



Dave Yost • Auditor of State

**CITY OF KENT
PORTAGE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	1
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133	3
Schedule of Expenditures of Federal Awards	7
Notes to the Schedule of Expenditures of Federal Awards	8
Schedule of Findings.....	9
Schedule of Prior Audit Findings.....	11

This page intentionally left blank.



Dave Yost • Auditor of State

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

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

To the Members of Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kent, Portage County, (the City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 30, 2015 wherein we noted certain fund balances and governmental activities net position as of January 1, 2014 were restated. The Income Tax Fund was combined with the General Fund and manuscript debt was previously reported as external debt.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

July 30, 2015



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

To the Members of Council:

Report on Compliance for the Major Federal Program

We have audited the City of Kent's, Portage County, (the City's) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the City's major federal program for the year ended December 31, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal program.

Management's Responsibility

The City's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the City's compliance for the City's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the City of Kent complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2014.

Report on Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on the major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

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

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

This report only describes the scope of our internal control over compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Kent, Portage County, (the City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated July 30, 2015. We conducted our audit to opine on the City's basic financial statements. The accompanying schedule of expenditures of federal awards presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State
Columbus, Ohio

July 30, 2015

This Page Intentionally Left Blank

CITY OF KENT
PORTAGE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

Federal Grantor/ Pass-Through/ Program Title	Federal CFDA Number	Pass Through Entity Number	Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Direct Program:</i>			
Farmer's Market	10.168		\$ 22,403
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed Through the Ohio Department of Development:</i>			
Community Development Block Grant - Entitlement	14.218	MC-36-0026	198,744
U.S. DEPARTMENT OF JUSTICE			
<i>Passed Through the Ohio Office of Criminal Justice Services:</i>			
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Formula	16.804	2013-JG-LLE-5419	6,750
Bulletproof Vest Partnership	16.607	2013-BUBX11055643	1,304
Total U.S. Department of Justice			<u>8,054</u>
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed Through the Ohio Department of Transportation:</i>			
Highway Planning and Construction - Redmond Bridge	20.205	PID 90582	375,702
Highway Planning and Construction - E. Summit Street Improvement	20.205	PID 84546	210,560
Highway Planning and Construction - Franklin Avenue Resurfacing	20.205	PID 93809	205,343
Highway Planning and Construction - N. Depeyster Street. Resurfacing	20.205	PID 93806	113,147
Highway Planning and Construction - Chagrin Valley Paving	20.205	PID 92656	84,663
Total U.S. Department of Transportation			<u>989,415</u>
Totals			<u>\$ 1,218,616</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, 2014**

NOTE 1: GENERAL

The accompanying Schedule of Expenditures of Federal Awards of the City of Kent, Ohio presents the activity of all federal financial assistance programs of the City.

The City's reporting entity is defined in Note 1 to the City's basic financial statements. Federal financial assistance received directly from federal agencies as well as financial assistance passed through other government agencies are included on this schedule.

NOTE 2: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented on the cash basis of accounting. Consequently, certain expenditures are recognized when received rather than when earned and certain expenditures are recognized when paid rather than when the obligation is accrued.

NOTE 3: PROGRAM INCOME AND LOANS OUTSTANDING

The City of Kent, Ohio, uses federal funds received in the current and prior years to issue revolving loans. These loans are issued to companies and are to be repaid to the City in monthly installments. Principal received on these loans may be used to issue new loans. The program income represents interest revenue earned from the revolving loans and bank accounts and repayment of loans. The following table reflects loan balances outstanding and program income earned as of December 31, 2014, which had continuing compliance requirements.

	CFDA Number	Principal Outstanding	Program Income
Urban Development Action Grant (UDAG)	14.221	\$81,035	\$1,744
Economic Development Administration (EDA) Revolving Loan Fund (RLF)	11.307	\$184,697	\$5,696

**CITY OF KENT
PORTAGE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2014**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Highway Planning and Construction – CFDA# 20.205
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

This Page Intentionally Left Blank

**CITY OF KENT
PORTAGE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2014**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2013-001	<p>Significant Deficiency – Internal Controls Over Financial Reporting</p> <p>A restatement of fund balances and net position at December 31, 2012, for accounts receivables within the Water Fund and Sewer Fund were overstated. This error was corrected by the City on the customer billing prior to submission, but was not corrected on the document utilized to prepare the year-end financial statements</p> <p>As a result, audit adjustments were made to correct the financial activity for 2013</p> <p>The changes in financial presentation resulted in a prior period adjustment to the various funds as noted above</p>	Yes	Finding No Longer Valid – Has Been Corrected

This page intentionally left blank.



CITY OF KENT OHIO

Comprehensive Annual Financial Report

For the year ended December 31, 2014

CITY OF KENT, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2014

Issued by The Department of Budget and Finance

DAVID A. COFFEE
Director of Budget and Finance

This page is intentionally left blank



INTRODUCTORY SECTION

City of Kent, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2014
Table of Contents

Page

I. Introductory Section

Table of Contents.....	i
Letter of Transmittal.....	vi
Certificate of Achievement for Excellence in Financial Reporting.....	xii
Elected Officials - 2014.....	xiii
Appointed Officials - 2014.....	xiv
Organizational Chart.....	xv

II. Financial Section

Independent Auditor’s Report	1
Management’s Discussion and Analysis	5
Basic Financial Statements	
Government Financial Statements:	
Statement of Net Position.....	21
Statement of Activities	22
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	24
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	26
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund	28
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – Income Tax Safety Fund	29
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – Fire and Emergency Medical Services Fund	30
Statement of Net Position – Proprietary Funds	31

City of Kent, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2014
Table of Contents

	Page
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds.....	32
Statement of Cash Flows – Proprietary Funds	33
Statement of Fiduciary Assets and Liabilities – Agency Escrow Fund	35
Notes to the Basic Financial Statements.....	36
 Combining Statements and Individual Fund Schedules:	
Combining Statements – Nonmajor Governmental Funds:	
Fund Descriptions.....	74
Combining Balance Sheet – Nonmajor Governmental Funds.....	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	79
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	84
 Combining Statements – Fiduciary Funds:	
Fund Descriptions.....	87
Combining Statement of Changes in Assets and Liabilities – Agency Escrow Fund	88
 Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balance/Fund Equity – Budget (Non-GAAP Basis) and Actual:	
Major Funds:	
General Fund.....	90
Income Tax Safety Fund.....	95
Fire and Emergency Medical Services Fund.....	96
Capital Projects Fund	97

City of Kent, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2014
Table of Contents

	Page
Muni PI Tax Increment Equivalent Fund.....	98
Water Fund.....	99
Sewer Fund.....	101
Storm Water Drainage Fund.....	103
 Nonmajor Funds:	
West Side Fire Fund.....	104
Street Construction, Maintenance and Repair Fund.....	105
State Highway Fund.....	106
Park and Recreation Fund.....	107
Food Service Fund.....	108
Income Tax Fund.....	109
Revolving Housing Fund.....	110
State and Local Forfeits Fund.....	111
Drug Law Enforcement Fund.....	112
Enforcement and Education Fund.....	113
Law Enforcement Trust Fund.....	114
Community Development Block Grant Fund.....	115
Neighborhood Stabilization Fund.....	116
Wireless 911 Fund.....	117
Swimming Pool Inspections Fund.....	118

City of Kent, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2014
Table of Contents

	Page
Police Pension Fund	119
Fire Pension Fund.....	120
Urban Development Action Grant Fund	121
Debt Service Fund.....	122
Police Facilities Fund	123
Solid Waste Fund	124
III. Statistical Section	
Statistical Section Description and Table of Contents.....	S1
Net Position by Component – Last Ten Years.....	S2
Changes in Net Position – Last Ten Years	S3
Governmental Activities Tax Revenues by Source – Last Ten Years.....	S5
Fund Balances, Governmental Funds - Last Ten Years.....	S6
Changes in Fund Balances, Governmental Funds – Last Ten Years	S7
Governmental Funds’ Tax Revenues by Source – Last Ten Years	S9
Income Tax Revenue Base and Collections – Last Ten Years	S10
Top Ten Income Tax Withholders – Current and Nine Years Ago	S11
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years	S12
Assessed Valuations and Estimated Actual Values of Taxable Property – Last Ten Years	S14
Property Tax Levies and Collections – Last Ten Years.....	S16
Principal Taxpayers – Real Estate Tax – 2014 and 2005.....	S17

City of Kent, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2014
Table of Contents

	Page
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita - Last Ten Years.....	S18
Ratio of General Obligation Bonded Debt to Assessed Value and Bonded Debt Per Capita - Last Ten Years	S19
Legal Debt Margin - Last Ten Years	S20
Computation of Direct and Overlapping General Obligation Bonded Debt	S21
Demographic and Economic Statistics – Last Ten Years	S22
Principal Employers – Current and Nine Years Ago.....	S23
City Government Employees by Function/Program - Last Ten Years	S24
Capital Assets Statistics by Function/Program – Last Ten Years.....	S28
Operating Indicators by Function/Program - Last Ten Years.....	S29



CITY OF KENT, OHIO

Office of the City Manager

July 30, 2015

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

The Comprehensive Annual Financial Report (CAFR) of the City of Kent (the City) for the fiscal year ended December 31, 2014, 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, 2014, have been audited by the Auditor of State of Ohio's Office. The Auditor of State's unmodified opinion has been included in this report.

In addition, the City is required to undergo an annual single audit in conformity with the provisions of the Federal Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments*. Based upon prior experience, management believes that no material weakness exists in internal controls and that questioned costs, if any, will not have an adverse material effect on the financial condition of the City.

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

PROFILE OF THE GOVERNMENT

The City of Kent, Ohio, is located in Portage County, approximately fifteen miles northeast of the City of Akron and six miles west of the City of Ravenna, the county seat. The City is the largest of four cities in this industrial and agricultural county. It is principally noted as the home of Kent State University, which had a 2014 undergraduate enrollment of 28,457 students at the main campus in Kent and 41,214 students region-wide. The City covers an area of approximately 9.29 square miles. The City's 2010 population of 28,904 reflects a 3.6 percent growth as compared to the 2000 population of 27,906. Also of note in the 2010 census is the City of Kent's neighboring township to the south, Brimfield Township, which posted a 30 percent increase from the 2000 to 2010 census that has at least in part been related to the expansions and projects evidenced in the City of Kent and the continued growth of Kent State University.

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

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

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

The economic recovery that began in 2011 continued in 2014, with business activity and new investment levels stabilizing following successive years of record highs. For the years 1999 thru 2010 commercial construction investment in Kent averaged \$6.5 million a year. From 2011 thru 2012 commercial investment jumped to an average of \$55 million a year; an increase of 745 percent.

All of the recent commercial construction has translated into new jobs and economic growth but the City of Kent has continued to maintain a conservative fiscal strategy in order to restore reserve balances and City services to pre-recession levels without any new or increased taxes or fees. Economic growth did allow for small salary increases (2-3 percent) in 2014 following years with no or negligible increases.

The City's commitment to aggressive cost cutting measures over the last 10 years, along with revenue stabilization derived from Kent State University and the new economic initiatives in downtown Kent enabled the City to hold the line on the City budget while still making strategic funding commitments to community priorities, absorb the loss of \$900,000 in State funding, and emerge from the economic recession in a relatively stable financial position heading into 2015.

For year-end 2014, overall City income tax collections were up 5.66 percent (\$702,024) from December 2013, and Kent State University's collections thru the end of December were up 3.8 percent (\$174,999). While Kent State University remains the City's largest employer, job growth occurring in the private sector resulted in Kent State University's income tax contributions dropping from 39.6 percent in 2011 to 36.4 percent of total municipal income tax revenues in 2014. The City's financial condition is still heavily influenced by the University's buffering effect on the City's tax base from the more volatile highs and lows of private business cycles -- but the continued private sector job growth is a welcomed and notable diversification.

In 2014, Kent State University set a new all-time high enrollment record, adding 438 students to the previous hundred year enrollment record set in 2013. In 2014 Kent State University achieved the highest retention rate in the 104 year history of the University. Retention at the Kent campus increased to 81.7%, up from 2013's record retention level of 77.6 percent. The Kent campus also welcomed its highest-achieving freshman class with an average GPA 3.34 for the incoming class. International student enrollment increased 9 percent with students from 103 countries attending Kent State. A record 16,604 students signed up for on-line courses in 2014 and graduate school enrollment was up 2 percent.

With near record levels across the board at Kent State, the University reported solid financial earnings in 2014 which they are leveraging with the funds raised in the \$265 million Centennial Capital campaign to finance critical campus improvement projects.

With a couple of successive years of sustained income tax growth, the City appears to have recovered from the recession and continued economic growth was evident in 2014. Construction activity continues to inflate income tax growth but the majority of the growth appears to be a result of the growth in the economic base. All business sectors in Kent appear to be improving, with diversification of the economic base (new businesses) driving the majority of the economic growth as the top 10 income tax generators remain comparatively stable in their tax contributions.

This diversification of income tax revenues is a long term financial goal and the job creation resulting from the early phases of the downtown redevelopment have pushed the City's 2014 income tax receipts to their highest recorded level. Total income tax receipts for the City in 2014 (not including the Franklin and Brimfield JEDD agreements explained below) exceeded the prior year by 5.6 percent or \$702,024.

Investments in Kent

In 2014, Kent State University continued the largest capital re-investment program in the history of the University, initiating major renovations at Twin Towers, Beall and McDowell Halls, Prentice Hall, Smith Hall, Williams Hall, Van Duesen Hall, Schwartz Center, Art Annex and the Olson Center. The University finished construction on the new Applied Engineering building and began construction on the \$48 million new College of Architecture and the new \$18 million Institutional Advancement buildings that will further strengthen the campus connection to the Central Business District. These investments have transformed the campus and the campus community connection, generating significant construction related jobs and tax revenues.

Elsewhere in the Kent community construction values were on the rise in 2014. Single family residential construction continued to show signs of recovery with a new phase of home development in the Lakes of Franklin Mills, a second phase of senior housing at Maplebrook II, and re-investment and re-branding of the former Silver Meadows apartment complex. Two aging shopping plazas saw significant reinvestment, leading to the opening of a new full service Marc's Grocery store in Kent. Even with the construction of 4,000 new student rental beds in 2012, student housing units were running at 99 percent occupancy in 2014 which led to the proposal of 3 new prospective apartment complexes in Kent, including a proposal for the purchase of the City Administration buildings for a new \$18 million housing project.

The commercial construction market rebound that began in 2009 continued in 2014, energizing Kent's economy. Commercial construction permits and investments in 2014 declined from the records set in 2011-12 but commercial investment remained two times greater than the average for the previous 20 years and residential construction investments reached their highest levels in 20 years.

On the public side, the City continued to aggressively pursue Federal, State and Regional grant funds for infrastructure improvement projects. As a result, the City continued to reinvest in City bridges, streets and sidewalks at near record levels. For the 3rd consecutive year the City allocated an extra \$250,000 towards street repairs which when combined with grant funds raised the total street repair budget to double the typical budget allocation. In 2014 the City of Kent and City of Stow partnered to undertake the construction of the final phase of the Area Q Stormwater Project. The City and Kent State University finished the design phases and began the right of way acquisition for the transformative \$18 million Summit Street Transportation Project. City planning work continued on the \$3 million SR 43 Signal Upgrade project and the new \$18 million City Police Building. Over the last 5 years the City was awarded (or was a partner in grant awards) amounting to over \$50 million in stimulus/grant funds, which has enabled the City to leverage grant funds to City funds at better than a 4:1 ratio.

Investment was not limited to new construction in 2014; it also included the continued demolition of blighted properties that wherever possible will be replaced with new residential and commercial properties. For the residential properties, the City accessed Federal grant funds to remove condemned structures and replace them with affordable housing to help stabilize distressed City neighborhoods.

Major Initiatives

The new Marc's Grocery store opened in the former Top's Plaza which led other new businesses to open up in formerly vacant storefronts in the plaza. Following the sale of the University Plaza to new ownership formerly vacant stores were also tenanted with new shops and a new fitness center in 2014, and proposals are pending for new construction on the out-parcels in University Plaza. In 2014, there was some turnover in retail stores in the CollegeTown Kent Project but new tenants have opened up in the vacated spaces. Build-out began in the PARTA building ground-floor retail spaces with 4 new tenants planned for 2015 when construction is complete. The Acorn Corner old hotel restoration, Acorn alley and Phases I, II, and III of the Phoenix Project continues to offer an eclectic mix of small local retail, restaurants, office space and living space. It includes the first off-campus University business enterprise, a professional marketing, advertising and media services company (staffed by students), as well as a new fashion school retail outlet.

The success of the Phoenix Project reaffirmed the value of the City and Kent State's commitment to finish CollegeTown Kent, a mixed use redevelopment project that includes 56,000 square feet of new retail and restaurant space, a 95 room hotel, a 15,000 square foot conference center, 75,000 square feet of office space, and 32 residential units strategically located at the edge of central business district and the expanded edge of the University campus in downtown Kent. The financial performance of the Hotel Conference Center is on-schedule with stabilized room night figures and Conference Center bookings that are out-performing projections. Concept plans for apartments on the final vacant parcel in College Town Kent (parcel D) were completed in 2014 and construction is expected to begin in 2015-16.

In 2012, the downtown Kent redevelopment project won the State of Ohio Economic Development Project of the Year award and downtown Kent was featured in the New York Times and the Wall Street Journal. In 2013, the downtown project was recognized by the International Town Gown Association, the International City Manager's Association, the Ohio City Manager's Association, Sales and Marketing Executives International, and the International Economic Development Council for outstanding collaboration in economic development. In 2014, the City was awarded recognition from Heritage Ohio and the International City Manager's Association for the downtown projects.

The City continued to work with Franklin and Brimfield townships in 2014 to recruit new businesses and expand business development opportunities within the JEDD boundaries. As a result of these partnerships, the City received \$559,744 (on a cash basis) as its combined share of JEDD income taxes in 2014.

As part of the City's neighborhood enrichment initiatives, Kent State University continued to partner with the City to improve communication and neighbor relations in rental neighborhoods around the University. The City continued to expand the regulatory tools available for stabilizing rental neighborhoods including redefining guest occupancy definitions, updating sections of the City's zoning code, and adopting a party registration program. In 2014, the City also hired a new part time neighborhood liaison to work collaboratively with students and residents in City neighborhoods, as well as the staff at Kent State University.

Long-term Financial Planning

During 2014, 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 2014, City Council renewed their approval of the multi-year utility rate stabilization plan to ensure adequate long term funding for critical infrastructure investment needs while remaining sensitive to the ability of customers to pay for those needs. In addition, City Council continued the use of a 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 2014 was \$226,602.

Risk Management

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to those governmental entities whose CAFR is easily readable, efficiently organized, and conforms to GFOA reporting standards. Such a report must satisfy both generally accepted accounting principles (GAAP) as well as applicable legal requirements. The City of Kent received this honor for its Comprehensive Annual Financial Report for 2013. This was the twenty-seventh consecutive year that the government has received this prestigious award. A Certificate of Achievement is valid for a period of only one year. The City believes this report conforms to the Certificate of Achievement program requirements, and has submitted it to the GFOA to determine its eligibility for another Certificate of Achievement.

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

Respectfully submitted,



Dave Ruller
City Manager



David Coffee
Director of Budget and Finance



Government Finance Officers Association

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

Presented to

**City of Kent
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

CITY OF KENT, OHIO
ELECTED OFFICIALS - 2014

MAYOR/COUNCIL PRESIDENT	Jerry T. Fiala
COUNCIL MEMBER AT LARGE	Michael A. DeLeone
COUNCIL MEMBER AT LARGE	Melissa M. Long
COUNCIL MEMBER AT LARGE	Roger B. Sidoti

CITY COUNCIL MEMBERS BY WARDS:

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

CITY OF KENT, OHIO

APPOINTED OFFICIALS - 2014

OFFICE OF CITY MANAGER

City Manager

David A. Ruller

OFFICE OF COUNCIL

Clerk of Council

Linda M. Jordan

DEPARTMENT OF LAW

Law Director

James R. Silver

DEPARTMENT OF PUBLIC SERVICES

Service Director

Eugene K. Roberts

City Engineer

James S. Bowling

Water Plant Supervisor

Steve D. Hardesty, Sr.

