increase in revenue is due to the increase of transfers in.

Fund balance for the City's American Rescue Plan Act Fund did not have any change due to the revenue being reported as unearned revenue.

Fund balance for the City's Capital Projects Fund decreased by \$3,548,412 due to the ongoing City Hall project.

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.

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

	Water	Sewer	Storm Water Drainage
Unrestricted Net Position	(\$1,547,858)	\$3,477,251	\$2,041,732
Total Change in Net Position	649,409	1,933,568	(168,249)

In the Water fund, which is one of the largest enterprise funds, the negative unrestricted balances in this fund 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 nine percent increase in rates for water and sewer for 2023. These rate increases became effective February 2023. 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 2023, 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.

For the General Fund revenues and other financing sources, the original budget amount was \$10,137,370 while the final budget amount was \$11,345,097. Actual revenues and other financing sources were \$11,856,035 or \$510,938 more than the final budget, mainly due to the increase in grants and charges for services.

For the General Fund expenditures and other financing uses, the original budget amount was \$15,543,049 and the final amended budget was \$16,823,638, an increase of \$1,280,589. Actual expenditures and other financing uses were \$13,600,544 or \$3,223,094 less than what was budgeted. Conservative budget practices coupled with vacancies in some positions and the reduced transfers out of the General Fund to the Income Tax Safety and Fire and Emergency Medical Services Funds 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, 2023, was \$149,618,172.

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.

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Table 3 compares capital assets as of December 31, 2023 to balances at December 31, 2022.

Table 3
Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 11,159,071	\$ 11,159,071	\$ 1,825,536	\$ 1,825,536	\$ 12,984,607	\$ 12,984,607
Buildings, Structures and Improvements	22,995,125	23,575,617	2,448,297	2,723,853	25,443,422	26,299,470
Vehicles, Machinery and Equipment	5,177,786	5,345,351	2,537,398	2,749,082	7,715,184	8,094,433
Construction in Progress	10,114,163	5,453,809	4,027,804	3,737,143	14,141,967	9,190,952
Infrastructure						
Roads, Bridges, Walks	40,210,050	40,764,516	-	-	40,210,050	40,764,516
Traffic Signals	4,024,825	4,351,473	-	-	4,024,825	4,351,473
Water	-	-	12,637,812	11,971,218	12,637,812	11,971,218
Sewer	-	-	17,217,633	16,613,302	17,217,633	16,613,302
Storm Water	-	-	15,242,672	15,283,962	15,242,672	15,283,962
Total Capital Assets	\$ 93,681,020	\$ 90,649,837	\$ 55,937,152	\$ 54,904,096	\$ 149,618,172	\$ 145,553,933

Debt. At December 31, 2023, the City's bonds and loans outstanding were \$26,083,000.

Table 4
Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<i>Long-Term Obligations:</i>						
General Obligation Bonds	\$ 23,145,147	\$ 24,134,296	\$ 50,000	\$ 100,000	\$ 23,195,147	\$ 24,234,296
OPWC Loans	421,960	471,262	306,486	199,791	728,446	671,053
OWDA Loans	-	-	2,159,407	2,441,937	2,159,407	2,441,937
Total	\$ 23,567,107	\$ 24,605,558	\$ 2,515,893	\$ 2,741,728	\$ 26,083,000	\$ 27,347,286

The City's total long-term debt decreased by \$1,370,981 or 5.05 percent. This decrease in long-term debt for 2023 is due to principal payments made on bonds and loans.

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 \$42,045,709 at December 31, 2023.

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

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Current Financial Related Activities

Beginning in 2010, the City and its community partners launched a series of major development projects to leverage Kent's economic assets, accelerate economic growth coming out of the "great recession" and mitigate the impacts of revenue losses from State divestment in local government funding. The projects were economically transformative, producing over \$200 million in new investment in Kent, stabilizing City finances, and securing Kent's position as a destination college town.

The Downtown revitalization project, Summit Street project, East Main Street project, N. Water Street project, Portage Hike & Bike Trail project, the SR59 project, and the SR43 project are milestones in an economic recovery strategy designed to leverage external funding opportunities to optimize and update Kent's infrastructure to create a socially vibrant and economically sustainable community. The creation of pedestrian friendly, active public spaces led to new business openings, business expansions, and helped retain businesses which cumulatively grew the tax base and backfilled the \$1.3 million annual deficit created from State funding cuts.

The cuts in State funding left the city in the unusual position of revenue challenges despite business growth. With near record lows in unemployment and vacancy rates in Kent, the City struggled to bridge the losses in State cuts through economic growth alone and with concerns over declining reserve balances, the City returned to a more restrictive budget strategy in 2018 which continued through 2020 when the arrival of the pandemic forced a reconsideration of the scope and cost of City business operations across the board.

The return to a constrained budget approach, last seen during the Great Recession, from 2018 to 2020 enabled the City to fulfill investment commitments to City services and community priorities but with reduced financial flexibility, the ups and downs of routine business cycles tested the margins of the City's financial resiliency. In that context the City's economic growth strategy became a revenue stabilization tactic through growth effort.

To accelerate a return to economic stability, the City and its partners queued up successive rounds of strategic development initiatives to add more depth to the City's economic resiliency. The arrival of COVID19 upended the timing of those projects and community partners were forced to re-evaluate priorities and financial capabilities in the midst of the unforeseen pandemic.

The reassessment of investment priorities curtailed, delayed, and in some cases led to a redesign of the scope and schedule of projects that were part of the next wave of community investments. Previously each phase of re-investment in the City yielded financial gain resulting from construction jobs and capital equity, adding to the City's economic base. The pandemic forced business to suspend investment plans as operational capital needs replaced capital debt as a priority due to the volatile nature of business markets and the increasingly costly and unpredictable supply chain problems.

By mid-2021 the availability of capital and lower borrowing rates led to renewed interest in economic investment, and as a result 2021 saw the 5th highest level of community investment in the last 22 years. In contrast, rising interest rates and the return of inflation pressures in 2022 had a slight chilling effect on investments which declined back down to 20-year averages but were followed with back-to-back strong investment totals in 2022 and 2023.

COVID19 disrupted the local economic landscape and while the local economy continued to recalibrate and stabilize in 2022 and 2023, the economic outlook remains uncertain. Kent State University's contribution to

City of Kent, Ohio
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the local economy has declined with declining enrollment and reduced employment on campus but rebounds in the manufacturing and service industries have offset those losses in the short term. Will the business gains outpace the losses and keep pace with inflation? Will normal business cycle volatility now have a greater impact on Kent's economy? These are the most pressing fiscal policy issues facing the City and a range of contingency plans have been developed reflecting the probability of possible outcomes.

Kent State University remains a critical element of the City's economic strategy in every future scenario. 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 recovery efforts. The University represents approximately 28% of the City's income tax base and provides a reliable income stream that has historically been less vulnerable to economic cycles, but higher education found itself in the direct path of COVID19. While the University will continue to "right size" its campus employment, it still represents more than a quarter of the City's income base and will continue to be an important anchor in the local economy.

The City's financial strategy has always sought to leverage and magnify University economic opportunities as producers and consumers of economic value in Kent. COVID19 reduced and redistributed University assets but they remain a key ingredient in City's economic recovery plan. 2022 included a number of new smaller-scale City/University initiatives to help provide a local economic boost, including the return of the KSU employee gift cards redeemable in Kent businesses, and the popular "Kent Skates" outdoor ice rink in downtown Kent. In 2023 a new round of cuts in State funding for higher education led the University to retract their contribution to the community ice rink, but the University's commitment to town gown success remains unwavering.

The City's goal for incremental economic restructuring remains intact -- with innovation replacing conventional manufacturing, promoting entrepreneurship, collaboration, and strengthening ties between the business community and academic research at the University. The City has made these guiding principles of its economic strategy, investing in building the resource networks and physical infrastructure to position the City of Kent for success in the new economy and absorb future unforeseen disruptions like COVID19.

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 in the joint pursuit of 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. This leadership role was critical in the unified efforts to prepare, respond and mitigate the threats of COVID19 in the Kent community, and it has been equally important in the rebuilding that was underway in 2023.

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 Master Plan and the City's comprehensive plan.

The City's economic transition is on-going but the sustainability of the initial results had been encouraging as local economic metrics were trending favorably. Unemployment and building vacancies are low but the tight labor market has capped the full extent of possible economic gains in 2023 and is likely to remain an economic restraint into 2024. As wage increases became more commonplace, City income tax receipts rose but so did inflation and as a result, the buying power of the income tax gains struggle to keep pace in purchasing power.

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The City's income tax history over the last 5 years reflects the ups and downs of national business cycles both pre and post COVID. 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. In 2020 the arrival of COVID19 disrupted all business cycles in ways never experienced before and the City was fortunate to close out the year with a comparatively flat 1.77% decline which was followed by a modest 2.3% increase in 2021, and then a significant increase of 11.5% in 2022 and a 5.3% increase in 2023.

The 11.5% increase in 2022 income taxes, followed by 5% in 2023, were positive economic indicators despite the contraction efforts underway by Kent State University. Current economic conditions revealed some top business performers that were well positioned, both pre and post COVID, to leverage and grow their market share in the new economy. By contrast, the small business sector has had challenges regaining its footing and pivoting operations to match the new market conditions, resulting in a rise in small business downsizing and closures.

The confluence of these opposite economic trajectories, and the presence of large construction projects (KSU Business College, Dave Institute, City Hall) with their temporary income tax benefits, have created uncertainty in forecasting future income tax trends, particularly as all business sectors will also likely be influenced by inflationary pressures and labor shortages.

Property values continued to show strength around the downtown business district and in most City neighborhoods which contributes to a tight property market. Kent has not been immune to the national decline in storefront shopping and the boom in online ordering. Kent businesses that relied on foot traffic shopping have struggled, closed or added online buying options, while the dining and hospitality venues have had a steady increase in customer counts (limited only by the availability of service staff).

New business investments can be found in each business corridor in the City, but those are primarily service businesses, light manufacturing, restaurants, or office properties – not conventional storefront shops. COVID19 slowed public and private business transactions but savvy investors sought opportunities in the market cool down and a number of new private projects are underway.

Between 2011 and 2015 the City's downtown redevelopment produced record setting investments. From 2016 to 2018 commercial and residential investments remained strong with totals either at or above pre-redevelopment investment levels. 2019 showed signs of a softening in the local construction market but it was the arrival of COVID19 in 2020 that pushed investment to their lowest levels in the last 20 years. 2021 produced an investment rebound, rising from \$6.3 million to \$38 million, and 2022 construction investments stayed above the 20-year average at \$26.3 million. In 2023 investments jumped to \$46,972,659, the 3rd highest investment total in the last 25 years.

There are a couple of mixed-use projects that have stalled amidst the post-Covid fallout in downtown Kent that represent another \$30 million in pending investment. The City is evaluating infrastructure investment options, i.e., public space enhancements, pocket parks, etc., that might re-energize those projects. Although these new investments 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 downtown tax base that is needed to keep the City's budget afloat and services intact.

In 2023 Davey Tree completed their headquarters expansion and began construction on the Davey Research campus property. The more favorable financing environment led to another round of new business

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expansions, renovations, and business openings -- including Klaben Jeep Expansion, Renewable Lubricants, Bliss Ohio, UH Urgent Care facility, The College Mart, Copen Machine expansion, Marco's Pizza, Sun in Leo, Tiger Rae Boutique, The Flourish Plant Market, and Mamacita's. These new additions have helped keep commercial vacancy rates relatively low despite the downturn in small business storefront shopping after the pandemic.

On the public side, the City aggressively pursued Federal, State and Regional grant funds for infrastructure improvement projects and COVID19 assistance. As a result, the City was able to sustain reinvestment in City bridges, streets and sidewalks despite the financial insecurity created by COVID19. In 2022 the City received ARPA funding that was used to manage public health in the community, protect City first responders, support local businesses, and bridge gaps in critical infrastructure needs. The Federal ARPA funds continued to be used in 2023.

In 2022 the City broke ground on the construction of the new \$8.1 million City Administrative Building, and construction operations were in full swing in 2023, with an expected completion date in 2024.

In collaboration with Kent State University the City secured additional funding in 2023 to be used in the \$25 million transportation improvement project to reconfigure the East Main Street corridor along the front campus of the University. This transformative project is now fully funded, and engineering and design is underway, with construction expected to begin in 2025.

The City continued its ongoing work with the Franklin and Brimfield townships as JEDD partners in 2023. There was a 8.2% increase in the combined income tax collections from the JEDDs mostly due to the recovery from the pandemic, and all indications are 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 2023, 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 2023, 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.

City Operating Funds

The City's development activities that preceded COVID19's arrival succeeded in improving the diversity of Kent's economic assets which enhanced the City's financial resilience to manage through periods of economic uncertainty but COVID19 was an economic catastrophe that pushed that resilience to its limits.

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Kent's economic strengths are centered in a vibrant downtown featuring unique bars, restaurants, and hospitality services; all of which suffered a direct hit in the pandemic.

Federal and State pandemic assistance programs, combined with local initiatives, enabled the majority of businesses to survive with reduced levels of operation in 2020. In 2022 to 2023, the pent-up consumer demand for those businesses produced a rebound effect that saw gains in economic output, limited by the availability of staff in a tight labor market. For the first time in decades, Kent's employment figures showed "full employment."

Overall, Kent's economy was operating from a position of strength entering the pandemic, and there is mounting evidence that the rebound effect exiting the pandemic has accelerated a return to more stable economic conditions in 2023. It's the breadth and duration of the recovered economy that remains unclear.

The significant pandemic funding packages issued by the State provided much needed assistance at a critical time but they are transitory. The City and its partners will continue to work to grow the local economy but the challenge remains of asking a local economy the size of Kent to pivot to rapidly changing consumer preferences and rising inflation, to overcome labor market shortfalls, absorb State cuts in higher education, and backfill State cuts in local government funding.

The resurgence of investment and new jobs that accompanied the rise in construction work in 2022 and 2023 provided temporary financial relief that helped bridge operating funding challenges in the short term, and the City's economic indicators have maintained a level of performance that should translate into mid-term economic growth, as long as inflationary pressures remain low.

Coming out of the economic recession in 2008, 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 2024 remains within acceptable risk levels but the level of uncertainty is higher than desired.

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
For the Year Ended December 31, 2023

	Governmental Activities	Business-Type Activities	Total	Component Unit City of Kent Health District
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 49,189,564	\$ 11,228,652	\$ 60,418,216	\$ 333,369
Cash and Cash Equivalents:				
In Segregated Accounts	64,861	-	64,861	-
Cash Surrender Value of Life Insurance Policies	192,371	-	192,371	-
Materials and Supplies Inventory	457,685	213,600	671,285	-
Accounts Receivable	475,167	1,750,161	2,225,328	-
Accrued Interest Receivable	228,885	-	228,885	-
Intergovernmental Receivable	1,870,382	10,497	1,880,879	-
Internal Balances	710,502	(710,502)	-	-
Prepaid Items	179,060	54,500	233,560	12,662
Municipal Income Taxes Receivable	4,761,330	-	4,761,330	-
Property and Other Taxes Receivable	3,950,915	-	3,950,915	-
Payments in Lieu of Taxes Receivable	686,654	-	686,654	-
Loans Receivable	81,988	-	81,988	-
Special Assessments Receivable	35,712	297,118	332,830	-
Assets Held for Resale	499,500	-	499,500	-
Nondepreciable Capital Assets	21,273,234	5,853,340	27,126,574	36,630
Depreciable Capital Assets	72,407,786	50,083,812	122,491,598	234,454
Net Pension Asset	74,809	44,355	119,164	5,080
Total Assets	157,140,405	68,825,533	225,965,938	622,195
DEFERRED OUTFLOWS OF RESOURCES				
Pension	12,581,210	2,422,194	15,003,404	277,423
OPEB	2,051,458	373,405	2,424,863	42,767
Total Deferred Outflows of Resources	14,632,668	2,795,599	17,428,267	320,190
LIABILITIES				
Accounts Payable	749,112	226,031	975,143	-
Contracts and Retainage Payable	528,913	328,458	857,371	-
Accrued Wages and Benefits	642,604	173,924	816,528	26,781
Matured Compensated Absences Payable	111,109	-	111,109	-
Accrued Interest Payable	63,739	-	63,739	-
Claims Payable	134,824	-	134,824	-
Unearned Revenue	6,103,837	-	6,103,837	-
Long-term Liabilities:				
Due within one year	2,149,317	712,227	2,861,544	65,920
Due in more than one year:				
Net Pension Liability	36,494,003	5,806,581	42,300,584	665,051
Net OPEB Liability	2,209,026	123,185	2,332,211	14,109
Asset Retirement Obligation	-	4,400,000	4,400,000	-
Other Amounts due in more than one year	24,997,359	2,668,431	27,665,790	226,818
Total Liabilities	74,183,843	14,438,837	88,622,680	998,679
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	3,513,207	-	3,513,207	-
Payments in Lieu of Taxes (PILOTs)	686,654	-	686,654	-
Pension	1,843,759	125,713	1,969,472	14,398
OPEB	2,191,784	47,739	2,239,523	5,468
Total Deferred Inflows of Resources	8,235,404	173,452	8,408,856	19,866
NET POSITION				
Net Investment in Capital Assets	72,008,136	53,111,021	125,119,157	49,743
Restricted for:				
Capital Projects	5,290,226	-	5,290,226	-
Debt Services	402,007	-	402,007	-
Streets and Highways	2,805,446	-	2,805,446	-
Public Facilities and Programs	2,506,668	-	2,506,668	-
Community Development Block Grant	582,053	-	582,053	-
Parks and Recreation	351,492	-	351,492	-
Police, Fire and EMS	3,144,997	-	3,144,997	-
Community Development	1,542,361	-	1,542,361	-
Pension	112,467	66,682	179,149	7,637
Other Purpose	74,258	-	74,258	-
Unrestricted	533,715	3,831,140	4,364,855	(133,540)
Total Net Position	\$ 89,353,826	\$ 57,008,843	\$ 146,362,669	\$ (76,160)

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, 2023

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Security of Persons and Property	\$ 18,438,678	\$ 2,299,071	\$ 205,375	\$ -
Public Health and Welfare	646,724	1,895	-	-
Leisure Time Activities	2,271,880	679,196	9,000	-
Community Development	2,125,536	158,811	538,680	-
Transportation	6,634,607	38,664	2,715,162	1,262,575
General Government	4,218,434	176,008	142,110	-
Interest	702,792	-	-	-
Total Governmental activities	35,038,651	3,353,645	3,610,327	1,262,575
Business-type activities:				
Water	4,258,171	4,656,325	-	235,627
Sewer	4,153,742	4,925,173	-	1,147,700
Solid Waste	522,560	379,094	-	-
Storm Water Drainage	1,289,603	1,061,682	-	58,838
Total Business-type activities	10,224,076	11,022,274	-	1,442,165
Total Primary Government	\$ 45,262,727	\$ 14,375,919	\$ 3,610,327	\$ 2,704,740
Component Unit:				
City of Kent Health District	\$ 896,674	\$ 354,767	\$ 353,966	\$ -
Total Component Unit	\$ 896,674	\$ 354,767	\$ 353,966	\$ -

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

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
\$ (15,934,232)	\$ -	\$ (15,934,232)	\$ -
(644,829)	-	(644,829)	-
(1,583,684)	-	(1,583,684)	-
(1,428,045)	-	(1,428,045)	-
(2,618,206)	-	(2,618,206)	-
(3,900,316)	-	(3,900,316)	-
(702,792)	-	(702,792)	-
<u>(26,812,104)</u>	<u>-</u>	<u>(26,812,104)</u>	<u>-</u>
-	633,781	633,781	-
-	1,919,131	1,919,131	-
-	(143,466)	(143,466)	-
-	(169,083)	(169,083)	-
<u>-</u>	<u>2,240,363</u>	<u>2,240,363</u>	<u>-</u>
<u>(26,812,104)</u>	<u>2,240,363</u>	<u>(24,571,741)</u>	<u>-</u>
-	-	-	(187,941)
-	-	-	(187,941)
1,920,460	-	1,920,460	-
1,678,612	-	1,678,612	-
5,564,706	-	5,564,706	-
5,894,174	-	5,894,174	-
8,550,193	-	8,550,193	-
365,068	-	365,068	-
431,488	-	431,488	-
2,054,148	-	2,054,148	-
2,714,455	988	2,715,443	-
-	576	576	-
<u>304,078</u>	<u>16,373</u>	<u>320,451</u>	<u>245,318</u>
<u>29,477,382</u>	<u>17,937</u>	<u>29,495,319</u>	<u>245,318</u>
<u>2,665,278</u>	<u>2,258,300</u>	<u>4,923,578</u>	<u>57,377</u>
<u>86,688,548</u>	<u>54,750,543</u>	<u>141,439,091</u>	<u>(133,537)</u>
<u>\$ 89,353,826</u>	<u>\$ 57,008,843</u>	<u>\$ 146,362,669</u>	<u>\$ (76,160)</u>

City of Kent, Ohio
Balance Sheet
Governmental Funds
December 31, 2023

	General Fund	Parks and Recreation	Income Tax Safety	Fire and Emergency Medical Services	American Rescue Plan Act	Capital Projects
Assets:						
Equity in Pooled Cash and Cash Equivalents	\$ 15,563,013	\$ 575,453	\$ 1,293,489	\$ 2,585,241	\$ 6,090,443	\$ 12,392,514
Cash and Cash Equivalents:						
In Segregated Accounts	-	-	-	-	-	-
Materials and Supplies Inventory	-	-	48,447	-	-	-
Accrued Interest Receivable	221,159	-	-	-	-	-
Accounts Receivable	404,948	-	25,715	3,733	-	14,614
Due from Other Funds	-	-	-	-	-	150,299
Interfund Receivable	1,525,000	-	-	-	-	-
Intergovernmental Receivable	790,456	53,332	35,339	-	-	69,969
Prepaid Items	28,470	16,400	72,690	43,300	-	2,600
Payments in Lieu of Taxes Receivable	-	-	-	-	-	-
Municipal Income Taxes Receivable	1,340,236	-	961,936	961,936	-	882,955
Property and Other Taxes Receivable	2,150,243	1,236,531	-	-	-	-
Special Assessments Receivable	-	-	-	-	-	30,868
Loans Receivable	-	-	-	-	-	-
Assets Held for Resale	134,500	-	-	-	-	-
Total Assets	\$ 22,158,025	\$ 1,881,716	\$ 2,437,616	\$ 3,594,210	\$ 6,090,443	\$ 13,543,819
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 172,907	\$ 28,715	\$ 191,229	\$ 152,656	\$ -	\$ 107,030
Accrued Wages and Benefits	106,862	39,584	256,228	192,018	-	5,818
Contracts and Retainage Payable	52,567	3,482	2,565	-	36,085	434,214
Matured Compensated Absences Payable	-	-	-	111,109	-	-
Due to Other Funds	-	150,299	-	-	-	-
Unearned Revenue	-	-	-	-	6,054,358	-
Total Liabilities	332,336	222,080	450,022	455,783	6,090,443	547,062
Deferred Inflows of Resources:						
Property Taxes and PILOTs	1,874,237	1,125,579	-	-	-	-
Unavailable Revenue - Delinquent Property Taxes	191,376	110,952	-	-	-	-
Unavailable Revenue - Municipal Income Taxes	467,678	-	335,669	335,669	-	308,109
Unavailable Revenue - Other	585,218	53,332	-	-	-	30,868
Total Deferred Inflows of Resources	3,118,509	1,289,863	335,669	335,669	-	338,977
Fund Balances:						
Nonspendable	1,687,970	16,400	121,137	43,300	-	2,600
Restricted	-	353,373	1,530,788	2,759,458	-	-
Committed	2,506,668	-	-	-	-	12,655,180
Assigned	4,170,071	-	-	-	-	-
Unassigned	10,342,471	-	-	-	-	-
Total Fund Balances	18,707,180	369,773	1,651,925	2,802,758	-	12,657,780
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 22,158,025	\$ 1,881,716	\$ 2,437,616	\$ 3,594,210	\$ 6,090,443	\$ 13,543,819

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, 2023</i>	
Other Governmental Funds	Total Governmental Funds		
\$ 9,442,551	\$ 47,942,704	Total Governmental Funds Balance	\$ 47,040,901
64,861	64,861	<i>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</i>	
409,238	457,685	Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.	93,681,020
7,726	228,885		
-	449,010	Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the funds:	
-	150,299	Delinquent property taxes	\$ 353,078
-	1,525,000	Municipal income taxes	1,661,475
921,286	1,870,382	Special assessments	35,712
15,600	179,060	Intergovernmental	1,158,100
686,654	686,654	Charges for services	148,984
614,267	4,761,330	Total	3,357,349
564,141	3,950,915	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.	516,066
4,844	35,712	The net pension liability and net OPEB liability are not due and payable in the current period; and the net pension asset and net OPEB asset are not available for spending in the current period; therefore, the liability, asset, and related deferred outflows are not reported in governmental funds:	
81,988	81,988	Deferred Outflows-Pension	12,581,210
365,000	499,500	Deferred Inflows-Pension	(1,843,759)
<u>\$ 13,178,156</u>	<u>\$ 62,883,985</u>	Net Pension Asset	74,809
		Net Pension Liability	(36,494,003)
		Net OPEB Liability	(2,209,026)
		Deferred Outflows - OPEB	2,051,458
		Deferred Inflows - OPEB	(2,191,784)
		Total	(28,031,095)
		Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
		General obligation bonds	(23,145,147)
		OPWC loans	(421,960)
		Compensated absences	(3,579,569)
		Total	(27,146,676)
		In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental funds, an interest expenditure is reported when due.	(63,739)
		Net Position of Governmental Activities	<u>\$ 89,353,826</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, 2023

	General Fund	Parks and Recreation	Income Tax Safety	Fire and Emergency Medical Services	American Rescue Plan Act	Capital Projects
REVENUES						
Property Taxes	\$ 1,860,083	\$ 1,118,381	\$ -	\$ -	\$ -	\$ -
Municipal Income Taxes	5,413,466	-	3,954,292	3,954,292	-	3,611,376
Other Local Taxes	365,068	-	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-	-	-
Intergovernmental	1,912,025	106,663	40,349	165,026	927,025	1,224,092
Interest	2,558,894	-	-	-	-	-
Fees, Licenses, and Permits	333,412	-	-	-	-	-
Fines and Forfeitures	249,160	-	-	-	-	-
Charges for Services	1,958,057	679,196	-	-	-	-
Contributions and Donations	-	9,000	-	-	-	-
Special Assessments	-	-	-	-	-	123,840
All Other Revenues	132,042	26,140	38,438	31,869	-	15,374
Total Revenues	<u>14,782,207</u>	<u>1,939,380</u>	<u>4,033,079</u>	<u>4,151,187</u>	<u>927,025</u>	<u>4,974,682</u>
EXPENDITURES						
Current:						
Security of Persons and Property	-	-	8,067,877	6,447,260	-	-
Public Health and Welfare	646,724	-	-	-	-	-
Leisure Time Activities	-	1,963,782	-	-	-	-
Community Development	1,577,823	-	-	-	-	-
Transportation	-	-	-	-	-	1,986,751
General Government	3,663,958	-	-	-	257,892	-
Capital Outlay	-	27,822	-	189,894	669,133	6,029,686
Debt Service:						
Principal Retirement	-	-	-	-	-	287,294
Interest and Fiscal Charges	-	-	-	-	-	232,355
Total Expenditures	<u>5,888,505</u>	<u>1,991,604</u>	<u>8,067,877</u>	<u>6,637,154</u>	<u>927,025</u>	<u>8,536,086</u>
Excess of Revenues Over/(Under) Expenditures	<u>8,893,702</u>	<u>(52,224)</u>	<u>(4,034,798)</u>	<u>(2,485,967)</u>	<u>-</u>	<u>(3,561,404)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from Sale of Capital Assets	55,527	-	-	-	-	-
OPWC Loans Issued	-	-	-	-	-	12,992
Transfers In	-	-	4,200,000	2,800,000	-	-
Transfers Out	(7,000,000)	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(6,944,473)</u>	<u>-</u>	<u>4,200,000</u>	<u>2,800,000</u>	<u>-</u>	<u>12,992</u>
Net Change in Fund Balances	1,949,229	(52,224)	165,202	314,033	-	(3,548,412)
Fund Balances - Beginning of Year	16,757,951	421,997	1,486,723	2,488,725	-	16,206,192
Fund Balances - End of Year	<u>\$ 18,707,180</u>	<u>\$ 369,773</u>	<u>\$ 1,651,925</u>	<u>\$ 2,802,758</u>	<u>\$ -</u>	<u>\$ 12,657,780</u>

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

*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, 2023*

Other Governmental Funds	Total Governmental Funds																																																																																																																					
<table border="0" style="width: 100%;"> <tr><td>\$ 509,748</td><td>\$ 3,488,212</td></tr> <tr><td>2,474,765</td><td>19,408,191</td></tr> <tr><td>-</td><td>365,068</td></tr> <tr><td>431,488</td><td>431,488</td></tr> <tr><td>2,087,120</td><td>6,462,300</td></tr> <tr><td>147,173</td><td>2,706,067</td></tr> <tr><td>25,715</td><td>359,127</td></tr> <tr><td>5,125</td><td>254,285</td></tr> <tr><td>38,664</td><td>2,675,917</td></tr> <tr><td>-</td><td>9,000</td></tr> <tr><td>-</td><td>123,840</td></tr> <tr><td>60,215</td><td>304,078</td></tr> <tr><td><u>5,780,013</u></td><td><u>36,587,573</u></td></tr> </table>	\$ 509,748	\$ 3,488,212	2,474,765	19,408,191	-	365,068	431,488	431,488	2,087,120	6,462,300	147,173	2,706,067	25,715	359,127	5,125	254,285	38,664	2,675,917	-	9,000	-	123,840	60,215	304,078	<u>5,780,013</u>	<u>36,587,573</u>	<table border="0" style="width: 100%;"> <tr><td>443,780</td><td>14,958,917</td></tr> <tr><td>-</td><td>646,724</td></tr> <tr><td>-</td><td>1,963,782</td></tr> <tr><td>422,008</td><td>1,999,831</td></tr> <tr><td>2,111,042</td><td>4,100,174</td></tr> <tr><td>121,082</td><td>4,040,551</td></tr> <tr><td>30,493</td><td>6,947,028</td></tr> <tr><td>705,000</td><td>992,294</td></tr> <tr><td>529,784</td><td>762,139</td></tr> <tr><td><u>4,363,189</u></td><td><u>36,411,440</u></td></tr> <tr><td><u>1,416,824</u></td><td><u>176,133</u></td></tr> <tr><td>4,162</td><td>59,689</td></tr> <tr><td>-</td><td>12,992</td></tr> <tr><td>-</td><td>7,000,000</td></tr> <tr><td>-</td><td>(7,000,000)</td></tr> <tr><td><u>4,162</u></td><td><u>72,681</u></td></tr> <tr><td><u>1,420,986</u></td><td><u>248,814</u></td></tr> <tr><td>9,430,499</td><td>46,792,087</td></tr> <tr><td><u>\$ 10,851,485</u></td><td><u>\$ 47,040,901</u></td></tr> </table>	443,780	14,958,917	-	646,724	-	1,963,782	422,008	1,999,831	2,111,042	4,100,174	121,082	4,040,551	30,493	6,947,028	705,000	992,294	529,784	762,139	<u>4,363,189</u>	<u>36,411,440</u>	<u>1,416,824</u>	<u>176,133</u>	4,162	59,689	-	12,992	-	7,000,000	-	(7,000,000)	<u>4,162</u>	<u>72,681</u>	<u>1,420,986</u>	<u>248,814</u>	9,430,499	46,792,087	<u>\$ 10,851,485</u>	<u>\$ 47,040,901</u>	<p>Net Change in Fund Balances-Total Governmental Funds \$ 248,814</p> <p><i>Amounts reported for Governmental Activities in the Statement of Activities are different because:</i></p> <p>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.</p> <table border="0" style="width: 100%;"> <tr><td>Capital outlay</td><td style="text-align: right;">\$ 6,947,028</td><td></td></tr> <tr><td>Depreciation</td><td style="text-align: right;"><u>(3,748,118)</u></td><td></td></tr> <tr><td>Total</td><td></td><td style="text-align: right;">3,198,910</td></tr> </table> <p>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. (167,727)</p> <p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p> <table border="0" style="width: 100%;"> <tr><td>Delinquent property taxes</td><td style="text-align: right;">110,860</td><td></td></tr> <tr><td>Municipal income taxes</td><td style="text-align: right;">600,882</td><td></td></tr> <tr><td>Special assessments</td><td style="text-align: right;">(85,124)</td><td></td></tr> <tr><td>Intergovernmental</td><td style="text-align: right;">429,254</td><td></td></tr> <tr><td>Charges for services</td><td style="text-align: right;"><u>52,096</u></td><td></td></tr> <tr><td>Total</td><td></td><td style="text-align: right;">1,107,968</td></tr> </table> <p>Other financing sources in the Governmental Funds increase long-term liabilities in the Statement of Net Position. These sources were attributed to the issuance of a loan. (12,992)</p> <p>Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.</p> <table border="0" style="width: 100%;"> <tr><td>Pension</td><td></td><td style="text-align: right;">2,500,543</td></tr> <tr><td>OPEB</td><td></td><td style="text-align: right;">53,917</td></tr> </table> <p>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.</p> <table border="0" style="width: 100%;"> <tr><td>Pension</td><td></td><td style="text-align: right;">(4,655,739)</td></tr> <tr><td>OPEB</td><td></td><td style="text-align: right;">203,058</td></tr> </table> <p>Repayment of debt principal are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position 992,294</p> <p>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.</p> <table border="0" style="width: 100%;"> <tr><td>Compensated absences</td><td style="text-align: right;">(824,311)</td><td></td></tr> <tr><td>Amortization of premiums</td><td style="text-align: right;">59,149</td><td></td></tr> <tr><td>Accrued interest on bonds</td><td style="text-align: right;"><u>198</u></td><td></td></tr> <tr><td>Total</td><td></td><td style="text-align: right;">(764,964)</td></tr> </table> <p>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. (38,804)</p> <p>Change in Net Position of Governmental Activities <u>\$ 2,665,278</u></p>	Capital outlay	\$ 6,947,028		Depreciation	<u>(3,748,118)</u>		Total		3,198,910	Delinquent property taxes	110,860		Municipal income taxes	600,882		Special assessments	(85,124)		Intergovernmental	429,254		Charges for services	<u>52,096</u>		Total		1,107,968	Pension		2,500,543	OPEB		53,917	Pension		(4,655,739)	OPEB		203,058	Compensated absences	(824,311)		Amortization of premiums	59,149		Accrued interest on bonds	<u>198</u>		Total		(764,964)	
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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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$ 1,848,245	\$ 1,854,949	\$ 1,860,083	\$ 5,134
Other Local Taxes	335,094	335,094	365,780	30,686
Intergovernmental	1,633,268	1,883,268	2,017,589	134,321
Interest	420,000	1,321,023	1,367,973	46,950
Fees, Licenses and Permits	224,833	274,833	333,412	58,579
Fines and Forfeits	301,725	301,725	253,136	(48,589)
Charges for Services	1,722,031	1,722,031	1,875,922	153,891
Miscellaneous	51,000	51,000	126,613	75,613
Total Revenues	<u>6,536,196</u>	<u>7,743,923</u>	<u>8,200,508</u>	<u>456,585</u>
Expenditures				
Current:				
Public Health and Welfare	1,125,198	2,132,142	660,734	1,471,408
Community Development	2,340,109	2,383,042	1,936,020	447,022
General Government	4,427,742	4,658,454	4,003,790	654,664
Total Expenditures	<u>7,893,049</u>	<u>9,173,638</u>	<u>6,600,544</u>	<u>2,573,094</u>
Excess of Revenues Over (Under) Expenditures	(1,356,853)	(1,429,715)	1,599,964	3,029,679
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	1,174	1,174	55,527	54,353
Transfer In	3,600,000	3,600,000	3,600,000	-
Transfers Out	(7,650,000)	(7,650,000)	(7,000,000)	650,000
Total Other Financing Sources (Uses)	<u>(4,048,826)</u>	<u>(4,048,826)</u>	<u>(3,344,473)</u>	<u>704,353</u>
Net Change in Fund Balance	(5,405,679)	(5,478,541)	(1,744,509)	3,734,032
Fund Balance - Beginning of Year	7,643,880	7,643,880	7,643,880	-
Prior Year Encumbrances Appropriated	1,063,924	1,063,924	1,063,924	-
Fund Balance - End of Year	<u>\$ 3,302,125</u>	<u>\$ 3,229,263</u>	<u>\$ 6,963,295</u>	<u>\$ 3,734,032</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
 Parks and Recreation Fund
 For the Year Ended December 31, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$ 1,127,489	\$ 1,115,231	\$ 1,118,381	\$ 3,150
Intergovernmental	107,119	107,119	106,663	(456)
Charges for Services	808,850	756,160	684,377	(71,783)
Contributions and Donations	9,750	9,750	9,000	(750)
Miscellaneous	35,000	35,000	26,140	(8,860)
Total Revenues	<u>2,088,208</u>	<u>2,023,260</u>	<u>1,944,561</u>	<u>(78,699)</u>
Expenditures				
Current:				
Leisure Time Activities				
Parks & Recreation				
Personal Services	1,438,973	1,438,973	1,314,862	124,111
Other	747,860	762,173	643,886	118,287
Capital Outlay	283,150	283,150	220,048	63,102
Total Expenditures	<u>2,469,983</u>	<u>2,484,296</u>	<u>2,178,796</u>	<u>305,500</u>
Other Financing Sources				
Sale of Capital Assets	5,000	5,000	-	(5,000)
Total Other Financing Sources	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Net Change in Fund Balance	(376,775)	(456,036)	(234,235)	221,801
Fund Balance - Beginning of Year	504,465	504,465	504,465	-
Prior Year Encumbrances Appropriated	142,443	142,443	142,443	-
Fund Balance - End of Year	<u>\$ 270,133</u>	<u>\$ 190,872</u>	<u>\$ 412,673</u>	<u>\$ 221,801</u>

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

City of Kent, Ohio
*Statement of Revenues, Expenditures and Changes in Fund Balance –
 Budget (Non-GAAP Basis) and Actual
 Income Tax Safety Fund
 For the Year Ended December 31, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 376,262	\$ 39,548	\$ 40,349	\$ 801
Miscellaneous	28,738	28,738	33,461	4,723
Total Revenues	<u>405,000</u>	<u>68,286</u>	<u>73,810</u>	<u>5,524</u>
Expenditures				
Current:				
Security of Persons and Property				
Police				
Personal Services	7,689,902	8,038,500	7,381,596	656,904
Other	857,359	950,443	775,274	175,169
Contractual Services	-	33,600	31,030	2,570
Total Expenditures	<u>8,547,261</u>	<u>9,022,543</u>	<u>8,187,900</u>	<u>834,643</u>
Excess of Revenues Over (Under) Expenditures	(8,142,261)	(8,954,257)	(8,114,090)	840,167
Other Financing Sources				
Transfers In	<u>7,400,000</u>	<u>8,025,798</u>	<u>8,184,364</u>	<u>158,566</u>
Net Change in Fund Balance	(742,261)	(928,459)	70,274	998,733
Fund Balance - Beginning of Year	850,419	850,419	850,419	-
Prior Year Encumbrances Appropriated	86,934	86,934	86,934	-
Fund Balance - End of Year	<u>\$ 195,092</u>	<u>\$ 8,894</u>	<u>\$ 1,007,627</u>	<u>\$ 998,733</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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Intergovernmental	\$ 168,856	\$ 355,461	\$ 171,508	\$ (183,953)
Contributions and Donations	-	50	-	(50)
Miscellaneous	27,701	31,795	28,136	(3,659)
Total Revenues	<u>196,557</u>	<u>387,306</u>	<u>199,644</u>	<u>(187,662)</u>
Expenditures				
Current:				
Security of Persons and Property				
Fire				
Personal Services	5,721,980	6,068,350	5,625,082	443,268
Other	961,305	1,037,756	736,965	300,791
Capital Outlay	2,175,557	2,210,807	2,118,059	92,748
Total Expenditures	<u>8,858,842</u>	<u>9,316,913</u>	<u>8,480,106</u>	<u>836,807</u>
Excess of Revenues Over (Under) Expenditures	(8,662,285)	(8,929,607)	(8,280,462)	649,145
Other Financing Sources				
Transfers In	<u>6,679,444</u>	<u>7,084,364</u>	<u>6,784,364</u>	<u>(300,000)</u>
Net Change in Fund Balance	(1,982,841)	(1,845,243)	(1,496,098)	349,145
Fund Balance - Beginning of Year	217,007	217,007	217,007	-
Prior Year Encumbrances Appropriated	1,780,427	1,780,427	1,780,427	-
Fund Balance - End of Year	<u>\$ 14,593</u>	<u>\$ 152,191</u>	<u>\$ 501,336</u>	<u>\$ 349,145</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
 American Rescue Plan Act Fund
 For the Year Ended December 31, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Current:				
Capital Outlay				
Personal Services	406,450	329,950	329,651	299
Capital Outlay	5,417,616	6,731,616	932,442	5,799,174
Total Expenditures	<u>5,824,066</u>	<u>7,061,566</u>	<u>1,262,093</u>	<u>5,799,473</u>
Net Change in Fund Balance	(5,824,066)	(7,061,566)	(1,262,093)	5,799,473
Fund Balance - Beginning of Year	6,119,082	6,119,082	6,119,082	-
Prior Year Encumbrances Appropriated	947,216	947,216	947,216	-
Fund Balance - End of Year	<u>\$ 1,242,232</u>	<u>\$ 4,732</u>	<u>\$ 5,804,205</u>	<u>\$ 5,799,473</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, 2023

	Enterprise Funds					Governmental
	Water	Sewer	Storm Water Drainage	Nonmajor - Solid Waste	Total	Activities Internal Service Fund
ASSETS						
Current Assets:						
Equity in Pooled Cash and Cash Equivalents	\$ 3,851,217	\$ 4,370,301	\$ 2,162,030	\$ 845,104	\$ 11,228,652	\$ 1,246,860
Materials and Supplies Inventory	199,023	14,577	-	-	213,600	-
Accounts Receivable	652,222	840,951	198,551	58,437	1,750,161	26,157
Intergovernmental Receivable	-	10,497	-	-	10,497	-
Prepaid Items	22,500	21,200	6,300	4,500	54,500	-
Special Assessments Receivable	93,103	24,556	179,459	-	297,118	-
Total Current Assets	<u>4,818,065</u>	<u>5,282,082</u>	<u>2,546,340</u>	<u>908,041</u>	<u>13,554,528</u>	<u>1,273,017</u>
Noncurrent Assets:						
Cash Surrender Value of Life Insurance Policies	-	-	-	-	-	192,371
Net Pension Asset	18,873	16,790	5,184	3,508	44,355	-
Capital Assets:						
Land	1,340,365	412,575	72,596	-	1,825,536	-
Construction in Progress	1,112,171	2,641,120	274,513	-	4,027,804	-
Depreciable Assets, Net of Depreciation	13,763,936	20,773,937	15,518,527	27,412	50,083,812	-
Total Noncurrent Assets	<u>16,235,345</u>	<u>23,844,422</u>	<u>15,870,820</u>	<u>30,920</u>	<u>55,981,507</u>	<u>192,371</u>
Total Assets	<u>21,053,410</u>	<u>29,126,504</u>	<u>18,417,160</u>	<u>938,961</u>	<u>69,536,035</u>	<u>1,465,388</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension	1,030,618	916,892	283,109	191,575	2,422,194	-
OPEB	158,879	141,348	43,644	29,534	373,405	-
Total Deferred Outflows of Resources	<u>1,189,497</u>	<u>1,058,240</u>	<u>326,753</u>	<u>221,109</u>	<u>2,795,599</u>	<u>-</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	133,344	64,765	13,199	14,723	226,031	-
Accrued Wages and Benefits	74,635	67,591	18,559	13,139	173,924	-
Compensated Absences Payable	96,028	139,009	20,973	3,814	259,824	-
Contracts and Retainage Payable	129,013	181,297	18,148	-	328,458	-
Interfund Payable	-	-	-	-	-	1,525,000
Health Insurance Claims Payable	-	-	-	-	-	134,824
General Obligation Bonds Payable	-	50,000	-	-	50,000	-
OWDA and OPWC Loans Payable	31,995	360,441	9,967	-	402,403	-
Total Current Liabilities	<u>465,015</u>	<u>863,103</u>	<u>80,846</u>	<u>31,676</u>	<u>1,440,640</u>	<u>1,659,824</u>
Noncurrent Liabilities:						
Compensated Absences Payable	245,058	284,737	65,188	9,958	604,941	-
OWDA and OPWC Loans Payable	203,470	1,746,300	113,720	-	2,063,490	-
Net Pension Liability	2,470,640	2,198,009	678,680	459,252	5,806,581	-
Net OPEB Liability	52,414	46,630	14,398	9,743	123,185	-
Asset Retirement Obligation	4,400,000	-	-	-	4,400,000	-
Total Noncurrent Liabilities	<u>7,371,582</u>	<u>4,275,676</u>	<u>871,986</u>	<u>478,953</u>	<u>12,998,197</u>	<u>-</u>
Total Liabilities	<u>7,836,597</u>	<u>5,138,779</u>	<u>952,832</u>	<u>510,629</u>	<u>14,438,837</u>	<u>1,659,824</u>
DEFERRED INFLOWS OF RESOURCES						
Pension	53,489	47,587	14,694	9,943	125,713	-
OPEB	20,312	18,071	5,580	3,776	47,739	-
Total Deferred Inflows of Resources	<u>73,801</u>	<u>65,658</u>	<u>20,274</u>	<u>13,719</u>	<u>173,452</u>	<u>-</u>
NET POSITION						
Net Investment in Capital Assets	15,851,994	21,507,814	15,723,801	27,412	53,111,021	-
Restricted for:						
Pension	28,373	25,242	5,274	7,793	66,682	-
Unrestricted	(1,547,858)	3,447,251	2,041,732	600,517	4,541,642	(194,436)
Total Net Position	<u>\$ 14,332,509</u>	<u>\$ 24,980,307</u>	<u>\$ 17,770,807</u>	<u>\$ 635,722</u>	<u>\$ 57,230,002</u>	<u>\$ (194,436)</u>

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

(710,502)
\$ 57,008,843

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, 2023

	Enterprise Funds				Total	Governmental Activities
	Water	Sewer	Storm Water Drainage	Nonmajor - Solid Waste		Internal Service Fund
OPERATING REVENUES						
Charges for Services	\$ 4,663,127	\$ 4,931,114	\$ 1,063,361	\$ 380,333	\$ 11,037,935	\$ 3,874,519
Miscellaneous	7,756	8,002	615	-	16,373	-
Total Operating Revenues	<u>4,670,883</u>	<u>4,939,116</u>	<u>1,063,976</u>	<u>380,333</u>	<u>11,054,308</u>	<u>3,874,519</u>
OPERATING EXPENSES						
Salaries	1,553,839	1,423,903	413,029	280,725	3,671,496	-
Fringe Benefits	571,189	482,030	141,829	105,444	1,300,492	-
Materials and Supplies	427,134	250,795	27,831	16,946	722,706	-
Utilities	210,699	179,844	-	-	390,543	-
Contractual Services	859,802	739,913	137,290	115,664	1,852,669	654,675
Depreciation	576,941	975,616	569,624	2,321	2,124,502	-
Claims	-	-	-	-	-	3,282,697
Other	6,297	7,400	-	-	13,697	-
Total Operating Expense	<u>4,205,901</u>	<u>4,059,501</u>	<u>1,289,603</u>	<u>521,100</u>	<u>10,076,105</u>	<u>3,937,372</u>
Operating Income (Loss)	<u>464,982</u>	<u>879,615</u>	<u>(225,627)</u>	<u>(140,767)</u>	<u>978,203</u>	<u>(62,853)</u>
NONOPERATING REVENUES (EXPENSES)						
Gain on Sale of Capital Assets	576	-	-	-	576	-
(Loss) on Sale of Capital Assets	(46,649)	(44,901)	(1,460)	-	(93,010)	-
Interest	494	494	-	-	988	8,388
Interest and Fiscal Charges	(5,621)	(49,340)	-	-	(54,961)	-
Total Nonoperating Revenues (Expenses)	<u>(51,200)</u>	<u>(93,747)</u>	<u>(1,460)</u>	<u>-</u>	<u>(146,407)</u>	<u>8,388</u>
Capital Contributions	235,627	1,147,700	58,838	-	1,442,165	-
Change in Net Position	649,409	1,933,568	(168,249)	(140,767)	2,273,961	(54,465)
Net Position - Beginning of Year	13,683,100	23,046,739	17,939,056	776,489		(139,971)
Net Position - End of Year	<u>\$ 14,332,509</u>	<u>\$ 24,980,307</u>	<u>\$ 17,770,807</u>	<u>\$ 635,722</u>		<u>\$ (194,436)</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.

(15,661)
\$ 2,258,300

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, 2023

	Enterprise Funds				Total	Governmental Activities
	Water	Sewer	Storm Water Drainage	Nonmajor - Solid Waste		Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from Charges for Services	\$ 4,632,288	\$ 4,802,328	\$ 1,018,630	\$ 384,356	\$ 10,837,602	\$ 3,893,211
Other Cash Receipts	11,012	12,913	615	-	24,540	-
Cash Payments to Employees for Services	(1,536,902)	(1,361,826)	(415,710)	(279,165)	(3,593,603)	-
Cash Payments for Employee Benefits	(589,609)	(530,691)	(152,567)	(108,445)	(1,381,312)	-
Cash Payments for Goods and Services	(1,534,181)	(1,145,339)	(165,028)	(124,466)	(2,969,014)	(628,382)
Cash Payments for Claims	-	-	-	-	-	(3,409,854)
Other Cash Payments	(6,297)	(7,400)	-	-	(13,697)	-
Net Cash Provided by (Used in) Operating Activities	<u>976,311</u>	<u>1,769,985</u>	<u>285,940</u>	<u>(127,720)</u>	<u>2,904,516</u>	<u>(145,025)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital Grants and Contributions	218,227	1,254,151	56,618	-	1,528,996	-
Tap-in Fees	16,894	9,743	600	-	27,237	-
Special Assessments	29,772	17,114	25,751	-	72,637	-
Proceeds from Loans	103,274	113,511	25,987	-	242,772	-
Principal Paid on OWDA/OPWC Loans	(58,899)	(349,741)	(9,967)	-	(418,607)	-
Principal Paid on Bonds	-	(50,000)	-	-	(50,000)	-
Interest Paid on OWDA/OPWC Loans	(5,621)	(48,371)	-	-	(53,992)	-
Interest Paid on Bonds	-	(968)	-	-	(968)	-
Payments for Capital Acquisitions	(1,152,748)	(2,124,332)	(314,042)	-	(3,591,122)	-
Proceeds from Sale of Capital Assets	576	-	-	-	576	-
Net Cash (Used in) Capital and Related Financing Activities	<u>(848,525)</u>	<u>(1,178,893)</u>	<u>(215,053)</u>	<u>-</u>	<u>(2,242,471)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on Investments	494	494	-	-	988	-
Net Cash Provided by Investing Activities	<u>494</u>	<u>494</u>	<u>-</u>	<u>-</u>	<u>988</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	128,280	591,586	70,887	(127,720)	663,033	(145,025)
Cash and Cash Equivalents - Beginning of Year	3,722,937	3,778,715	2,091,143	972,824	10,565,619	1,391,885
Cash and Cash Equivalents - End of Year	<u>\$ 3,851,217</u>	<u>\$ 4,370,301</u>	<u>\$ 2,162,030</u>	<u>\$ 845,104</u>	<u>\$ 11,228,652</u>	<u>\$ 1,246,860</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, 2023

	Enterprise Funds					Governmental Activities Internal Service Fund
	Water	Sewer	Storm Water Drainage	Nonmajor - Solid Waste	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 464,982	\$ 879,615	\$ (225,627)	\$ (140,767)	\$ 978,203	\$ (62,853)
Adjustments:						
Depreciation	576,941	975,616	569,624	2,321	2,124,502	-
Premium charged for Life Insurance Policies	-	-	-	-	-	26,293
(Increase) Decrease in Assets:						
Accounts Receivable	(27,583)	(123,515)	(44,731)	4,023	(191,806)	(7,465)
Materials and Supplies Inventory	(71,756)	5,738	-	-	(66,018)	-
Prepaid Items	(1,900)	(2,400)	(200)	400	(4,100)	-
Net Pension Asset	12,143	11,264	3,458	2,264	29,129	-
Net OPEB Asset	273,143	247,058	76,101	50,829	647,131	-
Deferred Outflows of Resources - Pension	(674,475)	(594,759)	(183,879)	(125,301)	(1,578,414)	-
Deferred Outflows of Resources - OPEB	(136,853)	(121,426)	(37,508)	(25,435)	(321,222)	-
Increase (Decrease) in Liabilities:						
Accounts Payable	46,972	28,951	3,031	10,408	89,362	-
Accrued Wages and Benefits	5,654	6,676	558	315	13,203	-
Compensated Absences Payable	12,147	46,288	(3,162)	1,290	56,563	-
Net Pension Liability	1,705,516	1,505,952	465,506	316,870	3,993,844	-
Net OPEB Liability	52,414	46,630	14,398	9,743	123,185	-
Deferred Inflows of Resources - Pension	(968,953)	(877,214)	(270,172)	(180,323)	(2,296,662)	-
Deferred Inflows of Resources - OPEB	(292,081)	(264,489)	(81,457)	(54,357)	(692,384)	-
Health Insurance Claims Payable	-	-	-	-	-	(101,000)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 976,311</u>	<u>\$ 1,769,985</u>	<u>\$ 285,940</u>	<u>\$ (127,720)</u>	<u>\$ 2,904,516</u>	<u>\$ (145,025)</u>
<u>Schedule of Non-Cash Investing, Capital, and Financing Activities:</u>						
Net impact of accruals related to capital assets.	\$ 55,538	\$ 230,255	\$ 54,761	\$ -	\$ 340,554	-

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, 2023

	<u>Custodial Fund</u>
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 73,470
Total Assets	<u>73,470</u>
NET POSITION	
Individuals, Organizations, and Other Governments	73,470
Total Net Position	<u>\$ 73,470</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, 2023

	Custodial Fund
ADDITIONS	
Licenses, Permits, & Fees Distributions for Other Governments	\$ 168,221
Miscellaneous	7,000
Total Additions	175,221
DEDUCTIONS	
Licenses, Permits, & Fees Distributions to Other Governments	170,524
Total Deductions	170,524
Net Increase in Fiduciary Net Position	4,697
Net Position - Beginning of Year	68,773
Net Position - End of Year	\$ 73,470

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, 2023

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, 2023
(Continued)

Per Ohio Revised Code 3709.05 along with the City's Charter, the District is a legally separate entity from the City. The District is able to have its own name and the City of Kent's Council appoints the board members. The City is reporting the District as a discretely presented component unit because the District provides a service on behalf of the City, to the benefit of the residents of the City and it does not provide a service for the City government that benefits the City government. 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 20 and 21 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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business activity is self-financing or draws from the general revenues of the City.

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

B. Fund Accounting

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

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.

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 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.

American Rescue Plan Act - This fund accounts for purposes and activities related to the American Rescue Plan Act (ARPA) funding.

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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

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

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

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

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

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

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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets along with deferred outflows of resources and current liabilities along with deferred inflows of resources generally are included on the balance sheet.

The statement of revenues, expenditures and changes in fund balances reports on the sources (e.g., revenues and other financing sources) and uses (e.g., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets along with deferred outflows of resources and all liabilities along with deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The proprietary funds' statement of revenues, expenses and changes in net position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

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

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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

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 assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows related to pension and OPEB plans are explained in Notes 13 and 14.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets 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, 2023, but which were levied to finance year 2024 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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

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 2023, The City's investments were limited to State Treasury Asset Reserve of Ohio (STAR Ohio), negotiable certificates of deposits, United States Agency debt securities, and money market mutual funds. The City's investment in State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The city measures their investment in STAR Ohio as the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2023, 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 \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million 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.

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, 2023 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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The City capitalization threshold is \$10,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

All capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement.

Depreciation is computed using the straight-line method over the following useful lives:

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

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

I. Interfund Balances

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

J. Compensated Absences

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

Sick leave benefits are accrued as a liability using the 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 City records a liability for accumulated unused sick leave for employees after ten years of current service with the City.