Sewer Plant Supervisor

Robert W. Brown

Utilities Manager

John Osborne

Facilities Manager

Gerald G. Shanley

DEPARTMENT OF BUDGET AND FINANCE

Director of Budget and Finance

David A. Coffee

Controller

Brian L. Huff

DEPARTMENT OF PUBLIC SAFETY

Safety Director

Position is currently vacant

Fire Chief

John Tosko

Police Chief

Michelle A. Lee

DEPARTMENT OF COMMUNITY DEVELOPMENT

Community Development Director

Bridget Susel

Economic Development Director

Position is currently vacant

DEPARTMENT OF HEALTH

Health Commissioner

Jeffrey S. Neistadt

DEPARTMENT OF PARKS AND RECREATION

Director of Parks and Recreation

John J. Idone

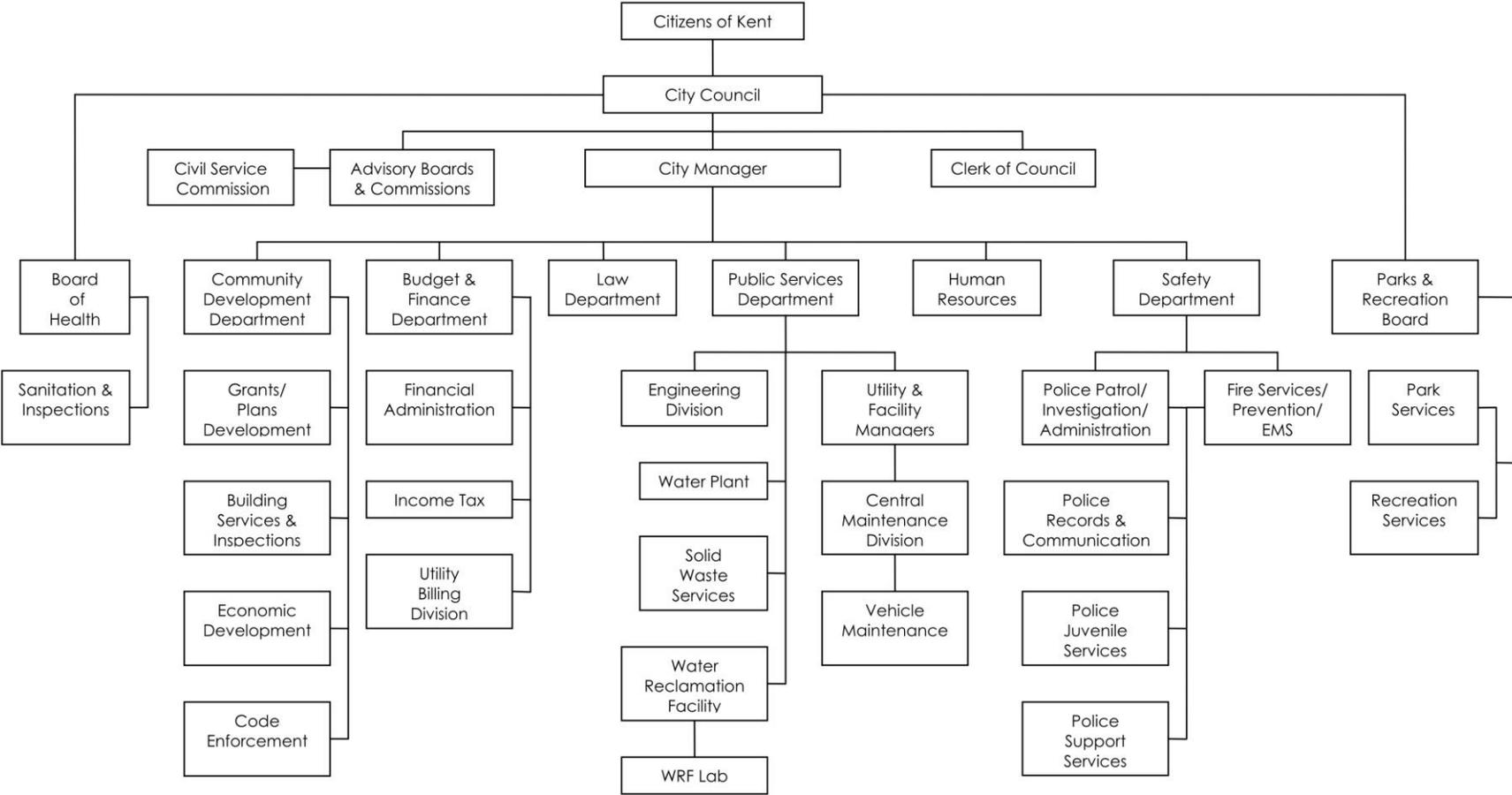
Parks Supervisor

Charles S. Tuttle

Recreation Supervisor

Nancy R. Rice

City of Kent, Ohio Organizational Chart







**FINANCIAL
SECTION**

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Members of Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kent, Portage County, Ohio, (the City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kent, Portage County, Ohio, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund, the Income Tax Safety Fund and the Fire and Emergency Medical Services Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, certain fund balances and governmental activities net position as of January 1, 2014 were restated. The Income Tax Fund was combined with the General Fund and manuscript debt was previously reported as external debt. We did not modify our opinion regarding these matters.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2015, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

July 30, 2015

This page is intentionally left blank

City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
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, 2014. 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 2014 are:

- Total assets of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$126,737,986 (*net position*). Of this amount, \$19,121,148 (*unrestricted net position*) may be used to meet the government's ongoing obligations to its citizens and creditors.
- Total net position increased by \$3,918,258 or 3.19 percent over 2013. Of this amount, governmental activities increased by \$3,758,836 and business-type activities increased by \$159,422.
- Total capital assets increased by \$2,156,863 or 2.17 percent as compared to 2013. Governmental capital assets increased by \$1,496,653 and business-type capital assets increased by \$660,210.
- Total current and other assets increased \$6,060,309 or 12.91 percent as compared to 2013. This increase reflects the increase of \$6,473,699 attributable to governmental activities offset by the decrease of \$413,390 attributable to business-type activities.
- Total liabilities and deferred inflows of resources increased \$3,937,914 or 16.53 percent as compared to 2013. This increase is comprised of an increase in the governmental activities' liabilities and deferred inflows resources of \$3,850,516 and an increase in the liabilities of the business-type activities of \$87,398.

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, 2014
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 21 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-five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Income Tax Safety Fund, the Fire and Emergency Medical Services Fund, the Capital Projects Fund, and the Muni PI Tax Increment Equivalent Fund, all of which are considered to be major funds. Data from the other twenty 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 24 of this report.

City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
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 31 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of these funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statement can be found on page 35 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 36 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the basic financial statements, the combining statements referred to earlier in connection with nonmajor governmental funds are presented, as well as individual budgetary comparisons for all nonmajor funds and enterprise funds. This information can be found starting on page 73 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 2014. 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, 2014
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 2014 compared to 2013.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013*	2014	2013	2014	2013*
Current and Other Assets	\$44,834,188	\$38,360,489	\$8,166,445	\$8,579,835	\$53,000,633	\$46,940,324
Capital Assets, Net	47,845,635	46,348,982	53,658,928	52,998,718	101,504,563	99,347,700
<i>Total Assets</i>	<u>92,679,823</u>	<u>85,070,471</u>	<u>61,825,373</u>	<u>61,578,553</u>	<u>154,505,196</u>	<u>146,288,024</u>
Current and Other Liabilities	6,049,905	7,358,802	1,260,798	965,800	7,310,703	8,324,602
Long-Term Liabilities:						
Due Within One Year	1,283,023	908,508	498,009	467,408	1,781,032	1,375,916
Due In More Than One Year	12,289,836	7,643,549	3,049,275	3,287,476	15,339,111	10,931,025
<i>Total Liabilities</i>	<u>19,622,764</u>	<u>15,910,859</u>	<u>4,808,082</u>	<u>4,720,684</u>	<u>24,430,846</u>	<u>20,631,543</u>
Property Taxes and PILOTs	3,336,364	3,197,753	0	0	3,336,364	3,197,753
<i>Deferred Inflows of Resources</i>	<u>3,336,364</u>	<u>3,197,753</u>	<u>0</u>	<u>0</u>	<u>3,336,364</u>	<u>3,197,753</u>
Net Investment in Capital Assets	39,903,344	39,451,103	49,833,675	48,867,706	89,737,019	88,318,809
Restricted	17,879,819	15,253,542	0	0	17,879,819	15,253,542
Unrestricted	11,937,532	11,257,214	7,183,616	7,990,163	19,121,148	19,247,377
<i>Total Net Position</i>	<u>\$69,720,695</u>	<u>\$65,961,859</u>	<u>\$57,017,291</u>	<u>\$56,857,869</u>	<u>\$126,737,986</u>	<u>\$122,819,728</u>

* - Restated as disclosed in Note 3

City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the City, total assets exceed total liabilities and deferred inflows of resources by \$126,737,986 at the close of the most recent year.

The largest portion of the City's net position (70.80 percent) 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 (\$17,879,819 or 14.11 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$19,121,148 or 15.09 percent) may be used to meet the government's ongoing obligations to its citizens and creditors.

Total assets increased by \$8,217,172 from 2013 to 2014. The change in assets corresponds primarily to increases in equity in pooled cash and cash equivalents, municipal income taxes receivable, and nondepreciable capital assets. These increases were offset by a decrease in depreciable capital assets. The City actively pursues grant funding for various projects throughout the City. As a result, several capital projects have been partially funded through grants. In total, capital assets increased as a result of various development projects along with further construction on the E. Summit Street Improvements, the Pine Street Reconstruction, the Redmond Bridge Replacement, the Alley 4 Reconstruction project, Erie/Depyester Street reconstructions, WRF Digester No. 2 Improvements, Area Q Phase V project, and a number of smaller projects still in the construction phase.

Total liabilities and deferred inflows of resources experienced an increase of \$3,937,914, which corresponds to an increase of \$3,850,516 in governmental activities and an increase of \$87,398 in the business-type funds. This increase is mainly attributed to the City's issuance of general obligation bonds for the Safety Center Construction project.

At the end of the current year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for the governmental and business-type activities shown in Table 1. The same situation held true for the prior fiscal year.

The total net position of the City increased \$3,918,258 from 2013 to 2014. The primary reason for this overall change is that the City had another year where, on a full accrual accounting basis, current year total revenues exceeded total expenses due in part to capitalized expenses for capital assets and municipal income taxes experiencing an increase due to a 0.25 percent increase in the total income tax rate effective for 2014.

City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

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

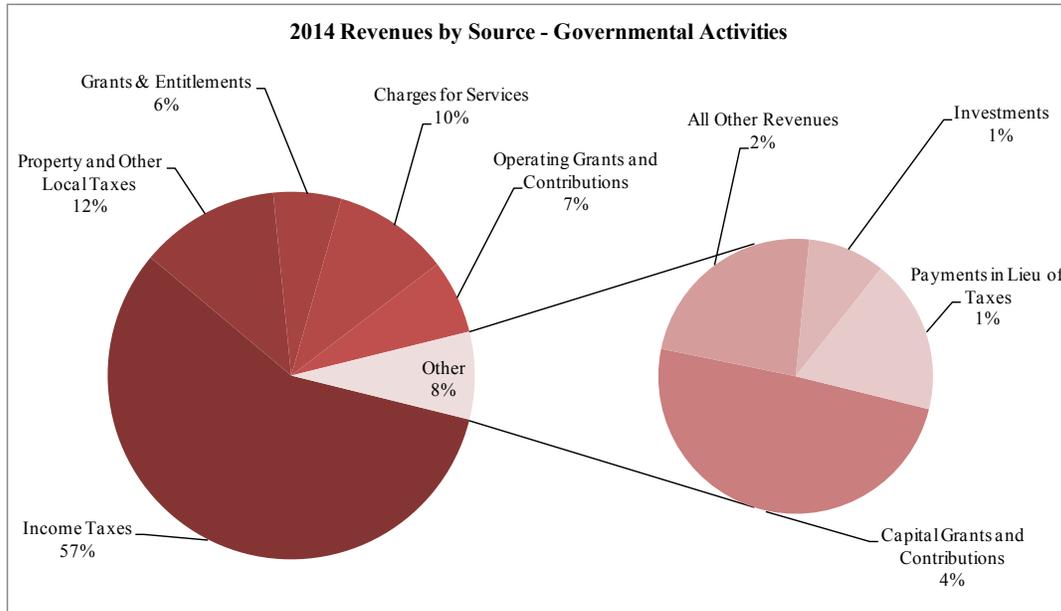
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues:						
Charges for Services	\$2,747,325	\$2,916,528	\$7,961,886	\$8,248,289	\$10,709,211	\$11,164,817
Operating Grants and Contributions	1,753,720	1,399,893	0	0	1,753,720	1,399,893
Capital Grants and Contributions	1,027,237	3,443,943	253,931	178,119	1,281,168	3,622,062
General Revenues:						
Municipal Income Taxes	15,322,764	12,163,342	0	0	15,322,764	12,163,342
Property and Other Local Taxes	3,305,387	3,223,562	0	0	3,305,387	3,223,562
Payments in Lieu of Taxes	372,968	0	0	0	372,968	0
Grants and Entitlements	1,600,833	1,935,682	0	0	1,600,833	1,935,682
Investment Income	192,313	144,065	34,289	17,795	226,602	161,860
All Other Revenues	484,528	463,264	201,387	55,730	685,915	518,994
Total Revenues	26,807,075	25,690,279	8,451,493	8,499,933	35,258,568	34,190,212
Program Expenses						
Security of Persons and Property	11,106,253	10,907,162	0	0	11,106,253	10,907,162
Public Health and Welfare	733,837	724,497	0	0	733,837	724,497
Leisure Time Activities	1,876,396	1,745,256	0	0	1,876,396	1,745,256
Community Development	2,154,400	3,529,274	0	0	2,154,400	3,529,274
Transportation	3,720,312	3,801,634	0	0	3,720,312	3,801,634
General Government	3,015,330	2,775,445	0	0	3,015,330	2,775,445
Interest and Fiscal Charges	441,711	321,067	0	0	441,711	321,067
Water	0	0	3,266,800	3,579,906	3,266,800	3,579,906
Sewer	0	0	3,888,272	3,693,322	3,888,272	3,693,322
Solid Waste	0	0	360,163	362,196	360,163	362,196
Storm Water Drainage	0	0	776,836	871,773	776,836	871,773
Total Expenses	23,048,239	23,804,335	8,292,071	8,507,197	31,340,310	32,311,532
Change in Net Position	3,758,836	1,885,944	159,422	(7,264)	3,918,258	1,878,680
Net Position Beginning of Year, Restated	65,961,859	64,075,915	56,857,869	56,865,133	122,819,728	120,941,048
Net Position End of Year	\$69,720,695	\$65,961,859	\$57,017,291	\$56,857,869	\$126,737,986	\$122,819,728

Governmental Activities

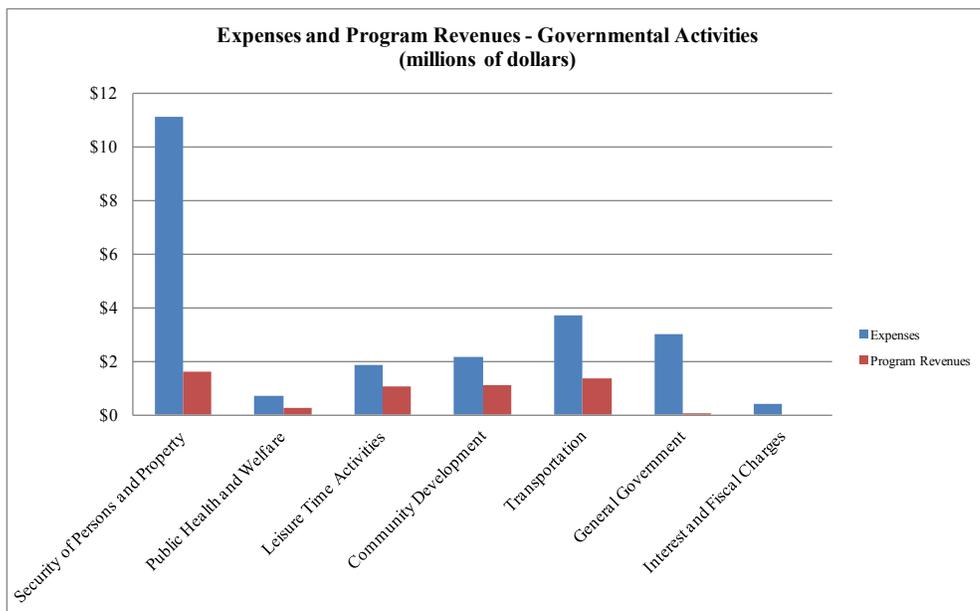
Governmental activities increased the City's net position by \$3,758,836 during 2014.

Several types of revenues fund the City's governmental activities, with municipal income tax being the largest contributor. As presented in the above table, municipal income tax revenues showed an increase of \$3,159,422 or 25.97 percent. This increase is mainly attributed to the continuation of several significant construction projects within the City's downtown development area as well as the City's electorate approving a 0.25 percent increase in the municipal income tax rate effective for 2014. The City's total revenue increased by \$1,116,796 in 2014 as compared to 2013, the main increase is related to municipal income tax revenue, which has previously been explained. The overall increase has been tempered by the decrease in capital grants and contributions. Several capital projects that were funded with grant funds are nearing completion, which has caused a decrease in the revenue generated by these capital grants.

City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited



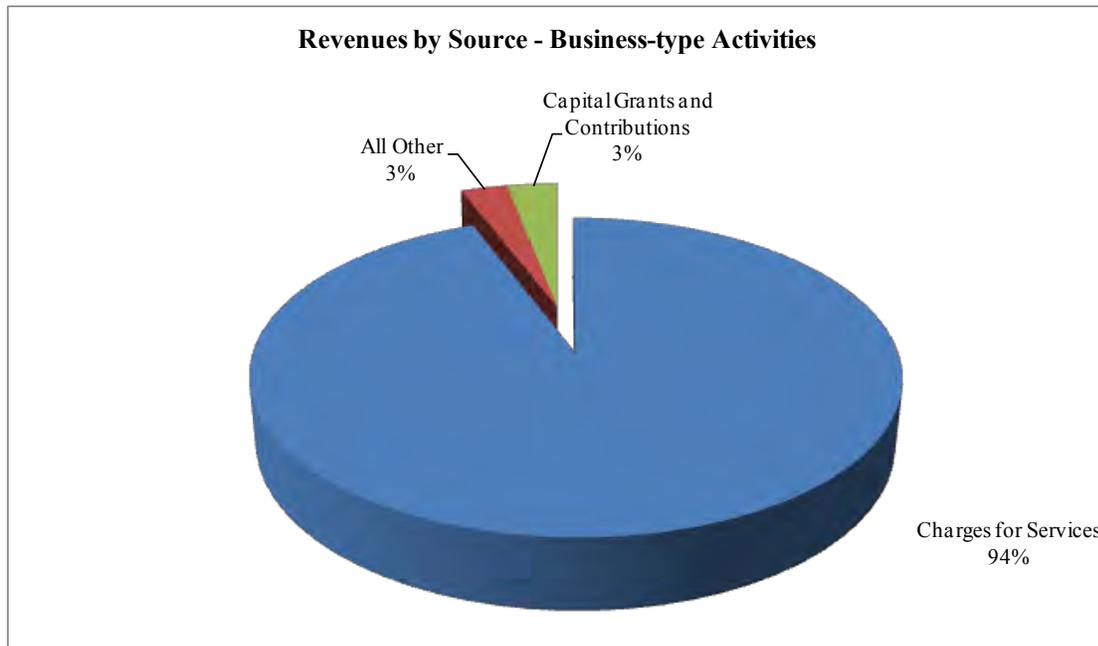
Expenses in the governmental activities experienced a decrease of \$756,096 or 3.18 percent. The decrease in expenses is mainly due to expenses in community development being reduced as economic development grants were coming to an end in 2014. During 2014, the largest program area for the City is security of persons and property at 48.19 percent which includes police, fire and emergency medical services. Transportation is the next largest program area at 16.14 percent, of which \$1.6 million or 43.04 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 13.08 percent and accounts for the basic operations of the City including council, mayor, city manager, human resources, finance, law, engineering, service administration and civil service. The fourth largest program area is community development at 9.35 percent and accounts for the major economic development occurring within the City.



City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

Business-Type Activities

Business-type activities of the City, which include water, sewer, solid waste and storm water drainage operations, slightly increased the City's net position by \$159,422 or 0.28 percent.