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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

K. Accrued Liabilities and Long-term Obligations

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

L. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability and net OPEB asset, 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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

These amounts are assigned by the City Council. In the general fund, assigned amounts would represent intended uses established by policies of the City Council or a City official delegated that authority by City Charter or ordinance, or by State statute. State statute authorizes the finance director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

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

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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

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.

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 2023.

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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

T. Budgetary Process

All funds, except the custodial 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.

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

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. These changes were incorporated in the City's financial statements; however, there was no effect on the beginning net position/fund balance.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The implementation of this Statement did not have an effect on the financial statements of the City.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The implementation of this Statement did not have an effect on the financial statements of the City.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of this Statement did not have an effect on the financial statements of the City.

Note 4 – Accountability and Compliance

Fund Deficits

As of December 31, 2023, the City did not report deficit fund balances. 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, Parks and Recreation, Income Tax Safety, Fire and Emergency Medical Services, and the American Rescue Plan Act 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. Other Funds are 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 major special revenue funds.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

	General	Parks and Recreation	Income Tax Safety	Fire and Emergency Medical Services	American Rescue Plan Act
Fund Balance - Budget Basis	\$ 6,963,295	\$ 412,673	\$ 1,007,627	\$ 501,336	\$ 5,804,205
Net Adjustments:					
Revenue Accruals	4,435,946	1,289,863	1,022,990	965,669	(6,054,358)
Deferred Inflows	(2,954,119)	(1,289,863)	(335,669)	(335,669)	-
Expenditure Accruals	(235,756)	(205,825)	(286,556)	(336,884)	(36,085)
Assets Held for Resale	134,500	-	-	-	-
Inventories/Prepays	26,970	16,400	121,137	43,300	-
Investment Valuation	(1,579,257)	-	-	-	-
Funds Budgeted elsewhere	10,824,043	-	-	-	-
Encumbrances	1,091,558	146,525	122,396	1,965,006	286,238
Fund Balance - GAAP Basis	<u>\$ 18,707,180</u>	<u>\$ 369,773</u>	<u>\$ 1,651,925</u>	<u>\$ 2,802,758</u>	<u>\$ -</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;
- Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

- 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 fair 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 fair 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, 2023.

Cash on Hand

At December 31, 2023, 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, 2023, the carrying value of the City's deposits was \$3,136,295 (including \$333,369 of component unit cash). The cash balances per the banks were \$4,988,711, of which \$976,996 was insured by Federal depository insurance and \$3,051,240 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 \$960,475 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.

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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

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, 2023. 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, 2023, fair value was \$1,634,424 below the City's net cost for investments.

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

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

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee. The City's investment in negotiable certificates of deposit were fully insured by Federal depository insurance.

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

As of December 31, 2023, 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	\$ 6,155,554	AAAm	Daily	N/A	10.65%
U.S. Agencies Debt Securities	47,944,517	AA+	Various Maturities	2	82.94%
Money Market Mutual Funds	156,505	N/A	Daily	N/A	0.27%
Negotiable Certificate of Deposit	3,550,319	N/A	Various Maturities	2	6.14%
Total Investments	<u>\$ 57,806,895</u>				<u>100.00%</u>

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(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, 2023.

Investments		\$ 57,806,895
Carrying amount of the City's Deposits		3,136,295
Cash on Hand		1,105
Total		\$ 60,944,295
 <i>Governmental Activities</i>		
Governmental Funds		
Equity in Pooled Cash and Cash Equivalents	\$	47,942,704
Cash and Cash Equivalents in Segregated Accounts		64,861
Internal Service Funds		
Equity in Pooled Cash and Cash Equivalents		1,246,860
Total Governmental Activities		49,254,425
 <i>Business-Type Activities</i>		
Enterprise Funds		
Equity in Pooled Cash and Cash Equivalents		11,228,652
 <i>Custodial Fund</i>		
		73,470
 <i>Component Unit</i>		
		333,369
Total		\$ 60,889,916

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(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	Parks and Recreation	Income Tax Safety	Fire and Emergency Medical Services	Capital Projects	Other Governmental Funds	Total
<i>Nonspendable</i>							
Prepaid Items	\$ 28,470	\$ 16,400	\$ 72,690	\$ 43,300	\$ 2,600	\$ 15,600	\$ 179,060
Inventories	-	-	48,447	-	-	409,238	457,685
Interfund Balances	1,525,000	-	-	-	-	-	1,525,000
Assets Held for Resale	134,500	-	-	-	-	-	134,500
<i>Total Nonspendable</i>	<u>1,687,970</u>	<u>16,400</u>	<u>121,137</u>	<u>43,300</u>	<u>2,600</u>	<u>424,838</u>	<u>2,296,245</u>
<i>Restricted for</i>							
Police Pension	-	-	-	-	-	117,364	117,364
Fire Pension	-	-	-	-	-	129,487	129,487
Public Safety	-	-	1,530,788	2,759,458	-	502,182	4,792,428
Other Law Enforcement	-	-	-	-	-	89,029	89,029
Streets and Highways	-	-	-	-	-	1,890,206	1,890,206
Parks and Recreation	-	353,373	-	-	-	-	353,373
Swimming Pool Inspections	-	-	-	-	-	6,994	6,994
Community Development	-	-	-	-	-	2,091,729	2,091,729
Debt Service	-	-	-	-	-	402,007	402,007
Police Facilities	-	-	-	-	-	4,567,450	4,567,450
Muni PI TIF	-	-	-	-	-	605,864	605,864
Other Purposes	-	-	-	-	-	24,335	24,335
<i>Total Restricted</i>	<u>-</u>	<u>353,373</u>	<u>1,530,788</u>	<u>2,759,458</u>	<u>-</u>	<u>10,426,647</u>	<u>15,070,266</u>
<i>Committed to</i>							
Public Facilities and Programs	2,506,668	-	-	-	-	-	2,506,668
Capital Improvement	-	-	-	-	12,655,180	-	12,655,180
<i>Total Committed</i>	<u>2,506,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,655,180</u>	<u>-</u>	<u>15,161,848</u>
<i>Assigned to</i>							
Fiscal Year 2024 Appropriations	3,206,762	-	-	-	-	-	3,206,762
Community and Economic Development	359,420	-	-	-	-	-	359,420
General Governance	603,889	-	-	-	-	-	603,889
<i>Total Assigned</i>	<u>4,170,071</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,170,071</u>
<i>Unassigned</i>							
	10,342,471	-	-	-	-	-	10,342,471
Total Fund Balances	<u>\$ 18,707,180</u>	<u>\$ 369,773</u>	<u>\$ 1,651,925</u>	<u>\$ 2,802,758</u>	<u>\$ 12,657,780</u>	<u>\$ 10,851,485</u>	<u>\$ 47,040,901</u>

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(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 2022 tax levy was based was \$486,930,630.

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 2022.

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, 2023
(Continued)

Note 10 – Interfund Activities

As of December 31, 2023, individual funds due to/from other funds that resulted from various interfund transactions were as follows:

	<u>INTERFUND PAYABLE/DUE TO OTHER FUNDS</u>		
	<i>Governmental Activities</i>		
<u>INTERFUND RECEIVABLE/DUE FROM OTHER FUNDS</u>	<u>Parks and Recreation</u>	<u>Internal Service</u>	<u>Total</u>
<i>Governmental Funds</i>			
General	\$ -	\$ 1,525,000	\$ 1,525,000
Capital Projects	150,299	-	\$ 150,299
Total	\$ 150,299	\$ 1,525,000	\$ 1,675,299

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 due from/to between the Capital Projects Fund and the Parks and Recreation fund was for the Parks and Recreation Fund’s portion of the Bradey’s Leap project that was paid for by the Capital Projects Fund. The City has put in place efforts to repay these outstanding interfund balances in future periods.

Transfers made during the year ended December 31, 2023 were as follows:

	<u>TRANSFERS OUT</u>
	<i>Governmental</i>
	General
<u>TRANSFERS IN</u>	
<i>Governmental Funds</i>	
Income Tax Safety	\$ 4,200,000
Fire and Emergency Medical Services	2,800,000
Total Governmental Activities	\$ 7,000,000

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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

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 PACE-Gerber.

The claims liability of \$134,824 reported in the fund at December 31, 2023, 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 2022 and 2023 were:

	<u>Beginning of Year</u>	<u>Claims</u>	<u>Payments</u>	<u>End of Year</u>
2022	\$ 231,904	\$ 3,360,078	\$ 3,356,158	\$ 235,824
2023	235,824	3,308,854	3,409,854	134,824

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.

During 2023, the City contracted with several companies for various types of insurance as follows:

<u>Company</u>	<u>Type of Coverage</u>	<u>Deductible</u>
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	1,000
US Specialty Insurance Company	Automobile Collision	1,000
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	0
US Specialty Insurance Company	Excess General Liability	0
American Alternative Insurance Company	Fire General Liability	0
Western Surety Selective Insurance	Bond - Finance Officials	0
Western Surety Selective Insurance	Bond - Finance Director	0
Obsidian Specialty Insurance	Cyber Insurance	25,000

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

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 12 - Capital Assets

Capital asset activity for the year ended December 31, 2023, was as follows:

	Balance 12/31/2022	Additions	Deletions	Balance 12/31/2023
Governmental Activities				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 11,159,071	\$ -	\$ -	\$ 11,159,071
Construction in Progress	5,453,809	6,132,855	(1,472,501)	10,114,163
<i>Total Capital Assets, Not Being Depreciated</i>	16,612,880	6,132,855	(1,472,501)	21,273,234
<i>Capital Assets, Being Depreciated</i>				
Buildings, Structures and Improvements	30,500,601	48,704	(72,015)	30,477,290
Machinery and Equipment	13,178,186	814,173	(1,149,674)	12,842,685
Infrastructure				
Roads	71,272,765	1,423,797	-	72,696,562
Bridges	4,540,122	-	-	4,540,122
Sidewalks	2,704,306	-	-	2,704,306
Traffic Signals	6,779,812	-	-	6,779,812
<i>Total Capital Assets, Being Depreciated</i>	128,975,792	2,286,674	(1,221,689)	130,040,777
Less Accumulated Depreciation				
Buildings, Structures and Improvements	(6,924,984)	(616,453)	59,272	(7,482,165)
Machinery and Equipment	(7,832,835)	(826,754)	994,690	(7,664,899)
Infrastructure				
Roads	(35,781,688)	(1,782,833)	-	(37,564,521)
Bridges	(1,615,235)	(91,858)	-	(1,707,093)
Sidewalks	(355,754)	(103,572)	-	(459,326)
Traffic Signals	(2,428,339)	(326,648)	-	(2,754,987)
<i>Total Accumulated Depreciation</i>	(54,938,835)	(3,748,118) *	1,053,962	(57,632,991)
Total Capital Assets Being Depreciated, Net	74,036,957	(1,461,444)	(167,727)	72,407,786
Governmental Activities Capital Assets, Net	\$ 90,649,837	\$ 4,671,411	\$ (1,640,228)	\$ 93,681,020

* Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Security of Persons and Property	\$ 886,587
Leisure Time Activities	232,239
Community Development	93,178
Transportation	2,481,211
General Government	54,903
<i>Total</i>	\$ 3,748,118

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

	Balance <u>12/31/2022</u>	Additions	Deletions	Balance <u>12/31/2023</u>
Business Type Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 1,825,536	\$ -	\$ -	\$ 1,825,536
Construction	<u>3,737,143</u>	<u>3,113,138</u>	<u>(2,822,477)</u>	<u>4,027,804</u>
<i>Total Capital Assets, Not Being Depreciated</i>	<u>5,562,679</u>	<u>3,113,138</u>	<u>(2,822,477)</u>	<u>5,853,340</u>
<i>Capital Assets Being Depreciated</i>				
Building, Structures & Improvement	14,721,254	-	(835,590)	13,885,664
Machinery and Equipment	12,160,176	137,430	(152,165)	12,145,441
Infrastructure				
Water Lines	20,786,726	1,086,655	-	21,873,381
Sewer Lines	29,536,306	1,239,086	-	30,775,392
Storm Water Line	23,203,618	496,736	-	23,700,354
<i>Total Capital Assets Being Depreciated</i>	<u>100,408,080</u>	<u>2,959,907</u>	<u>(987,755)</u>	<u>102,380,232</u>
Less Accumulated Depreciation				
Building, Structures & Improvements	(11,997,401)	(207,660)	767,694	(11,437,367)
Machinery and Equipment	(9,411,094)	(324,000)	127,051	(9,608,043)
Infrastructure				
Water Lines	(8,815,508)	(420,061)	-	(9,235,569)
Sewer Lines	(12,923,004)	(634,755)	-	(13,557,759)
Storm Water Line	(7,919,656)	(538,026)	-	(8,457,682)
<i>Total Accumulated Depreciation</i>	<u>(51,066,663)</u>	<u>(2,124,502) *</u>	<u>894,745</u>	<u>(52,296,420)</u>
Total Capital Assets Being Depreciated, Net	<u>49,341,417</u>	<u>835,405</u>	<u>(93,010)</u>	<u>50,083,812</u>
<i>Business Type Activities Capital Assets, Net</i>	<u>\$ 54,904,096</u>	<u>\$ 3,948,543</u>	<u>\$ (2,915,487)</u>	<u>\$ 55,937,152</u>

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

<u>Business-Type Activities</u>	
Water Fund	\$ 576,941
Sewer Fund	975,616
Solid Waste Fund	2,321
Storm Water Drainage Fund	569,624
	<u>\$ 2,124,502</u>

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

Capital asset activity for the component unit the year ended December 31, 2023, was as follows:

	Balance 12/31/22	Additions	Deletions	Balance 12/31/23
Component Unit				
<i>Capital Assets, Not Being Depreciated/Amortized:</i>				
Land	\$ 36,630	\$ -	\$ -	\$ 36,630
<i>Capital Assets, Being Depreciated/Amortized:</i>				
Intangible Right-to-use Lease - Building	291,832	-	-	291,832
Vehicles, Machinery and Equipment	99,012	-	-	99,012
Less Accumulated Depreciation/Amortization:				
Intangible Right-to-use Lease - Building	(25,377)	(50,753)	-	(76,130)
Vehicles, Machinery and Equipment	(75,969)	(4,291)	-	(80,260)
Total Capital Assets, Being Depreciated/Amortized, Net	289,498	(55,044)	-	234,454
Component Unit Capital Assets, Net	\$ 326,128	\$ (55,044)	\$ -	\$ 271,084

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City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(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 *accrued wages and benefits* 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, 2023
(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' Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	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. Cost-of-living adjustments for OPERS members in 2022 will be 3 percent for all those eligible to receive the annual benefit increase.

A death benefit of \$500 - \$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the tradition pension plan and the Combined Plan.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(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.

Beginning in 2022, the combined plan was consolidated under the traditional pension plan (defined benefit plan) and the combined plan is no longer available for new hires beginning in 2022.

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

	State and Local
2023 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2023 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 plan. Beginning July 1, 2022, the employer contribution rate for the combined plan is allocated 2 percent health care with the remainder going to pension. The employer contributions rate for the member-directed plan allocated 4 percent for health care with remainder going to pension.

The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of the employer's contribution allocated to health care was 0% for 2023 for the traditional and combined plans. The portion of the employer's contribution allocated to health care was 4% for the member-directed plan for 2023. 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 \$1,279,288 for the City and \$54,538 for the component unit for fiscal year ending December 31, 2023.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(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, 2023
(Continued)

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

	Police	Firefighters
2023 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 2023 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 \$1,697,427 for 2023.

Pension Liabilities, Pension Asset, 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, 2022, 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, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. 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	Total
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.056826%	0.050868%	0.2796498%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.055061%	0.052715%	0.2810875%	
Change in Proportionate Share	-0.001765%	0.001847%	0.0014377%	
 Proportionate Share of the Net Pension Liability/(Asset) - City of Kent	 \$ 15,599,993	 \$ (119,164)	 \$ 26,700,591	 \$ 42,181,420
Proportionate Share of the Net Pension Liability/(Asset) - Component Unit	665,051	(5,080)	-	659,971
Pension Expense	\$ 1,979,650	\$ 13,031	\$ 3,236,519	\$ 5,229,200

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F	Total	Component Unit - OPERS
Deferred Outflows of Resources				
Net difference between projected and actual earnings on pension plan investments	\$ 4,489,918	\$ 3,887,279	\$ 8,377,197	\$ 191,412
Changes of assumptions	172,694	2,408,300	2,580,994	7,362
Differences between expected and actual experience	525,492	400,498	925,990	22,403
Changes in proportion and differences between City contributions and proportionate share of contributions	40,090	102,418	142,508	1,708
City contributions subsequent to the measurement date	1,279,288	1,697,427	2,976,715	54,538
Total Deferred Outflows of Resources	\$ 6,507,482	\$ 8,495,922	\$ 15,003,404	\$ 277,423
Deferred Inflows of Resources				
Changes of assumptions	\$ -	\$ 520,654	\$ 520,654	\$ -
Differences between expected and actual experience	17,024	608,320	625,344	726
Changes in proportion and differences between City contributions and proportionate share of contributions	320,713	502,761	823,474	13,672
Total Deferred Inflows of Resources	\$ 337,737	\$ 1,631,735	\$ 1,969,472	\$ 14,398

\$2,976,715 for the City and \$54,538 for the component unit are 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 or increase to the net pension asset in the year ending December 31, 2024. 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	Total	Component Unit - OPERS
Year Ending December 31:				
2024	\$ 392,482	\$ 404,220	\$ 796,702	\$ 16,732
2025	985,350	1,178,807	\$2,164,157	42,007
2026	1,317,761	1,411,014	\$2,728,775	56,178
2027	2,194,781	2,215,487	\$4,410,268	93,567
2028	(1,188)	(42,769)	(43,957)	(51)
Thereafter	1,272	-	1,272	54
Total	\$ 4,890,458	\$ 5,166,759	\$ 10,057,217	\$ 208,487

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, 2023
(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, 2022, 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:

	<u>Traditional Pension Plan</u>	<u>Combined Plan</u>
Wage Inflation		
Current Measurement Date:	2.75 percent	2.75 percent
Prior Measurement Date:	2.75 percent	2.75 percent
Future Salary Increases, including inflation		
Current Measurement Date:	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
Prior Measurement Date:	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA		
Pre 1/7/2013 retirees:	3 percent, simple	3 percent, simple
Post 1/7/2013 retirees:		
Current Measurement Date:	3 percent, simple through 2023, then 2.05 percent simple	3 percent, simple through 2023, then 2.05 percent simple
Prior Measurement Date:	3 percent, simple through 2022, then 2.05 percent simple	3 percent, simple through 2022, then 2.05 percent simple
Investment Rate of Return		
Current Measurement Date:	6.9 percent	6.9 percent
Prior Measurement Date:	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

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 a loss of 12.1 percent for 2022.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

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 long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of the geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	22.00 %	2.62 %
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	<u>100.00 %</u>	

Discount Rate The discount rate used to measure the total pension liability was 6.9 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.

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City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

Sensitivity of the City's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 6.9 percent, as well as what the City's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net OPEB liability/(asset)			
Traditional Pension Plan	\$ 23,368,269	\$ 15,599,993	\$ 9,138,181
Combined Plan	\$ (62,188)	\$ (119,164)	\$ (164,319)
	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Component Unit's proportionate share of the net OPEB liability/(asset)			
Traditional Pension Plan	\$ 996,224	\$ 665,051	\$ 389,574
Combined Plan	\$ (2,651)	\$ (5,080)	\$ (7,005)

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2022 is based on the results of an actuarial valuation date of January 1, 2022, 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, 2022, are presented below:

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.50 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost-of-Living Adjustments	2.2 percent simple

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

The most recent experience study was completed December 31, 2021.

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, 2022 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return **</u>
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	18.60	4.80
International Equity	12.40	5.50
Core Fixed Income *	25.00	2.50
U.S. Inflation Linked Bonds *	15.00	2.00
High Yield Fixed Income	7.00	4.40
Private Real Estate	12.00	5.30
Private Markets	10.00	7.90
Midstream Energy Infrastructure	5.00	5.90
Private Credit	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Commodities	2.00	3.60
Total	125.00 %	

Note: Assumptions are geometric

* levered 2.5x

** Geometric mean, net of expected inflation

OP&F's Board of Trustees has incorporated the "risk parity" concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

Discount Rate The total pension liability was calculated using the discount rate of 7.50 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 7.50 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 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$ 35,223,232	\$ 26,700,591	\$ 19,615,720

Note 14 – Defined Benefit OPEB Plans

Net OPEB Liability/Asset

The net OPEB liability/asset reported on the statement of net position represents a liability or asset 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/asset 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/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 these estimates annually.

Ohio Revised Code limits the City’s obligation for this liability/asset 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, 2023
(Continued)

GASB 75 assumes that any 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 and funded benefits are 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 *accrued wages and benefits* 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. Effective January 1, 2022 the Combined Plan is no longer available for member selection.

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.

Currently, Medicare-eligible retirees can select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses, and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA.

For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

The base HRA allowance is determined by OPERS. Retirees receive a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022 or after must meet the following health care eligibility requirements to receive an HRA allowance:

1. Medicare Retirees – Medicare-eligible with a minimum of 20 years of qualifying service credit.
2. Non-Medicare Retirees – Non-Medicare retirees qualify based on the following age-and-service criteria:
 - a. Group A – 30 years of qualifying service credit at any age;
 - b. Group B – 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;
 - c. Group C – 32 years of qualifying service credit and minimum age 55; or,
 - d. A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service. Members with a retirement date prior to January 1, 2022 who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

Retirement Date	Group A		Group B		Group C	
	Age	Service	Age	Service	Age	Service
December 1, 2014 or Prior	Any	10	Any	10	Any	10
January 1, 2015 through December 31, 2021	60	20	52	31	55	32
	Any	30	Any	32	60	20

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' Annual Comprehensive Financial Report 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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

Employer contribution rates are expressed as a percentage of the covered payroll. In 2023, 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. For 2023, OPERS did not allocate employer contributions to health care for members in the Traditional Pension Plan. Effective July 1, 2022, OPERS began allocating 2.0 percent of the employer contribution rate to health care funding for the Combined Plan. 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 2023 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$22,101 for the City and \$942 for the component unit for 2023.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) a cost-sharing, multiple-employer defined post-employment health care plan that provides various levels of health care to retired, disabled and beneficiaries, as well as their dependents. On January 1, 2019, OP&F changed the way it supports retiree health care. A stipend-based health care model has replaced the self-insured group health care plan that had been in place. A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses. A summary of the full benefit provisions can be found in OP&F's annual comprehensive financial report.

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 annual comprehensive 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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan. OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2023, 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 \$40,042 for 2023.

OPEB Liability, 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, 2021, rolled forward to the measurement date of December 31, 2022, 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, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net OPEB liability/asset 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	0.056351%	0.279650%	
Proportion of the Net OPEB Liability/(Asset)			
Current Measurement Date	0.054726%	0.281088%	
Change in Proportionate Share	<u>-0.001625%</u>	<u>0.001438%</u>	
Proportionate Share of the Net OPEB Liability - City of Kent	\$ 330,949	\$ 2,001,262	\$ 2,332,211
Proportionate Share of the Net OPEB Liability - Component Unit	14,109	-	14,109
OPEB Expense	\$ (655,427)	\$ 188,881	\$ (466,546)

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

At December 31, 2023, 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	\$ 657,276	\$ 119,423	\$ 776,699	\$ 28,021
Changes of assumptions	323,246	997,320	1,320,566	13,780
Net difference between projected and actual earnings on pension plan investments	-	171,647	171,647	-
Changes in proportion and differences between City contributions and proportionate share of contributions	565	93,243	93,808	24
City contributions subsequent to the measurement date	<u>22,101</u>	<u>40,042</u>	<u>62,143</u>	<u>942</u>
Total Deferred Outflows of Resources	<u><u>\$ 1,003,188</u></u>	<u><u>\$ 1,421,675</u></u>	<u><u>\$ 2,424,863</u></u>	<u><u>\$ 42,767</u></u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$ 82,552	\$ 394,609	\$ 477,161	\$ 3,519
Changes of assumptions	26,597	1,636,867	1,663,464	1,134
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>19,108</u>	<u>79,790</u>	<u>98,898</u>	<u>815</u>
Total Deferred Inflows of Resources	<u><u>\$ 128,257</u></u>	<u><u>\$ 2,111,266</u></u>	<u><u>\$ 2,239,523</u></u>	<u><u>\$ 5,468</u></u>

\$62,143 of the City and \$942 of the component unit is 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 2024. 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>	<u>Component Unit - OPERS</u>
Year Ending December 31:				
2024	\$ 90,536	\$ (4,530)	\$ 86,006	\$ 3,859
2025	239,815	4,181	243,996	10,224
2026	204,959	(99,217)	105,742	8,738
2027	317,520	(57,920)	259,600	13,536
2028	-	(174,619)	(174,619)	-
Thereafter	<u>-</u>	<u>(397,528)</u>	<u>(397,528)</u>	<u>-</u>
Total	<u><u>\$ 852,830</u></u>	<u><u>\$ (729,633)</u></u>	<u><u>\$ 123,197</u></u>	<u><u>\$ 36,357</u></u>

City of Kent, Ohio
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For the Year Ended December 31, 2023
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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, 2021, rolled forward to the measurement date of December 31, 2022. 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	
Current Measurement Date:	2.75 percent
Prior Measurement Date:	2.75 percent
Projected Salary Increases, including inflation	
Current Measurement Date:	2.75 to 10.75 percent, including wage inflation
Prior Measurement Date:	2.75 to 10.75 percent, including wage inflation
Single Discount Rate:	
Current Measurement Date:	5.22 percent
Prior Measurement Date:	6.00 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	
Current Measurement Date:	4.05 percent
Prior Measurement Date:	1.84 percent
Health Care Cost Trend Rate	
Current Measurement Date:	5.50 percent initial, 3.50 percent ultimate in 2036
Prior Measurement Date:	5.50 percent initial, 3.50 percent ultimate in 2034

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

City of Kent, Ohio
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For the Year Ended December 31, 2023
(Continued)

During 2022, 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 was a loss of 15.6 percent for 2022.

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 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. The table below displays the Board-approved asset allocation policy for 2021 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00 %	2.56 %
Domestic Equities	26.00	4.60
Real Estate Investment Trust	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other investments	6.00	1.84
Total	<u>100.00 %</u>	

Discount Rate A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022. A single discount rate of 6.00 percent was used to measure the OPEB asset on the measurement date of December 31, 2021. 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 4.05 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 2054. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2054, 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, 2023
(Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB asset calculated using the single discount rate of 5.22 percent, as well as what the City's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (4.22 percent) or one-percentage-point higher (6.22) than the current rate:

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
City's proportionate share of the net OPEB liability	\$ 1,126,400	\$ 330,949	\$ 325,428
	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
Component Unit's proportionate share of the net OPEB liability	\$ 48,020	\$ 14,109	\$ (13,873)

Sensitivity of the City's Proportionate Share of the Net OPEB Asset 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 asset 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 2023 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 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	\$ 310,206	\$ 330,949	\$ 354,297
	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Component Unit's proportionate share of the net OPEB liability	\$ 13,225	\$ 14,109	\$ 15,104

City of Kent, Ohio
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For the Year Ended December 31, 2023
(Continued)

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee’s entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

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

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 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	4.27 percent
Prior measurement date	2.84 percent
Cost-of-Living Adjustments	2.2 percent simple

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2021.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2022, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	18.60	4.80
Non-US Equity	12.40	5.50
Core Fixed Income *	25.00	2.50
U.S. Inflation Linked Bonds *	15.00	2.00
High Yield Fixed Income	7.00	4.40
Private Real Estate	12.00	5.30
Private Markets	10.00	7.90
Midstream Energy Infrastructure	5.00	5.90
Private Credit	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Commodities	2.00	3.60
Total	125.00 %	

Note: Assumptions are geometric
* levered 2.5x

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 in core fixed income and asset classes.

Discount Rate The total OPEB liability was calculated using the discount rate of 4.27 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 7.50 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, the long-term assumed rate of return on investments of 7.50 percent was applied to periods before December 31, 2035, resulting in a discount rate of 4.27 percent.

City of Kent, Ohio
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For the Year Ended December 31, 2023
(Continued)

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

Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.27 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 (3.27 percent), or one-percentage-point higher (5.27 percent) than the current rate.

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
City's proportionate share of the net OPEB liability	\$ 2,464,366	\$ 2,001,262	\$ 1,610,283

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 component unit), including salary-related payments, amounted to \$1,806,833 as of December 31, 2023.

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 \$2,697,168 as of December 31, 2023.

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For the Year Ended December 31, 2023
(Continued)

Note 16 - Construction and Other Commitments

As of December 31, 2023, the City had the following outstanding contractual commitments.

	<u>Contract Amount</u>
Governmental Activities	
Digester Heat Exchangers	\$ 3,879
New Administration Facility	4,177,728
East Main Street Area Improvements	675,962
Sunrise Bridge Replacement	15,194
Final Clarifiers Phase Two	258,975
Rehabilitation #1 Primary Clarifier	23,384
	5,155,122
Business-Type	
Majors/Stinaff/Cuy. Waterline Replacement	479,341
Tank painting/abandonment	6,813
Well Number Nine	4,178
SW Sanitary Pump Station	20,233
Clarifier project	991,941
Clarifier project No. 2	192,803
Decommission Yacavona Pump Station	226,828
SR 261 Storm Outlet	20,000
	1,942,137
Total	\$ 7,097,259

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, 2023, the City's commitments for encumbrances in the governmental funds were as follows:

	<u>Encumbrances Outstanding</u>
Major Funds:	
General	\$ 3,494,413
Parks and Recreation	142,178
Income Tax Safety	102,571
Fire and Emergency Medical Services	1,939,766
American Rescue Plan Act	322,322
Capital Projects	5,970,244
Nonmajor Governmental Funds	802,819
Total	\$ 12,774,313

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 17 – Long-term Obligations

Changes in bonds and other long-term obligations of the City during 2023 were as follows:

	Principal Outstanding 12/31/22	Additions	Deletions	Principal Outstanding 12/31/23	Due Within One Year
Governmental Activities					
General Obligation Bonds:					
\$4,465,000 Safety Center Construction					
2015 2.00% - 5.00%	\$ 3,545,000	\$ -	\$ 150,000	\$ 3,395,000	\$ 155,000
Unamortized Premium	382,576	-	21,353	361,223	-
\$4,535,000 Safety Center Construction					
2014 2.00% - 5.00%	3,485,000	-	145,000	3,340,000	150,000
Unamortized Premium	279,770	-	16,538	263,232	-
\$1,295,000 Alley 4 Improvements					
2013 2.00% - 4.00%	840,000	-	65,000	775,000	70,000
\$4,195,000 Downtown Parking Improvements					
2013 2.00% - 5.00%	3,630,000	-	75,000	3,555,000	75,000
Unamortized Premium	79,417	-	4,238	75,179	-
\$930,000 Alley 5 Improvements					
2020 1.29%	770,000	-	80,000	690,000	80,000
\$2,145,000 Safety Center Construction					
2020 1.29%	1,775,000	-	190,000	1,585,000	190,000
\$9,130,000 City Hall Improvements					
2021 2.00% - 5.00%	8,905,000	-	225,000	8,680,000	235,000
Unamortized Premium	442,533	-	17,020	425,513	-
<i>Total General Obligation Bonds</i>	<u>24,134,296</u>	<u>-</u>	<u>989,149</u>	<u>23,145,147</u>	<u>955,000</u>
Ohio Public Works Commission Loans - Direct Borrowings					
\$197,760 Erie & Depeyster Street Reconstruction					
2012 0.00%	69,072	-	19,776	49,296	19,776
\$44,202 Rockwell/Whittier/Woodard Street Rehab					
2017 0.00%	26,522	-	4,420	22,102	4,420
\$150,000 S. Chestnut/Middlebury Road Rehab					
2017 0.00%	86,147	-	12,308	73,839	12,308
\$250,000 East Summit Street Improvements					
2018 0.00%	187,500	-	25,000	162,500	25,000
\$7,905 SR 43 Traffic Improvements					
2020 0.00%	6,325	-	790	5,535	790
\$150,000 Middlebury Road Resurfacing					
2021 0.00%	95,696	12,992	-	108,688	10,868
<i>Total Ohio Public Works Commission Loans</i>	<u>471,262</u>	<u>12,992</u>	<u>62,294</u>	<u>421,960</u>	<u>73,162</u>
Net Pension Liability					
OPERS	2,857,033	6,936,379	-	9,793,412	-
OP&F	17,470,900	9,229,691	-	26,700,591	-
<i>Total Net Pension Liability</i>	<u>20,327,933</u>	<u>16,166,070</u>	<u>-</u>	<u>36,494,003</u>	<u>-</u>
Net OPEB Liability					
OPERS	-	207,764	-	207,764	-
Net OPEB Liability - OP&F	3,065,202	-	1,063,940	2,001,262	-
<i>Total Net OPEB Liability</i>	<u>3,065,202</u>	<u>207,764</u>	<u>1,063,940</u>	<u>2,209,026</u>	<u>-</u>
Compensated Absences	2,755,258	2,041,692	1,217,381	3,579,569	1,121,155
<i>Total Governmental Activities</i>	<u><u>\$ 50,753,951</u></u>	<u><u>\$ 18,428,518</u></u>	<u><u>\$ 3,332,764</u></u>	<u><u>\$ 65,849,705</u></u>	<u><u>\$ 2,149,317</u></u>

City of Kent, Ohio
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For the Year Ended December 31, 2023
(Continued)

	Principal Outstanding 12/31/22	Additions	Deletions	Principal Outstanding 12/31/23	Due Within One Year
Business-Type Activities					
General Obligation Bonds:					
\$200,000 Sanitary Sewer 2020 1.29%	\$ 100,000	\$ -	\$ 50,000	\$ 50,000	\$ 50,000
Ohio Water Development Authority Loans - Direct Borrowings					
\$485,851 Kent-Ravenna Interconnect 2003 3.65%	33,519	-	33,519	-	-
\$4,372,503 Sanitary Sewer Improvements 2003 3.66%	734,738	-	285,927	448,811	296,488
\$271,200 Franklin Hills Waterline 2007 2.00%	70,752	-	15,180	55,572	15,485
\$2,094,377 Southwest Sanitary Sewer Pump Station 2021 0.90%	1,602,928	113,511	61,415	1,655,024	61,554
<i>Total Ohio Water Development Authority Loans</i>	<u>2,441,937</u>	<u>113,511</u>	<u>396,041</u>	<u>2,159,407</u>	<u>373,527</u>
Ohio Public Works Commission Loans - Direct Borrowings					
\$46,694 Elm-Mae-Morris Improvements 2005 0.00%	12,837	-	2,335	10,502	2,335
\$52,650 Drainage Area Q - Phase 3 2007 0.00%	17,117	-	2,632	14,485	2,632
\$71,990 Erie & Depeyster Street Reconstruction 2012 0.00%	25,347	-	7,199	18,148	7,199
\$100,00 Drainage Area Q - Phase 5 2015 0.00%	67,500	-	5,000	62,500	5,000
\$54,006 Hudson Water Line Replacement 2019 0.00%	43,206	-	5,400	37,806	5,400
\$50,000 Valleyview/Morris Water and Storm Improvement 2020 0.00%	33,784	-	-	33,784	3,378
\$150,000 Cuyahoga, Majors, & Stinaff Waterline Replacement 2023 0.00%	-	99,949	-	99,949	-
\$50,000 Water Tank Painting & Rehabilitation 2023 0.00%	-	29,312	-	29,312	2,932
<i>Total Ohio Public Works Commission Loans</i>	<u>199,791</u>	<u>129,261</u>	<u>22,566</u>	<u>306,486</u>	<u>28,876</u>
<i>Net Pension Liability - OPERS</i>	1,812,737	3,993,844	-	5,806,581	-
<i>Net OPEB Liability - OPERS</i>	-	123,185	-	123,185	-
Asset Retirement Obligation	4,400,000	-	-	4,400,000	-
Compensated Absences	808,202	311,535	254,972	864,765	259,824
Total Business-Type Activities	<u>\$ 9,762,667</u>	<u>\$ 4,671,336</u>	<u>\$ 723,579</u>	<u>\$ 13,710,424</u>	<u>\$ 712,227</u>

Changes in long-term obligations of the component unit during 2023 were as follows:

	Outstanding 12/31/22	Additions	Deletions	Outstanding 12/31/23	Due Within One Year
<i>Net Pension Liability - OPERS</i>	\$ 274,322	\$ 390,729	\$ -	\$ 665,051	\$ -
<i>Net OPEB Liability - OPERS</i>	-	14,109	-	14,109	-
Compensated Absences	50,128	30,004	20,465	59,667	21,453
Leases	272,094	-	39,023	233,071	44,467
Total Long-term Liabilities	<u>\$ 596,544</u>	<u>\$ 434,842</u>	<u>\$ 59,488</u>	<u>\$ 971,898</u>	<u>\$ 65,920</u>

City of Kent, Ohio
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For the Year Ended December 31, 2023
(Continued)

Business-Type Activities had one OWDA loan where the amortization schedule is not final as of year-end, and therefore not included in the below tables. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2023 are as follows:

Years	Governmental Activities					Component Unit	
	General Obligation Bonds		OPWC	Total		Lease	
	Principal	Interest	Principal	Principal	Interest	Principal	Interest
2024	\$ 955,000	\$ 744,015	\$ 73,162	\$ 1,028,162	\$ 744,015	\$ 44,467	\$ 4,966
2025	995,000	715,332	73,018	1,068,018	715,332	56,270	3,787
2026	1,015,000	684,670	63,274	1,078,274	684,670	57,964	2,459
2027	1,045,000	651,658	53,386	1,098,386	651,658	59,324	1,098
2028	1,085,000	614,847	53,388	1,138,388	614,847	15,046	58
2029-2033	5,395,000	2,507,357	105,732	5,500,732	2,507,357	-	-
2034-2038	5,395,000	1,592,738	-	5,395,000	1,592,738	-	-
2039-2043	3,980,000	606,538	-	3,980,000	606,538	-	-
2044-2048	2,155,000	142,415	-	2,155,000	142,415	-	-
Total	\$ 22,020,000	\$ 8,259,570	\$ 421,960	\$ 22,441,960	\$ 8,259,570	\$ 233,071	\$ 12,368

Years	Business-Type Activities						
	General Obligation Bond		OWDA Loans		OPWC	Total	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2024	\$ 50,000	\$ 1,290	\$ 311,973	\$ 14,772	\$ 28,876	\$ 390,849	\$ 16,062
2025	-	-	168,122	3,511	29,030	197,152	3,511
2026	-	-	16,114	406	25,273	41,387	406
2027	-	-	8,174	82	21,672	29,846	82
2028	-	-	-	-	20,518	20,518	-
2029-2033	-	-	-	-	81,168	81,168	-
Total	\$ 50,000	\$ 1,290	\$ 504,383	\$ 18,771	\$ 206,537	\$ 760,920	\$ 20,061

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 2021, the City entered into a loan agreement with OWDA for the Southwest Sanitary Sewer Pump Station project. The OWDA loan was issued for \$2,094,377 at an interest rate of 0.90 percent. This loan will be paid from the Sewer Fund. As of December 31, 2023, \$1,602,928 has been disbursed and an amortization schedule has not been prepared by OPWC since the project is still ongoing.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

The City's direct borrowings from OWDA contain a provision that in an event of default the amount of such default shall bear interest at the default rate from the due date until the date of payment. In addition to the interest, a late charge of one percent on the amount of each default shall also be paid to OWDA by the City from the pledged revenues for failure to make the payment.

In 2012, the City entered into a grant/loan agreement with OPWC for the reconstruction of Erie and Depeyster Streets. The OPWC loan was issued for \$269,750 at an interest rate of 0.00 percent and will mature in 2025. This loan is split between governmental and proprietary funds.

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

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

In 2017, the City entered into a loan agreement with OPWC for the rehab of South Chestnut/Middlebury Roads. The OPWC loan was issued for \$150,000 at an interest rate of 0.00 percent and will mature in 2035. This loan will be paid from the Capital Projects Fund.

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 Capital Projects 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.

In 2020, the City entered into a loan agreement with OPWC for Valleyview/Morris Water and Storm Improvements. The OPWC loan was issued for \$50,000 at an interest rate of 0.00 percent.

In 2020, the City entered into a loan agreement with OPWC for SR 43 traffic improvements. The OPWC loan was issued for \$7,905 at an interest rate of 0.00 percent. This loan will be paid from the Capital Projects Fund.

In 2021, the City entered into a loan agreement with OPWC for Middlebury Road Resurfacing. The OPWC loan was issued for \$108,688 at an interest rate of 0.00 percent. This loan will be paid from the Capital Projects Fund. As of December 31, 2023, \$108,688 has been disbursed and an amortization schedule has not been prepared by OPWC since the project is still ongoing.

In 2023, the City entered into a loan agreement with OPWC for Cuyahoga, Majors, & Stinaff Waterline replacement. The OPWC loan was issued for \$150,000 at an interest rate of 0.00 percent. This loan will be paid from the Water and Storm Water Drainage Funds. As of December 31, 2023, \$99,949 has been disbursed and an amortization schedule has not been prepared by OPWC since the project is still ongoing.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

In 2023, the City entered into a loan agreement with OPWC for Water Tank Painting and Rehabilitation. The OPWC loan was issued for \$50,000 at an interest rate of 0.00 percent. This loan will be paid from the Water Fund. As of December 31, 2023, \$29,312 has been disbursed and an amortization schedule has not been prepared by OPWC since the project is still ongoing.

The City's total direct borrowings from OPWC contain a provision that in an event of default the amount of such default shall bear interest thereafter at the rate of 8 percent per annum until the date of payment, and outstanding amounts become immediately due. Also, OPWC may direct the county treasurer to pay the outstanding amount from the portion of the local government fund that would otherwise be remitted to the City.

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.

On December 1, 2020, the City issued general obligation bonds in the total amount of \$2,145,000 and \$930,000. These bonds will fully mature on December 1, 2031 and they carried interest rate of 1.29 percent. The proceeds from these bonds will be used for the construction of Safety Center and Alley 5 Improvements, respectively.

On December 1, 2021, the City issued general obligation bonds in the total amount of \$9,130,000. These bonds will fully mature on December 1, 2048 and they carried interest rate of 2.00 to 5.00 percent. The proceeds from these bonds will be used for city hall construction.

On July 1, 2022, the component unit entered into a lease as Lessee for the use of office space. As of December 31, 2023, the value of the lease liability is \$233,071. The component unit is required to make monthly fixed payments of \$3,744. The lease has an interest rate of 2.322%. The value of the right to use asset as of December 31, 2023 is \$291,832 with accumulated amortization of \$76,130. The component unit has one extension option, for 60 months.

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, which is the general fund, street construction, maintenance, and repair, parks and recreation, income tax, income tax safety, fire and emergency medical services, water, sewer, storm drainage and solid waste funds.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

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.

See Note 23 for further information regarding the asset retirement obligation liability.

The City has the ability to issue \$17,699,178 of additional debt without obtaining voter approval.

Note 18 – Conduit Debt

The City is party to certain conduit debt obligations:

<u>Type</u>	<u>On Behalf of</u>	<u>Principal Outstanding December 31, 2023</u>	<u>Year Issued</u>
Multi-Family Housing Revenue Bonds	Silver Meadows Apartments	\$ 6,320,000	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.

Note 19 - 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 20 - 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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

NOPEC is currently comprised of over 240 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 21 – 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 2023, the City received \$467,989 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.

In 2023, the City received \$194,516 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 22 – Tax Abatement Disclosure

As of December 31, 2023, the City of Kent provides tax incentives under two different programs: The Community Reinvestment Area and the Job Creation Tax Credit Program.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

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.

Pursuant to Ohio Revised Code Chapter 5709, the City established its Enterprise Zone (EZ) in 1992 and amended it in 1993, 1997 and 1998. The City of Kent authorized the maximum eligible real property tax exemption for the EZ through the enacting legislation for creating and amending it. 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 and the Portage County Commissioners. 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 Enterprise Zone 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 Council's Incentive Criteria for Decision Making

The City of Kent has offered income tax incentives, EZ 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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Continued)

The following are the tax exemptions or other economic incentives provided in 2023, by the City, identified by dollar amount and type:

\$573,577 Total CRA I real property taxes exempted for eleven (11) active commercial CRA projects.

\$13,797 Total CRA II real property taxes exempted for two (2) active commercial CRA projects.

Note 23 – ASSET RETIREMENT OBLIGATIONS

State and/or Federal laws and regulations require the City to go through a decommissioning process if their water treatment facilities were to close. Through the decommissioning process, the City would be responsible to remediate any public safety issues associated with their water treatment facilities. These asset retirement obligations (ARO) of \$4,400,000 associated with the City water treatment facilities were estimated by the City engineer. This asset was fully depreciated as of December 31, 2023.

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewage system to the Ohio EPA for approval. Through this review process, the City would be responsible to address any public safety issues associated with their wastewater treatment facilities. At this time, due to limitations associated with the existing plant's age and building materials within the plant, the engineer consulted would not have a reasonable estimate to calculate a liability for this year.

Required Supplementary Information

City of Kent, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability/Asset
Ohio Public Employees Retirement System
Last Ten Years

Traditional Plan	2023	2022	2021
City's Proportion of the Net Pension Liability	0.055061%	0.056826%	0.056337%
City's Proportionate Share of the Net Pension Liability	\$ 16,265,044	\$ 4,669,770	\$ 8,342,251
City's Covered Payroll	\$ 8,030,707	\$ 7,827,450	\$ 7,943,171
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	202.54%	59.66%	105.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%
Combined Plan	2022	2022	2021
City's Proportion of the Net Pension (Asset)	0.052715%	0.050868%	0.048892%
City's Proportionate Share of the Net Pension (Asset)	\$ (124,244)	\$ (189,302)	\$ (141,133)
City's Covered Payroll	\$ 230,836	\$ 220,107	\$ 215,700
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Payroll	53.82%	86.00%	65.43%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	137.14%	169.88%	157.67%

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015	2014
0.057013%	0.057880%	0.056804%	0.058997%	0.059840%	0.058628%	0.058628%
\$ 11,268,927	\$ 15,852,173	\$ 8,911,379	\$ 13,397,215	\$ 10,365,044	\$ 7,071,191	\$ 6,911,477
\$ 8,021,607	\$ 7,828,850	\$ 7,506,485	\$ 7,635,042	\$ 7,443,358	\$ 7,211,608	\$ 7,057,815
140.48%	202.48%	118.72%	175.47%	139.25%	98.05%	97.93%
82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%
2020	2019	2018	2017	2016	2015	2014
0.046882%	0.043722%	0.032748%	0.033715%	0.033850%	0.012633%	0.012633%
\$ (97,761)	\$ (48,891)	\$ (44,580)	\$ (18,765)	\$ (16,474)	\$ (4,864)	\$ (1,326)
\$ 208,700	\$ 175,850	\$ 134,115	\$ 131,233	\$ 108,792	\$ 46,525	\$ 43,892
46.84%	27.80%	33.24%	14.30%	15.14%	10.45%	3.02%
145.28%	126.64%	137.28%	116.55%	116.90%	114.83%	104.33%

City of Kent, Ohio
Required Supplementary Information
Schedule of the Component Unit's Proportionate Share of the Net Pension Liability/Asset
Ohio Public Employees Retirement System
Last Six Years (1)

Traditional Plan	2023	2022	2021
Component Unit's Proportion of the Net Pension Liability	0.002251%	0.003153%	0.003021%
Component Unit's Proportionate Share of the Net Pension Liability	\$ 665,051	\$ 274,322	\$ 447,376
Component Unit's Covered Payroll	\$ 471,757	\$ 419,771	\$ 417,050
Component Unit's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	140.97%	65.35%	107.27%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%
Combined Plan	2023	2022	2021
Component Unit's Proportion of the Net Pension (Asset)	0.002155%	0.002822%	0.002622%
Component Unit's Proportionate Share of the Net Pension (Asset)	\$ (5,080)	\$ (11,120)	\$ (7,569)
Component Unit's Covered Payroll	\$ 13,564	\$ 11,800	\$ 11,329
Component Unit's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Payroll	37.45%	94.24%	66.81%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	137.14%	169.88%	157.67%

(1) Information prior to 2006 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 Component Unit's measurement date which is the prior year end.

See accompanying notes to the required supplementary information



<u>2020</u>	<u>2019</u>	<u>2018</u>
0.002993%	0.003039%	0.002982%
\$ 591,666	\$ 832,306	\$ 467,885
\$ 421,171	\$ 399,314	\$ 394,246
140.48%	208.43%	118.68%
82.17%	74.70%	84.66%

<u>2020</u>	<u>2019</u>	<u>2018</u>
0.002462%	0.002296%	0.001719%
\$ (5,133)	\$ (2,567)	\$ (2,341)
\$ 10,957	\$ 20,964	\$ 7,046
46.85%	12.24%	33.22%
145.28%	126.64%	137.28%

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 Ten Years

	2023	2022	2021
City's Proportion of the Net Pension Liability	0.281088%	0.279650%	0.279608%
City's Proportionate Share of the Net Pension Liability	\$ 26,700,591	\$ 17,470,900	\$ 19,061,116
City's Covered Payroll	\$ 7,649,379	\$ 7,187,953	\$ 6,906,600
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	349.06%	243.06%	275.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.90%	75.03%	70.65%

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015	2014
0.292324%	0.298378%	0.298085%	0.291241%	0.297247%	0.288322%	0.288322%
\$ 19,692,534	\$ 24,355,529	\$ 18,294,852	\$ 18,446,919	\$ 19,122,135	\$ 14,936,261	\$ 14,042,167
\$ 6,973,689	\$ 6,782,015	\$ 6,565,310	\$ 6,370,691	\$ 6,076,921	\$ 5,742,691	\$ 5,664,141
282.38%	359.12%	278.66%	289.56%	314.67%	260.09%	247.91%
69.89%	63.07%	70.91%	68.36%	66.77%	71.71%	73.00%

City of Kent, Ohio
Required Supplementary Information
Schedule of City Contributions - Pension
Ohio Public Employees Retirement System
Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Contractually Required Contributions</u>			
Traditional Plan	\$ 1,249,476	\$ 1,124,299	\$ 1,095,843
Combined Plan	<u>29,812</u>	<u>32,317</u>	<u>30,815</u>
Total Required Contributions	\$ 1,279,288	\$ 1,156,616	\$ 1,126,658
Contributions in Relation to the Contractually Required Contribution	<u>(1,279,288)</u>	<u>(1,156,616)</u>	<u>(1,126,658)</u>
Contribution Deficiency / (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll			
Traditional Plan	\$ 8,924,829	\$ 8,030,707	\$ 7,827,450
Combined Plan	\$ 212,943	\$ 230,836	\$ 220,107
<u>Pension Contributions as a Percentage of Covered Payroll</u>			
Traditional Plan	14.00%	14.00%	14.00%
Combined Plan	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 1,112,044	\$ 1,123,025	\$ 1,096,039	\$ 975,843	\$ 916,205	\$ 893,203	\$ 865,393
30,198	29,218	24,619	17,435	15,748	13,055	5,583
\$ 1,142,242	\$ 1,152,243	\$ 1,120,658	\$ 993,278	\$ 931,953	\$ 906,258	\$ 870,976
(1,142,242)	(1,152,243)	(1,120,658)	(993,278)	(931,953)	(906,258)	(870,976)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 7,943,171	\$ 8,021,607	\$ 7,828,850	\$ 7,506,485	\$ 7,635,042	\$ 7,443,358	\$ 7,211,608
\$ 215,700	\$ 208,700	\$ 175,850	\$ 134,115	\$ 131,233	\$ 108,792	\$ 46,525
14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%
14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%

City of Kent, Ohio
Required Supplementary Information
Schedule of Component Unit's Contributions - Pension
Ohio Public Employees Retirement System
Last Seven Years (1)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Contractually Required Contributions</u>				
Traditional Plan	\$ 53,267	\$ 66,046	\$ 58,768	\$ 58,387
Combined Plan	1,271	1,899	1,652	1,586
Total Required Contributions	\$ 54,538	\$ 67,945	\$ 60,420	\$ 59,973
Contributions in Relation to the Contractually Required Contribution	(54,538)	(67,945)	(60,420)	(59,973)
Contribution Deficiency / (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Component Unit's Covered Payroll</u>				
Traditional Plan	\$ 380,479	\$ 471,757	\$ 419,771	\$ 417,050
Combined Plan	\$ 9,079	\$ 13,564	\$ 11,800	\$ 11,329
<u>Pension Contributions as a Percentage of Covered Payroll</u>				
Traditional Plan	14.00%	14.00%	14.00%	14.00%
Combined Plan	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information

<u>2019</u>	<u>2018</u>	<u>2017</u>
\$ 58,964	\$ 55,904	\$ 51,252
1,534	2,935	916
<u>\$ 60,498</u>	<u>\$ 58,839</u>	<u>\$ 52,168</u>
<u>(60,498)</u>	<u>(58,839)</u>	<u>(52,168)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 421,171	\$ 399,314	\$ 394,246
\$ 10,957	\$ 20,964	\$ 7,046
14.00%	14.00%	13.00%
14.00%	14.00%	13.00%

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

	2023	2022	2021	2020
Contractually Required Contributions	\$ 1,697,427	\$ 1,614,221	\$ 1,517,449	\$ 1,458,449
Contributions in Relation to the Contractually Required Contribution	(1,697,427)	(1,614,221)	(1,517,449)	(1,458,449)
Contribution Deficiency / (Excess)	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 8,008,318	\$ 7,649,379	\$ 7,187,953	\$ 6,906,600
Contributions as a Percentage of Covered-Employee Payroll	21.20%	21.10%	21.11%	21.12%

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
\$ 1,471,258	\$ 1,429,354	\$ 1,383,349	\$ 1,341,371	\$ 1,279,033	\$ 1,210,551
<u>(1,471,258)</u>	<u>(1,429,354)</u>	<u>(1,383,349)</u>	<u>(1,341,371)</u>	<u>(1,279,033)</u>	<u>(1,210,551)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ 6,973,689</u>	<u>\$ 6,782,015</u>	<u>\$ 6,565,310</u>	<u>\$ 6,370,691</u>	<u>\$ 6,076,921</u>	<u>\$ 5,742,691</u>
21.10%	21.08%	21.07%	21.06%	21.05%	21.08%

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

	2023	2022	2021
City's Proportion of the Net OPEB Liability/Asset	0.054726%	0.056351%	0.056304%
City's Proportionate Share of the Net OPEB Liability/(Asset)	\$ 345,058	\$ (1,667,069)	\$ (1,003,499)
City's Covered Payroll	\$ 8,568,093	\$ 8,340,154	\$ 8,527,474
City's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	4.03%	-19.99%	-11.77%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	94.79%	128.23%	115.57%

(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

2020	2019	2018	2017
0.056803%	0.057537%	0.056228%	0.058530%
\$ 7,845,918	\$ 7,501,475	\$ 6,105,925	\$ 5,911,729
\$ 8,230,180	\$ 8,345,442	\$ 7,964,462	\$ 8,088,762
95.33%	89.89%	76.66%	73.09%
47.80%	46.33%	54.14%	54.04%

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

	2023	2022	2021
Component Unit's Proportion of the Net OPEB Liability/Asset	0.052488%	0.003127%	0.003043%
Component Unit's Proportionate Share of the Net OPEB Liability/(Asset)	\$ 330,949	\$ (97,931)	\$ (53,815)
Component Unit's Covered Payroll	\$ 485,321	\$ 431,571	\$ 428,379
Component Unit's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	68.19%	-22.69%	-12.56%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	94.79%	128.23%	115.57%

(1) Information prior to 2018 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 Component Unit's measurement date, which is the prior calendar year end.