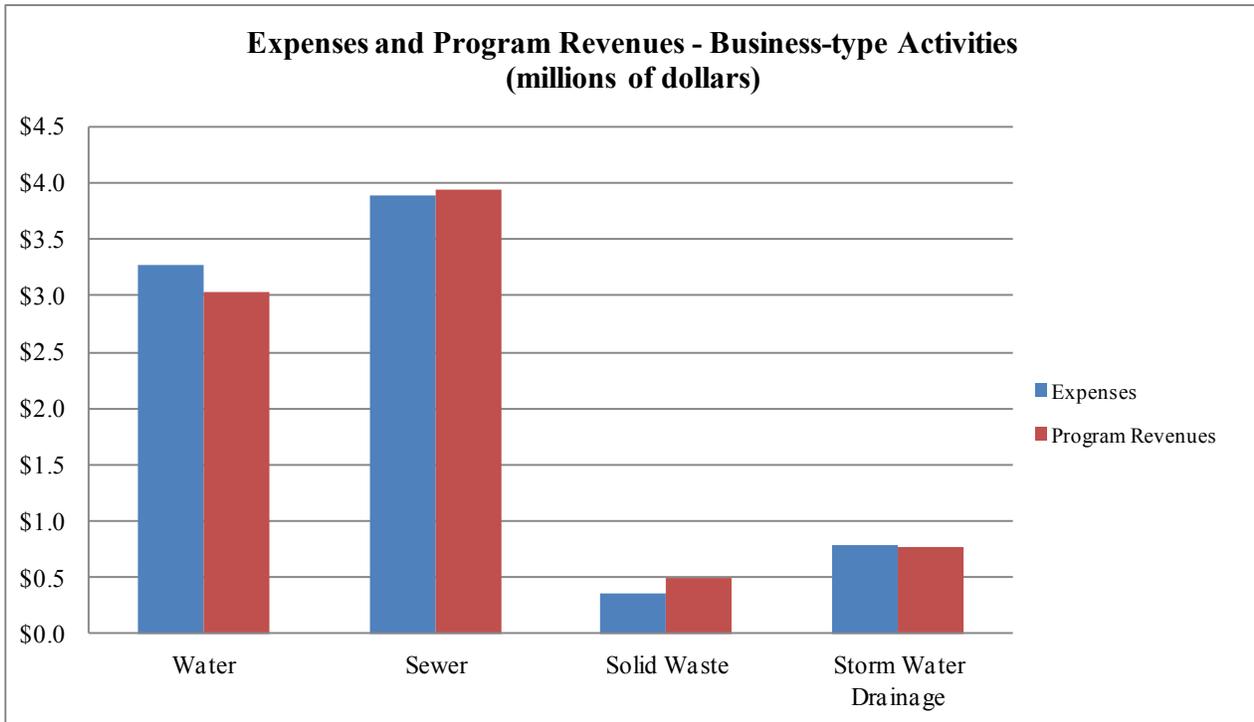


Charges for services account for 94.21 percent of total business-type revenues. The decrease in charges for services, \$286,403 or 3.47 percent, is largely explained by the timing effect of previous water and sewer rate revisions implemented in 2010 and 2011 and the resulting impact on annual comparisons. The City also continued its program to upgrade the water meter reading system, resulting in further reduction in the number of estimated reads. The reduction in estimated meter reads translates to more accurate readings that reflect actual usage, which typically has a positive impact on charges for services.

Capital grants and contributions increased by \$75,812, mostly due to grant funding provided in 2014 through the Ohio Public Works Commission (OPWC) for the Sub Area Q Drainage Improvement, Phase V project and capital contributions from developers for a sanitary sewer easement. Overall, total revenues for the business-type activities decreased by \$48,440 or 0.57 percent.

Expenses in the business-type activities experienced a minor decrease of \$215,126 or 2.53 percent. This minor decrease was contributed by the City's ongoing efforts to control costs along with the continued implementation of automated water meter reading system, which will reduce operating expenses.

City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited



Program revenues approximate program expenses for both the solid waste and storm water drainage 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 \$30,687,274, which represents an increase of \$6,487,885 or 26.81 percent as compared to 2013. The General Fund's unassigned fund balance was sufficient to cover the deficits in the unassigned fund balance from other governmental funds. *Unassigned and assigned fund balances* are available at the government's discretion. 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 \$288,338 due to increases in municipal income taxes and various vacancies were not filled in 2014.

Fund balance for the City's Income Tax Safety Fund increased by \$681,628 due to the City's General Fund transferring additional resources into the fund for the operations of the City's police services.

City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

Fund balance for the City's Fire and Emergency Medical Services Fund decreased by \$77,401 due to the expenditures exceeding revenues. Municipal income taxes and security of persons and property expenditures increased significantly due to the City recognizing additional fire and emergency medical services activity. This activity was previously recorded in the General Fund.

Fund balance for the City's Capital Projects Fund increased by \$414,119 due several projects coming near to a completion in 2014 and causing capital outlay and related functional expenditures to decrease from 2013 levels.

Fund balance for the City's Muni PI Tax Increment Equivalent Fund experienced a decrease of \$344,092. This decrease can be attributed to the Fund paying its first full year of interest expenditures related to the 2013 debt issuance coupled with several projects entering the construction phase in 2014.

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

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

	Water	Sewer	Storm Water Drainage
Unrestricted Net Position	\$2,999,843	\$2,858,695	\$1,848,109
Total Change in Net Position	(124,325)	174,821	4,968

In the Water and Sewer Funds, which are the two largest enterprise funds, the unrestricted net position represent 92.47 percent and 75.83 percent, respectively of the total current operating expenses. 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. Consequently, Council originally approved a 9 percent increase in water and sewer rates, but Council and management reduced the rate increases to 4 percent and a 5 percent increase in solid waste rates. These rate increases became effective January 2014. 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 2014, 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.

City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

For the General Fund expenditures and other financing uses, the original budget amount was \$5,373,513 and the final amended budget was \$9,506,052, an increase of \$4,132,539. Starting in 2014, the City moved a majority of the police and fire expenditures to the Income Tax Safety Fund and the Fire and Emergency Medical Services Fund. The General Fund made a significant transfer to the Income Tax Safety Fund which provided additional resources due to the change in where the expenditures are recorded. Actual expenditures and other financing uses were \$8,784,746 or \$721,306 less than were budgeted. Conservative budget practices coupled with vacancies in some positions were the principal reasons budgeted funds were not spent.

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets (net of accumulated depreciation) for governmental and business-type activities as of December 31, 2014, was \$101,504,563. The City's investment in capital assets increased by \$1,496,653 or 3.23 percent for governmental activities and increased by \$660,210 or 1.25 percent for business-type activities when comparing 2014 to 2013.

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

Table 3 compares capital assets as of December 31, 2014 to balances at December 31, 2013.

Table 3
Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$9,175,997	\$7,752,401	\$1,908,570	\$1,886,376	\$11,084,567	\$9,638,777
Buildings, Structures and Improvements	5,346,760	5,693,477	4,976,614	5,185,193	10,323,374	10,878,670
Machinery and Equipment	3,615,882	3,615,187	1,860,089	1,804,211	5,475,971	5,419,398
Construction in Progress	12,006,891	10,140,485	4,305,683	2,420,042	16,312,574	12,560,527
Infrastructure						
Roads, Bridges, Walks	14,322,650	15,578,389	0	0	14,322,650	15,578,389
Traffic Signals	3,377,455	3,569,043	0	0	3,377,455	3,569,043
Water	0	0	9,939,288	10,217,347	9,939,288	10,217,347
Sewer	0	0	19,073,797	19,618,362	19,073,797	19,618,362
Storm Water	0	0	11,594,887	11,867,187	11,594,887	11,867,187
Total Capital Assets	\$47,845,635	\$46,348,982	\$53,658,928	\$52,998,718	\$101,504,563	\$99,347,700

City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

Debt. At December 31, 2014, the City's bonds, notes and loans outstanding were \$20.3 million.

Table 4
Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
<i>Long-Term Obligations:</i>						
General Obligation Bonds	\$10,549,847	\$5,606,950	\$0	\$0	\$10,549,847	\$5,606,950
OPWC Loans	337,647	324,731	139,351	144,318	476,998	469,049
OWDA Loans	0	0	3,128,501	3,371,694	3,128,501	3,371,694
Loans Payable	1,445,907	1,445,907	0	0	1,445,907	1,445,907
<i>Short-Term Obligations:</i>						
Notes Payable	4,155,000	4,615,000	555,000	615,000	4,710,000	5,230,000
Total	\$16,488,401	\$11,992,588	\$3,822,852	\$4,131,012	\$20,311,253	\$16,123,600

The City's total long-term debt increased by \$4,707,653 or 43.21 percent. This increase in long-term debt for 2014 is primarily due to the City's issuance of general obligation bonds for construction of a new Safety Center.

Total short-term debt decreased by \$520,000 or 9.94 percent. The decrease in the City's short-term debt is due the City's effort to pay down these notes over time.

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 \$22,138,520 at December 31, 2014.

Additional information concerning the City's debt can be found in Notes 16 and 17 to the basic financial statements.

Current Financial Related Activities

Despite the contraction of State and Federal funding support over the last several years, the City's economic recovery continues to show positive signs of improvement, and most importantly, sustainability. Following a 3-5 year period of transformative re-investment in the downtown business district (totaling in excess of \$130 million) the City's economic infrastructure has proven capable of sustaining those early gains and producing successive rounds of private investment that have offset the public sector losses and led to net economic growth for the City.

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

City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

Kent State University remains the centerpiece of the City's economic strategy. The historical role of Kent State University as the City's largest employer and largest consumer of local goods and services remains central to the City's revenue stabilization efforts. The University represents just over 36 percent of the City's income tax base and provides a reliable income stream that is less affected by the volatility of economic cycles that has left so many cities scrambling in the wake of private sector downturns over the last several years.

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

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

The strategy shift first took shape as the City, the University and a list of community partners rallied around the shared goal of re-energizing downtown Kent through the downtown revitalization project. The remarkable level of collaboration that emerged in support of the downtown project, and the unprecedented results it produced, serve to highlight a newfound source of strategic strength.

The redevelopment of downtown Kent and the investments that have followed aim to tap into the generative capacity of the University and establish Kent as a socially, culturally and economically vibrant university city. This strategy leverages University research, innovation and intellectual capital to act as a catalyst for economic growth and diversification.

The City's economic transition is on-going but the sustainability of the initial results are encouraging as the City's key financial measures have continued to trend favorably. Income tax receipts (on a cash basis) were up by 5.66 percent in 2014, and property values showed modest growth around the downtown business district and in select City neighborhoods. Two of the City's older shopping plazas in Kent that were purchased and renovated in 2013 now have new, economically productive tenants in them, suggesting that the economic recovery is gaining traction outside of the downtown business district.

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

The commercial construction rebound that began in 2009 continued in 2014, adding depth to the City's economic recovery. From the years 1999 thru 2010 commercial construction investment in Kent averaged \$6.5 million a year. Then for 2011 and 2012 commercial investment skyrocketed to an average of \$55 million each year; an increase of 745 percent. In 2014, the commercial investment slowed (\$17 million) from the record years of 2011-12 but residential investment (multi-family, single-family) was the highest it's been in 10 years at \$24 million in new investments. Combined investment reached the 3rd highest level in the last 20 years.

City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

Construction value doesn't equate to a dollar for dollar increase in the property tax base so this new investment won't solve all of the City's budget challenges; but, this is new commercial construction, and commercial buildings bring new jobs, and those new jobs will help the City's income tax base grow over time and keep the City's budget afloat and services intact.

The Kent Area Chamber of Commerce reported record membership levels in 2014, an increase of 12 percent over the record set in 2013 and an 84 percent increase in membership over the last 5 years. In 2014, the Phoenix Project Phases I and II, Acorn Alley, and College Town Kent were all fully operational, bringing 200 new permanent jobs to downtown Kent. In 2014, PARTA started building-out the final retail space in their project and College Town Kent submitted concept plans for a new downtown apartment building on the last parcel of their downtown project. The City also received 2 proposals for the redevelopment of the old county courthouse building in 2014. This resurgence in business activity led to a series of feature stories on downtown Kent in regional and national media as a "rising college town" and the downtown revitalization project won a number of national, state and regional awards for economic excellence.

By 2014, the initial construction activity surrounding the new PARTA Transit Center, CollegeTown Kent, Acorn Corner, the Portage County Courthouse, public infrastructure and the new KSU Hotel and Conference Center was complete but smaller projects continued to emerge, keeping the downtown momentum moving forward. With \$42 million in construction investments underway in 2014, the City benefitted from the construction workers that were on Kent job sites during the year, contributing income taxes and buying power to the Kent economy.

On the public side, the City continued to aggressively pursue Federal, State and Regional grant funds for infrastructure improvement projects. As a result, the City continued to reinvest in City bridges, streets and sidewalks at near record levels. For the 3rd consecutive year the City allocated an extra \$250,000 towards street repairs which when combined with grant funds raised the total street repair budget to double the typical budget allocation. In 2014, the City of Kent and City of Stow partnered to undertake the construction of the final phase of the Area Q Stormwater Project. The City and Kent State University finished the design phases and began the right of way acquisition for the transformative \$18 million Summit Street Transportation Project. City planning work continued on the \$3 million SR 43 Signal Upgrade project and the new \$18 million City Police Building. Over the last 5 years the City was awarded (or was a partner in grant awards) amounting to over \$50 million in stimulus/grant funds, which has enabled the City to leverage grant funds to City funds at better than a 4:1 ratio.

The City continued to work with Franklin and Brimfield townships in 2014 to recruit new businesses and expand business development opportunities within the JEDD boundaries. As a result of these partnerships the City received \$559,744 as its combined share of JEDD income taxes in 2014, which amounts to a 9.7 percent decrease compared to the 2013 combined income tax collections from the JEDDs, however is still significantly increased over 2012 and 2011. The success of the Kent and Brimfield JEDD's led to an invitation in 2014 from the Rootstown Township, home to NEOMED University, to explore the possibility of a new Kent-Rootstown JEDD.

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 planned incremental water and sewer rate increases. As a result of the rate plans, the City has been able to provide full-cost accounting within the Utility Funds, eliminate General Fund supplements to the Utility Funds, and begin building a Utility Reserve Fund to 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.

City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

During 2014, the City approved an update to the five-year capital improvement program that ensures the City's ability to meet the infrastructure needs of the community in future years. In addition to the capital plan, City Council continued to support strategic investments in 2014 that advanced critical economic development priorities. City staff also continued to pursue efficiency and productivity improvements and to hold vacant positions open wherever possible, resulting in budget cuts and savings in 2014.

City Operating Funds

The development activities that have been underway in Kent were designed to provide both short and long term financial stability for the City. The flurry of investment and new jobs that accompanies the construction of large scale redevelopment provided immediate temporary financial relief that helped bridge operating funding challenges in the short term and the City's economic indicators seem to be showing evidence of sustainable economic growth over the long term as well. Confirmation of the full long term gains are likely still a couple of years out but in the meantime the City's annual fiscal operating position has continued to improve.

The City's strategic investments are starting to pay off but State funding cuts in 2012 cost the City \$900,000 in lost revenues. City finances have been on an upward swing but the unexpected State cuts pushed off the break-even point for the City's investments by a couple more years. Fortunately it appears that the net job growth has occurred fast enough to offset the loss in State funding before City operating reserves are depleted and the City had a net gain in the undesignated fund balance to close out 2014.

Construction activity in downtown Kent scaled-back from the records set in 2011-12 with the completion of the first round of projects in 2013 but there were a number of secondary expansions and additions that added to the economic mix in 2014. Three successive years of income tax growth seems to suggest a degree of financial sustainability that has not been evident in Kent for better than a decade.

As a result of the economic recession, the City developed a Fiscal Health Index to more closely track fund balance, debt load, income taxes, operating position and property taxes as markers of fiscal health using a composite health index that balances indicators of financial stability, risk and capacity for growth. At this point, the City's Fiscal Health heading into 2015 is stronger than it has been for many years.

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 years to come.

Contacting the City's Finance Department

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

Basic Financial Statements

City of Kent, Ohio
Statement of Net Position
December 31, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 25,745,666	\$ 8,217,070	\$ 33,962,736
Cash and Cash Equivalents:			
In Segregated Accounts	61,132	-	61,132
Cash Surrender Value of Life Insurance Policies	365,529	-	365,529
Materials and Supplies Inventory	678,492	65,675	744,167
Accounts Receivable	324,874	1,271,052	1,595,926
Accrued Interest Receivable	60,388	13,857	74,245
Intergovernmental Receivable	1,886,723	-	1,886,723
Other Receivable	-	1,989	1,989
Internal Balances	2,357,142	(2,357,142)	-
Prepaid Items	3,943,579	17,174	3,960,753
Municipal Income Taxes Receivable	3,086,057	-	3,086,057
Property Taxes Receivable	2,943,606	-	2,943,606
Payments in Lieu of Taxes Receivable	511,921	-	511,921
Other Taxes Receivable	106,501	-	106,501
Loans Receivable	655,482	-	655,482
Notes Receivable	160,000	-	160,000
Special Assessments Receivable	823,177	926,347	1,749,524
Utilization Fee Receivable	-	10,423	10,423
Restricted Assets:			
Cash and Cash Equivalents	166,235	-	166,235
Assets Held for Resale	957,684	-	957,684
Nondepreciable Capital Assets	21,182,888	6,214,253	27,397,141
Depreciable Capital Assets	26,662,747	47,444,675	74,107,422
Total Assets	92,679,823	61,825,373	154,505,196
LIABILITIES			
Accounts Payable	422,420	76,749	499,169
Contracts Payable	378,422	349,206	727,628
Accrued Wages and Benefits	659,073	207,740	866,813
Accrued Interest Payable	49,860	1,850	51,710
Retainage Payable	229,989	67,852	297,841
Claims Payable	135,719	-	135,719
Notes Payable	4,174,422	557,401	4,731,823
Long-term Liabilities:			
Due within one year	1,283,023	498,009	1,781,032
Due in more than one year	12,289,836	3,049,275	15,339,111
Total Liabilities	19,622,764	4,808,082	24,430,846
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	2,824,443	-	2,824,443
Payments in Lieu of Taxes (PILOTs)	511,921	-	511,921
Total Deferred Inflows of Resources	3,336,364	-	3,336,364
NET POSITION			
Net Investment in Capital Assets	39,903,344	49,833,675	89,737,019
Restricted for:			
Capital Projects	8,158,688	-	8,158,688
Debt Services	201,441	-	201,441
Streets and Highways	2,309,665	-	2,309,665
Public Facilities and Programs	2,276,808	-	2,276,808
Community Development Block Grant	995,958	-	995,958
Parks and Recreation	731,676	-	731,676
Fire and EMS	1,508,968	-	1,508,968
Community Development	1,155,563	-	1,155,563
Other Purpose	541,052	-	541,052
Unrestricted	11,937,532	7,183,616	19,121,148
Total Net Position	\$ 69,720,695	\$ 57,017,291	\$ 126,737,986

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, 2014

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Security of Persons and Property	\$ 11,106,253	\$ 1,462,625	\$ 146,158	\$ -
Public Health and Welfare	733,837	264,534	-	-
Leisure Time Activities	1,876,396	694,019	5,050	375,702
Community Development	2,154,400	222,108	731,476	184,257
Transportation	3,720,312	52,848	864,307	467,278
General Government	3,015,330	51,191	6,729	-
Interest and Fiscal Charges	441,711	-	-	-
Total Governmental activities	<u>23,048,239</u>	<u>2,747,325</u>	<u>1,753,720</u>	<u>1,027,237</u>
Business-type activities:				
Water	3,266,800	3,006,999	-	19,051
Sewer	3,888,272	3,904,905	-	31,962
Solid Waste	360,163	484,830	-	-
Storm Water Drainage	776,836	565,152	-	202,918
Total Business-type activities	<u>8,292,071</u>	<u>7,961,886</u>	<u>-</u>	<u>253,931</u>
Total Primary Government	<u>\$ 31,340,310</u>	<u>\$ 10,709,211</u>	<u>\$ 1,753,720</u>	<u>\$ 1,281,168</u>

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, as Restated

Net Position - End of Year

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

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (9,497,470)	\$ -	\$ (9,497,470)
(469,303)	-	(469,303)
(801,625)	-	(801,625)
(1,016,559)	-	(1,016,559)
(2,335,879)	-	(2,335,879)
(2,957,410)	-	(2,957,410)
(441,711)	-	(441,711)
<u>(17,519,957)</u>	<u>-</u>	<u>(17,519,957)</u>
-	(240,750)	(240,750)
-	48,595	48,595
-	124,667	124,667
-	(8,766)	(8,766)
<u>-</u>	<u>(76,254)</u>	<u>(76,254)</u>
<u>(17,519,957)</u>	<u>(76,254)</u>	<u>(17,596,211)</u>
1,339,690	-	1,339,690
1,396,312	-	1,396,312
2,917,417	-	2,917,417
3,990,495	-	3,990,495
8,414,852	-	8,414,852
569,385	-	569,385
372,968	-	372,968
1,600,833	-	1,600,833
192,313	34,289	226,602
23,761	6,842	30,603
460,767	194,545	655,312
<u>21,278,793</u>	<u>235,676</u>	<u>21,514,469</u>
3,758,836	159,422	3,918,258
65,961,859	56,857,869	122,819,728
<u>\$ 69,720,695</u>	<u>\$ 57,017,291</u>	<u>\$ 126,737,986</u>

City of Kent, Ohio
Balance Sheet
Governmental Funds
December 31, 2014

	General Fund	Income Tax Safety	Fire and Emergency Medical Services	Capital Projects	Muni PI Tax Increment Equivalent
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 8,752,654	\$ 853,521	\$ 495,212	\$ 4,623,397	\$ 1,831,818
Cash and Cash Equivalents:					
In Segregated Accounts	-	-	-	-	-
Materials and Supplies Inventory	-	32,609	-	-	-
Accrued Interest Receivable	60,388	-	-	-	-
Accounts Receivable	314,253	-	-	-	-
Interfund Receivable	3,660,119	-	-	-	-
Intergovernmental Receivable	656,504	24,259	-	684,664	-
Prepaid Items	26,708	18,907	2,808	21,559	3,866,667
Restricted Assets:					
Cash and Cash Equivalents	150,000	-	-	-	-
Payments in Lieu of Taxes Receivable	-	-	-	-	511,921
Municipal Income Taxes Receivable	614,326	732,317	837,050	493,536	-
Property Taxes Receivable	1,443,354	-	-	-	-
Special Assessments Receivable	-	-	-	104,232	-
Other Taxes Receivable	91,603	-	-	-	-
Loans Receivable	389,750	-	-	-	-
Notes Receivable	-	-	-	160,000	-
Assets Held for Resale	734,400	-	-	108,484	-
Total Assets	\$ 16,894,059	\$ 1,661,613	\$ 1,335,070	\$ 6,195,872	\$ 6,210,406
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 168,589	\$ 4,070	\$ 40,734	\$ 135,809	\$ 4,884
Accrued Wages and Benefits	114,621	264,902	183,611	-	-
Contracts Payable	-	-	-	199,482	142,211
Accrued Interest Payable	-	-	-	5,583	5,500
Retainage Payable	-	-	-	149,391	12,366
Interfund Payable	1,445,907	-	-	325,000	-
Workers' Compensation Claims Payable	-	2,464	2,464	-	-
Notes Payable	-	-	-	1,682,856	1,657,638
Total Liabilities	1,729,117	271,436	226,809	2,498,121	1,822,599
Deferred Inflows of Resources:					
Property Taxes and PILOTs	1,384,276	-	-	-	511,921
Unavailable Revenue - Delinquent Property Taxes	59,078	-	-	-	-
Unavailable Revenue - Municipal Income Taxes	344,501	410,670	469,402	276,766	-
Unavailable Revenue - Other	406,669	-	-	820,713	-
Total Deferred Inflows of Resources	2,194,524	410,670	469,402	1,097,479	511,921
Fund Balances:					
Nonspendable	4,960,977	51,516	2,808	21,559	3,866,667
Restricted	-	927,991	636,051	-	9,219
Committed	2,276,808	-	-	2,578,713	-
Assigned	294,510	-	-	-	-
Unassigned (Deficit)	5,438,123	-	-	-	-
Total Fund Balances	12,970,418	979,507	638,859	2,600,272	3,875,886
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 16,894,059	\$ 1,661,613	\$ 1,335,070	\$ 6,195,872	\$ 6,210,406

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, 2014</i>	
Other Governmental Funds	Total Governmental Funds		
\$ 8,684,538	\$ 25,241,140	Total Governmental Funds Balance	\$ 30,687,274
61,132	61,132	<i>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</i>	
645,883	678,492	Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.	47,845,635
-	60,388	Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the funds:	
10,621	324,874	Delinquent property taxes	\$ 119,163
1,445,907	5,106,026	Municipal income taxes	1,730,602
521,296	1,886,723	Special assessments	823,177
6,930	3,943,579	Intergovernmental	1,293,875
16,235	166,235	Charges for services	77,959
-	511,921	Miscellaneous revenues	<u>160,000</u>
408,828	3,086,057	Total	4,204,776
1,500,252	2,943,606	In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental funds, an interest expenditure is reported when due.	(27,977)
718,945	823,177	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.	577,932
14,898	106,501	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
265,732	655,482	General obligation bonds	(10,549,847)
-	160,000	OPWC loans	(337,647)
114,800	957,684	Loan guarantees	(1,445,907)
<u>\$ 14,415,997</u>	<u>\$ 46,713,017</u>	Workers' compensation claims	(21,533)
		Compensated absences	<u>(1,212,011)</u>
		Total	<u>(13,566,945)</u>
		Net Position of Governmental Activities	<u>\$ 69,720,695</u>
68,334	422,420		
95,939	659,073		
36,729	378,422		
10,800	21,883		
68,232	229,989		
821,573	2,592,480		
986	5,914		
833,928	4,174,422		
<u>1,936,521</u>	<u>8,484,603</u>		
1,440,167	3,336,364		
60,085	119,163		
229,263	1,730,602		
1,127,629	2,355,011		
<u>2,857,144</u>	<u>7,541,140</u>		
652,813	9,556,340		
9,918,654	11,491,915		
-	4,855,521		
-	294,510		
(949,135)	4,488,988		
<u>9,622,332</u>	<u>30,687,274</u>		
<u>\$ 14,415,997</u>	<u>\$ 46,713,017</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, 2014

	General Fund	Income Tax Safety	Fire and Emergency Medical Services	Capital Projects	Muni PI Tax Increment Equivalent
REVENUES					
Property Taxes	\$ 1,400,628	\$ -	\$ -	\$ -	\$ -
Municipal Income Taxes	2,914,785	3,509,750	4,092,565	2,336,985	-
Other Local Taxes	370,674	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-	372,968
Intergovernmental	1,487,001	11,322	26,172	708,951	-
Interest	163,747	-	-	-	-
Fees, Licenses, and Permits	151,876	-	-	-	-
Fines and Forfeitures	208,522	-	-	-	-
Charges for Services	1,358,286	-	-	-	-
Special Assessments	-	-	-	47,708	-
All Other Revenues	100,821	42,515	26,973	111,076	19,994
Total Revenues	8,156,340	3,563,587	4,145,710	3,204,720	392,962
EXPENDITURES					
Current:					
Security of Persons and Property	52,579	5,885,043	4,150,360	61,838	-
Public Health and Welfare	474,232	-	-	-	-
Leisure Time Activities	-	-	-	-	-
Community Development	1,157,064	-	-	516,295	312,779
Transportation	-	-	-	943,249	-
General Government	2,777,963	-	-	51,940	-
Capital Outlay	-	-	72,956	1,245,452	159,569
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	6,156	258,801
Debt Issuance Costs	-	-	-	7,321	7,118
Total Expenditures	4,461,838	5,885,043	4,223,316	2,832,251	738,267
Excess of Revenues Over/(Under) Expenditures	3,694,502	(2,321,456)	(77,606)	372,469	(345,305)
OTHER FINANCING SOURCES (USES)					
Proceeds from Sale of Capital Assets	13,784	3,084	205	-	-
General Obligation Bonds Issued	-	-	-	-	-
OPWC Loans Issued	-	-	-	41,650	1,213
Premium on Debt Issuance	-	-	-	-	-
Transfers In	-	3,000,000	-	-	-
Transfers Out	(3,419,948)	-	-	-	-
Total Other Financing Sources (Uses)	(3,406,164)	3,003,084	205	41,650	1,213
Net Change in Fund Balances	288,338	681,628	(77,401)	414,119	(344,092)
Fund Balances - Beginning of Year, as Restated	12,682,080	297,879	716,260	2,186,153	4,219,978
Fund Balances - End of Year	\$12,970,418	\$ 979,507	\$ 638,859	\$ 2,600,272	\$ 3,875,886

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

Other Governmental Funds	Total Governmental Funds	<i>Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2014</i>	
\$ 1,460,036	\$ 2,860,664	Net Change in Fund Balances-Total Governmental Funds	\$ 6,487,885
2,093,264	14,947,349	<i>Amounts reported for Governmental Activities in the Statement of Activities are different because:</i>	
198,711	569,385	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.	
-	372,968	Capital outlay	\$ 3,835,844
1,530,392	3,763,838	Capital contributions	4,145
9,908	173,655	Depreciation	<u>(2,343,336)</u>
271,209	423,085	Total	1,496,653
7,329	215,851	Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
759,382	2,117,668	Delinquent property taxes	(124,662)
118,747	166,455	Municipal income taxes	375,415
208,018	509,397	Special assessments	(4,498)
<u>6,656,996</u>	<u>26,120,315</u>	Intergovernmental	482,320
		Charges for services	(8,379)
574,012	10,723,832	Miscellaneous revenues	<u>(80,000)</u>
244,917	719,149	Total	640,196
1,617,012	1,617,012	Other financing sources in the Governmental funds increase long-term liabilities in the Statement of Net Position. These sources were attributed to the City's issuance of general obligation bonds and related premiums along with the issuance of an OPWC loan. (4,991,315)	
158,796	2,144,934	Repayment of debt principal are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 29,947	
1,169,446	2,112,695	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.	
1,970	2,831,873	Compensated absences	(37,542)
2,357,867	3,835,844	Workers' compensation claims	(21,533)
29,947	29,947	Amortization of premiums	5,555
92,844	357,801	Accrued interest on bonds	<u>24,954</u>
99,980	114,419	Total	(28,566)
<u>6,346,791</u>	<u>24,487,506</u>	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. 124,036	
310,205	1,632,809	Change in Net Position of Governmental Activities	<u>\$ 3,758,836</u>
6,688	23,761		
4,535,000	4,535,000		
-	42,863		
413,452	413,452		
259,948	3,259,948		
-	(3,419,948)		
<u>5,215,088</u>	<u>4,855,076</u>		
5,525,293	6,487,885		
4,097,039	24,199,389		
<u>\$ 9,622,332</u>	<u>\$ 30,687,274</u>		

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

City of Kent, Ohio
*Statement of Revenues, Expenditures and Changes in Fund Balance –
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$ 1,482,259	\$ 1,399,600	\$ 1,400,628	\$ 1,028
Other Local Taxes	283,105	368,200	368,323	123
Intergovernmental	1,214,774	1,649,100	1,580,441	(68,659)
Interest	107,429	129,400	139,767	10,367
Fees, Licenses and Permits	116,736	151,403	151,876	473
Fines and Forfeits	150,569	196,000	195,893	(107)
Charges for Services	1,010,149	1,341,857	1,314,220	(27,637)
Miscellaneous	91,137	114,206	118,571	4,365
Total Revenues	<u>4,456,158</u>	<u>5,349,766</u>	<u>5,269,719</u>	<u>(80,047)</u>
Expenditures				
Current:				
Security of Persons and Property	77,880	77,880	23,725	54,155
Public Health and Welfare	401,622	554,872	477,202	77,670
Community Development	1,955,789	2,017,936	1,797,060	220,876
General Government	2,938,222	2,855,364	2,486,759	368,605
Total Expenditures	<u>5,373,513</u>	<u>5,506,052</u>	<u>4,784,746</u>	<u>721,306</u>
Excess of Revenues Over (Under) Expenditures	(917,355)	(156,286)	484,973	641,259
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	-	14,700	14,784	84
Advances In	20,000	20,000	1,020,000	1,000,000
Advances Out	-	(1,000,000)	(1,000,000)	-
Transfer In	2,600,000	1,600,000	1,600,000	-
Transfers Out	-	(3,000,000)	(3,000,000)	-
Total Other Financing Sources (Uses)	<u>2,620,000</u>	<u>(2,365,300)</u>	<u>(1,365,216)</u>	<u>1,000,084</u>
Net Change in Fund Balance	1,702,645	(2,521,586)	(880,243)	1,641,343
Fund Balance - Beginning of Year	4,356,790	4,356,790	4,356,790	-
Prior Year Encumbrances Appropriated	410,068	410,068	410,068	-
Fund Balance - End of Year	<u>\$ 6,469,503</u>	<u>\$ 2,245,272</u>	<u>\$ 3,886,615</u>	<u>\$ 1,641,343</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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 11,333	\$ 10,891	\$ 11,322	\$ 431
Miscellaneous	42,558	40,000	42,515	2,515
Total Revenues	<u>53,891</u>	<u>50,891</u>	<u>53,837</u>	<u>2,946</u>
Expenditures				
Current:				
Security of Persons & Property	3,014,764	6,514,764	6,133,734	381,030
Excess of Revenues Over (Under) Expenditures	(2,960,873)	(6,463,873)	(6,079,897)	383,976
Other Financing Sources				
Proceeds from Sale of Capital Assets	-	3,000	3,084	84
Transfers In	2,796,109	6,496,109	6,496,109	-
Total Other Financing Sources	<u>2,796,109</u>	<u>6,499,109</u>	<u>6,499,193</u>	<u>84</u>
Net Change in Fund Balance	(164,764)	35,236	419,296	384,060
Fund Balance - Beginning of Year	393,146	393,146	393,146	-
Fund Balance - End of Year	<u>\$ 228,382</u>	<u>\$ 428,382</u>	<u>\$ 812,442</u>	<u>\$ 384,060</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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 26,172	\$ 26,172
Miscellaneous	614,371	107,206	26,973	(80,233)
Total Revenues	<u>614,371</u>	<u>107,206</u>	<u>53,145</u>	<u>(54,061)</u>
Expenditures				
Current:				
Security of Persons & Property	3,668,828	4,779,354	4,677,951	101,403
Excess of Revenues Over (Under) Expenditures	(3,054,457)	(4,672,148)	(4,624,806)	47,342
Other Financing Sources				
Proceeds from Sale of Capital Assets	-	200	205	5
Transfers In	2,996,109	3,996,109	3,996,109	-
Total Other Financing Sources	<u>2,996,109</u>	<u>3,996,309</u>	<u>3,996,314</u>	<u>5</u>
Net Change in Fund Balance	(58,348)	(675,839)	(628,492)	47,347
Fund Balance - Beginning of Year	708,689	708,689	708,689	-
Prior Year Encumbrances Appropriated	48,440	48,440	48,440	-
Fund Balance - End of Year	<u>\$ 698,781</u>	<u>\$ 81,290</u>	<u>\$ 128,637</u>	<u>\$ 47,347</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, 2014

	Enterprise Funds				Total	Governmental
	Water	Sewer	Storm Water Drainage	Nonmajor - Solid Waste		Internal Service Fund
ASSETS						
Current Assets:						
Equity in Pooled Cash and Cash Equivalents	\$ 2,638,113	\$ 2,542,849	\$ 2,358,238	\$ 677,870	\$ 8,217,070	\$ 504,526
Materials and Supplies Inventory	20,953	44,722	-	-	65,675	-
Accrued Interest Receivable	5,835	8,022	-	-	13,857	-
Accounts Receivable	481,105	624,084	88,184	77,679	1,271,052	-
Other Receivable	1,989	-	-	-	1,989	-
Prepaid Items	12,933	3,849	392	-	17,174	-
Special Assessments Receivable	403,739	237,608	285,000	-	926,347	-
Utilization Fee Receivable	3,080	7,343	-	-	10,423	-
Total Current Assets	<u>3,567,747</u>	<u>3,468,477</u>	<u>2,731,814</u>	<u>755,549</u>	<u>10,523,587</u>	<u>504,526</u>
Noncurrent Assets:						
Cash Surrender Value of Life Insurance Policies	-	-	-	-	-	365,529
Capital Assets:						
Land	1,365,375	458,938	84,257	-	1,908,570	-
Construction in Progress	621,106	1,872,444	1,812,133	-	4,305,683	-
Depreciable Assets, Net of Depreciation	12,300,926	23,514,029	11,629,609	111	47,444,675	-
Total Noncurrent Assets	<u>14,287,407</u>	<u>25,845,411</u>	<u>13,525,999</u>	<u>111</u>	<u>53,658,928</u>	<u>365,529</u>
Total Assets	<u>17,855,154</u>	<u>29,313,888</u>	<u>16,257,813</u>	<u>755,660</u>	<u>64,182,515</u>	<u>870,055</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	23,656	32,177	1,300	19,616	76,749	-
Accrued Wages and Benefits	86,047	98,472	19,741	3,480	207,740	-
Compensated Absences Payable	87,424	116,765	27,950	4,999	237,138	-
Contracts Payable	-	-	349,206	-	349,206	-
Retainage Payable	-	40,927	26,925	-	67,852	-
Interfund Payable	352,100	298,980	456,000	646,466	1,753,546	760,000
Accrued Interest Payable	-	1,850	-	-	1,850	-
Health Insurance Claims Payable	-	-	-	-	-	135,719
Workers' Compensation Claims Payable	1,972	1,972	-	-	3,944	-
Notes Payable	-	557,401	-	-	557,401	-
OWDA Loans Payable	38,044	213,916	-	-	251,960	-
OPWC Loans Payable	-	-	4,967	-	4,967	-
Total Current Liabilities	<u>589,243</u>	<u>1,362,460</u>	<u>886,089</u>	<u>674,561</u>	<u>3,512,353</u>	<u>895,719</u>
Noncurrent Liabilities:						
Compensated Absences Payable	9,528	11,462	2,583	423	23,996	-
Workers' Compensation Claims Payable	7,177	7,177	-	-	14,354	-
OWDA Loans Payable	406,040	2,470,501	-	-	2,876,541	-
OPWC Loans Payable	42,520	20,902	70,962	-	134,384	-
Total Noncurrent Liabilities	<u>465,265</u>	<u>2,510,042</u>	<u>73,545</u>	<u>423</u>	<u>3,049,275</u>	<u>-</u>
Total Liabilities	<u>1,054,508</u>	<u>3,872,502</u>	<u>959,634</u>	<u>674,984</u>	<u>6,561,628</u>	<u>895,719</u>
NET POSITION						
Net Investment in Capital Assets	13,800,803	22,582,691	13,450,070	111	49,833,675	-
Unrestricted	2,999,843	2,858,695	1,848,109	80,565	7,787,212	(25,664)
Total Net Position	<u>\$ 16,800,646</u>	<u>\$ 25,441,386</u>	<u>\$ 15,298,179</u>	<u>\$ 80,676</u>	<u>\$ 57,620,887</u>	<u>\$ (25,664)</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.