See accompanying notes to the required supplementary information

	2020	2019	2018
	0.002982%	0.003021%	0.002952%
\$	411,944	\$ 393,859	\$ 320,587
\$	432,256	\$ 438,309	\$ 418,300
	95.30%	89.86%	76.64%
	47.80%	46.33%	54.14%

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 Seven Years (1)

	2023	2022	2021
City's Proportion of the Net OPEB Liability	0.2810875%	0.2796498%	0.2796078%
City's Proportionate Share of the Net OPEB Liability	\$ 2,001,262	\$ 3,065,202	\$ 2,962,490
City's Covered Payroll	\$ 7,649,379	\$ 7,187,953	\$ 6,906,600
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	26.16%	42.64%	42.89%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	52.59%	46.86%	45.42%

(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

2020	2019	2018	2017
0.2923244%	0.2983782%	0.2980850%	0.2912400%
\$ 2,887,502	\$ 2,717,191	\$ 16,889,106	\$ 13,824,508
\$ 6,973,689	\$ 6,782,015	\$ 6,565,310	\$ 6,370,691
41.41%	40.06%	257.25%	217.00%
47.08%	46.57%	14.13%	15.96%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Contribution	\$ 22,101	\$ 12,365	\$ 11,704	\$ 14,750
Contributions in Relation to the Contractually Required Contribution	<u>(22,101)</u>	<u>(12,365)</u>	<u>(11,704)</u>	<u>(14,750)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 9,451,916	\$ 8,568,093	\$ 8,340,154	\$ 8,527,474
Contributions as a Percentage of Covered Payroll	0.23%	0.14%	0.14%	0.17%

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

See accompanying notes to the required supplementary information

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 14,051	\$ 13,635	\$ 93,385	\$ 168,434	\$ 151,417
<u>(14,051)</u>	<u>(13,635)</u>	<u>(93,385)</u>	<u>(168,434)</u>	<u>(151,417)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,230,180	\$ 8,345,442	\$ 7,964,462	\$ 8,088,762	\$ 7,832,214
0.17%	0.16%	1.17%	2.08%	1.93%

City of Kent, Ohio
Required Supplementary Information
Schedule of Component Unit's Contributions – OPEB
Ohio Public Employees Retirement System
Last Seven Years (1)

	2023	2022	2021
Contractually Required Contribution	\$ 942	\$ 726	\$ 628
Contributions in Relation to the Contractually Required Contribution	(942)	(726)	(628)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
City Covered Payroll	\$ 558,970	\$ 506,035	\$ 447,264
Contributions as a Percentage of Covered Payroll	0.17%	0.14%	0.14%

(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.

See accompanying notes to the required supplementary information

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
\$ 774	\$ 738	\$ 716	\$ 668
<u>(774)</u>	<u>(738)</u>	<u>(716)</u>	<u>(668)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 447,870	\$ 432,256	\$ 438,309	\$ 418,300
0.17%	0.17%	0.16%	0.16%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Contribution	\$ 40,042	\$ 38,247	\$ 35,940	\$ 34,533
Contributions in Relation to the Contractually Required Contribution	<u>(40,042)</u>	<u>(38,247)</u>	<u>(35,940)</u>	<u>(34,533)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 8,008,318	\$ 7,649,379	\$ 7,187,953	\$ 6,906,600
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%

See accompanying notes to the required supplementary information

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 34,869	\$ 33,910	\$ 32,827	\$ 31,660	\$ 30,292	\$ 28,619
<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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,973,689	\$ 6,782,015	\$ 6,565,310	\$ 6,370,691	\$ 6,076,921	\$ 5,742,691
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

City of Kent, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2023

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 2014-2023.

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%. For 2020, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 3.00% simple through 2018 to 1.40% simple through 2020, then 2.15% simple. For 2021, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 1.40% simple through 2020 to 0.50% simple through 2021, then 2.15% simple. For 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75% (b) the cost-of-living adjustments for post-1/7/2013 retirees were increased from 0.50% simple through 2021 to 3.00% simple through 2022, then 2.05% simple (c) the expected investment return was reduced from 7.20% to 6.90%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2023.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2023.

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 2019, 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 (c) the single discount rate changed from 3.85% to 3.96%. For 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.96% to 3.16%. For 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.16% to 6.00% (b) the municipal bond rate changed from 2.75% to 2.00%

City of Kent, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2023
(Continued)

(c) the health care cost trend rate changed from 10.50% initial and 3.50% ultimate in 2030 to 8.50% initial and 3.50% ultimate in 2035. For 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75%. (b) the municipal bond rate changed from 2.00% to 1.84% (c) the health care cost trend rate changed from 8.50% initial and 3.50% ultimate in 2035 to 5.50% initial and 3.50% ultimate in 2034. For 2023, the following changes in assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22% (b) the municipal bond rate changed from 1.84% to 4.05% (c) the health care cost trend rate changed from 5.50% initial and 3.50% ultimate in 2034 to 5.50% initial and 3.50% ultimate in 2036.

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 2014-2023.

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 2019-2021, 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. For 2022, the investment rate of return was reduced from 8.00 percent to 7.50 percent. For 2023, Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates 68 adjusted by 108.9% for males and 131% for females. Mortality for active members is based on the Pub-2010 Below Medium Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018 and 2020-2023. 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.

City of Kent, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2023
(Continued)

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% (c) the single discount rate changed from 3.24 percent to 4.66 percent. For 2020, the single discount rate changed from 4.66 to 3.56. For 2021, the single discount rate changed from 3.56 to 2.96. For 2022, the single discount rate changed from 2.96 to 2.84. For 2023, the changes of assumptions were: (a) the single discount rate changed from 2.84% to 4.27% (b) the depletion year of OPEB assets is projected in year 2036 (c) mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale.

**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.

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.

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.

CHIP Grant Fund – This fund accounts for the revenue received from the State of Ohio Development Services Agency that provides grant funding to the City to assist low-to-moderate income homeowners with completing rehabilitation activities on single-family, owner-occupied residential properties. Rehabilitation activities correct code deficiencies and promote safe and decent housing.

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.

Opioid Settlement Fund – This fund accounts for and reports funds received in conjunction with the One Ohio Opioid Settlement. Eligible expenditures that address health care needs stemming from the opioid crisis may be paid from this fund.

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.

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.

Police Station Levy 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.



City of Kent, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2023

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 4,204,275	\$ 402,007	\$ 4,836,269	\$ 9,442,551
Cash and Cash Equivalents:				
In Segregated Accounts	64,861	-	-	64,861
Materials and Supplies Inventory	409,238	-	-	409,238
Accrued Interest Receivable	7,726	-	-	7,726
Intergovernmental Receivable	921,286	-	-	921,286
Prepaid Items	15,600	-	-	15,600
Accrued Interest Receivable	-	-	686,654	686,654
Municipal Income Taxes Receivable	96,571	-	517,696	614,267
Property and Other Taxes Receivable	564,141	-	-	564,141
Special Assessments Receivable	4,844	-	-	4,844
Loans Receivable	81,988	-	-	81,988
Assets Held for Resale	365,000	-	-	365,000
Total Assets	\$ 6,735,530	\$ 402,007	\$ 6,040,619	\$ 13,178,156
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 96,575	\$ -	\$ -	\$ 96,575
Accrued Wages and Benefits	42,094	-	-	42,094
Unearned Revenue	49,479	-	-	49,479
Total Liabilities	188,148	-	-	188,148
Deferred Inflows of Resources:				
Property Taxes and PILOTs	513,391	-	686,654	1,200,045
Unavailable Revenue - Delinquent Property Taxes	50,750	-	-	50,750
Unavailable Revenue - Municipal Income Taxes	33,699	-	180,651	214,350
Unavailable Revenue - Other	673,378	-	-	673,378
Total Deferred Inflows of Resources	1,271,218	-	867,305	2,138,523
Fund Balances:				
Nonspendable	424,838	-	-	424,838
Restricted	4,851,326	402,007	5,173,314	10,426,647
Total Fund Balances	5,276,164	402,007	5,173,314	10,851,485
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 6,735,530	\$ 402,007	\$ 6,040,619	\$ 13,178,156

City of Kent, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2023

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Property Taxes	\$ 509,748	\$ -	\$ -	\$ 509,748
Municipal Income Taxes	371,347	-	2,103,418	2,474,765
Payments in Lieu of Taxes	-	-	431,488	431,488
Intergovernmental	2,087,120	-	-	2,087,120
Interest	147,173	-	-	147,173
Fees, Licenses, and Permits	25,715	-	-	25,715
Fines and Forfeitures	5,125	-	-	5,125
Charges for Services	38,664	-	-	38,664
All Other Revenues	60,215	-	-	60,215
Total Revenues	3,245,107	-	2,534,906	5,780,013
EXPENDITURES				
Current:				
Security of Persons and Property	443,780	-	-	443,780
Community Development	416,501	-	5,507	422,008
Transportation	2,111,042	-	-	2,111,042
General Government	25,715	-	95,367	121,082
Capital Outlay	-	-	30,493	30,493
Debt Service:				
Principal Retirement	-	-	705,000	705,000
Interest and Fiscal Charges	-	-	529,784	529,784
Total Expenditures	2,997,038	-	1,366,151	4,363,189
Excess of Revenues Over (Under) Expenditures	248,069	-	1,168,755	1,416,824
OTHER FINANCING SOURCES				
Proceeds from Sale of Capital Assets	4,162	-	-	4,162
Total Other Financing Sources	4,162	-	-	4,162
Net Change in Fund Balances	252,231	-	1,168,755	1,420,986
Fund Balances - Beginning of Year	5,023,933	402,007	4,004,559	9,430,499
Fund Balances - End of Year	\$ 5,276,164	\$ 402,007	\$ 5,173,314	\$ 10,851,485

City of Kent, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023

	West Side Fire	Street Construction, Maintenance, and Repair	State Highway	State and Local Forfeits
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 275,310	\$ 1,504,760	\$ 173,762	\$ 4,767
Cash and Cash Equivalents:				
In Segregated Accounts	-	-	-	-
Materials and Supplies Inventory	-	409,238	-	-
Accrued Interest Receivable	-	7,047	458	-
Intergovernmental Receivable	11,747	772,736	61,502	-
Prepaid Items	2,800	12,800	-	-
Municipal Income Taxes Receivable	-	96,571	-	-
Property and Other Taxes Receivable	267,781	-	-	-
Special Assessments Receivable	-	4,844	-	-
Loans Receivable	-	-	-	-
Assets Held for Resale	-	-	-	-
Total Assets	\$ 557,638	\$ 2,807,996	\$ 235,722	\$ 4,767
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 186	\$ 43,918	\$ -	\$ -
Accrued Wages and Benefits	4,391	37,703	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	4,577	81,621	-	-
Deferred Inflows of Resources:				
Property Taxes and PILOTs	244,007	-	-	-
Unavailable Revenue - Delinq. Property Taxes	23,774	-	-	-
Unavailable Revenue - Municipal Income Taxes	-	33,699	-	-
Unavailable Revenue - Other	11,747	570,306	45,848	-
Total Deferred Inflows of Resources	279,528	604,005	45,848	-
Fund Balances:				
Nonspendable	2,800	422,038	-	-
Restricted	270,733	1,700,332	189,874	4,767
Total Fund Balances	273,533	2,122,370	189,874	4,767
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 557,638	\$ 2,807,996	\$ 235,722	\$ 4,767

Drug Law Enforcement	Enforcement and Education	Law Enforcement Trust	Community Development Block Grant	Wireless 911	CHIP Grant
\$ 67,950	\$ 14,014	\$ 2,077	\$ 544,655	\$ 231,449	\$ 6,994
-	-	-	-	-	-
-	-	-	-	-	-
221	-	-	-	-	-
-	-	-	62,509	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 68,171</u>	<u>\$ 14,014</u>	<u>\$ 2,077</u>	<u>\$ 607,164</u>	<u>\$ 231,449</u>	<u>\$ 6,994</u>
\$ -	\$ -	\$ -	\$ 25,111	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	25,111	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	32,685	-	-
-	-	-	32,685	-	-
-	-	-	-	-	-
68,171	14,014	2,077	549,368	231,449	6,994
<u>68,171</u>	<u>14,014</u>	<u>2,077</u>	<u>549,368</u>	<u>231,449</u>	<u>6,994</u>
<u>\$ 68,171</u>	<u>\$ 14,014</u>	<u>\$ 2,077</u>	<u>\$ 607,164</u>	<u>\$ 231,449</u>	<u>\$ 6,994</u>

(Continued)

City of Kent, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2023

	Police Pension	Fire Pension	Urban Development Action Grant	Opioid Settlement	Escrow Fund	Kent Downtown Community Urban Redevelopment Corporation	Total Nonmajor Special Revenue Funds
ASSETS							
Equity in Pooled Cash and Cash Equivalents	\$ 117,364	\$ 129,487	\$ 1,032,157	\$ 24,335	\$ 75,194	\$ -	\$ 4,204,275
Cash and Cash Equivalents:							
In Segregated Accounts	-	-	-	-	-	64,861	64,861
Materials and Supplies Inventory	-	-	-	-	-	-	409,238
Accrued Interest Receivable	-	-	-	-	-	-	7,726
Intergovernmental Receivable	6,396	6,396	-	-	-	-	921,286
Prepaid Items	-	-	-	-	-	-	15,600
Municipal Income Taxes Receivable	-	-	-	-	-	-	96,571
Property and Other Taxes Receivable	148,180	148,180	-	-	-	-	564,141
Special Assessments Receivable	-	-	-	-	-	-	4,844
Loans Receivable	-	-	81,988	-	-	-	81,988
Assets Held for Resale	-	-	-	-	-	365,000	365,000
Total Assets	<u>\$ 271,940</u>	<u>\$ 284,063</u>	<u>\$ 1,114,145</u>	<u>\$ 24,335</u>	<u>\$ 75,194</u>	<u>\$ 429,861</u>	<u>\$ 6,735,530</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 25,715	\$ 1,645	\$ 96,575
Accrued Wages and Benefits	-	-	-	-	-	-	42,094
Unearned Revenue	-	-	-	-	49,479	-	49,479
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,194</u>	<u>1,645</u>	<u>188,148</u>
Deferred Inflows of Resources:							
Property Taxes and PILOTs	134,692	134,692	-	-	-	-	513,391
Unavailable Revenue - Delinq. Property Taxes	13,488	13,488	-	-	-	-	50,750
Unavailable Revenue - Municipal Income Taxes	-	-	-	-	-	-	33,699
Unavailable Revenue - Other	6,396	6,396	-	-	-	-	673,378
Total Deferred Inflows of Resources	<u>154,576</u>	<u>154,576</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,271,218</u>
Fund Balances:							
Nonspendable	-	-	-	-	-	-	424,838
Restricted	117,364	129,487	1,114,145	24,335	-	428,216	4,851,326
Total Fund Balances	<u>117,364</u>	<u>129,487</u>	<u>1,114,145</u>	<u>24,335</u>	<u>-</u>	<u>428,216</u>	<u>5,276,164</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 271,940</u>	<u>\$ 284,063</u>	<u>\$ 1,114,145</u>	<u>\$ 24,335</u>	<u>\$ 75,194</u>	<u>\$ 429,861</u>	<u>\$ 6,735,530</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, 2023

	West Side Fire	Street Construction, Maintenance, and Repair	State Highway	State and Local Forfeits
REVENUES				
Property Taxes	\$ 242,532	\$ -	\$ -	\$ -
Municipal Income Taxes	-	371,347	-	-
Intergovernmental	23,493	1,428,806	103,242	-
Interest	-	116,766	5,552	-
Fees, Licenses, and Permits	-	-	-	-
Fines and Forfeitures	-	-	-	-
Charges for Services	-	38,664	-	-
All Other Revenues	-	-	-	-
Total Revenues	266,025	1,955,583	108,794	-
EXPENDITURES				
Current:				
Security of Persons and Property	161,180	-	-	-
Community Development	-	-	-	-
Transportation	-	2,043,842	67,200	-
General Government	-	-	-	-
Total Expenditures	161,180	2,043,842	67,200	-
Excess of Revenues Over (Under) Expenditures	104,845	(88,259)	41,594	-
OTHER FINANCING SOURCES				
Proceeds from Sale of Capital Assets	-	4,162	-	-
Total Other Financing Sources	-	4,162	-	-
Net Change in Fund Balances	104,845	(84,097)	41,594	-
Fund Balances - Beginning of Year	168,688	2,206,467	148,280	4,767
Fund Balances - End of Year	\$ 273,533	\$ 2,122,370	\$ 189,874	\$ 4,767

Drug Law Enforcement	Enforcement and Education	Law Enforcement Trust	Community Development Block Grant	Wireless 911	CHIP Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	505,995	-	-
10	-	-	247	-	627
-	-	-	-	-	-
3,314	1,811	-	-	-	-
-	-	-	-	-	-
-	-	-	18,236	-	22,000
<u>3,324</u>	<u>1,811</u>	<u>-</u>	<u>524,478</u>	<u>-</u>	<u>22,627</u>
-	2,600	-	-	-	-
-	-	-	203,668	-	212,833
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>2,600</u>	<u>-</u>	<u>203,668</u>	<u>-</u>	<u>212,833</u>
<u>3,324</u>	<u>(789)</u>	<u>-</u>	<u>320,810</u>	<u>-</u>	<u>(190,206)</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3,324</u>	<u>(789)</u>	<u>-</u>	<u>320,810</u>	<u>-</u>	<u>(190,206)</u>
64,847	14,803	2,077	228,558	231,449	197,200
<u>\$ 68,171</u>	<u>\$ 14,014</u>	<u>\$ 2,077</u>	<u>\$ 549,368</u>	<u>\$ 231,449</u>	<u>\$ 6,994</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, 2023

	Police Pension	Fire Pension	Urban Development Action Grant	Opioid Settlement	Escrow Fund	Kent Downtown Community Urban Redevelopment Corporation	Total Nonmajor Special Revenue Funds
REVENUES							
Property Taxes	\$ 133,608	\$ 133,608	\$ -	\$ -	\$ -	\$ -	\$ 509,748
Income Taxes	-	-	-	-	-	-	371,347
Intergovernmental	12,792	12,792	-	-	-	-	2,087,120
Interest	-	-	23,971	-	-	-	147,173
Fees, Licenses, and Permits	-	-	-	-	25,715	-	25,715
Fines and Forfeitures	-	-	-	-	-	-	5,125
Charges for Services	-	-	-	-	-	-	38,664
All Other Revenues	-	-	80	19,899	-	-	60,215
Total Revenues	<u>146,400</u>	<u>146,400</u>	<u>24,051</u>	<u>19,899</u>	<u>25,715</u>	<u>-</u>	<u>3,245,107</u>
EXPENDITURES							
Current:							
Security of Persons and Property	140,000	140,000	-	-	-	-	443,780
Community Development	-	-	-	-	-	-	416,501
Transportation	-	-	-	-	-	-	2,111,042
General Government	-	-	-	-	25,715	-	25,715
Total Expenditures	<u>140,000</u>	<u>140,000</u>	<u>-</u>	<u>-</u>	<u>25,715</u>	<u>-</u>	<u>2,997,038</u>
Excess of Revenues Over (Under) Expenditures	<u>6,400</u>	<u>6,400</u>	<u>24,051</u>	<u>19,899</u>	<u>-</u>	<u>-</u>	<u>248,069</u>
OTHER FINANCING SOURCES							
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	4,162
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,162</u>
Net Change in Fund Balances	6,400	6,400	24,051	19,899	-	-	252,231
Fund Balances - Beginning of Year	110,964	123,087	1,090,094	4,436	-	428,216	5,023,933
Fund Balances - End of Year	<u>\$ 117,364</u>	<u>\$ 129,487</u>	<u>\$ 1,114,145</u>	<u>\$ 24,335</u>	<u>\$ -</u>	<u>\$ 428,216</u>	<u>\$ 5,276,164</u>

City of Kent, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2023

	Muni PI Tax Increment Equivalent	Police Station Levy	Total Nonmajor Capital Projects Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 605,864	\$ 4,230,405	\$ 4,836,269
Payments in Lieu of Taxes Receivable	686,654	-	686,654
Income Taxes Receivable	-	517,696	517,696
Total Assets	\$ 1,292,518	\$ 4,748,101	\$ 6,040,619
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Total Liabilities	\$ -	\$ -	\$ -
 Deferred Inflows of Resources:			
Property Taxes and PILOTs	686,654	-	686,654
Unavailable Revenue - Income Taxes	-	180,651	180,651
Total Deferred Inflows of Resources	686,654	180,651	867,305
 Fund Balances:			
Restricted	605,864	4,567,450	5,173,314
Total Fund Balances	605,864	4,567,450	5,173,314
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,292,518	\$ 4,748,101	\$ 6,040,619

City of Kent, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2023

	Muni PI Tax Increment Equivalent	Police Station Levy	Total Nonmajor Capital Projects Funds
REVENUES			
Income Taxes	\$ -	\$ 2,103,418	\$ 2,103,418
Payment in Lieu of Taxes	431,488	-	431,488
Total Revenues	<u>431,488</u>	<u>2,103,418</u>	<u>2,534,906</u>
EXPENDITURES			
Community Environment	5,507	-	5,507
General Government	-	95,367	95,367
Capital Outlay	-	30,493	30,493
Debt Service:			
Principal Retirement	220,000	485,000	705,000
Interest and Fiscal Charges	208,984	320,800	529,784
Total Expenditures	<u>434,491</u>	<u>931,660</u>	<u>1,366,151</u>
Net Change in Fund Balances	(3,003)	1,171,758	1,168,755
Fund Balances - Beginning of Year	608,867	3,395,692	4,004,559
Fund Balances - End of Year	<u>\$ 605,864</u>	<u>\$ 4,567,450</u>	<u>\$ 5,173,314</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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$ 1,848,245	\$ 1,854,949	\$ 1,860,083	\$ 5,134
Other Local Taxes	335,094	335,094	365,780	30,686
Intergovernmental	1,633,268	1,883,268	2,017,589	134,321
Interest	420,000	1,321,023	1,367,973	46,950
Fees, Licenses and Permits	224,833	274,833	333,412	58,579
Fines and Forfeits	301,725	301,725	253,136	(48,589)
Charges for Services	1,722,031	1,722,031	1,875,922	153,891
Miscellaneous	51,000	51,000	126,613	75,613
Total Revenues	6,536,196	7,743,923	8,200,508	456,585
Expenditures				
Current:				
Public Health & Welfare				
Department of Health				
Personal Services	586,080	806,080	235,765	570,315
Other Expenses	539,118	1,326,062	424,969	901,093
Total Public Health and Welfare	1,125,198	2,132,142	660,734	1,471,408
Community Development				
Community Development				
Personal Services	787,315	787,315	619,157	168,158
Other Expenses	287,558	329,991	270,909	59,082
Total Community Development	1,074,873	1,117,306	890,066	227,240
Economic Development				
Personal Services				
Personal Services	147,197	147,197	99,327	47,870
Other Expenses	34,839	34,839	23,064	11,775
Total Economic Development	182,036	182,036	122,391	59,645
Building				
Personal Services				
Personal Services	381,605	381,605	306,993	74,612
Other Expenses	75,523	75,523	61,523	14,000
Total Building	457,128	457,128	368,516	88,612

(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, 2023
 (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	8,000	8,500	8,065	435
Permit Parking				
Other Expenses	91,410	91,410	61,330	30,080
Total Permit Parking	91,410	91,410	61,330	30,080
Shade Tree				
Other Expenses	165,417	165,417	157,962	7,455
Capital Outlay	20,000	20,000	20,000	-
Total Shade Tree	185,417	185,417	177,962	7,455
Urban Renewal				
Other Expenses	271,245	271,245	237,690	33,555
Total Community Development	2,340,109	2,383,042	1,936,020	447,022
General Government				
Service Administration				
Personal Services	259,665	259,665	245,990	13,675
Other Expenses	435,937	436,234	347,363	88,871
Total Service Administration	695,602	695,899	593,353	102,546
Engineering				
Personal Services	218,488	218,488	133,712	84,776
Other Expenses	98,173	98,173	77,344	20,829
Total Engineering	316,661	316,661	211,056	105,605
Law				
Personal Services	347,093	347,093	321,408	25,685
Other Expenses	80,459	150,459	129,861	20,598
Total Law	427,552	497,552	451,269	46,283
Budget and Finance				
Personal Services	474,010	474,010	386,060	87,950
Other Expenses	157,318	157,368	131,122	26,246
Total Budget and Finance	631,328	631,378	517,182	114,196

(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, 2023
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Information Technology				
Personal Services	103,987	170,987	164,527	6,460
Other Expenses	468,593	527,458	514,243	13,215
Total Information Technology	<u>572,580</u>	<u>698,445</u>	<u>678,770</u>	<u>19,675</u>
Miscellaneous, Sundry and Contingency				
Other Expenses	<u>314,505</u>	<u>346,505</u>	<u>187,705</u>	<u>158,800</u>
Mayor's Office				
Personal Services	13,487	13,487	13,277	210
Other Expenses	3,360	3,360	1,358	2,002
Total Mayor's Office	<u>16,847</u>	<u>16,847</u>	<u>14,635</u>	<u>2,212</u>
City Council				
Personal Services	179,905	179,905	176,561	3,344
Other Expenses	39,780	42,280	22,604	19,676
Total City Council	<u>219,685</u>	<u>222,185</u>	<u>199,165</u>	<u>23,020</u>
Community Support				
Other Expenses	<u>114,913</u>	<u>114,913</u>	<u>70,814</u>	<u>44,099</u>
Office of City Manager				
City Manager				
Personal Services	356,164	356,164	345,696	10,468
Other Expenses	58,780	58,780	52,071	6,709
Total City Manager	<u>414,944</u>	<u>414,944</u>	<u>397,767</u>	<u>17,177</u>
Human Resources				
Personal Services	111,798	111,798	110,134	1,664
Other Expenses	17,867	17,867	13,265	4,602
Total Human Resources	<u>129,665</u>	<u>129,665</u>	<u>123,399</u>	<u>6,266</u>
City Hall Relocation				
Capital Outlay	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Civil Service				
Personal Services	41,730	41,730	30,934	10,796
Other Expenses	31,730	31,730	27,741	3,989
Total Civil Service	<u>73,460</u>	<u>73,460</u>	<u>58,675</u>	<u>14,785</u>
Total General Government	<u>4,427,742</u>	<u>4,658,454</u>	<u>4,003,790</u>	<u>654,664</u>
Total Expenditures	<u>7,893,049</u>	<u>9,173,638</u>	<u>6,600,544</u>	<u>2,573,094</u>

(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, 2023
 (Continued)*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Excess of Revenues Over (Under) Expenditures	(1,356,853)	(1,429,715)	1,599,964	3,029,679
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	1,174	1,174	55,527	54,353
Transfers In	3,600,000	3,600,000	3,600,000	-
Transfers Out	<u>(7,650,000)</u>	<u>(7,650,000)</u>	<u>(7,000,000)</u>	<u>650,000</u>
Total Other Financing Sources (Uses)	<u>(4,048,826)</u>	<u>(4,048,826)</u>	<u>(3,344,473)</u>	<u>704,353</u>
Net Change in Fund Balance	(5,405,679)	(5,478,541)	(1,744,509)	3,734,032
Fund Balance - Beginning of Year	7,643,880	7,643,880	7,643,880	-
Prior Year Encumbrances Appropriated	<u>1,063,924</u>	<u>1,063,924</u>	<u>1,063,924</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 3,302,125</u>	<u>\$ 3,229,263</u>	<u>\$ 6,963,295</u>	<u>\$ 3,734,032</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, 2023*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Property Taxes	\$ 1,127,489	\$ 1,115,231	\$ 1,118,381	\$ 3,150
Intergovernmental	107,119	107,119	106,663	(456)
Charges for Services	808,850	756,160	684,377	(71,783)
Contributions and Donations	9,750	9,750	9,000	(750)
Miscellaneous	35,000	35,000	26,140	(8,860)
Total Revenues	<u>2,088,208</u>	<u>2,023,260</u>	<u>1,944,561</u>	<u>(78,699)</u>
Expenditures				
Current:				
Leisure Time Activities				
Parks & Recreation				
Personal Services	1,438,973	1,438,973	1,314,862	124,111
Other	747,860	762,173	643,886	118,287
Capital Outlay	283,150	283,150	220,048	63,102
Total Expenditures	<u>2,469,983</u>	<u>2,484,296</u>	<u>2,178,796</u>	<u>305,500</u>
Other Financing Sources				
Sale of Capital Assets	5,000	5,000	-	(5,000)
Total Other Financing Sources	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Net Change in Fund Balance	(376,775)	(456,036)	(234,235)	221,801
Fund Balance - Beginning of Year	504,465	504,465	504,465	-
Prior Year Encumbrances Appropriated	142,443	142,443	142,443	-
Fund Balance - End of Year	<u>\$ 270,133</u>	<u>\$ 190,872</u>	<u>\$ 412,673</u>	<u>\$ 221,801</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Income Tax Safety Fund
 For the Year Ended December 31, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 376,262	\$ 39,548	\$ 40,349	\$ 801
Miscellaneous	28,738	28,738	33,461	4,723
Total Revenues	405,000	68,286	73,810	5,524
Expenditures				
Current:				
Security of Persons and Property				
Police				
Personal Services	7,689,902	8,038,500	7,381,596	656,904
Other	857,359	950,443	775,274	175,169
Contractual Services	-	33,600	31,030	2,570
Total Expenditures	8,547,261	9,022,543	8,187,900	834,643
Excess of Revenues Over (Under) Expenditures	(8,142,261)	(8,954,257)	(8,114,090)	840,167
Other Financing Sources				
Transfers In	7,400,000	8,025,798	8,184,364	158,566
Net Change in Fund Balance	(742,261)	(928,459)	70,274	998,733
Fund Balance - Beginning of Year	850,419	850,419	850,419	-
Prior Year Encumbrances Appropriated	86,934	86,934	86,934	-
Fund Balance - End of Year	\$ 195,092	\$ 8,894	\$ 1,007,627	\$ 998,733