(603,596)
\$ 57,017,291

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, 2014

	Enterprise Funds				Total	Governmental Activities
	Water	Sewer	Storm Water Drainage	Nonmajor - Solid Waste		Internal Service Fund
OPERATING REVENUES						
Charges for Services	\$ 3,006,999	\$ 3,904,905	\$ 565,152	\$ 484,830	\$7,961,886	\$ 2,625,153
Miscellaneous	89,214	93,470	11,861	-	194,545	-
Total Operating Revenues	<u>3,096,213</u>	<u>3,998,375</u>	<u>577,013</u>	<u>484,830</u>	<u>8,156,431</u>	<u>2,625,153</u>
OPERATING EXPENSES						
Salaries	1,384,405	1,589,588	331,110	50,446	3,355,549	-
Fringe Benefits	477,556	543,170	107,705	15,156	1,143,587	-
Materials and Supplies	403,847	252,932	2,638	3,724	663,141	-
Utilities	186,334	184,978	-	-	371,312	-
Contractual Services	240,735	376,542	55,059	290,372	962,708	593,307
Depreciation	539,350	810,653	278,201	221	1,628,425	-
Claims	9,149	9,149	-	-	18,298	2,107,421
Other	2,581	2,753	260	-	5,594	-
Total Operating Expense	<u>3,243,957</u>	<u>3,769,765</u>	<u>774,973</u>	<u>359,919</u>	<u>8,148,614</u>	<u>2,700,728</u>
Operating Income (Loss)	<u>(147,744)</u>	<u>228,610</u>	<u>(197,960)</u>	<u>124,911</u>	<u>7,817</u>	<u>(75,575)</u>
NONOPERATING REVENUES (EXPENSES)						
Gain on Sale of Capital Assets	4,341	2,501	-	-	6,842	-
Interest	14,090	20,189	10	-	34,289	18,658
Interest and Fiscal Charges	(14,063)	(108,441)	-	-	(122,504)	-
Total Nonoperating Revenues (Expenses)	<u>4,368</u>	<u>(85,751)</u>	<u>10</u>	<u>-</u>	<u>(81,373)</u>	<u>18,658</u>
Capital Contributions from Grants	4,329	4,329	201,543	-	210,201	-
Capital Contributions from Developers	-	16,994	-	-	16,994	-
Transfers In	-	-	-	-	-	160,000
Capital Contributions from Tap In Fees	14,722	10,639	1,375	-	26,736	-
Change in Net Position	<u>(124,325)</u>	<u>174,821</u>	<u>4,968</u>	<u>124,911</u>	<u>180,375</u>	<u>103,083</u>
Net Position - Beginning of Year	<u>16,924,971</u>	<u>25,266,565</u>	<u>15,293,211</u>	<u>(44,235)</u>		<u>(128,747)</u>
Net Position - End of Year	<u>\$16,800,646</u>	<u>\$25,441,386</u>	<u>\$15,298,179</u>	<u>\$ 80,676</u>		<u>\$ (25,664)</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.

(20,953)
\$ 159,422

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, 2014

	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	\$3,079,967	\$3,791,433	\$ 553,937	\$ 494,411	\$7,919,748	\$ 2,625,153
Other Cash Receipts	88,725	95,970	13,855	-	198,550	-
Cash Payments to Employees for Services	(1,369,452)	(1,575,393)	(327,608)	(48,849)	(3,321,302)	-
Cash Payments for Employee Benefits	(477,943)	(543,321)	(131,311)	(15,121)	(1,167,696)	-
Cash Payments for Goods and Services	(846,077)	(864,375)	(32,979)	(313,538)	(2,056,969)	(583,173)
Cash Payments for Claims	-	-	-	-	-	(2,098,006)
Other Cash Payments	(2,581)	(2,753)	(260)	-	(5,594)	-
Net Cash Provided by (Used in) Operating Activities	<u>472,639</u>	<u>901,561</u>	<u>75,634</u>	<u>116,903</u>	<u>1,566,737</u>	<u>(56,026)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Advances Out	(80,000)	(65,000)	(110,000)	-	(255,000)	-
Transfers In	-	-	-	-	-	160,000
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(80,000)</u>	<u>(65,000)</u>	<u>(110,000)</u>	<u>-</u>	<u>(255,000)</u>	<u>160,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital Grants and Contributions	4,329	4,329	201,543	-	210,201	-
Tap-in Fees	14,217	13,998	1,375	-	29,590	-
Special Assessments	3,522	840	9,033	-	13,395	-
Proceeds from Notes	-	555,000	-	-	555,000	-
Premium on Notes	-	3,602	-	-	3,602	-
Principal Paid on OWDA/OPWC Loans	(36,896)	(206,297)	(4,967)	-	(248,160)	-
Principal Paid on Notes	-	(615,000)	-	-	(615,000)	-
Interest Paid on OWDA/OPWC Loans	(14,063)	(106,166)	-	-	(120,229)	-
Interest Paid on Notes	-	(6,150)	-	-	(6,150)	-
Payments for Capital Acquisitions	(207,871)	(1,261,346)	(415,272)	-	(1,884,489)	-
Proceeds from Sale of Capital Assets	4,341	2,501	-	-	6,842	-
Net Cash Used in Capital and Related Financing Activities	<u>(232,421)</u>	<u>(1,614,689)</u>	<u>(208,288)</u>	<u>-</u>	<u>(2,055,398)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceed from sales and maturities of investments	-	-	-	-	-	5,676
Interest on Investments	12,431	16,343	10	-	28,784	-
Net Cash Provided by Investing Activities	<u>12,431</u>	<u>16,343</u>	<u>10</u>	<u>-</u>	<u>28,784</u>	<u>5,676</u>
Net Increase (Decrease) in Cash and Cash Equivalents	172,649	(761,785)	(242,644)	116,903	(714,877)	109,650
Cash and Cash Equivalents - Beginning of Year	2,465,464	3,304,634	2,600,882	560,967	8,931,947	394,876
Cash and Cash Equivalents - End of Year	<u>\$2,638,113</u>	<u>\$2,542,849</u>	<u>\$ 2,358,238</u>	<u>\$ 677,870</u>	<u>\$8,217,070</u>	<u>\$ 504,526</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, 2014

	Enterprise Funds				Total	Governmental Activities
	Water	Sewer	Storm Water Drainage	Other Enterprise Funds		Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS)						
TO NET CASH PROVIDED BY (USED IN) OPERATING						
ACTIVITIES						
Operating Income (Loss)	\$ (147,744)	\$ 228,610	\$ (197,960)	\$ 124,911	\$ 7,817	\$ (75,575)
Adjustments:						
Depreciation	539,350	810,653	278,201	221	1,628,425	-
Premium charged for Life Insurance Policies	-	-	-	-	-	10,134
(Increase) Decrease in Assets:						
Accounts Receivable	74,468	(110,972)	(11,215)	9,581	(38,138)	-
Other Receivable	(1,989)	-	1,994	-	5	-
Materials and Supplies Inventory	(10,975)	(28,535)	-	-	(39,510)	-
Prepaid Items	(257)	(306)	6	16	(541)	-
Increase (Decrease) in Liabilities:						
Accounts Payable	(3,929)	(21,082)	1,300	(19,458)	(43,169)	-
Accrued Wages and Benefits	4,154	5,928	605	601	11,288	-
Compensated Absences Payable	10,412	8,116	2,703	1,031	22,262	-
Workers' Compensation Claims Payable	9,149	9,149	-	-	18,298	-
Health Insurance Claims Payable	-	-	-	-	-	9,415
Net Cash Provided by (Used in) Operating Activities	<u>\$ 472,639</u>	<u>\$ 901,561</u>	<u>\$ 75,634</u>	<u>\$ 116,903</u>	<u>\$1,566,737</u>	<u>\$ (56,026)</u>
Schedule of Non-Cash Investing, Capital, and Financing Activities:						
Capital contributions from developers	\$ -	\$ 16,994	\$ -	\$ -	\$ 16,994	\$ -
Net impact of accruals related to capital assets.	(31,907)	42,928	376,131	-	387,152	-

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

City of Kent, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Escrow Fund
December 31, 2014

	<u>Agency Funds</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 420,716
Total Assets	<u>\$ 420,716</u>
Liabilities	
Deposits Held and Due to Others	\$ 420,716
Total Liabilities	<u>\$ 420,716</u>

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

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Note 1 – Description of the City and Reporting Entity

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

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. This definition of reporting entity is found in GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*.

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and 1) the City is able to significantly influence the programs or services performed or provided by the organization; or 2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations which are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. The reporting entity of the City does include a blended component unit. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government

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

The City is associated with one jointly governed organization, the Northeast Ohio Public Energy Council, and two joint ventures, the Kent-Franklin Township Joint Economic Development District, and the Kent-Brimfield Township Joint Economic Development District. Information about these organizations is presented in Notes 20 and 21 to the basic financial statements, respectively.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

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

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

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

B. Fund Accounting

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

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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

General Fund - This fund is the operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

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

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

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.

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

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

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

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

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

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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

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

Internal Service Funds Internal Service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service fund reports on a self-insurance program for employee health and life insurance benefits.

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

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are presented using the economic resources measurement focus. All assets along with deferred outflows of resources and all liabilities along with deferred inflows of resources associated with the operation of the City are included on the Statement of Net Position. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

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

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

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

D. Basis of Accounting

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 9). Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), fines and forfeitures, interest, grants, fees, and rentals.

Deferred Outflows/Inflows of Resources - In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, there were no deferred outflows of resources as of December 31, 2014.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, 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, 2014, but which were levied to finance year 2015 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, intergovernmental grants, special assessments, charges for services, and miscellaneous revenues. These amounts are deferred and recognized as inflows of resources in the period the amounts become available.

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

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

E. Cash and Cash Equivalents

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

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

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

During the year, the City's investments were limited to non-negotiable and negotiable certificates of deposits, United States Agency debt securities and money market mutual funds.

Following Ohio statutes, the City has, by ordinance, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during 2014 amounted to \$163,747, which includes \$113,372 assigned from other City funds.

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

F. Inventory

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

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2014 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

H. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City capitalization threshold is \$2,500 for 2014. 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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

J. Compensated Absences

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

Sick leave benefits are accrued as a liability using the termination method. The liability includes the employees who are currently eligible to receive termination benefits and those the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the City's termination policy.

The current portion of unpaid compensated absences is the amount of matured compensated absences expected to be paid using expendable available financial resources. These amounts are presented as "Matured Compensated Absences Payable" in the funds from which the employees are paid. The noncurrent portion of the liability is not reported in the governmental funds. The City had no matured compensated absences payable for December 31, 2014.

K. Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences and severance benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the governmental fund financial statements when due.

L. 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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the City Council. In the general fund, assigned amounts would represent intended uses established by policies of the City Council or a City official delegated that authority by City Charter or ordinance, or by State statute. State statute authorizes the finance director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

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

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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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.

M. Net Position

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

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

N. 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.

O. 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.

P. 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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

Q. 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 2014.

R. 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.

S. Budgetary Process

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

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

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

Note 3 – Changes in Accounting Principles and Prior Period Adjustments

Changes in Accounting Principles

GASB Statement Number 67, *Financial Reporting for Pension Plans-an amendment of GASB Statement No. 25*. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2013 and have been implemented by the City.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

GASB Statement Number 69, *Government Combinations and Disposals of Government Operations*. The objective of this Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2013 and have been implemented by the City.

GASB Statement Number 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve the recognition, measurement, and disclosure guidance for state and local governments that have extended or received financial guarantees that are nonexchange transactions. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2013 and have been implemented by the City.

These GASB Statements did not have an effect on the City's financial statements.

Prior Period Adjustments

Prior period adjustments are necessary to combine the Income Tax Fund with General Fund on the governmental fund financial statements, as well as, record a debt that was previously recorded as an external debt as manuscript debt. These adjustments had the following impact:

	Governmental Activities			
Net Position, December 31, 2013	\$	66,048,859		
Adjustments:				
Recognize external debt as manuscript debt		(87,000)		
Restated Net Position, December 31, 2013	\$	65,961,859		
	General Fund	Income Tax Fund	Other Governmental Funds	Total Governmental Funds
Fund Balance, December 31, 2013	\$	5,977,011	\$	6,792,069
Adjustments:				
Recognize external debt as manuscript debt	-	(87,000)	(274,000)	(361,000)
Reclassify Income Tax Fund into General Fund	6,705,069	(6,705,069)	-	-
Restated Fund Balance, December 31, 2013	\$	12,682,080	\$	-
			\$	4,097,039
				\$
				24,199,389

Note 4 – Accountability and Compliance

Fund Deficits

As of December 31, 2014, the City's General Obligation Debt Service Fund and Internal Service Fund reported deficit fund balances of \$949,135 and \$25,664, respectively. These fund deficits resulted from accrued liabilities. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

Note 5 - Budgetary Basis of Accounting

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

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

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

	General	Income Tax Safety	Fire and Emergency Medical Services
Fund Balance - Budget Basis	\$3,886,615	\$812,442	\$128,637
Net Adjustment			
Revenue Accruals	4,510,848	756,576	837,050
Deferred Inflows	(2,037,967)	(410,670)	(469,402)
Expenditure Accruals	(1,719,143)	(271,436)	(226,809)
Assets Held for Resale	734,400	0	0
Inventories/Prepays	26,708	51,516	2,808
Investment Valuation	(23,015)	0	0
Funds Budgeted elsewhere	7,219,244	0	0
Encumbrances	372,728	41,079	366,575
Fund Balance - GAAP Basis	<u>\$12,970,418</u>	<u>\$979,507</u>	<u>\$638,859</u>

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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

Cash on Hand

At December 31, 2014, 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".

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposit may not be returned. The City's policy is to place deposits with major local banks approved by the City Council. All deposits, except for deposits held by fiscal and escrow agents, are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in financial institution pools at Federal Reserve banks, or at member banks of the federal reserve system in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds, or as specific collateral held at a Federal Reserve Bank in the name of the City.

At December 31, 2014, the carrying value of the City's deposits was \$10,521,880, of which \$150,000 was in a non-negotiable certificate of deposit (cash and cash equivalents in segregated accounts of \$61,132 related to the City's blended component unit are not included in the City's deposits). The cash balances per the banks were \$9,591,245, of which \$1,234,346 was insured by Federal depository insurance. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$8,356,899 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

Investments

The City follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all of its investments at fair value. At December 31, 2014, fair value was \$28,413 below the City's net cost for investments. Fair value is determined by quoted market prices and other acceptable pricing methodologies.

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.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

As of December 31, 2014, the City had the following investments and investment maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturity</u>
U.S. Agencies Debt Securities	\$16,568,717	AA+	Various Maturities
Money Market Mutual Funds	28,105	N/A	Daily
Negotiable Certificate of Deposit	7,491,012	N/A	Various Maturities
Total Investments	<u>\$24,087,834</u>		

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, 2014.

Investments	\$24,087,834
Carrying amount of the City's Deposits	10,521,880
Cash on Hand	1,105
Total	<u>\$34,610,819</u>
 <i>Governmental Activities</i>	
Governmental Funds	
Equity in Pooled Cash and Cash Equivalents	\$25,241,140
Cash and Cash Equivalents in Segregated Accounts	\$61,132
Restricted Cash	166,235
Internal Service Funds	
Equity in Pooled Cash and Cash Equivalents	504,526
Total Governmental Activities	<u>25,973,033</u>
 <i>Business-Type Activities</i>	
Enterprise Funds	
Equity in Pooled Cash and Cash Equivalents	<u>8,217,070</u>
 <i>Agency Funds</i>	
	<u>420,716</u>
Total	<u>\$34,610,819</u>

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

Note 7 – Fund Balances

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

Fund Balances	General	Income Tax Safety	Fire and Emergency Medical Services	Capital Projects	Muni PI Tax Increment Equivalent	Other Governmental Funds	Total
<i>Nonspendable</i>							
Prepaid Items	\$ 26,708	\$ 18,907	\$ 2,808	\$ 21,559	\$ 3,866,667	\$ 6,930	\$ 3,943,579
Inventories	-	32,609	-	-	-	645,883	678,492
Interfund Balances	3,660,119	-	-	-	-	-	3,660,119
Loans Receivable	389,750	-	-	-	-	-	389,750
Community Development	150,000	-	-	-	-	-	150,000
Assets Held for Resale	734,400	-	-	-	-	-	734,400
<i>Total Nonspendable</i>	<u>4,960,977</u>	<u>51,516</u>	<u>2,808</u>	<u>21,559</u>	<u>3,866,667</u>	<u>652,813</u>	<u>9,556,340</u>
<i>Restricted for</i>							
Police Pension	-	-	-	-	-	12,177	12,177
Fire Pension	-	-	-	-	-	12,181	12,181
Public Safety	-	927,991	636,051	-	-	306,999	1,871,041
Other Law Enforcement	-	-	-	-	-	87,960	87,960
Streets and Highways	-	-	-	-	-	989,259	989,259
Parks and Recreation	-	-	-	-	-	679,180	679,180
Food Services	-	-	-	-	-	31,077	31,077
Revolving Housing	-	-	-	-	-	41,015	41,015
Swimming Pool Inspections	-	-	-	-	-	7,158	7,158
Community Development	-	-	-	-	9,219	3,169,538	3,178,757
Police Facilities	-	-	-	-	-	4,582,110	4,582,110
<i>Total Restricted</i>	<u>-</u>	<u>927,991</u>	<u>636,051</u>	<u>-</u>	<u>9,219</u>	<u>9,918,654</u>	<u>11,491,915</u>
<i>Committed to</i>							
Public Facilities and Programs	2,276,808	-	-	-	-	-	2,276,808
Capital Improvement	-	-	-	2,578,713	-	-	2,578,713
<i>Total Committed</i>	<u>2,276,808</u>	<u>-</u>	<u>-</u>	<u>2,578,713</u>	<u>-</u>	<u>-</u>	<u>4,855,521</u>
<i>Assigned to</i>							
Purchases on Order	294,510	-	-	-	-	-	294,510
<i>Total Assigned</i>	<u>294,510</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>294,510</u>
<i>Unassigned (Deficit)</i>							
	5,438,123	-	-	-	-	(949,135)	4,488,988
Total Fund Balances	<u>\$ 12,970,418</u>	<u>\$ 979,507</u>	<u>\$ 638,859</u>	<u>\$ 2,600,272</u>	<u>\$ 3,875,886</u>	<u>\$ 9,622,332</u>	<u>\$ 30,687,274</u>

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

Note 8 - Income Taxes

In November 2013, the City's electorate voted to increase the City's municipal income tax rate by 0.25 percent for a cumulative rate of 2.25 percent. This increase took effect January 1, 2014 and will be utilized for the construction of a new police station.

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 2013 tax levy was based was \$351,074,180.

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 2012. Public utility personal property is assessed at 88 percent of actual value (1997-2004) and 67 percent of actual value (2005-2008). General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax has been completely phased out. Amounts for prior year's unpaid tangible personal property taxes may still be collected.

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

Payments in Lieu of Taxes

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

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

Note 10 – Interfund Activities

As of December 31, 2014, individual funds due to/from other funds that resulted from various interfund transactions were as follows:

	PAYABLE FUND								
	<i>Governmental Activities</i>				<i>Business-Type Activities</i>				
	General	Capital Projects	Nonmajor	Internal Service	Water	Sewer	Storm Water Drainage	Nonmajor - Solid Waste	Total
RECEIVABLE FUND									
<i>Governmental Funds</i>									
General	\$0	\$325,000	\$821,573	\$760,000	352,100	298,980	456,000	\$646,466	\$3,660,119
Nonmajor	1,445,907	0	0	0	0	0	0	0	1,445,907
Total	<u>\$1,445,907</u>	<u>\$325,000</u>	<u>\$821,573</u>	<u>\$760,000</u>	<u>\$352,100</u>	<u>\$298,980</u>	<u>\$456,000</u>	<u>\$646,466</u>	<u>\$5,106,026</u>

Interfund balances were used primarily to provide capital to expand the utility infrastructure which facilitates new development. The balances were also used to provide the initial cash for expenditure driven grant funds. The interfund receivable/payable between the General Fund and the nonmajor governmental fund is related to the City's guarantee of the blended component unit's line of credit. The interfund receivable/payable between the General Fund and the Internal Service Fund was for the purpose of providing additional resources to the Internal Service Fund due to significant claims paid in prior periods. The City has put in place efforts to repay these outstanding interfund balances in future periods.

The City also recognizes an interfund transaction between the City's Income Tax Fund (which is combined with the General Fund on the governmental fund financial statements) and the City's Debt Service Fund. This interfund transaction is a manuscript debt issued by the City in fiscal year 2000 for the purpose of Street Improvements in the amount of \$561,000 with interest rates ranging from 5.50 percent to 6.00 percent over the life of the debt. The manuscript debt will mature on December 1, 2020. The City assesses annual assessments to property owners and the receipt of those assessments is used to make the annual debt service to the Income Tax Fund. As of December 31, 2014, the balance of the manuscript debt was \$242,000, with \$34,000 due within one year.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

Transfers made during the year ended December 31, 2014 were as follows:

	TRANSFERS OUT
	<i>Governmental Activities</i>
TRANSFERS IN	General
<i>Governmental Activities</i>	
Income Tax Safety	\$3,000,000
Nonmajor Fund	259,948
Internal Service Fund	160,000
Total Governmental Activities	\$3,419,948

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

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

Note 11 – Risk Management

The City has established a formal self-insurance program for liabilities arising from employee health and life benefits. This exposure is accounted for in the Health and Life Insurance Internal Service Fund, which is responsible for collecting interfund premiums from other City funds and departments, paying claim settlements, and purchasing other specified insurance policies. Reinsurance for any individual loss over \$85,000 is covered by Star-Line Group.

The claims liability of \$135,719 reported in the fund at December 31, 2014, 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 2013 and 2014 were:

		Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2013	\$	503,814	\$ 1,826,567	\$ 2,204,077	\$ 126,304
2014		126,304	2,107,421	2,098,006	135,719

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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 2014, 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
Travelers Insurance Company	Commercial Property	2,500
Travelers Insurance Company	Commercial Crime	1,000
Travelers Insurance Company	Inland Marine	1,000
Travelers Insurance Company	Boiler and Machinery	2,500
US Specialty Insurance Company	Automobile Comprehensive	500
US Specialty Insurance Company	Automobile Collision	500
Travelers Insurance Company	General Liability	0
Travelers Insurance Company	Employee Benefit Plans Administration	
	Administration Liability	1,000
Travelers Insurance Company	General Liability - Sewer Backup	5,000
Travelers Insurance Company	Excess General Liability	10,000
American Alternative Insurance Company	Fire General Liability	0
Ohio Casualty Insurance Company	Bond - Finance Officials	0
Ohio Casualty Insurance Company	Bond - Finance Director	0
Ohio Casualty Insurance Company	Blanket Employee Faithful	
	Performance Bond	0

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

In 2014, the City began its participation in the State Workers' Compensation retrospective rating and payment system. Once the City receives notice of the 2014 claims paid by the Bureau of Workers' Compensation, the City will reimburse the State for claims paid on the City's behalf. This plan involves the payment of a minimum premium for administrative services and stop-loss coverage plus the actual claim costs for employees injured in 2014 for up to ten years after the claim year. For 2014, the minimum premium portion was \$127,577 and has been recorded as an intergovernmental payable. The maintenance of these benefits will be funded through General Fund transfers to the various funds that experienced the loss. Total claims of \$45,745 have been accrued as a liability at December 31, 2014, based on an estimate provided by Comp Management, Inc., the City's third party administrator. The claims liability reported at December 31, 2014, for Workers' Compensation is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. Changes in the claims activity for workers' compensation in 2014 were as follows:

	<u>Balance at</u> <u>Beginning of Year</u>	<u>Current Year</u> <u>Claims</u>	<u>Claim</u> <u>Payments</u>	<u>Balance at</u> <u>End of Year</u>
2014	\$0	\$45,745	\$0	\$45,745

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

Note 12 - Capital Assets

Capital asset activity for the year ended December 31, 2014, was as follows:

	Balance 12/31/13	Additions	Deletions	Balance 12/31/14
Governmental Activities				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$7,752,401	\$1,423,596	\$0	\$9,175,997
Construction in Progress	10,140,485	1,877,924	(11,518)	12,006,891
<i>Total Capital Assets, Not Being Depreciated</i>	<u>17,892,886</u>	<u>3,301,520</u>	<u>(11,518)</u>	<u>21,182,888</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings, Structures and Improvements	11,975,593	5,200	0	11,980,793
Vehicles, Machinery and Equipment	10,951,949	533,269	(466,639)	11,018,579
Infrastructure:				
Roads	36,271,918	11,518	0	36,283,436
Bridges	2,949,089	0	0	2,949,089
Sidewalks	54,014	0	0	54,014
Traffic Signals	3,980,548	0	0	3,980,548
<i>Total Capital Assets, Being Depreciated</i>	<u>66,183,111</u>	<u>549,987</u>	<u>(466,639)</u>	<u>66,266,459</u>
Less Accumulated Depreciation:				
Buildings, Structures and Improvements	(6,282,116)	(351,917)	0	(6,634,033)
Vehicles, Machinery and Equipment	(7,336,762)	(532,574)	466,639	(7,402,697)
Infrastructure:				
Roads	(22,811,951)	(1,205,336)	0	(24,017,287)
Bridges	(834,757)	(61,524)	0	(896,281)
Sidewalks	(49,924)	(397)	0	(50,321)
Traffic Signals	(411,505)	(191,588)	0	(603,093)
<i>Total Accumulated Depreciation</i>	<u>(37,727,015)</u>	<u>(2,343,336)</u> *	<u>466,639</u>	<u>(39,603,712)</u>
Total Capital Assets, Being Depreciated, Net	<u>28,456,096</u>	<u>(1,793,349)</u>	<u>0</u>	<u>26,662,747</u>
Governmental Activities Capital Assets, Net	<u>\$46,348,982</u>	<u>\$1,508,171</u>	<u>(\$11,518)</u>	<u>\$47,845,635</u>

* Depreciation expense was charged to governmental functions as follows:

<u>Governmental Activities</u>	
Security of Persons and Property	\$384,300
Public Health and Welfare	4,697
Leisure Time Activities	245,865
Community Development	11,693
Transportation	1,601,392
General Government	95,389
Total Depreciation Expense	<u>\$2,343,336</u>

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

	Balance 12/31/13	Additions	Deletions	Balance 12/31/14
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$1,886,376	\$22,194	\$0	\$1,908,570
Construction in Progress	2,420,042	1,890,841	(5,200)	4,305,683
<i>Total Capital Assets, Not Being Depreciated</i>	<u>4,306,418</u>	<u>1,913,035</u>	<u>(5,200)</u>	<u>6,214,253</u>
Capital Assets, Being Depreciated:				
Buildings, Structures and Improvements	14,689,829	109,559	0	14,799,388
Vehicles, Machinery and Equipment	10,670,399	271,241	(146,881)	10,794,759
Infrastructure:				
Water Mains	16,154,494	0	0	16,154,494
Sanitary Sewers	27,447,015	0	0	27,447,015
Storm Water Drainage Lines	16,362,742	0	0	16,362,742
<i>Total Capital Assets, Being Depreciated</i>	<u>85,324,479</u>	<u>380,800</u>	<u>(146,881)</u>	<u>85,558,398</u>
Less Accumulated Depreciation:				
Buildings, Structures and Improvements	(9,504,636)	(318,138)	0	(9,822,774)
Vehicles, Machinery and Equipment	(8,866,188)	(215,363)	146,881	(8,934,670)
Infrastructure:				
Water Mains	(5,937,147)	(278,059)	0	(6,215,206)
Sanitary Sewers	(7,828,653)	(544,565)	0	(8,373,218)
Storm Water Drainage Lines	(4,495,555)	(272,300)	0	(4,767,855)
<i>Total Accumulated Depreciation</i>	<u>(36,632,179)</u>	<u>(1,628,425) *</u>	<u>146,881</u>	<u>(38,113,723)</u>
Total Capital Assets, Being Depreciated, Net	<u>48,692,300</u>	<u>(1,247,625)</u>	<u>0</u>	<u>47,444,675</u>
Business-Type Activities Capital Assets, Net	<u><u>\$52,998,718</u></u>	<u><u>\$665,410</u></u>	<u><u>(\$5,200)</u></u>	<u><u>\$53,658,928</u></u>

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

Business-Type Activities	
Water Fund	\$539,350
Sewer Fund	810,653
Solid Waste Fund	221
Storm Water Drainage Fund	278,201
	<u>\$1,628,425</u>

Note 13 - Pension and Other Post-employment Benefits

The City and all of its employees are required to participate in one of two separate retirement systems, both of which are cost-sharing, multiple employer defined benefit pension plans. The following information was provided by the Public Employees Retirement System of Ohio and the Ohio Police and Fire Pension Fund to assist the City in complying with GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers* and GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits other than Pension*.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

Ohio Public Employees Retirement System

The City participates 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 in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting www.opers.org/investments/cafr.shtml, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2014, the members of all three plans were required to contribute 10.00 percent of their earnable salaries. The City's contribution rate was 14.00 percent of earnable salary. The pension allocation for the Traditional and Combined Plans was 12.00 percent during calendar year 2014. The City's required pension contributions for the Traditional Pension and Combined Plans for the years ended December 31, 2014, 2013, and 2012 were \$905,320, \$954,377, and \$721,729, respectively. As of December 31, 2014, 91.75 percent of the City's required contributions have been made for 2014, and 100.00 percent has been made for 2013 and 2012.

Plan Description - The Ohio Public Employees Retirement System (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 that has elements of both a defined benefit and a defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement, to qualifying benefit recipients of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45. OPERS' eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the OPERS 2013 CAFR for details.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

The Ohio Revised Code permits, but does not mandate, OPERS to provide the OPEB Plan to its eligible benefit recipients. Authority to establish and amend health care coverage is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting www.opers.org/investments/cafr.shtml, by writing to OPERS, 277 East Town Street, Columbus, OH 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-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care coverage. The 2014 local government employer contribution rate was 14.00 percent of earnable salary. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of earnable salaries for local government employers. Active members do not fund the OPEB Plan.

OPERS' Post-employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.00 percent during calendar year 2014. Effective January 1, 2015, the portion of employer contributions allocated to health care remains at 2.00 percent for both plans, as recommended by OPERS actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The City's actual employer contributions for December 31, 2014, 2013 and 2012 which were used to fund post-employment benefits were \$150,887, \$73,414, and \$288,692, respectively. As of December 31, 2014, the City has contributed 91.75 percent of its required post-employment contributions for 2014, and 100.00 percent has been made for 2013 and 2012.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.00 percent of the employer contributions toward the health care fund after the end of the transition period.

Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan. The 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 for the Plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at www.op-f.org.

From January 1, 2014 thru July 1, 2014, Plan members were required to contribute 10.75 percent of their annual covered salary. From July 2, 2014 thru December 31, 2014, Plan members were required to contribute 11.50 percent of their annual covered salary. Throughout 2014, the City was required to contribute 19.50 percent and 24.00 percent for police officers and firefighters, respectively.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

The portion of the City's contributions to fund pension obligations from January 1, 2014 thru December 31, 2014 for police officers and firefighters was 19.00 percent and 23.50 percent, respectively. The City's required pension contributions to OP&F for the years ending December 31, 2014, 2013, and 2012 were \$585,102, \$484,301, and \$401,894 for police and \$621,450, \$523,007, and \$452,940 for firefighters, respectively. As of December 31, 2014, the City has contributed 92.76 percent and 91.85 percent respectively for the police officers and firefighters required contributions with the unpaid portion being recorded as a liability in the City's financial statements. 100.00 percent of the required contributions have been made for 2013 and 2012.

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined post-employment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, OH 43215-5164. That report is also available on OP&F's website at www.op-f.org.

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50 percent and 24.00 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50 percent of covered payroll for police employer units and 24.00 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. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

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. The portion of employer contributions allocated to health care was 0.50 percent of covered payroll from January 1, 2014 thru December 31, 2014. 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 the Sections 115 and 401(h).

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

The OP&F Board of Trustees also is 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 portion of the City's contributions that was used to pay post-employment benefits for December 31, 2014, 2013, and 2012 was \$15,397, \$107,617, and \$212,768 for police and \$13,222, \$90,705, and \$177,238 for firefighters, respectively. As of December 31, 2014, the City has contributed 92.76 percent and 91.85 percent, respectively, for the police officers and firefighters required contributions. 100.00 percent of the required contributions have been made for 2013 and 2012.

Other Postemployment Benefits

Plan Description – The City administers a single-employer defined benefit life insurance plan. The plan provides other post-employment benefits (OPEB) in the form of life insurance benefits to 68 retirees employed by the City prior to June 2005. The benefits, benefit levels and employer contributions are governed by the City. The activity of the plan is reported in the City's Internal Service Fund. Life insurance benefits are only provided to the aforementioned retirees. All members of the plan have retired and the benefits provided have been set at a flat amount.

Funding Policy – The City's annual contributions to the plan for fiscal year ended December 31, 2014, were \$10,134. The plan requires no matching contributions from the employees during or after their period of employment. The City is funding the plan on a pay as you go basis.

Annual OPEB Cost and Net OPEB Obligation - The City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC). The City has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement No. 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (of funding excess) over the lesser of the average remaining life expectancy of the group or a period not to exceed thirty years. As of December 31, 2012 (the latest information available), the alternative measurement method was performed to determine the funded status of the plan as well as the City's ARC. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligations to the plan:

Annual required contribution	\$ 10,134
Contributions made	10,134
Change in Net OPEB obligation	-
Net OPEB obligation - beginning of year	-
Net OPEB obligation - end of year	\$ -

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014, 2013, and 2012 were as follows:

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 10,204	100%	\$ -
2013	1,930	100	-
2014	10,134	100	-

Funded Status and Funding Progress – As of December 31, 2012 (the latest information available), the actuarial accrued liability for life insurance benefits was \$359,898, of which \$33,002 was funded through actual plan assets. There is no covered payroll since the plan is closed and all of the members are retired.

The funded status of the plan as of December 31, 2012 (the latest information available), was as follows:

Actuarial Accrued Liability	\$359,898
Actual Value of Plan Assets	33,002
Unfunded Actuarial Accrued Liability	<u>\$326,896</u>
Fund Ratio (Actual Value of Plan Assets/AAL)	9.17%

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the other trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and other historical patterns. The methods and assumptions used included techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actual value of assets, consistent with the long-term perspective of the calculations.

Based on the plan’s benefits provided to the qualified retirees, some of the assumptions generally made are not applicable. However, the following simplifying assumptions are applicable to the plan and were made:

Mortality – Life expectancies were based on mortality tables from the National Center for Health Statistics (www.cdc.gov). The 2004 United States Life Tables for Males and Females were used.

Investment return – The investment return is based on historical (and expected future) returns of its short-term investment portfolio (the current and expected investments that are expected to be used in financing the payment of benefits). The City expects to earn an average of 1.0 percent on these investments in the future.

Inflation rate – The expected long-term inflation assumption of 2.7 is provided through the Bureau of Labor Statistics (www.bls.gov) as of December 31, 2009 (the latest information available).

In addition, a simplified version of the projected unit credit actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at December 31, 2009 (the latest information available), was 16 years which is the average remaining life expectancy of the group.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

Note 14 – Other Employee Benefits

A. Compensated Absences

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

The total obligation for vacation and compensatory time accrual for the City, including salary-related payments, amounted to \$1,302,304 as of December 31, 2014.

Accumulated Unpaid Sick Leave Sick leave for City employees is accrued at rates from 119.6 to 195 hours per year. Employees may convert 50 percent of their current year accumulated sick leave into a lump-sum payment within certain limitations. Employees who retire after 10 years of service may convert 50 percent of their accumulated sick leave days into a lump-sum payment within certain limitations. The obligation for sick leave accrual was calculated using the termination payments method and amounted to \$138,470 as of December 31, 2014.

B. Other Benefits

City employees are contractually entitled to severance pay equal to one month of their salary if they retire with at least 10 years of service. The severance pay obligation was calculated using the termination payments method and amounted to \$32,371 as of December 31, 2014.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

Note 15 - Construction and Other Commitments

As of December 31, 2014, the City had capital contracts and retainage payables of \$608,411 and \$417,058 in governmental funds and business-type funds, respectively.

	<u>Contract Amount</u>
Governmental Activities	
2013 Street Program	\$ 67,645
2014 Street Program	52,673
Signage and Wayfinding Project	154,577
Alley 5 Parking Lot	29,073
Redmond Bridge	51,997
Summit Street Improvement	198,028
Police Facility Design Phase	36,729
Various Capital Purchases	17,689
	\$608,411
Business-Type	
Digester Improvements	\$35,981
College Tower Lift Rehab.	4,946
Area Q Storm Water Drainage Phase V	376,131
	\$417,058
Total	\$1,025,469

Operating Lease where City is Lessee

On August 3, 2011, the City entered into a 50-year lease agreement with the Portage Area Regional Transit Authority (PARTA). The lease agreement required the City to prepay all rentals and costs payable for the lease of two upper levels of the parking facility in the amount of \$4,000,000. The prepayment of the lease term is necessary to provide additional funding to PARTA for the construction of the parking facility. The first lease year shall commence when the parking facility is complete and operable. The construction of the parking facility was completed and operable in 2013.

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

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

Operating Lease where City is Lessor

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

Based on accounting for leases, this lease is accounted for as an operating lease. Operating leases do not give rise to property rights or lease obligations. The minimum future rentals on the lease are as follows:

<u>Years</u>	
2015	\$30,001
2016	30,001
2017	30,000
2018	30,000
Thereafter	<u>240,070</u>
Total	<u><u>\$360,072</u></u>

Other Commitments

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are components of fund balance for subsequent year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. As of December 31, 2014, the City's commitments for encumbrances in the governmental funds were as follows:

	<u>Encumbrances Outstanding</u>
Major Funds:	
General	\$ 2,650,998
Income Tax Safety	41,079
Fire and Emergency Medical Services	366,575
Capital Projects	1,891,589
Muni PI Tax Increment Equivalent	742,809
Nonmajor Funds:	
Special Revenue Funds	395,128
Capital Projects Funds	<u>35,779</u>
Total	<u><u>\$ 6,123,957</u></u>

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

Note 16 – Long-term Obligations

Changes in bonds and other long-term obligations of the City during 2014 were as follows:

	Restated Principal Outstanding 12/31/13	Additions	Deletions	Principal Outstanding 12/31/14	Due Within One Year
Governmental Activities					
General Obligation Bonds:					
\$4,535,000 Safety Center Construction					
2014 2.00% - 5.00%	\$0	\$4,535,000	\$0	\$4,535,000	\$125,000
Unamortized Premium	0	413,452	1,378	412,074	0
\$1,295,000 Alley 4 Improvements					
2013 2.00% - 4.00%	1,295,000	0	0	1,295,000	55,000
\$4,195,000 Downtown Parking Improvements					
2013 2.00% - 5.00%	4,195,000	0	0	4,195,000	65,000
Unamortized Premium	116,950	0	4,177	112,773	0
<i>Total General Obligation Bonds</i>	<u>5,606,950</u>	<u>4,948,452</u>	<u>5,555</u>	<u>10,549,847</u>	<u>245,000</u>
Ohio Public Works Commission Loans					
\$512,940 Fairchild Avenue Improvements					
1999 0.00%	141,059	0	25,647	115,412	25,647
\$86,000 Elm-Mae-Morris Improvements					
2001 0.00%	30,100	0	4,300	25,800	4,300
\$136,900 Erie & Depeyster Street Reconstruction					
2012 0.00%	153,572	42,863	0	196,435	0
<i>Total Ohio Public Works Commission Loans</i>	<u>324,731</u>	<u>42,863</u>	<u>29,947</u>	<u>337,647</u>	<u>29,947</u>
Loans Payable	1,445,907	0	0	1,445,907	88,363
Workers' Compensation Claims Payable	0	27,447	0	27,447	5,914
Compensated Absences	1,174,469	916,103	878,561	1,212,011	913,799
<i>Total Governmental Activities</i>	<u>\$8,552,057</u>	<u>\$5,934,865</u>	<u>\$914,063</u>	<u>\$13,572,859</u>	<u>\$1,283,023</u>
Business-Type Activities					
Ohio Water Development Authority Loans					
\$485,851 Kent-Ravenna Interconnect					
2003 3.65%	\$286,387	\$0	\$24,206	\$262,181	\$25,098
\$4,372,503 Sanitary Sewer Improvements					
2003 3.66%	2,890,714	0	206,297	2,684,417	213,916
\$271,200 Franklin Hills Waterline					
2007 2.00%	194,593	0	12,690	181,903	12,946
<i>Total Ohio Water Development Authority Loans</i>	<u>3,371,694</u>	<u>0</u>	<u>243,193</u>	<u>3,128,501</u>	<u>251,960</u>
Ohio Public Works Commission Loans					
\$46,694 Elm-Mae-Morris Improvements					
2005 0.00%	32,685	0	2,335	30,350	2,335
\$52,650 Drainage Area Q - Phase 3					
2007 0.00%	39,489	0	2,632	36,857	2,632
\$233,100 Erie & Depeyster Street Reconstruction					
2012 0.00%	72,144	0	0	72,144	0
<i>Total Ohio Public Works Commission Loans</i>	<u>144,318</u>	<u>0</u>	<u>4,967</u>	<u>139,351</u>	<u>4,967</u>
Workers' Compensation Claims Payable	0	18,298	0	18,298	3,944
Compensated Absences	238,872	241,510	219,248	261,134	237,138
<i>Total Business-Type Activities</i>	<u>\$3,754,884</u>	<u>\$259,808</u>	<u>\$467,408</u>	<u>\$3,547,284</u>	<u>\$498,009</u>

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2014 are as follows:

Governmental Activities					
Years	General Obligation Bonds		OPWC	Total	
	Principal	Interest	Principal	Principal	Interest
2015	\$245,000	\$391,410	\$29,947	\$274,947	\$391,410
2016	245,000	391,400	29,947	274,947	391,400
2017	250,000	386,500	29,947	279,947	386,500
2018	255,000	381,499	29,947	284,947	381,499
2019	260,000	376,400	21,424	281,424	376,400
2020-2024	1,395,000	1,780,200	0	1,395,000	1,780,200
2025-2029	1,670,000	1,522,950	0	1,670,000	1,522,950
2030-2034	2,015,000	1,164,900	0	2,015,000	1,164,900
2035-2039	2,495,000	681,350	0	2,495,000	681,350
2040-2043	1,195,000	152,750	0	1,195,000	152,750
Total	\$10,025,000	\$7,229,359	\$141,212	\$10,166,212	\$7,229,359

Business-Type Activities					
Years	OWDA Loans		OPWC	Total	
	Principal	Interest	Principal	Principal	Interest
2015	\$251,960	\$109,227	\$4,967	\$256,927	\$109,227
2016	261,045	100,140	4,967	266,012	100,140
2017	270,461	90,724	4,967	275,428	90,724
2018	280,221	80,964	4,967	285,188	80,964
2019	290,338	70,849	4,967	295,305	70,849
2020-2024	1,582,063	189,423	24,835	1,606,898	189,423
2025-2028	192,413	3,999	17,537	209,950	3,999
Total	\$3,128,501	\$645,326	\$67,207	\$3,195,708	\$645,326

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

Loans payable relate to a guarantee the City has with the Kent Downtown Community Urban Redevelopment Corporation (the City's blended component unit) for properties that were purchased in the downtown redevelopment district. These loans are the amount outstanding by the blended component unit on a line of credit. This line of credit provides for interest only payments on the outstanding balance until its conversion day on January 27, 2015. Interest accrues at the Wall Street Journal prime rate (3.25 percent at December 31, 2014) plus 0.5 percent with a minimum interest rate of 5.0 percent. The line of credit allows for borrowing up to \$2,250,000 and has a maturity date of January 27, 2030. A final amortization schedule has not been provided for this debt as of December 31, 2014. This guarantee will be repaid from the City's General Fund.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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 the prior year, the City entered into a grant/loan agreement with OPWC for the reconstruction of Erie and Depeyster Streets. The OPWC loan will be for a maximum amount of \$370,000 with a 0.00 percent interest rate. Loan proceeds were received in 2014 and split between governmental and proprietary funds. As of December 31, 2014, this project has not been completed and OPWC has not provided an amortization schedule for the repayment of this loan.