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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 168,856	\$ 355,461	\$ 171,508	\$ (183,953)
Contributions and Donations	-	50	-	(50)
Miscellaneous	27,701	31,795	28,136	(3,659)
Total Revenues	<u>196,557</u>	<u>387,306</u>	<u>199,644</u>	<u>(187,662)</u>
Expenditures				
Current:				
Security of Persons and Property				
Fire				
Personal Services	5,721,980	6,068,350	5,625,082	443,268
Other	961,305	1,037,756	736,965	300,791
Capital Outlay	2,175,557	2,210,807	2,118,059	92,748
Total Expenditures	<u>8,858,842</u>	<u>9,316,913</u>	<u>8,480,106</u>	<u>836,807</u>
Excess of Revenues Over (Under) Expenditures	(8,662,285)	(8,929,607)	(8,280,462)	649,145
Other Financing Sources				
Transfers In	6,679,444	7,084,364	6,784,364	(300,000)
Net Change in Fund Balance	(1,982,841)	(1,845,243)	(1,496,098)	349,145
Fund Balance - Beginning of Year	217,007	217,007	217,007	-
Prior Year Encumbrances Appropriated	1,780,427	1,780,427	1,780,427	-
Fund Balance - End of Year	<u>\$ 14,593</u>	<u>\$ 152,191</u>	<u>\$ 501,336</u>	<u>\$ 349,145</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 American Rescue Plan Act Fund
 For the Year Ended December 31, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Current:				
Capital Outlay				
Personal Services	406,450	329,950	329,651	299
Capital Outlay	5,417,616	6,731,616	932,442	5,799,174
Total Expenditures	<u>5,824,066</u>	<u>7,061,566</u>	<u>1,262,093</u>	<u>5,799,473</u>
Net Change in Fund Balance	(5,824,066)	(7,061,566)	(1,262,093)	5,799,473
Fund Balance - Beginning of Year	6,119,082	6,119,082	6,119,082	-
Prior Year Encumbrances Appropriated	947,216	947,216	947,216	-
Fund Balance - End of Year	<u>\$ 1,242,232</u>	<u>\$ 4,732</u>	<u>\$ 5,804,205</u>	<u>\$ 5,799,473</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, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Intergovernmental	\$ 1,236,961	\$ 1,167,115	\$ (69,846)
Special Assessments	131,251	123,840	(7,411)
Miscellaneous	805	760	(45)
Total Revenues	1,369,017	1,291,715	(77,302)
Expenditures			
Capital Outlay:			
Safety	546,669	518,300	28,369
Service	17,905,812	13,201,415	4,704,397
Budget and Finance	25,000	-	25,000
Administration	659,529	585,206	74,323
Total Capital Outlay	19,137,010	14,304,921	4,832,089
Debt Service:			
Principal	287,275	287,275	-
Interest & Fiscal Charges	235,015	234,919	96
Total Debt Service	522,290	522,194	96
Total Expenditures	19,659,300	14,827,115	4,832,185
Excess of Revenues Over (Under) Expenditures	(18,290,283)	(13,535,400)	4,754,883
Other Financing Sources			
Loan repayment	50,000	50,100	100
Transfers In	3,526,164	3,657,224	131,060
Total Other Financing Sources	3,576,164	3,707,324	131,160
Net Change in Fund Balance	(14,714,119)	(9,828,076)	4,886,043
Fund Balance - Beginning of Year	4,752,703	4,752,703	-
Prior Year Encumbrances Appropriated	11,232,777	11,232,777	-
Fund Balance - End of Year	\$ 1,271,361	\$ 6,157,404	\$ 4,886,043

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, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Property Taxes	\$ 242,311	\$ 242,532	\$ 221
Intergovernmental	23,076	23,493	417
Total Revenues	<u>265,387</u>	<u>266,025</u>	<u>638</u>
Expenditures			
Current:			
Security of Persons and Property			
Fire			
Personal Services	309,191	151,006	158,185
Other	16,208	12,735	3,473
Total Expenditures	<u>325,399</u>	<u>163,741</u>	<u>161,658</u>
Net Change in Fund Balance	(60,012)	102,284	162,296
Fund Balance - Beginning of Year	170,864	170,864	-
Prior Year Encumbrances Appropriated	1,108	1,108	-
Fund Balance - End of Year	<u>\$ 111,960</u>	<u>\$ 274,256</u>	<u>\$ 162,296</u>

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, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Other Local Taxes	\$ 213,000	\$ 215,846	\$ 2,846
Intergovernmental	1,103,000	1,164,251	61,251
Interest	16,000	43,587	27,587
Charges for Services	69,306	38,664	(30,642)
Special Assessments	120	-	(120)
Miscellaneous	4,798	-	(4,798)
Total Revenues	<u>1,406,224</u>	<u>1,462,348</u>	<u>56,124</u>
Expenditures			
Current:			
Transportation			
Public Service			
Personal Services	1,295,803	1,124,441	171,362
Other	1,486,649	1,202,788	283,861
Capital Outlay	32,000	-	32,000
Total Expenditures	<u>2,814,452</u>	<u>2,327,229</u>	<u>487,223</u>
Excess of Revenues Over (Under) Expenditures	(1,408,228)	(864,881)	543,347
Other Financing Sources			
Proceeds from Sale of Capital Assets	19,976	4,162	(15,814)
Transfers In	500,000	400,000	(100,000)
Total Other Financing Sources	<u>519,976</u>	<u>404,162</u>	<u>(115,814)</u>
Net Change in Fund Balance	(888,252)	(460,719)	427,533
Fund Balance - Beginning of Year	1,564,722	1,564,722	-
Prior Year Encumbrances Appropriated	251,929	251,929	-
Fund Balance - End of Year	<u>\$ 928,399</u>	<u>\$ 1,355,932</u>	<u>\$ 427,533</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, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues			
Intergovernmental	\$ 83,708	\$ 100,703	\$ 16,995
Interest	992	2,830	1,838
Total Revenues	<u>84,700</u>	<u>103,533</u>	<u>18,833</u>
Expenditures			
Current:			
Transportation			
Public Service			
Other	<u>67,200</u>	<u>67,200</u>	<u>-</u>
Net Change in Fund Balance	17,500	36,333	18,833
Fund Balance - Beginning of Year	<u>140,696</u>	<u>140,696</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 158,196</u></u>	<u><u>\$ 177,029</u></u>	<u><u>\$ 18,833</u></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, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Municipal Income Taxes	\$ 17,000,000	\$ 19,733,764	\$ 2,733,764
Expenditures			
Current:			
General Government			
Budget & Finance			
Personal Services	136,370	111,016	25,354
Other	2,807,971	2,736,325	71,646
Total Expenditures	2,944,341	2,847,341	97,000
Excess of Revenues			
Over Expenditures	14,055,659	16,886,423	2,830,764
Other Financing (Uses)			
Transfer Out	(17,770,264)	(17,770,264)	-
Total Other Financing (Uses)	(17,770,264)	(17,770,264)	-
Net Change in Fund Balance	(3,714,605)	(883,841)	2,830,764
Fund Balance - Beginning of Year	4,903,285	4,903,285	-
Prior Year Encumbrances Appropriated	2,481,541	2,481,541	-
Fund Balance - End of Year	\$ 3,670,221	\$ 6,500,985	\$ 2,830,764

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, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	(Negative)
Revenues	\$ -	\$ -	\$ -
Expenditures	-	-	-
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	4,767	4,767	-
Fund Balance - End of Year	\$ 4,767	\$ 4,767	\$ -

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, 2023*

	Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
	Final		
Revenues			
Interest	\$ -	\$ 1,369	\$ 1,369
Fines and Forfeits	4,500	3,314	(1,186)
Total Revenues	4,500	4,683	183
Expenditures			
Current:			
Security of Persons and Property			
Police			
Other	15,000	13,670	1,330
	(10,500)	(8,987)	1,513
Net Change in Fund Balance			
Fund Balance - Beginning of Year	64,847	64,847	-
Fund Balance - End of Year	\$ 54,347	\$ 55,860	\$ 1,513

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, 2023*

	Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
	Final		(Negative)
Revenues			
Fines and Forfeits	\$ 2,500	\$ 1,811	\$ (689)
Expenditures			
Current:			
Security of Persons and Property			
Police			
Other	11,000	2,600	8,400
Net Change in Fund Balance	(8,500)	(789)	7,711
Fund Balance - Beginning of Year	14,803	14,803	-
Fund Balance - End of Year	\$ 6,303	\$ 14,014	\$ 7,711

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, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Intergovernmental	\$ 439,608	\$ 505,995	\$ 66,387
Interest	80	247	167
Miscellaneous	26,532	18,236	(8,296)
Total Revenues	<u>466,220</u>	<u>524,478</u>	<u>58,258</u>
Expenditures			
Current:			
Community Development			
Department of Community Development			
Personal Services	4,100	4,093	7
Other	301,112	301,112	-
Capital Outlay	194,015	27,052	166,963
Total Expenditures	<u>499,227</u>	<u>332,257</u>	<u>166,970</u>
Excess of Revenues Over (Under) Expenditures	(33,007)	192,221	225,228
Net Change in Fund Balance	(33,007)	192,221	225,228
Fund Balance - Beginning of Year	174,030	174,030	-
Prior Year Encumbrances Appropriated	92,027	92,027	-
Fund Balance - End of Year	<u>\$ 233,050</u>	<u>\$ 458,278</u>	<u>\$ 225,228</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, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
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
 CHIP Grant Fund
 For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Intergovernmental	\$ 104,600	\$ -	\$ (104,600)
Interest	400	627	227
Miscellaneous	-	22,000	22,000
Total Revenues	<u>105,000</u>	<u>22,627</u>	<u>(82,373)</u>
Expenditures			
Current:			
Community Development			
Personal Services	20,000	20,000	-
Other	286,080	205,612	80,468
Total Expenditures	<u>306,080</u>	<u>225,612</u>	<u>80,468</u>
Net Change in Fund Balance	(201,080)	(202,985)	(1,905)
Fund Balance - Beginning of Year	146,899	146,899	-
Prior Year Encumbrances Appropriated	63,080	63,080	-
Fund Balance - End of Year	<u>\$ 8,899</u>	<u>\$ 6,994</u>	<u>\$ (1,905)</u>

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, 2023*

	Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
	Final		
Revenues			
Property Taxes	\$ 133,554	\$ 133,608	\$ 54
Intergovernmental	12,525	12,792	267
Total Revenues	146,079	146,400	321
Expenditures			
Current:			
Security of Persons and Property			
Police			
Personal Services	140,000	140,000	-
Net Change in Fund Balance	6,079	6,400	321
Fund Balance - Beginning of Year	110,964	110,964	-
Fund Balance - End of Year	\$ 117,043	\$ 117,364	\$ 321

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, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Property Taxes	\$ 133,554	\$ 133,608	\$ 54
Intergovernmental	11,000	12,793	1,793
Total Revenues	<u>144,554</u>	<u>146,401</u>	<u>1,847</u>
Expenditures			
Current:			
Security of Persons and Property			
Fire			
Personal Services	140,000	140,000	-
Net Change in Fund Balance	4,554	6,401	1,847
Fund Balance - Beginning of Year	123,086	123,086	-
Fund Balance - End of Year	<u>\$ 127,640</u>	<u>\$ 129,487</u>	<u>\$ 1,847</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, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Interest	\$ 7,000	\$ 23,971	\$ 16,971
Miscellaneous	273,000	338,831	65,831
Total Revenues	<u>280,000</u>	<u>362,802</u>	<u>82,802</u>
Expenditures			
Current:			
Community Development			
City Manager			
Other	75,000	-	75,000
Net Change in Fund Balance	205,000	362,802	157,802
Fund Balance - Beginning of Year	669,355	669,355	-
Fund Balance - End of Year	<u>\$ 874,355</u>	<u>\$ 1,032,157</u>	<u>\$ 157,802</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Opioid Settlement Fund
 For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget
	Final	Actual	Positive (Negative)
Revenues			
Miscellaneous	\$ -	\$ 19,899	\$ 19,899
Expenditures	-	-	-
Net Change in Fund Balance	-	19,899	19,899
Fund Balance - Beginning of Year	4,436	4,436	-
Fund Balance - End of Year	\$ 4,436	\$ 24,335	\$ 19,899

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Escrow Fund
 For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget
	Final	Actual	Positive (Negative)
Revenues			
Licenses and Permits	\$ -	\$ 2,200	\$ 2,200
Expenditures			
Current:			
Community Development			
Other	95,480	96,430	(950)
Net Change in Fund Balance	(95,480)	(94,230)	1,250
Fund Balance - Beginning of Year	93,994	93,994	-
Prior Year Encumbrances	1,500	1,500	-
Fund Balance - End of Year	\$ 14	\$ 1,264	\$ 1,250

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Obligation Fund
 For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	<u>402,007</u>	<u>402,007</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 402,007</u></u>	<u><u>\$ 402,007</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
 Muni PI Tax Increment Equivalent Fund
 For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Payments in Lieu of Taxes	\$ 450,000	\$ 431,488	\$ (18,512)
Expenditures			
Current:			
Capital Outlay:			
Community Development	15,125	5,507	9,618
Debt Service:			
Principal	220,000	220,000	-
Interest & Fiscal Charges	214,135	208,984	5,151
Total Debt Service	434,135	428,984	5,151
Total Expenditures	449,260	434,491	14,769
Net Change in Fund Balance	740	(3,003)	(3,743)
Fund Balance - Beginning of Year	602,738	602,738	-
Prior Year Encumbrances Appropriated	6,125	6,125	-
Fund Balance - End of Year	\$ 609,603	\$ 605,860	\$ (3,743)

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Police Station Levy Fund
 For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
Capital Outlay:			
Safety	814,550	246,185	568,365
Debt Service:			
Principal	485,000	485,000	-
Interest & Fiscal Charges	333,000	320,800	12,200
Total Debt Service	818,000	805,800	12,200
Total Expenditures	1,632,550	1,051,985	580,565
Excess of Revenues Over (Under) Expenditures	(1,632,550)	(1,051,985)	580,565
Other Financing Sources			
Transfers In	1,900,000	2,144,312	244,312
Net Change in Fund Balance	267,450	1,092,327	824,877
Fund Balance - Beginning of Year	2,971,977	2,971,977	-
Prior Year Encumbrances Appropriated	83,050	83,050	-
Fund Balance - End of Year	\$ 3,322,477	\$ 4,147,354	\$ 824,877



STATISTICAL SECTION



City of Kent, Ohio

Statistical Section

This part of City of Kent's annual comprehensive 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 – S15
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, income taxes and property taxes.	S16 – S23
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.	S24 – S28
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.	S29 – S30
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.	S31 – S40

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

City of Kent, Ohio

*Net Position by Component
Accrual Basis of Accounting
Last Ten Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Governmental Activities				
Net Investment in				
Capital Assets	\$72,008,136	\$72,811,518	\$63,712,482	\$72,115,665
Restricted	16,811,975	14,937,065	14,143,552	14,394,144
Unrestricted	<u>533,715</u>	<u>(1,060,035)</u>	<u>5,898,748</u>	<u>(8,875,490)</u>
<i>Total Governmental Activities Net Position</i>	<u>89,353,826</u>	<u>86,688,548</u>	<u>83,754,782</u>	<u>77,634,319</u>
Business Type - Activities				
Net Investment in				
Capital Assets	53,111,021	51,537,201	53,171,804	53,190,667
Restricted	66,682	-	-	-
Unrestricted	<u>3,831,140</u>	<u>3,213,342</u>	<u>139,469</u>	<u>(4,481,682)</u>
<i>Total Business-Type Activities Net Position</i>	<u>57,008,843</u>	<u>54,750,543</u>	<u>53,311,273</u>	<u>48,708,985</u>
Primary Government				
Net Investment in				
Capital Assets	125,119,157	124,348,719	116,884,286	125,306,332
Restricted	16,878,657	14,937,065	14,143,552	14,394,144
Unrestricted	<u>4,364,855</u>	<u>2,153,307</u>	<u>6,038,217</u>	<u>(13,357,172)</u>
<i>Total Primary Government Net Position</i>	<u>\$146,362,669</u>	<u>\$141,439,091</u>	<u>\$137,066,055</u>	<u>\$126,343,304</u>

The periods noted above do not reflect amounts restated.

Table 1

2019	2018	2017	2016	2015	2014
\$75,208,875	\$73,565,735	\$67,360,368	\$60,061,703	\$55,391,747	\$39,903,344
11,546,151	18,566,597	18,027,734	20,795,807	18,029,115	17,879,819
<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>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>
51,335,835	50,456,860	49,952,592	49,624,570	49,925,407	49,833,675
-	-	-	-	-	-
<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>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>
126,544,710	124,022,595	117,312,960	109,686,273	105,317,154	89,737,019
11,546,151	18,566,597	18,027,734	20,795,807	18,029,115	17,879,819
<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>\$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>

City of Kent, Ohio

*Changes in Net Position
Accrual Basis of Accounting
Last Ten Years*

	2023	2022	2021	2020
Program Revenues				
Governmental Activities:				
Charges for Services:				
Security of Persons and Property	\$ 2,299,071	\$ 2,116,651	\$ 2,138,356	\$ 1,801,008
Public Health and Welfare	1,895	1,969	1,992	4,619
Leisure Time Activities	679,196	685,816	668,183	498,586
Community Development	158,811	154,680	211,396	243,812
Transportation	38,664	64,604	48,027	58,345
General Government	176,008	65,220	62,502	76,793
Subtotal - Charges for Services	<u>3,353,645</u>	<u>3,088,940</u>	<u>3,130,456</u>	<u>2,683,163</u>
Operating Grants and Contributions:				
Security of Persons and Property	205,375	503,285	14,523	2,165,412
Leisure Time Activities	9,000	9,950	-	7,996
Community Development	538,680	271,659	755,378	406,918
Transportation	2,715,162	1,799,098	1,391,563	1,403,017
General Government	142,110	-	-	-
Subtotal - Operating Grants and Contributions	<u>3,610,327</u>	<u>2,583,992</u>	<u>2,161,464</u>	<u>3,983,343</u>
Capital Grants and Contributions:				
Security of Persons and Property	-	-	5,640	-
Leisure Time Activities	-	-	851,381	-
Community Development	-	-	-	-
Transportation	1,262,575	1,828,549	1,277,416	1,125,131
Subtotal - Capital Grants and Contributions	<u>1,262,575</u>	<u>1,828,549</u>	<u>2,134,437</u>	<u>1,125,131</u>
<i>Total Governmental Activities Program Revenues</i>	<u>8,226,547</u>	<u>7,501,481</u>	<u>7,426,357</u>	<u>7,791,637</u>
Business-Type Activities:				
Charges for Services:				
Water	4,656,325	4,143,708	3,809,877	3,910,198
Sewer	4,925,173	4,421,007	4,067,911	4,085,516
Solid Waste	379,094	339,806	418,862	461,490
Storm Water Drainage	1,061,682	1,029,225	937,260	1,020,337
Subtotal - Charges for Services	<u>11,022,274</u>	<u>9,933,746</u>	<u>9,233,910</u>	<u>9,477,541</u>
Capital Grants and Contributions				
Water	235,627	176,552	292,519	209,923
Sewer	1,147,700	199,363	70,109	165,633
Storm Water Drainage	58,838	39,124	348,352	217,809
Subtotal - Capital Grants and Contributions	<u>1,442,165</u>	<u>415,039</u>	<u>710,980</u>	<u>593,365</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>12,464,439</u>	<u>10,348,785</u>	<u>9,944,890</u>	<u>10,070,906</u>
<i>Total Primary Government Program Revenues</i>	<u>\$ 20,690,986</u>	<u>\$ 17,850,266</u>	<u>\$ 17,371,247</u>	<u>\$ 17,862,543</u>

Table 2

2019	2018	2017	2016	2015	2014
\$ 1,869,518	\$ 2,031,970	\$ 1,734,417	\$ 1,727,198	\$ 1,509,255	\$ 1,462,625
-	376,250	331,773	311,770	293,058	264,534
824,388	859,038	790,276	667,353	767,323	694,019
389,224	418,762	396,100	417,610	413,530	222,108
106,410	54,885	42,212	57,985	111,934	52,848
14,684	110,373	49,797	28,559	93,893	51,191
<u>3,204,224</u>	<u>3,851,278</u>	<u>3,344,575</u>	<u>3,210,475</u>	<u>3,188,993</u>	<u>2,747,325</u>
25	44,680	12,245	41,354	86,441	146,158
19,050	55,572	-	7,100	7,150	5,050
244,968	200,126	6,696	580,234	137,763	731,476
1,094,271	791,018	858,807	813,816	738,936	864,307
-	-	-	-	-	6,729
<u>1,358,314</u>	<u>1,091,396</u>	<u>877,748</u>	<u>1,442,504</u>	<u>970,290</u>	<u>1,753,720</u>
-	-	-	-	-	-
-	-	644,428	-	27,909	375,702
365,000	-	-	-	-	184,257
<u>1,612,927</u>	<u>3,361,639</u>	<u>6,112,002</u>	<u>5,184,058</u>	<u>12,571,371</u>	<u>467,278</u>
<u>1,977,927</u>	<u>3,361,639</u>	<u>6,756,430</u>	<u>5,184,058</u>	<u>12,599,280</u>	<u>1,027,237</u>
<u>6,540,465</u>	<u>8,304,313</u>	<u>10,978,753</u>	<u>9,837,037</u>	<u>16,758,563</u>	<u>5,528,282</u>
3,804,573	3,814,274	3,538,859	3,319,116	3,429,946	3,006,999
3,843,322	4,021,710	4,002,825	3,954,158	4,261,658	3,904,905
410,504	482,892	580,308	541,363	521,150	484,830
1,001,048	997,098	983,070	963,591	562,743	565,152
<u>9,059,447</u>	<u>9,315,974</u>	<u>9,105,062</u>	<u>8,778,228</u>	<u>8,775,497</u>	<u>7,961,886</u>
517,416	54,587	36,750	196,294	129,054	19,051
5,779	51,460	41,927	270,555	198,770	31,962
149,128	1,600	156,103	163,893	326,085	202,918
<u>672,323</u>	<u>107,647</u>	<u>234,780</u>	<u>630,742</u>	<u>653,909</u>	<u>253,931</u>
<u>9,731,770</u>	<u>9,423,621</u>	<u>9,339,842</u>	<u>9,408,970</u>	<u>9,429,406</u>	<u>8,215,817</u>
<u>\$ 16,272,235</u>	<u>\$ 17,727,934</u>	<u>\$ 20,318,595</u>	<u>\$ 19,246,007</u>	<u>\$ 26,187,969</u>	<u>\$ 13,744,099</u>

City of Kent, Ohio

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

	2023	2022	2021	2020
Expenses				
Governmental Activities:				
Security of Persons and Property	\$ 18,438,678	\$ 13,391,453	\$ 13,318,513	\$ 15,015,999
Public Health and Welfare	646,724	656,740	545,850	331,904
Leisure Time Activities	2,271,880	1,519,771	1,627,944	2,192,326
Community Development	2,125,536	1,770,463	1,630,331	2,229,929
Transportation	6,634,607	7,332,450	4,438,405	5,549,194
General Government	4,218,434	3,133,300	2,054,606	3,100,662
Interest and Fiscal Charges	702,792	731,868	746,839	608,812
<i>Total Governmental Activities Expenses</i>	<u>35,038,651</u>	<u>28,536,045</u>	<u>24,362,488</u>	<u>29,028,826</u>
Business-Type Activities				
Water	4,258,171	3,114,962	2,040,232	4,128,576
Sewer	4,153,742	4,394,898	1,757,380	4,479,972
Solid Waste	522,560	364,533	708,198	220,003
Storm Water Drainage	1,289,603	1,106,774	860,286	1,092,907
<i>Total Business-Type Activities Expenses</i>	<u>10,224,076</u>	<u>8,981,167</u>	<u>5,366,096</u>	<u>9,921,458</u>
<i>Total Primary Government Program Expenses</i>	<u>45,262,727</u>	<u>37,517,212</u>	<u>29,728,584</u>	<u>38,950,284</u>
Net (Expense)/Revenue				
Governmental Activities	(26,812,104)	(21,034,564)	(16,936,131)	(21,237,189)
Business-Type Activities	2,240,363	1,367,618	4,578,794	149,448
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>\$ (24,571,741)</u>	<u>\$ (19,666,946)</u>	<u>\$ (12,357,337)</u>	<u>\$ (21,087,741)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property and Other Local Taxes Levied For:				
General Purposes	\$ 2,285,528	\$ 2,262,535	\$ 2,090,690	\$ 1,867,275
Other Purposes	1,678,612	1,612,342	1,677,400	1,537,330
Municipal Income Taxes	20,009,073	19,270,472	17,030,964	14,668,597
Payments in Lieu of Taxes	431,488	437,753	453,750	455,412
Grants and Entitlements not Restricted to				
Specific Programs	2,054,148	1,993,679	1,887,624	1,787,461
Investment Earnings	2,714,455	(2,022,878)	(332,282)	1,071,392
Gain on Sale of Capital Assets	-	-	-	-
Miscellaneous	304,078	414,427	248,448	2,324,906
Transfers	-	-	-	(2,915,772)
<i>Total Governmental Activities</i>	<u>29,477,382</u>	<u>23,968,330</u>	<u>23,056,594</u>	<u>20,796,601</u>
Business-Type Activities				
Investment Earnings	988	470	40	740
Gain on Sale of Capital Assets	576	1,503	67	70
Miscellaneous	16,373	69,679	23,387	547,515
Transfers	-	-	-	2,915,772
<i>Total Business-Type Activities</i>	<u>17,937</u>	<u>71,652</u>	<u>23,494</u>	<u>3,464,097</u>
<i>Total Primary Government</i>	<u>29,495,319</u>	<u>24,039,982</u>	<u>23,080,088</u>	<u>24,260,698</u>
Change in Net Position				
Governmental Activities	2,665,278	2,933,766	6,120,463	(440,588)
Business-Type Activities	2,258,300	1,439,270	4,602,288	3,613,545
<i>Total Primary Government Change in Net Position</i>	<u>\$ 4,923,578</u>	<u>\$ 4,373,036</u>	<u>\$ 10,722,751</u>	<u>\$ 3,172,957</u>

The periods noted above do not reflect amounts restated.

Table 2

2019	2018	2017	2016	2015	2014
\$ 3,901,826	\$ 15,227,583	\$ 13,445,628	\$ 13,327,470	\$ 12,085,275	\$ 11,106,253
550,122	1,048,660	978,817	865,759	751,049	733,837
2,810,759	2,422,995	2,290,693	2,182,450	2,129,354	1,876,396
2,281,042	1,613,437	2,081,122	2,180,658	2,013,840	2,154,400
5,447,601	4,078,837	5,491,314	5,132,998	5,194,392	3,720,312
3,662,564	3,689,377	3,192,464	3,051,990	3,980,966	3,015,330
644,037	627,987	645,096	625,093	599,464	441,711
19,297,951	28,708,876	28,125,134	27,366,418	26,754,340	23,048,239
4,471,050	3,885,404	3,925,238	3,614,125	3,940,584	3,266,800
5,355,091	5,040,532	4,869,479	4,304,016	4,170,412	3,888,272
247,436	339,312	387,087	375,328	354,304	360,163
1,167,401	1,067,187	1,011,067	872,141	927,030	776,836
11,240,978	10,332,435	10,192,871	9,165,610	9,392,330	8,292,071
30,538,929	39,041,311	38,318,005	36,532,028	36,146,670	31,340,310
(12,757,486)	(20,404,563)	(17,146,381)	(17,529,381)	(9,995,777)	(17,519,957)
(1,509,208)	(908,814)	(853,029)	243,360	37,076	(76,254)
\$ (14,266,694)	\$ (21,313,377)	\$ (17,999,410)	\$ (17,286,021)	\$ (9,958,701)	\$ (17,596,211)
\$ 1,879,618	\$ 1,863,809	\$ 1,868,194	\$ 1,827,297	\$ 2,153,989	\$ 1,909,075
1,300,182	1,673,618	1,689,726	1,670,369	1,600,001	1,396,312
17,699,991	16,105,879	16,809,427	15,529,037	16,687,329	15,322,764
457,473	462,329	408,906	368,097	511,990	372,968
1,731,103	1,767,973	1,807,042	1,830,099	1,807,531	1,600,833
1,258,897	574,057	382,400	332,106	288,799	192,313
45,006	4,656	-	-	2,409,100	23,761
531,810	630,269	373,956	299,309	300,254	460,767
-	-	-	-	-	-
24,904,080	23,082,590	23,339,651	21,856,314	25,758,993	21,278,793
4,004	1,711	16	256	14,185	34,289
1,179	6,957	-	11,860	2,192	6,842
99,987	130,885	87,340	74,243	118,447	194,545
-	-	-	-	-	-
105,170	139,553	87,356	86,359	134,824	235,676
25,009,250	23,222,143	23,427,007	21,942,673	25,893,817	21,514,469
12,146,594	2,678,027	6,193,270	4,326,933	15,763,216	3,758,836
(1,404,038)	(769,261)	(765,673)	329,719	171,900	159,422
\$ 10,742,556	\$ 1,908,766	\$ 5,427,597	\$ 4,656,652	\$ 15,935,116	\$ 3,918,258

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>
2023	\$20,009,073	\$3,964,140	\$23,973,213
2022	19,270,472	3,874,877	23,145,349
2021	17,030,964	3,768,090	20,799,054
2020	14,668,597	3,404,605	18,073,202
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



City of Kent, Ohio

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

	2023	2022	2021	2020
General Fund				
Nonspendable	\$1,687,970	\$1,687,000	\$1,690,050	\$1,789,222
Committed	2,506,668	2,481,128	2,455,618	2,430,078
Assigned	4,170,071	993,598	822,715	321,464
Unassigned	10,342,471	11,596,225	12,048,659	11,385,486
Total General Fund	18,707,180	16,757,951	17,017,042	15,926,250
All Other Governmental Funds				
Nonspendable	608,275	522,304	615,464	629,018
Restricted	15,070,266	20,414,510	12,904,814	13,862,238
Committed	12,655,180	9,097,322	18,072,897	8,171,990
Unassigned (Deficit)	-	-	-	-
Total All Other Governmental Funds	28,333,721	30,034,136	31,593,175	22,663,246
Total Governmental Funds	<u>\$47,040,901</u>	<u>\$46,792,087</u>	<u>\$48,610,217</u>	<u>\$38,589,496</u>

Table 4

2019	2018	2017	2016	2015	2014
\$1,948,042	\$1,970,156	\$1,947,979	\$3,148,164	\$3,604,995	\$4,960,977
2,404,538	2,378,998	2,353,458	2,327,888	2,302,348	2,276,808
350,129	409,893	210,972	309,949	221,857	294,510
10,043,689	9,591,109	10,267,779	9,587,507	9,797,755	5,438,123
14,746,398	14,350,156	14,780,188	15,373,508	15,926,955	12,970,418
822,988	565,959	444,358	445,052	455,723	4,595,363
8,288,119	7,750,320	7,852,656	14,657,131	15,661,713	11,491,915
6,671,911	5,648,964	4,390,114	4,276,398	2,921,531	2,578,713
(1,625,579)	(2,649,832)	(2,471,506)	(1,018,500)	(892,659)	(949,135)
14,157,439	11,315,411	10,215,622	18,360,081	18,146,308	17,716,856
<u>\$28,903,837</u>	<u>\$25,665,567</u>	<u>\$24,995,810</u>	<u>\$33,733,589</u>	<u>\$34,073,263</u>	<u>\$30,687,274</u>

City of Kent, Ohio

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

	2023	2022	2021	2020
Revenues				
Taxes:				
Property and Other Local Taxes	\$3,853,280	\$3,836,815	\$3,652,083	\$3,421,406
Municipal Income Taxes	19,408,191	19,237,177	17,220,734	16,163,567
Payments in Lieu of Taxes	431,488	437,753	453,750	455,412
Charges for Services	2,675,917	2,530,945	2,534,616	2,151,950
Fees, Licenses and Permits	359,127	261,634	316,819	249,933
Fines and Forfeitures	254,285	332,535	342,197	243,556
Intergovernmental	6,462,300	6,411,799	6,157,147	6,704,116
Contributions and Donations	9,000	10,000	13,080	8,746
Special Assessments	123,840	58,518	104,115	161,428
Interest	2,706,067	(2,032,212)	(342,055)	1,061,129
Miscellaneous	304,078	375,026	251,557	2,327,080
<i>Total Revenues</i>	<u>36,587,573</u>	<u>31,459,990</u>	<u>30,704,043</u>	<u>32,948,323</u>
Expenditures				
Current:				
Security of Persons and Property	14,958,917	14,112,313	13,548,266	13,195,951
Public Health and Welfare	646,724	656,740	545,850	331,904
Leisure Time Activities	1,963,782	1,620,615	1,967,310	1,796,556
Community Development	1,999,831	2,022,795	2,100,231	2,100,578
Transportation	4,100,174	5,198,370	2,518,499	3,336,111
General Government	4,040,551	3,865,539	2,996,545	2,794,399
Capital Outlay	6,947,028	4,218,527	4,736,908	1,743,088
Debt Service:				
Principal Retirement	992,294	967,294	1,081,548	432,892
Interest and Fiscal Charges	762,139	783,076	570,615	589,102
Bond Issuance Costs	-	-	209,505	58,984
<i>Total Expenditures</i>	<u>36,411,440</u>	<u>33,445,269</u>	<u>30,275,277</u>	<u>26,379,565</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>176,133</u>	<u>(1,985,279)</u>	<u>428,766</u>	<u>6,568,758</u>

Table 5

2019	2018	2017	2016	2015	2014
\$3,541,655	\$3,537,347	\$3,554,524	\$3,754,936	\$3,477,279	\$3,430,049
16,626,196	16,173,757	16,425,784	15,746,639	16,522,458	14,947,349
457,473	462,329	408,906	368,097	511,990	372,968
2,798,620	2,979,199	2,542,446	2,524,653	2,235,836	2,117,668
66,890	558,636	424,912	383,602	598,196	423,085
324,928	294,039	340,127	290,389	270,676	215,851
4,650,973	6,173,038	9,881,732	8,112,873	3,160,870	3,763,838
384,325	725	-	-	12,246,493	-
264,583	172,429	221,523	149,785	134,333	166,455
1,248,546	562,586	368,217	317,069	270,211	173,655
538,832	385,469	368,970	667,978	380,239	509,397
<u>30,903,021</u>	<u>31,299,554</u>	<u>34,537,141</u>	<u>32,316,021</u>	<u>39,808,581</u>	<u>26,120,315</u>
12,901,180	12,278,699	11,841,104	11,412,483	11,349,702	10,723,832
542,738	946,620	875,813	827,419	741,845	719,149
1,998,691	2,076,417	1,795,084	1,844,700	1,683,258	1,617,012
1,924,919	1,488,843	1,937,742	2,128,439	1,734,365	2,144,934
3,436,315	2,243,882	3,495,634	3,155,370	3,160,843	2,112,695
3,058,200	3,060,763	2,864,129	2,793,395	3,061,925	2,831,873
2,893,844	7,825,913	18,544,516	8,966,215	17,107,260	3,835,844
437,474	431,933	1,328,405	881,904	354,991	29,947
657,067	648,697	644,470	654,654	490,638	357,801
29,931	29,023	30,519	17,518	120,195	114,419
<u>27,880,359</u>	<u>31,030,790</u>	<u>43,357,416</u>	<u>32,682,097</u>	<u>39,805,022</u>	<u>24,487,506</u>
<u>3,022,662</u>	<u>268,764</u>	<u>(8,820,275)</u>	<u>(366,076)</u>	<u>3,559</u>	<u>1,632,809</u>

City of Kent, Ohio

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

	2023	2022	2021	2020
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	59,689	71,453	2,402	33,996
General Obligation Bonds Issued	-	-	9,130,000	3,075,000
Premium on Debt Issued	-	-	459,553	-
Loan Proceeds	12,992	95,696	-	7,905
Transfers In	7,000,000	5,060,000	4,959,310	5,865,968
Transfers Out	(7,000,000)	(5,060,000)	(4,959,310)	(5,865,968)
<i>Total Other Financing Sources (Uses)</i>	<u>72,681</u>	<u>167,149</u>	<u>9,591,955</u>	<u>3,116,901</u>
<i>Net Change in Fund Balances</i>	<u><u>\$248,814</u></u>	<u><u>(\$1,818,130)</u></u>	<u><u>\$10,020,721</u></u>	<u><u>\$9,685,659</u></u>
 Debt Service as a Percentage of Noncapital Expenditures	 5.95%	 5.99%	 6.47%	 4.15%

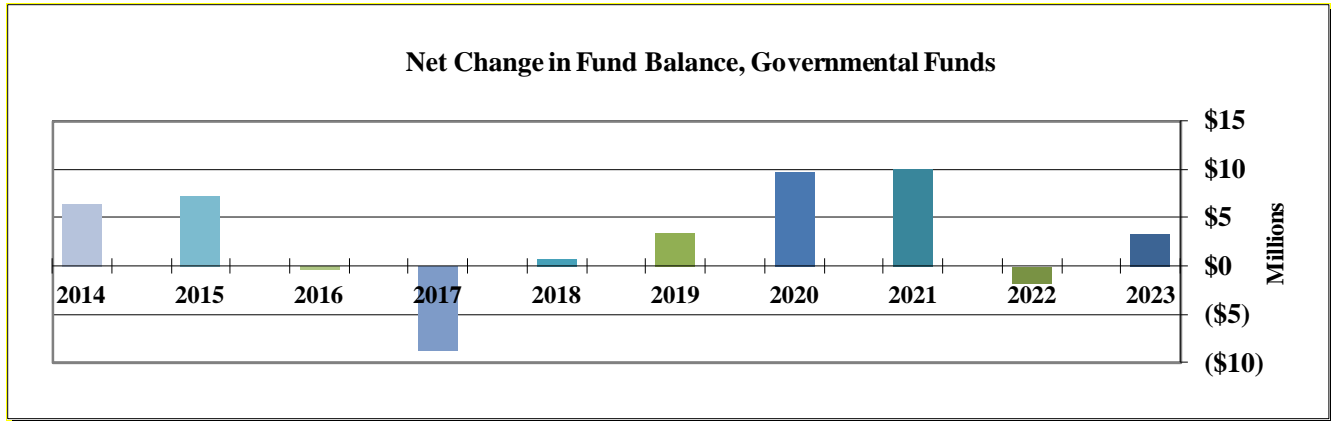


Table 5

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
52,196	62,067	9,454	26,402	2,409,100	23,761
-	-	-	-	4,465,000	4,535,000
-	-	-	-	533,826	413,452
342,409	338,926	73,042	-	1,171	42,863
5,401,943	5,575,348	6,180,248	5,557,992	5,831,822	3,259,948
<u>(5,401,943)</u>	<u>(5,575,348)</u>	<u>(6,180,248)</u>	<u>(5,557,992)</u>	<u>(5,991,822)</u>	<u>(3,419,948)</u>
<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>\$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>
4.38%	4.66%	7.95%	6.48%	2.42%	1.88%

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>
2023	\$19,408,191	\$3,853,280	\$23,261,471
2022	19,237,177	3,836,815	23,073,992
2021	17,220,734	3,652,083	20,872,817
2020	16,163,567	3,421,406	19,584,973
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

City of Kent, Ohio

Income Tax Revenue Base and Collections (Cash Basis)

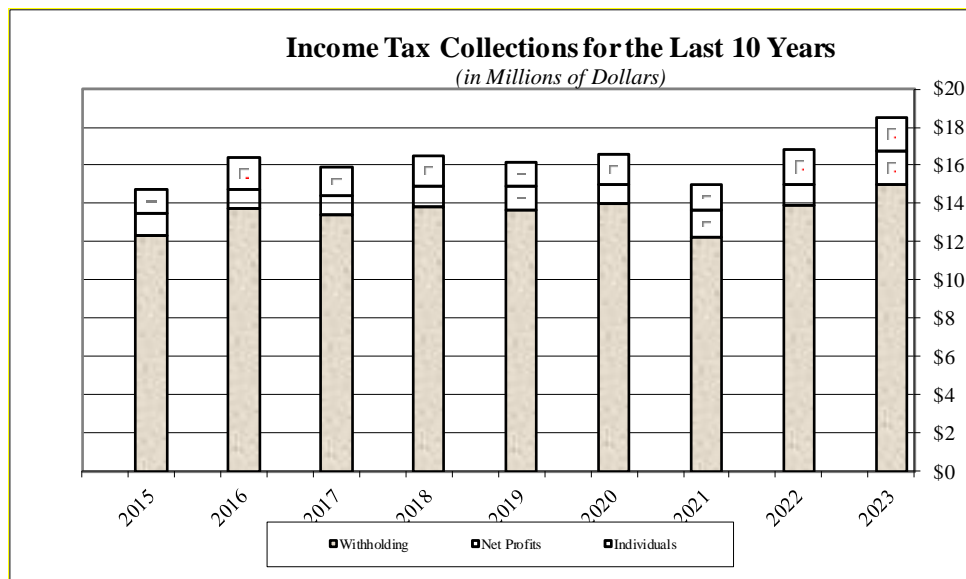
Last Ten Years

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
2023	2.25%	\$19,134,925	\$15,431,385	80.64%	\$1,723,011	9.00%	\$1,980,529	10.35%
2022	2.25	18,529,061	15,019,852	81.05	1,737,401	9.38	1,771,809	9.56
2021	2.25	16,796,137	13,927,209	82.91	1,107,309	6.59	1,761,619	10.49
2020	2.25	15,004,603	12,268,993	81.76	1,421,898	9.48	1,313,712	8.76
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

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

2023

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	Klaben Ford Lincoln Mercury
8	Ametek Technical & Industrial
9	Mac Trailer
10	Davey Resouce Group

2014

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

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	
2022/2023	\$ 4.76	\$ 0.73	\$ 3.45	\$ 0.30	\$ 0.30	\$ 9.54	\$ 14.12	\$ 109.51	\$ 133.17
2021/2022	4.76	0.73	3.45	0.30	0.30	9.54	14.12	109.61	133.27
2020/2021	4.76	0.73	3.45	0.30	0.30	9.54	13.62	110.33	133.49
2019/2020	4.76	0.73	3.45	0.30	0.30	9.54	13.62	110.41	133.57
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

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
2023	\$ 304,472,540	\$ 172,643,890	\$ 1,363,189,800	\$ 9,814,200	\$ 14,648,060
2022	304,822,010	157,482,910	1,320,871,200	9,540,540	14,239,612
2021	258,135,840	154,358,040	1,178,553,943	8,715,770	13,008,612
2020	256,854,650	154,667,980	1,175,778,943	8,107,250	12,100,373
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

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.

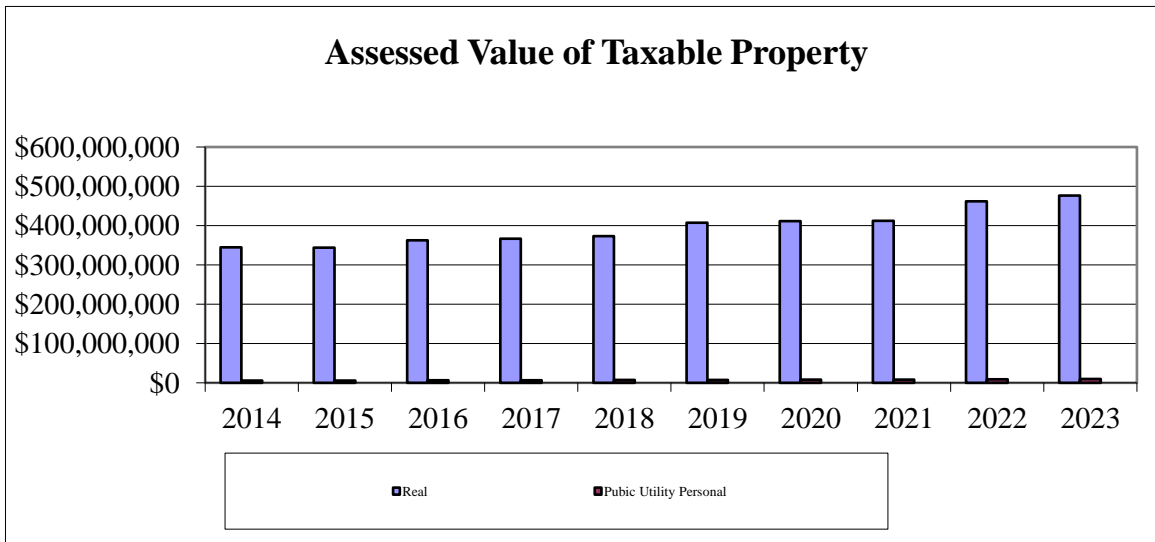
The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by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

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

- (1) Other than public utility property
- (2) Real and tangible personal public utility property
- (3) This amount is calculated based on the following percentages:
 - Real property is assessed at 35% of actual value

Table 10

Assessed Value	Total Estimated Actual Value	Ratio	Direct Tax Rate
\$ 486,930,630	\$ 1,377,837,860	35.34%	9.54%
471,845,460	1,335,110,812	35.34	9.54
421,209,650	1,191,562,555	35.35	9.54
419,629,880	1,187,879,316	35.33	9.54
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



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>
2023	\$ 3,906,581	\$ 3,746,836	95.91%	\$ 69,577	\$ 3,816,413	97.69%	\$ 333,223
2022	3,862,497	3,751,015	97.11	86,174	3,837,189	99.34	231,746
2021	3,618,580	3,548,124	98.05	68,005	3,616,129	99.93	167,506
2020	3,497,333	3,416,480	97.69	81,267	3,497,747	100.01	134,330
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

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

2023 and 2014

Table 12

2023		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Province Kent OH LLC	\$14,218,650	2.92 %
ACC OP (University Edge Kent) LLC	10,188,330	2.09
Presbyterian Church (Latitude Apart)	9,987,740	2.05
CDC-Kent LLC	7,290,640	1.50
Mikey Ryan LLC	4,888,030	1.00
DSMP-Kent LLC	4,282,360	0.88
Genesis Kent LLC	3,979,780	0.82
Douglas Partners LLC	3,888,850	0.80
Franklin Crossing OH LP	3,846,260	0.79
Kent Sate Foundation (KSU Hotel)	2,829,650	0.58
Total	\$65,400,290	13.43 %
Total Assessed Valuation	\$486,930,630	
2014		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Province Kent OH LLC	\$8,304,030	2.37 %
ACC OP (University Edge Kent) LLC	6,017,830	1.71
Whitehall Associates, Inc.	3,478,830	0.99
CDC-Kent LLC	3,417,030	0.97
Mikey Ryan LLC	2,901,920	0.83
Portage Area Regional Transit Authority	2,642,680	0.75
Douglas Partners	2,585,660	0.74
Silver Meadows Ltd.	2,452,980	0.70
DSMP-Kent LLC	2,375,140	0.68
New Indian Valley Ltd/	1,810,870	0.52
Total	\$35,986,970	10.26 %
Total Assessed Valuation	\$351,074,180	

Source: Portage County, Ohio; County Treasurer

(1) The amounts presented represent the assessed values upon which 2022 and 2013 collections were based.

City of Kent, Ohio

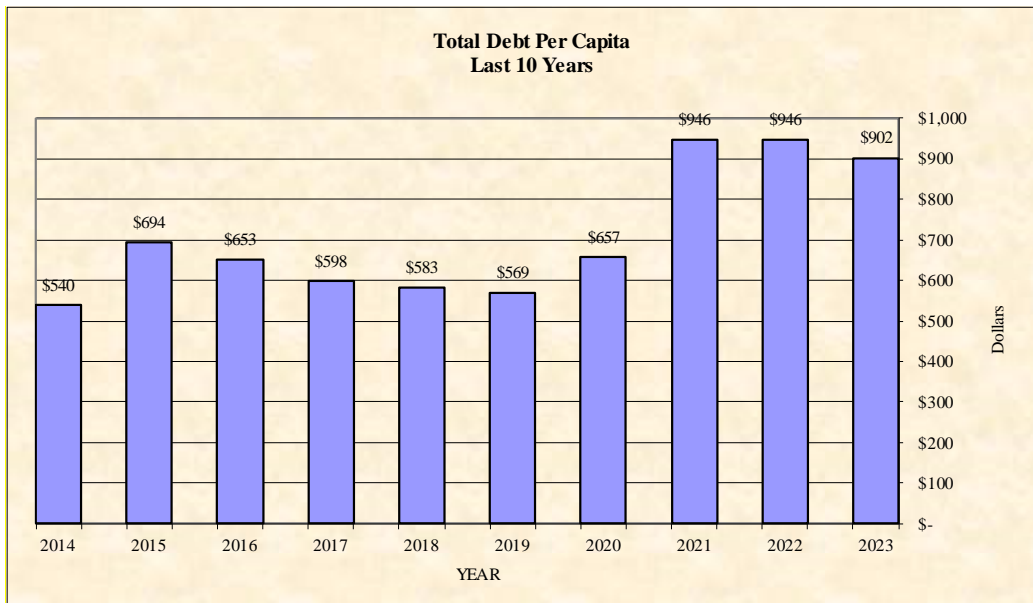
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita

Last Ten Years

Table 13

Year	Governmental Activities			Business-Type Activities			Total Debt	Per Capita
	General Obligation Bonds	OPWC Loans	Loans Payable	General Obligation Bonds	OPWC Loans	OWDA Loans		
2023	\$ 23,145,147	\$ 421,960	\$ -	\$ 50,000	\$ 306,486	\$ 2,159,407	\$ 26,083,000	\$ 902
2022	24,134,296	471,262	-	100,000	199,791	2,441,937	27,347,286	946
2021	25,098,384	437,860	-	150,000	222,357	1,438,038	27,346,639	946
2020	16,230,899	839,408	-	200,000	244,923	1,473,654	18,988,884	657
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

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>
2023	28,215 a	\$1,377,837,860	\$23,195,147	(\$402,007)	\$22,793,140	1.65 %	\$807.84
2022	28,215 a	1,335,110,812	24,234,296	(402,007)	23,832,289	1.79	844.67
2021	28,215 a	1,191,562,555	25,098,384	(402,007)	24,696,377	2.07	875.29
2020	28,904 b	1,187,879,316	16,230,899	(402,007)	15,828,892	1.33	547.64
2019	28,904 b	1,175,914,766	13,597,907	(378,005)	13,219,902	1.12	457.37
2018	28,904 b	1,078,632,433	14,029,975	(301,014)	13,728,961	1.27	474.98
2017	28,904 b	1,060,130,052	14,452,043	(267,832)	14,184,211	1.34	490.74
2016	28,904 b	1,047,670,206	14,869,111	(225,860)	14,643,251	1.40	506.62
2015	28,904 b	993,156,689	15,281,179	(219,717)	15,061,462	1.52	521.09
2014	28,904 b	994,662,965	10,549,847	(201,441)	10,348,406	1.04	358.03

Sources:

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

(a) 2020 Federal Census

(b) 2010 Federal Census

(2) Portage County, Ohio; County Auditor

(3) Includes all long-term general obligation bonded debt for Governmental and Business Activities

City of Kent, Ohio

Legal Debt Margin

Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total Assessed Property Value	<u>\$486,930,630</u>	<u>\$471,845,460</u>	<u>\$421,209,650</u>	<u>\$419,629,880</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>\$ 51,127,716</u>	<u>\$ 49,543,773</u>	<u>\$ 44,227,013</u>	<u>\$ 44,061,137</u>
Debt Outstanding:				
General Obligation Bonds - Governmental Activities	22,020,000	22,950,000	23,855,000	15,405,000
General Obligation Bonds - Business Type Activities	50,000	100,000	150,000	200,000
Bond Anticipation Notes - Governmental Activities	0	0	0	0
Bond Anticipation Notes - Business Type Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Gross Indebtedness	22,070,000	23,050,000	24,005,000	15,605,000
Less:				
General Obligation Bonds - Business Type Activities	(50,000)	(100,000)	(150,000)	(200,000)
Bonds payable from Municipal Income Taxes	(8,320,000)	(8,805,000)	(9,270,000)	(9,735,000)
Bonds payable from Payments in Lieu of Taxes	(5,020,000)	(5,240,000)	(4,504,974)	(2,867,771)
Bond Anticipation Notes - Business Type Activities	-	-	-	-
General Obligation Bond Retirement Fund Balance	<u>402,007</u>	<u>402,007</u>	<u>402,007</u>	<u>402,007</u>
Total Net Debt Applicable to Debt Limit	<u>9,082,007</u>	<u>9,307,007</u>	<u>10,482,033</u>	<u>3,204,236</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$42,045,709</u>	<u>\$40,236,766</u>	<u>\$33,744,980</u>	<u>\$40,856,901</u>
Legal Debt Margin as a Percentage of the Debt Limit	82.24%	81.21%	76.30%	92.73%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$26,781,185</u>	<u>\$25,951,500</u>	<u>\$23,166,531</u>	<u>\$23,079,643</u>
Total Gross Indebtedness	22,070,000	23,050,000	24,005,000	15,605,000
Less:				
General Obligation Bonds - Business Type Activities	(50,000)	(100,000)	(150,000)	(200,000)
Bond Anticipation Notes - Business Type Activities	-	-	-	-
General Obligation Bond Retirement Fund Balance	<u>402,007</u>	<u>402,007</u>	<u>402,007</u>	<u>402,007</u>
Net Debt Within 5 ½ % Limitations	<u>9,082,007</u>	<u>9,307,007</u>	<u>10,482,033</u>	<u>3,204,236</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$17,699,178</u>	<u>\$16,644,493</u>	<u>\$12,684,498</u>	<u>\$19,875,407</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	66.09%	64.14%	54.75%	86.12%

Source: City Financial Records

Table 15

2019	2018	2017	2016	2015	2014
<u>\$415,186,660</u>	<u>\$381,013,970</u>	<u>\$374,409,750</u>	<u>\$369,797,260</u>	<u>\$350,645,400</u>	<u>\$351,074,180</u>
\$ 43,594,599	\$ 40,006,467	\$ 39,313,024	\$ 38,828,712	\$ 36,817,767	\$ 36,862,789
13,597,907	14,029,975	14,452,043	14,869,111	15,281,179	10,549,847
-	-	-	-	-	-
3,667,040	4,860,743	5,651,472	2,591,901	3,057,726	4,174,422
256,542	317,047	377,100	437,007	497,011	557,401
17,521,489	19,207,765	20,480,615	17,898,019	18,835,916	15,281,670
-	-	-	-	-	-
(8,636,019)	(8,933,910)	(9,226,801)	(9,514,692)	(9,802,583)	(4,947,074)
(3,941,888)	(4,021,065)	(4,095,242)	(4,169,419)	(4,238,596)	(4,307,773)
(256,542)	(317,047)	(377,100)	(437,007)	(497,011)	(557,401)
297,727	170,254	(124,586)	(410,682)	(678,698)	(949,135)
4,984,767	6,105,997	6,656,886	3,366,219	3,619,028	4,520,287
<u>\$38,609,832</u>	<u>\$33,900,470</u>	<u>\$32,656,138</u>	<u>\$35,462,493</u>	<u>\$33,198,739</u>	<u>\$32,342,502</u>
88.57%	84.74%	83.07%	91.33%	90.17%	87.74%
<u>\$22,835,266</u>	<u>\$20,955,768</u>	<u>\$20,592,536</u>	<u>\$20,338,849</u>	<u>\$19,285,497</u>	<u>\$19,309,080</u>
17,521,489	19,207,765	20,480,615	17,898,019	18,835,916	15,281,670
-	-	-	-	-	-
(256,542)	(317,047)	(377,100)	(437,007)	(497,011)	(557,401)
297,727	170,254	(124,586)	(410,682)	(678,698)	(949,135)
4,984,767	6,105,997	6,656,886	3,366,219	3,619,028	4,520,287
<u>\$17,850,499</u>	<u>\$14,849,771</u>	<u>\$13,935,650</u>	<u>\$16,972,630</u>	<u>\$15,666,469</u>	<u>\$14,788,793</u>
78.17%	70.86%	67.67%	83.45%	81.23%	76.59%

City of Kent, Ohio

Computation of Direct and Overlapping General Obligation Bonded Debt

December 31, 2023

Table 16

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Kent			
General Obligation Bonds	\$23,145,147	100.00 %	\$23,145,147
OPWC Loans	421,960	100.00	421,960
<i>Total Direct Debt</i>	<u>\$23,567,107</u>		<u>\$23,567,107</u>
Overlapping			
Kent City School District (2) (4)			
General Obligation Bonds	27,970,000	68.63	19,195,811
Portage County (3)			
General Obligation Bonds	7,200,549	10.65	766,858
<i>Total Overlapping Debt</i>	<u>35,170,549</u>		<u>19,962,669</u>
Total	<u><u>\$58,737,656</u></u>		<u><u>\$43,529,776</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

(4) Latest information available as of June 30, 2022.