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. As of December 31, 2014, the City has unspent proceeds of \$2,768,911.

For governmental activities, compensated absences are generally liquidated by the fund where the corresponding employee's salary expenditure is recorded, most significantly from the general fund, the major special revenue funds and the major enterprise funds.

The City has the ability to issue \$4.6 million of additional debt without obtaining voter approval.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

Note 17 – Note Obligations

A summary of note transactions for the year ended December 31, 2014 follows:

	Balance 12/31/13	Additions	Deletions	Balance 12/31/14
Governmental Activities				
2013, 1.00% - Refunding of Various Purpose Bonds, Series 1998	\$1,020,000	\$0	\$1,020,000	\$0
2013, 1.00% - Building Improvements	1,945,000	0	1,945,000	0
2013, 1.00% - Downtown Development	1,650,000	0	1,650,000	0
2014, 1.00% - Refunding of Various Purpose Bonds, Series 1998	0	830,000	0	830,000
2014, 1.00% - Building Improvements	0	1,675,000	0	1,675,000
2014, 1.00% - Downtown Development	0	1,650,000	0	1,650,000
Unamortized Premium	20,015	29,133	29,726	19,422
<i>Total Governmental Activities</i>	<u>4,635,015</u>	<u>4,184,133</u>	<u>4,644,726</u>	<u>4,174,422</u>
Business-Type Activities				
Sewer Fund				
2013, 1.00% - Sanitary Sewer Trunk Lines	615,000	0	615,000	0
2014, 1.00% - Sanitary Sewer Trunk Lines	0	555,000	0	555,000
Unamortized Premium	2,474	3,602	3,675	2,401
<i>Total Sewer Fund</i>	<u>617,474</u>	<u>558,602</u>	<u>618,675</u>	<u>557,401</u>
Total	<u><u>\$5,252,489</u></u>	<u><u>\$4,742,735</u></u>	<u><u>\$5,263,401</u></u>	<u><u>\$4,731,823</u></u>

On September 3, 2014, the City issued \$4.710 million in various purpose notes at an interest rate of 1.00 percent with a maturity date of September 2, 2015. Brief descriptions of the original purposes of the notes are provided in the schedule above. The notes are backed by the full faith and credit of the City of Kent. However, it is the intention of the City that all enterprise obligations be paid from operating income. Note proceeds of \$4.155 million and the corresponding liabilities were reflected in governmental funds which received the proceeds. Note proceeds of \$0.555 million and the corresponding liability were reflected in the proprietary fund which received the proceeds. All of the proceeds were used solely for the retirement of the 2013 various purpose notes.

The notes were issued at a premium of \$32,735. A portion of the premium was offset against the corresponding interest expense, and the unamortized balance is reported as part of the carrying value of the notes in the respective funds.

Note 18 – Conduit Debt

The City is party to certain conduit debt obligations:

Type	On Behalf of	Principal Outstanding December 31, 2014	Year Issued
Multi-Family Housing Revenue Bonds	Silver Meadows Apartments	<u><u>\$8,445,000</u></u>	1999

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

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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. NOPEC is currently comprised of 176 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 2014, the City received \$417,330 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

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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 2014, the City received \$57,576 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 – Subsequent Event

On February 18, 2015, City Council approved the sale of City properties located at 215 East Summit Street and 325 South Depeyster Street. Various City Administrative offices had been located in these properties until they were sold to Newbrook Partners in the amount of \$2,400,000 for redevelopment purposes. The City Administrative offices have been temporarily relocated to other City facilities until a new City Hall can be built and completed for occupancy.

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

Combining Statements and Individual Fund Schedules

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

Combining Statements and Individual Fund Schedules

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Special Revenue Funds (continued)

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

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

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

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

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

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

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

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

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

Combining Statements and Individual Fund Schedules

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Special Revenue Funds (continued)

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

Nonmajor Debt Service Fund

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

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

Nonmajor Capital Projects Fund

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

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



City of Kent, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 4,051,899	\$ 129,560	\$ 4,503,079	\$ 8,684,538
Cash and Cash Equivalents:				
In Segregated Accounts	61,132	-	-	61,132
Materials and Supplies Inventory	645,883	-	-	645,883
Accounts Receivable	10,621	-	-	10,621
Interfund Receivable	1,445,907	-	-	1,445,907
Intergovernmental Receivable	521,296	-	-	521,296
Prepaid Items	6,930	-	-	6,930
Restricted Assets:				
Cash and Cash Equivalents	16,235	-	-	16,235
Municipal Income Taxes Receivable	121,859	-	286,969	408,828
Property Taxes Receivable	1,500,252	-	-	1,500,252
Special Assessments Receivable	384,042	334,903	-	718,945
Other Taxes Receivable	14,898	-	-	14,898
Loans Receivable	265,732	-	-	265,732
Assets Held for Resale	114,800	-	-	114,800
Total Assets	\$ 9,161,486	\$ 464,463	\$ 4,790,048	\$ 14,415,997
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 58,052	\$ -	\$ 10,282	\$ 68,334
Accrued Wages and Benefits	95,939	-	-	95,939
Contracts Payable	-	-	36,729	36,729
Accrued Interest Payable	8,033	2,767	-	10,800
Retainage Payable	68,232	-	-	68,232
Interfund Payable	579,573	242,000	-	821,573
Workers' Compensation Claims Payable	986	-	-	986
Notes Payable	-	833,928	-	833,928
Total Liabilities	810,815	1,078,695	47,011	1,936,521
Deferred Inflows of Resources:				
Property Taxes	1,440,167	-	-	1,440,167
Unavailable Revenue - Delinquent Property Taxes	60,085	-	-	60,085
Unavailable Revenue - Municipal Income Taxes	68,336	-	160,927	229,263
Unavailable Revenue - Other	792,726	334,903	-	1,127,629
Total Deferred Inflows of Resources	2,361,314	334,903	160,927	2,857,144
Fund Balances:				
Nonspendable	652,813	-	-	652,813
Restricted	5,336,544	-	4,582,110	9,918,654
Unassigned (Deficit)	-	(949,135)	-	(949,135)
Total Fund Balances (Deficit)	5,989,357	(949,135)	4,582,110	9,622,332
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 9,161,486	\$ 464,463	\$ 4,790,048	\$ 14,415,997

City of Kent, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
REVENUES				
Property Taxes	\$ 1,460,036	\$ -	\$ -	\$ 1,460,036
Municipal Income Taxes	597,222	-	1,496,042	2,093,264
Other Local Taxes	198,711	-	-	198,711
Intergovernmental	1,530,392	-	-	1,530,392
Interest	9,908	-	-	9,908
Fees, Licenses, and Permits	271,209	-	-	271,209
Fines and Forfeitures	7,329	-	-	7,329
Charges for Services	759,382	-	-	759,382
Special Assessments	67,527	51,220	-	118,747
All Other Revenues	207,994	-	24	208,018
Total Revenues	<u>5,109,710</u>	<u>51,220</u>	<u>1,496,066</u>	<u>6,656,996</u>
EXPENDITURES				
Current:				
Security of Persons and Property	508,955	-	65,057	574,012
Public Health and Welfare	244,917	-	-	244,917
Leisure Time Activities	1,617,012	-	-	1,617,012
Community Development	158,796	-	-	158,796
Transportation	1,169,446	-	-	1,169,446
General Government	-	1,970	-	1,970
Capital Outlay	656,835	-	1,701,032	2,357,867
Debt Service:				
Principal Retirement	-	29,947	-	29,947
Interest and Fiscal Charges	73,299	19,545	-	92,844
Debt Issuance Costs	-	3,661	96,319	99,980
Total Expenditures	<u>4,429,260</u>	<u>55,123</u>	<u>1,862,408</u>	<u>6,346,791</u>
Excess of Revenues Over (Under) Expenditures	<u>680,450</u>	<u>(3,903)</u>	<u>(366,342)</u>	<u>310,205</u>
OTHER FINANCING SOURCES				
Proceeds from Sale of Capital Assets	6,688	-	-	6,688
General Obligation Bonds Issued	-	-	4,535,000	4,535,000
Premium on Debt Issuance	-	-	413,452	413,452
Transfers In	-	259,948	-	259,948
Total Other Financing Sources	<u>6,688</u>	<u>259,948</u>	<u>4,948,452</u>	<u>5,215,088</u>
Net Change in Fund Balances	687,138	256,045	4,582,110	5,525,293
Fund Balances - Beginning of Year	5,302,219	(1,205,180)	-	4,097,039
Fund Balances - End of Year	<u>\$ 5,989,357</u>	<u>\$ (949,135)</u>	<u>\$ 4,582,110</u>	<u>\$ 9,622,332</u>

City of Kent, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014

	<u>West Side Fire</u>	<u>Street Construction, Maintenance, and Repair</u>	<u>State Highway</u>	<u>Parks and Recreation</u>	<u>Food Service</u>	<u>Revolving Housing</u>
ASSETS						
Equity in Pooled Cash and Cash Equivalents	\$ 95,592	\$ 777,644	\$ 89,224	\$ 917,956	\$ 31,666	\$ 41,958
Cash and Cash Equivalents:						
In Segregated Accounts	-	-	-	-	-	-
Materials and Supplies Inventory	-	645,883	-	-	-	-
Accounts Receivable	-	-	-	10,621	-	-
Interfund Receivable	-	-	-	-	-	-
Intergovernmental Receivable	12,627	350,985	28,458	57,408	-	-
Prepaid Items	48	5,719	-	907	-	-
Restricted Assets:						
Cash and Cash Equivalents	-	16,235	-	-	-	-
Municipal Income Taxes Receivable	-	121,859	-	-	-	-
Property Taxes Receivable	232,185	-	-	1,070,945	-	-
Special Assessments Receivable	-	384,042	-	-	-	-
Other Taxes Receivable	-	14,898	-	-	-	-
Loans Receivable	-	-	-	-	-	-
Assets Held for Resale	-	-	-	-	-	-
Total Assets	<u>\$ 340,452</u>	<u>\$ 2,317,265</u>	<u>\$ 117,682</u>	<u>\$ 2,057,837</u>	<u>\$ 31,666</u>	<u>\$ 41,958</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 622	\$ 19,852	\$ -	\$ 8,796	\$ -	\$ -
Accrued Wages and Benefits	8,196	38,565	-	47,618	589	943
Accrued Interest Payable	-	-	-	-	-	-
Retainage Payable	-	16,235	-	51,997	-	-
Interfund Payable	-	-	-	140,000	-	-
Workers' Compensation Claims Payable	-	-	-	986	-	-
Total Liabilities	<u>8,818</u>	<u>74,652</u>	<u>-</u>	<u>249,397</u>	<u>589</u>	<u>943</u>
Deferred Inflows of Resources:						
Property Taxes	223,009	-	-	1,027,578	-	-
Unavailable Revenue - Delinq. Property Taxes	9,176	-	-	43,367	-	-
Unavailable Revenue - Municipal Income Taxes	-	68,336	-	-	-	-
Unavailable Revenue - Other	12,627	631,068	20,030	57,408	-	-
Total Deferred Inflows of Resources	<u>244,812</u>	<u>699,404</u>	<u>20,030</u>	<u>1,128,353</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Nonspendable	48	651,602	-	907	-	-
Restricted	86,774	891,607	97,652	679,180	31,077	41,015
Total Fund Balances	<u>86,822</u>	<u>1,543,209</u>	<u>97,652</u>	<u>680,087</u>	<u>31,077</u>	<u>41,015</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 340,452</u>	<u>\$ 2,317,265</u>	<u>\$ 117,682</u>	<u>\$ 2,057,837</u>	<u>\$ 31,666</u>	<u>\$ 41,958</u>

State and Local Forfeits	Drug Law Enforcement	Enforcement and Education	Law Enforcement Trust	Community Development Block Grant	Neighborhood Stabilization	Wireless 911	Swimming Pool Inspections
\$ 14,041	\$ 29,927	\$ 25,420	\$ 18,347	\$ 978,974	\$ 386,104	\$ 222,793	\$ 7,186
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	150	75	-	58,501	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	184,697	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 14,041</u>	<u>\$ 30,077</u>	<u>\$ 25,495</u>	<u>\$ 18,347</u>	<u>\$ 1,222,172</u>	<u>\$ 386,104</u>	<u>\$ 222,793</u>	<u>\$ 7,186</u>
\$ -	\$ -	\$ -	\$ -	\$ 26,214	\$ -	\$ 2,568	\$ -
-	-	-	-	-	-	-	28
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	200,000	239,573	-	-
-	-	-	-	-	-	-	-
-	-	-	-	226,214	239,573	2,568	28
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	58,501	-	-	-
-	-	-	-	58,501	-	-	-
-	-	-	-	-	-	-	-
14,041	30,077	25,495	18,347	937,457	146,531	220,225	7,158
14,041	30,077	25,495	18,347	937,457	146,531	220,225	7,158
<u>\$ 14,041</u>	<u>\$ 30,077</u>	<u>\$ 25,495</u>	<u>\$ 18,347</u>	<u>\$ 1,222,172</u>	<u>\$ 386,104</u>	<u>\$ 222,793</u>	<u>\$ 7,186</u>

(Continued)

City of Kent, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2014

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Urban Development Action Grant</u>	<u>Kent Downtown Community Urban Redevelopment Corporation</u>	<u>Total Nonmajor Special Revenue Funds</u>
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 12,177	\$ 12,181	\$ 390,709	\$ -	\$ 4,051,899
Cash and Cash Equivalents:					
In Segregated Accounts	-	-	-	61,132	61,132
Materials and Supplies Inventory	-	-	-	-	645,883
Accounts Receivable	-	-	-	-	10,621
Interfund Receivable	-	-	-	1,445,907	1,445,907
Intergovernmental Receivable	6,546	6,546	-	-	521,296
Prepaid Items	-	-	-	256	6,930
Restricted Assets:					
Cash and Cash Equivalents	-	-	-	-	16,235
Municipal Income Taxes Receivable	-	-	-	-	121,859
Property Taxes Receivable	98,561	98,561	-	-	1,500,252
Special Assessments Receivable	-	-	-	-	384,042
Other Taxes Receivable	-	-	-	-	14,898
Loans Receivable	-	-	81,035	-	265,732
Assets Held for Resale	-	-	-	114,800	114,800
Total Assets	<u>\$ 117,284</u>	<u>\$ 117,288</u>	<u>\$ 471,744</u>	<u>\$ 1,622,095</u>	<u>\$ 9,161,486</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 58,052
Accrued Wages and Benefits	-	-	-	-	95,939
Accrued Interest Payable	-	-	-	8,033	8,033
Retainage Payable	-	-	-	-	68,232
Interfund Payable	-	-	-	-	579,573
Workers' Compensation Claims Payable	-	-	-	-	986
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,033</u>	<u>810,815</u>
Deferred Inflows of Resources:					
Property Taxes	94,790	94,790	-	-	1,440,167
Unavailable Revenue - Delinq. Property Taxes	3,771	3,771	-	-	60,085
Unavailable Revenue - Municipal Income Taxes	-	-	-	-	68,336
Unavailable Revenue - Other	6,546	6,546	-	-	792,726
Total Deferred Inflows of Resources	<u>105,107</u>	<u>105,107</u>	<u>-</u>	<u>-</u>	<u>2,361,314</u>
Fund Balances:					
Nonspendable	-	-	-	256	652,813
Restricted	12,177	12,181	471,744	1,613,806	5,336,544
Total Fund Balances	<u>12,177</u>	<u>12,181</u>	<u>471,744</u>	<u>1,614,062</u>	<u>5,989,357</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 117,284</u>	<u>\$ 117,288</u>	<u>\$ 471,744</u>	<u>\$ 1,622,095</u>	<u>\$ 9,161,486</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, 2014

	West Side Fire	Street Construction, Maintenance, and Repair	State Highway	Parks and Recreation	Food Service
REVENUES					
Property Taxes	\$ 225,166	\$ -	\$ -	\$ 1,037,602	\$ -
Municipal Income Taxes	-	597,222	-	-	-
Other Local Taxes	-	198,711	-	-	-
Intergovernmental	25,254	705,538	57,203	495,568	-
Interest	-	-	-	-	-
Fees, Licenses, and Permits	-	-	-	71,885	81,813
Fines and Forfeitures	-	-	-	-	-
Charges for Services	-	52,848	-	622,134	-
Special Assessments	-	67,527	-	-	-
All Other Revenues	-	10,603	-	62,943	-
Total Revenues	250,420	1,632,449	57,203	2,290,132	81,813
EXPENDITURES					
Current:					
Security of Persons and Property	241,199	-	-	-	-
Public Health and Welfare	-	-	-	-	91,468
Leisure Time Activities	-	-	-	1,617,012	-
Community Development	-	-	-	-	-
Transportation	-	1,103,829	65,617	-	-
Capital Outlay	-	-	-	603,987	-
Debt Service:					
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	241,199	1,103,829	65,617	2,220,999	91,468
Excess of Revenues Over (Under) Expenditures	9,221	528,620	(8,414)	69,133	(9,655)
OTHER FINANCING SOURCES					
Proceeds from Sale of Capital Assets	-	5,031	-	1,657	-
Total Other Financing Sources	-	5,031	-	1,657	-
Net Change in Fund Balances	9,221	533,651	(8,414)	70,790	(9,655)
Fund Balances - Beginning of Year	77,601	1,009,558	106,066	609,297	40,732
Fund Balances - End of Year	\$ 86,822	\$ 1,543,209	\$ 97,652	\$ 680,087	\$ 31,077