City of Kent, Ohio

Demographic and Economic Statistics

Last Ten Years

Table 17

<u>Year</u>	<u>Population (1)</u>		<u>Total Personal Income (4)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>School Enrollment (2)</u>	<u>Portage County Unemployment Rate (3)</u>	<u>City of Kent Unemployment Rate (3)</u>
2023	28,215	a	\$606,199,275	\$21,485	\$32,993	3,043	2.4%	2.8%
2022	28,215	a	606,199,275	21,485	32,993	3,253	2.4%	3.1%
2021	28,215	a	606,199,275	21,485	32,993	3,253	3.2%	2.9%
2020	28,904	b	552,066,400	19,100	26,696	3,253	4.1%	3.9%
2019	28,904	b	552,066,400	19,100	26,696	3,228	4.8%	3.5%
2018	28,904	b	552,066,400	19,100	26,696	3,228	4.8%	4.1%
2017	28,904	b	552,066,400	19,100	26,696	3,225	4.7%	3.8%
2016	28,904	b	552,066,400	19,100	26,696	3,244	5.0%	4.3%
2015	28,904	b	552,066,400	19,100	26,696	3,713	4.9%	4.2%
2014	28,904	b	552,066,400	19,100	26,696	3,314	4.8%	4.2%
2013	28,904	b	552,066,400	19,100	26,696	3,297	6.6%	5.2%

(1) Source: U. S. Census

(a) 2020 Federal Census

(b) 2010 Federal Census

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

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

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

City of Kent, Ohio

Principal Employers

Current and Nine Years Ago

Table 18

2023		
Employer	Percentage of City's Withholding	Percentage of Total City W-2's processed
Kent State University	36.31%	
Kent City Board of Education	4.60%	
Davey Tree Expert Co, Inc	4.53%	
City of Kent	2.65%	
Smithers-Oasis Company	1.79%	
Land-O-Lakes	1.67%	
Klaben Ford Lincoln Mercury	1.57%	
Ametek Technical & Industrial	1.49%	
Mac Trailer	1.28%	
Davey Resouce Group	1.07%	
Total	<u>\$ 8,788,115</u>	<u>56.95%</u>
Total City's Withholdings	<u>\$ 15,431,385</u>	
2014		
Employer	Percentage of City's Withholding	Percentage of Total City W-2's processed
Kent State University	45.25%	
Kent City Schools	5.49%	
Davey Tree	4.09%	
City of Kent	2.60%	
Land O Lakes	1.89%	
Smithers Oasis	1.35%	
Klaben Ford Lincoln Mercury	1.18%	
Ametek Inc	0.94%	
Ametek Technical & Industrial	0.87%	
Mac Trailer Enterprises	0.86%	
Total	<u>\$ 6,528,691</u>	<u>64.53%</u>
Total W-2's Processed	<u>10,117,963</u>	

Source: City of Kent Department of Budget & Finance - Income Tax Division

City of Kent, Ohio

City Government Employees by Function/Program

Last Ten Years

Table 19

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government										
City Council										
Councilmember (Part-Time)	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 (Part-Time)	1	1	1	1	1	1	1	1	1	1
City Manager										
City Manager	1	1	1	1	1	1	1	1	1	1
Assistant to the 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	1	1	1	1	0	0
IT Technician	1	0	0	0	0	0	0	0	0	0
Civil Service										
Civil Service Commissioner	0	0	0	0	0	0	0	0	0	0
Civil Service Coordinator (Part-Time)	1	1	1	1	1	1	1	1	1	1
Civil Service Coordinator (Full-Time)	0	0	0	0	0	0	0	0	0	0
Law										
Director of Law	1	1	1	1	1	1	1	1	1	1
Assistant Law Director/Prosecutor (Part-Time)	1	1	1	1	1	1	1	1	1	1
Assistant Law Director (Part-Time)	1	1	1	1	1	1	1	1	1	1
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	0	0	0	0	1	1	1	1	1	1
Collections Coordinator	1	1	1	1	0	0	0	0	0	0
Payroll Administrator	1	1	1	1	1	1	1	1	1	1
Account Clerk	4	4	4	4	5	4	4	4	4	4
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

City of Kent, Ohio

City Government Employees by Function/Program (continued)

Last Ten Years

Table 19

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
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	3	3	3
Senior Engineer (Part-time)	0	0	0	0	0	0	0	0	0	0
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	1	1	1
Clerk-Dispatcher	11	11	11	11	11	9	9	9	9	9
Clerk-Dispatcher (Part-time)	0	0	0	0	0	3	3	3	3	3
Records Clerk	1	1	1	1	1	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	2	2	2	2	1
Detention Officer (Part-Time)	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
Firefighter - Paid on Call (Part-Time)	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										

City of Kent, Ohio

City Government Employees by Function/Program (continued)

Last Ten Years

Table 19

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Central Maintenance										
Utilities Manager	1	1	1	1	1	1	1	1	1	1
Facilities Manager	1	1	1	1	1	1	1	1	1	1
Assignment Supervisor	0	0	0	0	0	0	0	1	0	0
Chief Operator	3	3	3	3	3	3	3	3	3	3
Repair Operator	4	4	4	4	3	3	3	3	3	3
Service Technician/Gardener	1	1	1	1	1	1	1	1	1	1
Service Worker	7	7	7	7	8	8	8	8	8	9
Carpenter	1	1	1	1	1	1	1	1	1	1
Equipment Technician	1	1	1	1	1	0	0	0	0	0
Laborers	4	4	4	4	4	4	4	4	5	4
Account Clerk	1	1	1	1	1	1	1	1	0	0
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										
Water Treatment Plant Manager	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	6	6	5	5	5	5	5	5	5	5
Laborer (General Maintenance)	0	0	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	1	1
Lab Technician	1	1	1	1	1	1	1	1	1	1
Environmental Technician	1	1	1	1	1	1	1	1	1	1
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
Chief Sanitarian	1	1	1	1	1	1	1	1	1	1
Accreditation Coordinator (Full-Time)	1	1	1	1	1	1	0	0	0	0
Accreditation Coordinator (Part-Time)	0	0	0	0	0	0	1	1	1	0
Public Health Sanitarian	2	2	2	2	2	2	2	2	2	2
Administrative Assistant to										
Health Commissioner	1	1	1	1	1	1	1	1	1	1
Secretary (Full-time)	1	1	1	1	1	1	1	1	1	0

City of Kent, Ohio

City Government Employees by Function/Program (continued)

Last Ten Years

Table 19

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Leisure Time Activities										
Parks and Recreation										
Director - Parks and Recreation	1	1	1	1	1	1	1	1	1	1
Supervisor - Recreation	0	0	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	3	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
Marketing & Special Events Coordinator	1	1	0	0	0	0	0	0	0	0
Sports Activities Coordinator	1	1	0	0	0	0	0	0	0	0
Part-time and Seasonal	*	*	45	45	45	45	45	45	45	45
KABC Coordinator (Part-Time)	*	*	5	5	5	5	5	5	5	5
K-6 Child Care (Part-Time)	*	*	16	16	16	16	16	16	16	16
*All part-time Parks& Recreation, KABC, and K-6 Child Care positions allocated not to exceed \$210,000.00 in gross wages for 2022.										
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	8	8	8	8	5
Code Enforcement Officer	2	2	2	2	2	2	1	1	1	1
Construction Clerk	1	1	1	1	1	1	1	1	1	1
Main Street Program										
Economic Development Director	1	1	1	1	1	1	1	1	1	1
Totals All Departments	<u>236</u>	<u>233</u>	<u>298</u>	<u>298</u>	<u>299</u>	<u>297</u>	<u>296</u>	<u>297</u>	<u>296</u>	<u>290</u>
Full-Time	204	203	202	202	202	198	196	197	195	193
Part-Time	35	30	96	96	96	99	100	100	101	97

City of Kent, Ohio

Capital Assets Statistics by Function/Program

Last Ten Years

Table 20

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government										
Number of Buildings	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	1.5
Administrative Vehicles	4	5	6	6	6	4	4	4	4	4
Police										
Stations	1	1	2	2	2	2	2	1	1	1
Vehicles	29	27	27	27	27	28	28	28	27	25
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Vehicles	18	17	14	14	14	14	15	15	13	14
Recreation										
Number of Buildings	10	10	10	10	10	10	10	10	10	10
Number of Parks	24	24	24	24	24	24	24	24	24	24
Park Acreage	380	380	380	380	380	380	380	380	373	367
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	12	11	11	11
Transportation										
Number of Buildings	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.75
Salt Dome	1	1	1	1	1	1	1	1	1	1
Streets (Center Lane Miles)	90	90	90	90	90	90	90	90	90	90.00
Service Vehicles	48	51	48	47	48	47	55	54	53	52
Public Health and Welfare										
Number of Buildings	0	0	0	0	0	0	0	0	0	0.50
Service Vehicles	6	6	6	6	6	6	8	6	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	2	2	2
Water										
Treatment Plant	1	1	1	1	1	1	1	1	1	1
Water Lines (Linear Feet)	580,800	580,800	580,800	580,800	570,240	570,240	374,437	374,437	374,437	374,437
Vehicles	6	6	6	6	6	6	7	6	7	7
Sewer										
Treatment Plant	1	1	1	1	1	1	1	1	1	1
Sanitary Sewers (Linear Feet)	424,820	424,820	424,820	424,820	424,820	424,820	334,132	334,132	334,132	334,132
Vehicles	7	8	7	7	7	7	7	7	9	7
Storm Water Drainage										
Storm Sewers (Linear Feet)	386,518	386,518	386,518	386,518	386,518	386,518	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

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
City Council and Clerk of Council										
Number of Ordinances/Resolutions Passed	105	139	140	132	142	149	162	113	174	178
Number of Passports Accepted	256	183	108	59	210	159	108	216	226	329
Civil Service										
City of Kent:										
Entry Level Examinations	6	8	7	4	5	7	9	2	10	6
Promotional Examinations	3	0	1	3	2	3	0	1	5	0
Kent City School District:										
Entry Level Examinations	0	0	0	4	1	0	3	2	3	1
Promotional Examinations	0	0	0	0	0	0	0	0	0	0
Budget and Finance Department										
Number of checks/vouchers issued	4,434	4,256	4,532	4,799	5,087	5,265	5,369	5,445	5,293	5,392
Number of W-2's issued	296	283	280	280	286	286	290	292	279	289
Budget and Finance Department - Utility Billing										
Number of Bills Mailed	97,813	98,529	98,052	98,083	97,324	96,099	95,653	95,595	95,273	95,273
Number of Delinquent Notices Sent			0	0	0	0	0	0	0	0
* as of 2011 no longer sent out										
Building Department Indicators										
Construction Permits Issued	181	188	213	169	129	162	158	157	163	150
Estimated Value of Construction	\$46,972,668	\$26,344,769	\$38,179,484	\$22,913,056	\$43,407	\$36,601,120	\$15,400,116	\$22,334,047	\$28,759,761	\$11,701,280
Number of permits issued	1020	1195	1534	1077	1011	965	835	919	971	862
Amount of Revenue generated from permits	\$311,420	\$232,711	\$317,322	\$286,767	\$157,993	\$560,176	\$195,595	\$175,598	\$673,928	\$285,587
Number of contract registrations issued	576	560	552	483	549	508	452	465	399	299
Revenue generated from above	\$38,050	\$37,350	\$37,400	\$32,100	\$36,150	\$35,196	\$30,300	\$30,200	\$27,050	\$15,000
Number of Planning Commission Docket Items	6	18	17	15	15	13	16	22	23	13
Zoning Board of Appeals Docket Items	18	16	27	25	19	17	19	27	14	21

City of Kent, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 21

Function/Program		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Public Services Department - Engineering											
	Unit										
Total Number of Projects	EA	41	44	29	37	35	37	37	40	33	30
Total Dollars All Projects	\$	\$10,309,956	\$7,162,962	\$5,508,194	\$4,839,534	\$5,258,286	\$8,132,540	\$18,442,392	\$9,241,958	\$4,788,282	\$5,459,997
Total Professional Services Support	\$	\$1,355,245	\$1,175,107	\$879,076	\$1,104,511	\$871,068	\$1,299,092	\$1,174,163	\$1,277,004	\$1,142,122	\$1,232,942
Total Division Operating	\$	\$34,105	\$55,178	\$26,982	\$27,642	\$33,926	\$35,346	\$33,769	\$30,804	\$47,045	\$45,409
Private Inspection Request		164	320	214	286	285	290	412	399	425	210
Public Services Department - Central Maintenance											
	Unit										
Street Repair (Curbs, aprons, berms, asphalt)	Hr.s	5,215	4,574	3,574	5,000	5,483	7,328	8,575	4,611	5,927	3,513
Paint Striping	Hr.s	987	421	832	687	1,018	564	0	1,031	772	120
Street Sweeper	Hr.s	1,616	1,394	1,763	1,364	1,624	1,835	1,579	1,170	1,002	352
Cold Patch	Hr.s	728	750	745	731	686	833	1,613	513	692	1,492
Snow & Ice Removal regular	Hr.s	1,189	2,757	1,864	1,128	2,005	1,300	862	1,581	1,971	1,585
Snow & Ice Removal overtime	Hr.s	1,234	3,359	2,003	2,478	3,148	1,571	1,375	1,040	1,100	1,838
Sewer and Sanitary calls for service	Ea	33	19	23	17	7	10	5	9	27	26
After hours Sewer Calls	Hr.s	11	2	6	5	8	4	72	49	66	42
Sewer Crew	Hr.s	3,521	2,431	1,784	2,978	1,701	1,637	2,772	3,046	3,071	2,186
Sewer jet, Vac-all, other services	Hr.s	513	564	404	330	410	324	1,729	1,249	1,350	1,344
Water Distribution Maintenance	Hr.s	7,915	7,525	6,847	7,957	8,513	8,765	8,718	8,820	8,092	8,045
Number of Water Breaks	Ea	21	47	19	24	34	17	8	14	13	29
Water Meter Reading	Hr.s	192	192	192	192	192	192	192	192	510	456
Landscaping, Tree Maint.(Stump-Chipper service)	Hr.s	6,171	3,959	3,796	4,168	4,547	3,932	2,743	2,322	2,394	1,788
Leaf collection	Hr.s	1,897	2,210	3,271	3,100	1,624	2,221	1,422	1,365	1,957	2,046
Holiday lights setup	Hr.s	677	424	467	182	366	360	324	292	265	289
Downtown Square events	Hr.s	376	378	288	304	386	531	520	517	409	517
Equipment repair	Hr.s	7,114	6,902	6,702	6,345	7,099	7,367	7,147	7,962	8,562	7,754
Sign department	Hr.s	1,553	1,421	1,386	1,278	2,080	2,264	1,878	2,208	1,671	1,041
Number of Trees Planted per year	Ea	54	66	62	37	363	685	54	58	65	90
Gallons of Calcium Chloride used (Year Jan-Dec)	Gal.s	0	0	0	0	0	0	0	0	0	0
Cost of Calcium Chloride Purchased	\$/Gal.	0	0	0	0	0	0	0	0	0	\$0.000
Gallons of Aqua Salina used(Year Jan-Dec)	Gal.s	0	0	0	0	4,750	15,000	24,832	25,801	36,496	17,030
Cost of Aqua Salina	\$/Gal.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.43	\$0.43	\$0.43	\$0.63	\$0.34	\$0.34
Tons of snow melting salt used (Year Jan-Dec)	Tons	1,305	2,707	2,171	1,991	1,896	2,800	3,439	2,458	2,832	2,473
Cost of salt purchased	\$/Ton	56.80	80.00	80.00	80.00	79.82	48.47	54.47	54.47	59.99	27.50
Public Services Department - Water Reclamation											
Wastewater rates (per 1st 300 cu. ft.)	\$	19.73	18.102	17.57	17.06	17.06	16.56	15.62	15.16	14.72	\$14.29
Total yearly flow	MG	875.5	848.3	795	834	914.8	800	764	713	764	890
Average daily flow	MGD	2.4	2.33	2.18	2.28	2.51	2.19	2.09	1.95	2.09	2.44
Sludge removed (dry tons)	\$/Ton	303.82	303.89	276	266	340	337	323	334	340	386
Treatment chemical cost	\$	\$106,961	\$79,465	\$64,806	\$70,627	\$78,074	\$56,438	\$143,723	\$137,463	\$123,036	\$119,728
Treatment electrical cost	\$	\$102,023	\$114,060	\$107,721	\$118,821	\$121,687	\$143,920	\$124,082	\$108,790	\$113,798	\$101,263

City of Kent, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 21

Function/Program		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Public Services Department - Water Treatment Plant											
	Unit										
Raw Water from wells	MG	961	964	896	862	925	982	955	968	883.04	944.20
Annual pumpage - finished water	MG	870	891	850	826	850	878	848	876	873.48	901.98
Lime	\$/Ton	\$205	\$205	\$173	\$173	\$173	\$132	\$132	\$147	\$147	\$147
Soda ash	\$/Ton	\$570	\$369	\$333	\$330	\$330	\$330	\$330	\$377	\$376	\$376
Chlorine	\$/Ton	\$2,405	\$2,288	\$660	\$610	\$610	\$540	\$540	\$540	\$540	\$540
Hydrofluosilicic acid	\$/Ton	\$635	\$635	\$555	\$480	\$702	\$702	\$702	\$702	\$702	\$702
Carbon dioxide	\$/Ton	\$110	\$110	\$116	\$116	\$116	\$116	\$116	\$116	\$116	\$116
Electric (wells, plant, booster stations, tanks)	Ttl. \$	\$166,302	\$166,302	\$167,496	\$180,246	\$174,020	\$189,166	\$191,080	\$189,911	\$173,762	\$158,885
Lime sludge production plant	CY	\$2,500.00	\$1,811.80	\$1,502.80	\$1,342.00	\$1,369.00	\$1,536.00	\$2,951.00	\$1,535.00	\$1,532.70	1,840.80
Lime sludge removed from plant and lagoons	CY	4913.00	2575.00	\$760.00	1325.00	1880.00	1070.00	2145.00	2576.00	2711.00	771.50
Lime	tons	692.00	746.30	743.00	678.00	690.00	719.00	719.00	723.09	738.90	753.13
Soda Ash	tons	241	253	219	220	225	268	268	240.88	243.04	281.61
Chlorine	tons	12	12.29	11.83	11.4	11.53	11.59	11.59	11.81	11.61	11.79
Carbon Dioxide	tons	48	48.03	47	48.75	51	51.81	51.81	52.77	45.53	45.15
Hydrofluosilicic acid	tons	15	16.04	16.07	14.53	14.71	17.63	16.63	16.16	15.88	16.46
Rainfall	inches	40	27.76	29.71	41.57	47.16	34.55	34.58	30.92	29.73	39.79
Police											
Total Calls for Services		20,373	21,475	21,201	21,067	27,981	25,609	25,701	28,545	22,949	20,534
Number of traffic citations issued		1,554	1,817	2,032	2,025	3,122	2,872	2,874	3,541	3,366	3,023
Number of parking citations issued		8,300	10,436	10,702	7,887	11,262	11,733	12,751	9,056	8,179	3,814
Number of criminal arrests		1,571	1,649	1,805	1,371	1,685	1,605	1,878	2,222	2,208	2,261
Number of accident reports completed		550	585	349	493	647	705	753	1,015	1,067	815
Part I Offenses (major offenses)		498	516	573	642	420	598	651	745	772	837
Animal Warden service calls		66	67	383	415	425	358	380	374	399	365
DUI arrests		167	179	146	119	182	145	164	182	186	187
Motor Vehicle Accidents		550	585	549	493	647	705	753	1,015	1,067	815
Property Damage Accidents		302	288	289	266	405	405	422	673	739	458
Fatalities from Motor Vehicle Accidents		0	0	1	0	0	0	0	0	0	2
Community Diversion Program Youths		79	49	0	7	29	22	30	37	34	46
Fire											
Fire Losses:											
City of Kent		4	\$38,000	\$190,000	\$280,600	\$170,000	\$197,000	\$409,750	\$155,000	\$242,530.00	\$398,180
Kent State University		1	\$200	\$0	\$0	\$0	\$0	\$0	\$0	\$26,000.00	\$0
Franklin Township		0	\$247,500	\$0	\$20,000	\$0	\$0	\$93,600	\$243,905	\$20,000.00	\$9,000
Other		3	\$0	\$85,000	\$0	\$40,000	\$0	\$0	\$0	\$0.00	\$0
Total Fire Losses		\$384,000	\$285,700	\$275,000	\$300,600	\$210,000	\$197,000	\$503,350	\$398,905	\$288,530	\$407,180

City of Kent, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 21

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fire - continued										
Fire Calls:										
City of Kent	955	898	796	669	789	673	622	650	627	540
Kent State University	318	380	198	96	147	127	120	74	53	65
Franklin Township	204	193	161	211	205	173	171	140	132	116
Other	92	78	52	33	44	33	46	52	45	49
Total Fire Calls	1,569	1,549	1,207	1,009	1,185	1,006	959	916	857	770
Emergency Medical Services Calls:										
City of Kent	2,865	2,973	2,900	2,548	2,574	2,660	2,540	2,336	2,326	2,311
Kent State University	316	292	203	129	318	374	306	360	357	391
Franklin Township	589	631	631	511	553	568	473	461	378	410
Other	82	115	73	47	43	72	40	71	71	52
Total Emergency Medical Services Calls	3,852	4,011	3,807	3,235	3,488	3,674	3,359	3,228	3,132	3,164
Total Calls for Service (Fire & EMS)	5,578	5,637	5,014	4,244	4,673	4,680	4,318	4,144	3,989	3,934
Community Development										
Grants received due to Community Development Dept.	\$278,983	\$887,220	\$469,459	\$481,416	\$283,165	\$277,478	\$248,453	\$271,075	\$253,380	\$268,778
Ohio Arts Council	0	0	0	0	3171	3284	3457	N/A	N/A	N/A
Health Department										
Health Inspections:										
Food Service Operations	526	531	493	549	716	681	676	664	676	795
Housing	406	424	417	383	536	558	525	542	677	893
Swimming Pools	73	82	64	74	71	61	54	69	62	31
Nuisances	271	242	212	144	126	102	118	209	398	634
All Other	54	54	62	71	109	88	49	43	49	111
Total Inspections	1330	1333	1248	1221	1558	1490	1422	1527	1862	2,464
Permits & Licenses Issued:										
Food Establishment Licenses	238	213	232	224	249	253	264	259	280	315
Housing Licenses	320	312	318	310	310	309	307	310	307	308
All Other Licenses	79	60	53	63	65	50	57	51	48	60
Total Permits & Licenses	637	585	603	597	624	612	628	620	635	683
Child Immunizations	10	170	38	92	186	156	188	278	218	212
Birth and Death Certificates Issued (Original & Copies)	9,792	11,011	11,478	9,433	10,394	9,781	9,123	9,072	7,968	6,783

- 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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Recreation										
Program Revenue:										
Adult Leagues and Programs	\$32,000	\$25,550	\$36,452	\$39,000	\$33,200	\$32,104	\$30,275	\$33,111	\$38,992	\$49,186
Youth Leagues and Programs	193,454	114,304	123,450	105,254	121,000	118,887	120,338	97,106	88,244	86,263
Camps and Lessons	11,360	17,940	48,260	4,998	58,200	57,297	65,099	67,406	60,065	61,529
Preschool Programs	*	*	20,450	9,394	42,749	39,172	38,347	29,617	35,946	25,484
KABC Leagues	34,849	44,849	37,860	30,738	34,658	40,404	39,649	31,457	28,781	28,681
Special Events/Other	26,509	18,192	20,228	2,542	54,000	51,564	44,362	65,111	87,911	38,569
Non-Resident Fees	22,514	19,214	11,202	6,257	13,141	15,677	15,540	14,837	14,654	15,050
After School and Summer Programs	320,505	272,091	248,840	225,495	373,199	318,391	334,915	289,340	283,276	257,977
Park Rentals	46,600	51,608	42,617	0	0	0	0	0	0	0
Fitness Center	0	6,671	28,821	21,441	41,896	39,959	42,688	40,297	47,476	32,758
Total Program Revenue	\$687,791	\$570,419	\$618,180	\$445,119	\$772,043	\$713,455	\$731,213	\$668,282	\$685,345	\$595,497
Number of Participants:										
KABC (5-18 years old)	195	248	218	167	373	383	371	333	292	353
Fall Soccer (4-12 years old)	0	324	249	216	310	302	376	324	403	383
Spring Soccer (4-12 years old)	414	412	287	0	425	327	451	391	439	448
School Age Child Care (6-12 years old)	155	214	160	50	191	175	170	150	130	156
Flag Football (6-12 years old)	122	41	172	198	171	158	125	114	113	130
Basketball	194	264	197	89	714	373	391	475	586	629
Lacrosse	34	12	12	0	15	N/A	14	17	43	35
Volleyball	0	0	0	0	12	10	N/A	N/A	N/A	N/A
Wrestling	23	49	29	0	23	24	13	N/A	11	19
Karate	48	57	74	34	43	26	44	69	91	N/A
Sports Camps	284	352	330	0	302	348	305	188	332	353
Preschool Kinderbound	6	56	20	6	20	19	19	17	17	26
Preschool Tiny Tots	6	56	60	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Summer Day Camps - All	940	1,456	0	60	1,240	1,381	1,500	1,560	1,292	1,281
Note: 2014, 2007, and 2006 are on a per week basis										
Ice Hockey	43	0	42	N/A	N/A	N/A	N/A	N/A	N/A	N/A
USTA	0	0	91	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Theater	0	0	108	0	46	40	39	34	61	43
Cheer	93	166	0	0	N/A	N/A	29	N/A	N/A	45
Adult Tennis	101	126	47	0	59	15	22	8	32	23
Adult Softball Teams	141	80	78	106	103	64	61	65	83	86
Adult Men's Basketball	0	72	52	0	60	120	80	92	130	112
Black Squirrel Triathlon	0	0	400	N/A	N/A	N/A	N/A	N/A	N/A	75
Art in the Park Artists	120	94	780	0	86	105	92	91	92	100
Kids Nite Out	134	72	0	59	206	149	199	176	155	115
Turkey Trot	366	0	51	134	400	557	564	538	755	549
Adult Fitness Class	0	508	0	689	2,004	5,364	1,784	1,796	1,577	1,452
Adult Egg Hunt	406	0	34	0	890	854	747	744	809	720
PC Tennis Open	38	40	14	0	59	38	22	13	17	35
Hip Hop Hoops	0	0	0	18	51	50	66	96	100	58
Creative Arts	0	0	15	N/A	N/A	31	24	23	27	46
Youth Artist	26	25	60	0	21	24	26	14	21	N/A
Graveyard Scramble	0	0	34	0	0	0	0	0	230	N/A
FootSkills-Soccer	32	46	25	0	91	103	94	68	60	N/A
Adult Education Classes	0	0	0	12	63	62	63	46	87	N/A
Basketball (outdoor)	0	0	0	0	170	180	18	16	N/A	N/A
BabySitter	52	0	0	15	28	12	33	15	N/A	N/A
Cross Country	46	40	38	0	47	22	29	25	N/A	N/A
Tumbling for Tots	0	0	0	0	22	35	30	30	N/A	N/A
Schools Out Ice Skating	0	0	0	0	100	143	104	85	N/A	N/A
Basketball Skills Camp	0	0	0	0	0	51	N/A	N/A	N/A	N/A

Source: City of Kent



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 7/25/2024

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

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