Revolving Housing	State and Local Forfeits	Drug Law Enforcement	Enforcement and Education	Law Enforcement Trust	Community Development Block Grant	Neighborhood Stabilization	Wireless 911	Swimming Pool Inspections
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	146,534	-	79,277	-
-	-	-	-	2	6,979	47	-	-
111,126	-	-	-	-	-	-	-	6,385
-	-	2,848	4,481	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	32,583	101,865	-	-
<u>111,126</u>	<u>-</u>	<u>2,848</u>	<u>4,481</u>	<u>2</u>	<u>186,096</u>	<u>101,912</u>	<u>79,277</u>	<u>6,385</u>
-	1,785	4,000	2,200	-	-	-	55,771	-
149,237	-	-	-	-	-	-	-	4,212
-	-	-	-	-	-	-	-	-
-	-	-	-	-	149,193	950	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	52,848	-	-	-
-	-	-	-	-	-	-	-	-
<u>149,237</u>	<u>1,785</u>	<u>4,000</u>	<u>2,200</u>	<u>-</u>	<u>202,041</u>	<u>950</u>	<u>55,771</u>	<u>4,212</u>
<u>(38,111)</u>	<u>(1,785)</u>	<u>(1,152)</u>	<u>2,281</u>	<u>2</u>	<u>(15,945)</u>	<u>100,962</u>	<u>23,506</u>	<u>2,173</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>(38,111)</u>	<u>(1,785)</u>	<u>(1,152)</u>	<u>2,281</u>	<u>2</u>	<u>(15,945)</u>	<u>100,962</u>	<u>23,506</u>	<u>2,173</u>
79,126	15,826	31,229	23,214	18,345	953,402	45,569	196,719	4,985
<u>\$ 41,015</u>	<u>\$ 14,041</u>	<u>\$ 30,077</u>	<u>\$ 25,495</u>	<u>\$ 18,347</u>	<u>\$ 937,457</u>	<u>\$ 146,531</u>	<u>\$ 220,225</u>	<u>\$ 7,158</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, 2014

	Police Pension	Fire Pension	Urban Development Action Grant	Kent Downtown Community Urban Redevelopment Corporation	Total Nonmajor Special Revenue Funds
REVENUES					
Property Taxes	\$ 98,634	\$ 98,634	\$ -	\$ -	\$ 1,460,036
Income Taxes	-	-	-	-	597,222
Other Local Taxes	-	-	-	-	198,711
Intergovernmental	10,509	10,509	-	-	1,530,392
Interest	-	-	2,622	258	9,908
Fees, Licenses, and Permits	-	-	-	-	271,209
Fines and Forfeitures	-	-	-	-	7,329
Charges for Services	-	-	-	84,400	759,382
Special Assessments	-	-	-	-	67,527
All Other Revenues	-	-	-	-	207,994
Total Revenues	109,143	109,143	2,622	84,658	5,109,710
EXPENDITURES					
Current:					
Security of Persons and Property	102,000	102,000	-	-	508,955
Public Health and Welfare	-	-	-	-	244,917
Leisure Time Activities	-	-	-	-	1,617,012
Community Development	-	-	-	8,653	158,796
Transportation	-	-	-	-	1,169,446
Capital Outlay	-	-	-	-	656,835
Debt Service:					
Interest and Fiscal Charges	-	-	-	73,299	73,299
Total Expenditures	102,000	102,000	-	81,952	4,429,260
Excess of Revenues Over (Under) Expenditures	7,143	7,143	2,622	2,706	680,450
OTHER FINANCING SOURCES					
Proceeds from Sale of Capital Assets	-	-	-	-	6,688
Total Other Financing Sources	-	-	-	-	6,688
Net Change in Fund Balances	7,143	7,143	2,622	2,706	687,138
Fund Balances - Beginning of Year	5,034	5,038	469,122	1,611,356	5,302,219
Fund Balances - End of Year	\$ 12,177	\$ 12,181	\$ 471,744	\$ 1,614,062	\$ 5,989,357

Combining Statements

Fund Descriptions – Fiduciary Funds

Fiduciary Funds

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

Agency Fund

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

City of Kent, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Escrow Fund
For the Year Ended December 31, 2014

	Balance 12/31/2013	<u>Additions</u>	<u>Deletions</u>	Balance 12/31/2014
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 397,044</u>	<u>\$ 242,557</u>	<u>\$ 218,885</u>	<u>\$ 420,716</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ 397,044</u>	<u>\$ 242,557</u>	<u>\$ 218,885</u>	<u>\$ 420,716</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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$ 1,482,259	\$ 1,399,600	\$ 1,400,628	\$ 1,028
Other Local Taxes	283,105	368,200	368,323	123
Intergovernmental	1,214,774	1,649,100	1,580,441	(68,659)
Interest	107,429	129,400	139,767	10,367
Fees, Licenses and Permits	116,736	151,403	151,876	473
Fines and Forfeits	150,569	196,000	195,893	(107)
Charges for Services	1,010,149	1,341,857	1,314,220	(27,637)
Miscellaneous	91,137	114,206	118,571	4,365
Total Revenues	4,456,158	5,349,766	5,269,719	(80,047)
Expenditures				
Current:				
Security of Persons and Property				
Police				
Other Expenses	64,800	64,800	22,601	42,199
Safety Director				
Other Expenses	13,080	13,080	1,124	11,956
Total Security of Persons and Property	77,880	77,880	23,725	54,155
Public Health & Welfare				
Department of Health				
Personal Services	275,241	275,241	217,681	57,560
Other Expenses	126,381	279,631	259,521	20,110
Total Public Health and Welfare	401,622	554,872	477,202	77,670

(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, 2014
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Community Development				
Community Development				
Personal Services	422,692	432,692	428,223	4,469
Other Expenses	216,298	295,618	265,259	30,359
Total Community Development	638,990	728,310	693,482	34,828
Economic Development				
Personal Services	108,130	58,130	51,129	7,001
Other Expenses	394,170	413,557	411,892	1,665
Total Economic Development	502,300	471,687	463,021	8,666
Building				
Personal Services	222,769	177,769	145,074	32,695
Other Expenses	80,729	80,729	56,341	24,388
Total Building	303,498	258,498	201,415	57,083
Main Street Program				
Other Expenses	117,547	117,547	107,136	10,411
Land Banking				
Other Expenses	120,000	120,000	84,400	35,600
Permit Parking				
Other Expenses	21,761	46,891	38,393	8,498
Shade Tree				
Other Expenses	101,887	101,887	99,795	2,092

(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, 2014
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Urban Renewal				
Other Expenses	120,569	143,879	80,181	63,698
USDA Grant				
Other Expenses	29,237	29,237	29,237	-
Total Community Development	<u>1,955,789</u>	<u>2,017,936</u>	<u>1,797,060</u>	<u>220,876</u>
General Government				
Service Administration				
Personal Services	56,631	58,631	55,297	3,334
Other Expenses	606,976	631,476	554,367	77,109
Total Service Administration	<u>663,607</u>	<u>690,107</u>	<u>609,664</u>	<u>80,443</u>
Rental Units				
Other Expenses	49,558	49,558	21,818	27,740
Engineering				
Personal Services	190,701	190,701	178,359	12,342
Other Expenses	155,974	172,256	151,080	21,176
Total Engineering	<u>346,675</u>	<u>362,957</u>	<u>329,439</u>	<u>33,518</u>
Law				
Personal Services	318,414	318,414	283,405	35,009
Other Expenses	126,052	136,052	115,572	20,480
Total Law	<u>444,466</u>	<u>454,466</u>	<u>398,977</u>	<u>55,489</u>
Budget and Finance				
Personal Services	146,214	146,214	141,581	4,633
Other Expenses	130,721	157,881	143,956	13,925
Total Budget and Finance	<u>276,935</u>	<u>304,095</u>	<u>285,537</u>	<u>18,558</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, 2014
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Miscellaneous, Sundry and Contingency				
Other Expenses	404,100	223,600	153,282	70,318
Mayor's Office				
Personal Services	7,760	7,760	7,700	60
Other Expenses	4,892	4,892	3,343	1,549
Total Mayor's Office	12,652	12,652	11,043	1,609
City Council				
Personal Services	163,065	163,065	154,343	8,722
Other Expenses	24,153	24,153	18,203	5,950
Total City Council	187,218	187,218	172,546	14,672
Community Support				
Other Expenses	83,534	116,234	104,980	11,254
City Manager				
Personal Services	248,069	259,069	252,158	6,911
Other Expenses	56,014	65,014	46,115	18,899
Total City Manager	304,083	324,083	298,273	25,810
Human Resources				
Personal Services	50,929	50,929	49,150	1,779
Other Expenses	19,410	19,410	13,674	5,736
Total Human Resources	70,339	70,339	62,824	7,515
Civil Service				
Personal Services	64,591	29,591	23,273	6,318
Other Expenses	30,464	30,464	15,103	15,361
Total Civil Service	95,055	60,055	38,376	21,679
Total General Government	2,938,222	2,855,364	2,486,759	368,605
Total Expenditures	5,373,513	5,506,052	4,784,746	721,306

(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, 2014
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess of Revenues Over (Under) Expenditures	(917,355)	(156,286)	484,973	641,259
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	-	14,700	14,784	84
Advances In	20,000	20,000	1,020,000	1,000,000
Advances Out	-	(1,000,000)	(1,000,000)	-
Transfers In	2,600,000	1,600,000	1,600,000	-
Transfers Out	-	(3,000,000)	(3,000,000)	-
Total Other Financing Sources (Uses)	<u>2,620,000</u>	<u>(2,365,300)</u>	<u>(1,365,216)</u>	<u>1,000,084</u>
Net Change in Fund Balance	1,702,645	(2,521,586)	(880,243)	1,641,343
Fund Balance - Beginning of Year	4,356,790	4,356,790	4,356,790	-
Prior Year Encumbrances Appropriated	410,068	410,068	410,068	-
Fund Balance - End of Year	<u>\$ 6,469,503</u>	<u>\$ 2,245,272</u>	<u>\$ 3,886,615</u>	<u>\$ 1,641,343</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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 11,333	\$ 10,891	\$ 11,322	\$ 431
Miscellaneous	42,558	40,000	42,515	2,515
Total Revenues	<u>53,891</u>	<u>50,891</u>	<u>53,837</u>	<u>2,946</u>
Expenditures				
Current:				
Security of Persons and Property				
Police				
Personal Services	2,422,519	5,922,519	5,617,295	305,224
Other	592,245	592,245	516,439	75,806
Total Expenditures	<u>3,014,764</u>	<u>6,514,764</u>	<u>6,133,734</u>	<u>381,030</u>
Excess of Revenues Over (Under) Expenditures	(2,960,873)	(6,463,873)	(6,079,897)	383,976
Other Financing Sources				
Proceeds from Sale of Capital Assets	-	3,000	3,084	84
Transfers In	2,796,109	6,496,109	6,496,109	-
Total Other Financing Sources	<u>2,796,109</u>	<u>6,499,109</u>	<u>6,499,193</u>	<u>84</u>
Net Change in Fund Balance	(164,764)	35,236	419,296	384,060
Fund Balance - Beginning of Year	393,146	393,146	393,146	-
Fund Balance - End of Year	<u>\$ 228,382</u>	<u>\$ 428,382</u>	<u>\$ 812,442</u>	<u>\$ 384,060</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Fire and Emergency Medical Services Fund
 For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 26,172	\$ 26,172
Miscellaneous	614,371	107,206	26,973	(80,233)
Total Revenues	<u>614,371</u>	<u>107,206</u>	<u>53,145</u>	<u>(54,061)</u>
Expenditures				
Current:				
Security of Persons and Property				
Fire				
Personal Services	2,855,072	3,855,072	3,811,292	43,780
Other	433,756	433,756	392,626	41,130
Capital Outlay	380,000	490,526	474,033	16,493
Total Expenditures	<u>3,668,828</u>	<u>4,779,354</u>	<u>4,677,951</u>	<u>101,403</u>
Excess of Revenues Over (Under) Expenditures	(3,054,457)	(4,672,148)	(4,624,806)	47,342
Other Financing Sources				
Proceeds from Sale of Capital Assets	-	200	205	5
Transfers In	2,996,109	3,996,109	3,996,109	-
Total Other Financing Sources	<u>2,996,109</u>	<u>3,996,309</u>	<u>3,996,314</u>	<u>5</u>
Net Change in Fund Balance	(58,348)	(675,839)	(628,492)	47,347
Fund Balance - Beginning of Year	708,689	708,689	708,689	-
Prior Year Encumbrances Appropriated	48,440	48,440	48,440	-
Fund Balance - End of Year	<u>\$ 698,781</u>	<u>\$ 81,290</u>	<u>\$ 128,637</u>	<u>\$ 47,347</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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,131,779	\$ 1,023,603	\$ 926,221	\$ (97,382)
Special Assessments	58,296	47,600	47,708	108
Miscellaneous	99,817	82,000	81,688	(312)
Total Revenues	<u>1,289,892</u>	<u>1,153,203</u>	<u>1,055,617</u>	<u>(97,586)</u>
Expenditures				
Capital Outlay:				
Safety	451,754	432,840	108,162	324,678
Service	2,446,073	6,956,141	4,745,027	2,211,114
Budget and Finance	25,000	70,000	-	70,000
Total Capital Outlay	<u>2,922,827</u>	<u>7,458,981</u>	<u>4,853,189</u>	<u>2,605,792</u>
Debt Service:				
Principal	1,974,801	1,974,801	1,945,000	29,801
Interest & Fiscal Charges	19,450	19,450	19,305	145
Debt Issuance Costs	7,809	7,809	7,321	488
Total Debt Service	<u>2,002,060</u>	<u>2,002,060</u>	<u>1,971,626</u>	<u>30,434</u>
Total Expenditures	<u>4,924,887</u>	<u>9,461,041</u>	<u>6,824,815</u>	<u>2,636,226</u>
Excess of Revenues Over (Under) Expenditures	(3,634,995)	(8,307,838)	(5,769,198)	2,538,640
Other Financing Sources				
Bond Anticipation Notes Issued	1,675,000	1,675,000	1,675,000	-
OPWC Loans Issued	41,650	41,650	41,650	-
Premium on Debt Issuance	11,700	11,700	11,784	84
Transfers In	2,356,161	2,356,161	2,356,161	-
Total Other Financing Sources	<u>4,084,511</u>	<u>4,084,511</u>	<u>4,084,595</u>	<u>84</u>
Net Change in Fund Balance	449,516	(4,223,327)	(1,684,603)	2,538,724
Fund Balance - Beginning of Year	3,581,992	3,581,992	3,581,992	-
Prior Year Encumbrances Appropriated	834,419	834,419	834,419	-
Fund Balance - End of Year	<u>\$ 4,865,927</u>	<u>\$ 193,084</u>	<u>\$ 2,731,808</u>	<u>\$ 2,538,724</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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Payments in Lieu of Taxes	\$ 367,192	\$ 367,192	\$ 372,968	\$ 5,776
Miscellaneous	10,000	10,000	10,000	-
Total Revenues	<u>377,192</u>	<u>377,192</u>	<u>382,968</u>	<u>5,776</u>
Expenditures				
Capital Outlay:				
Community Development	149,287	1,790,683	1,095,781	694,902
Debt Service:				
Principal	1,650,000	1,650,000	1,650,000	-
Interest & Fiscal Charges	269,818	269,818	269,816	2
Debt Issuance Costs	6,625	6,625	7,118	(493)
Total Debt Service	<u>1,926,443</u>	<u>1,926,443</u>	<u>1,926,934</u>	<u>(491)</u>
Total Expenditures	<u>2,075,730</u>	<u>3,717,126</u>	<u>3,022,715</u>	<u>694,411</u>
Excess of Revenues Over (Under) Expenditures	(1,698,538)	(3,339,934)	(2,639,747)	700,187
Other Financing Sources				
Bond Anticipation Notes Issued	6,628,208	1,650,000	1,650,000	-
OPWC Loans Issued	1,200	1,200	1,213	13
Premium on Debt Issuance	11,000	11,000	11,457	457
Total Other Financing Sources	<u>6,640,408</u>	<u>1,662,200</u>	<u>1,662,670</u>	<u>470</u>
Net Change in Fund Balance	4,941,870	(1,677,734)	(977,077)	700,657
Fund Balance - Beginning of Year	1,917,796	1,917,796	1,917,796	-
Prior Year Encumbrances Appropriated	148,290	148,290	148,290	-
Fund Balance - End of Year	<u><u>\$ 7,007,956</u></u>	<u><u>\$ 388,352</u></u>	<u><u>\$ 1,089,009</u></u>	<u><u>\$ 700,657</u></u>

City of Kent, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Water Fund
 For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Interest	\$ 13,500	\$ 13,500	\$ 14,036	\$ 536
Charges for Services	3,065,500	3,265,500	3,079,967	(185,533)
Special Assessments	40,000	40,000	40,015	15
Miscellaneous	52,059	52,059	52,232	173
Total Revenues	<u>3,171,059</u>	<u>3,371,059</u>	<u>3,186,250</u>	<u>(184,809)</u>
Expenses				
Current:				
Administrative Support				
Personal Services	477,231	477,231	419,256	57,975
Other Expenses	110,907	106,743	52,672	54,071
Capital Outlay	20,000	25,050	7,650	17,400
Total Administrative Support	<u>608,138</u>	<u>609,024</u>	<u>479,578</u>	<u>129,446</u>
Service				
Personal Services	1,438,932	1,438,932	1,423,810	15,122
Other Expenses	834,144	834,144	772,959	61,185
Capital Outlay	914,148	986,186	725,898	260,288
Total Service	<u>3,187,224</u>	<u>3,259,262</u>	<u>2,922,667</u>	<u>336,595</u>
Debt Service:				
Principal	41,696	40,313	35,513	4,800
Interest & Fiscal Charges	14,063	15,446	15,446	-
Total Debt Service	<u>55,759</u>	<u>55,759</u>	<u>50,959</u>	<u>4,800</u>
Total Expenses	<u>3,851,121</u>	<u>3,924,045</u>	<u>3,453,204</u>	<u>470,841</u>

(Continued)

City of Kent, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Water Fund
 For the Year Ended December 31, 2014
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess of Revenues Over (Under) Expenses	(680,062)	(552,986)	(266,954)	286,032
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	4,300	4,300	4,341	41
Capital Contributions - Tap-in Fees	26,000	26,000	14,217	(11,783)
Advances Out	(80,000)	(80,000)	(80,000)	-
Total Other Financing Sources (Uses)	<u>(49,700)</u>	<u>(49,700)</u>	<u>(61,442)</u>	<u>(11,742)</u>
Net Change in Fund Equity	(729,762)	(602,686)	(328,396)	274,290
Fund Equity - Beginning of Year	2,376,586	2,376,586	2,376,586	-
Prior Year Encumbrances Appropriated	89,546	89,546	89,546	-
Fund Equity - End of Year	<u><u>\$ 1,736,370</u></u>	<u><u>\$ 1,863,446</u></u>	<u><u>\$ 2,137,736</u></u>	<u><u>\$ 274,290</u></u>

City of Kent, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Sewer Fund
 For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Interest	\$ 19,375	\$ 17,400	\$ 18,801	\$ 1,401
Charges for Services	3,907,120	3,812,900	3,791,433	(21,467)
Special Assessments	32,133	31,100	31,182	82
Miscellaneous	67,630	64,859	65,628	769
Total Revenues	4,026,258	3,926,259	3,907,044	(19,215)
Expenses				
Current:				
Administrative Support				
Personal Services	477,231	477,231	452,111	25,120
Other Expenses	106,332	81,304	44,792	36,512
Capital Outlay	20,000	25,700	8,300	17,400
Total Administrative Support	603,563	584,235	505,203	79,032
Service				
Personal Services	1,437,832	1,437,832	1,430,563	7,269
Other Expenses	934,965	934,965	791,554	143,411
Capital Outlay	1,307,111	1,549,667	1,491,806	57,861
Total Service	3,679,908	3,922,464	3,713,923	208,541
Health				
Personal Services	239,334	239,334	231,711	7,623
Other Expenses	70,617	70,617	44,875	25,742
Capital Outlay	20,000	20,000	19,088	912
Total Health	329,951	329,951	295,674	34,277

(Continued)

City of Kent, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Sewer Fund
 For the Year Ended December 31, 2014
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Debt Service:				
Principal Retirement	823,696	814,778	812,145	2,633
Interest & Fiscal Charges	112,550	119,231	119,231	-
Bond Issuance Costs	-	2,237	2,237	-
Total Debt Service	<u>936,246</u>	<u>936,246</u>	<u>933,613</u>	<u>2,633</u>
Total Expenses	<u>5,549,668</u>	<u>5,772,896</u>	<u>5,448,413</u>	<u>324,483</u>
Excess of Revenues Over (Under) Expenses	(1,523,410)	(1,846,637)	(1,541,369)	305,268
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	2,500	2,500	2,501	1
Bond Anticipation Notes Issued	555,000	555,000	555,000	-
Premium on Debt Issuance	3,600	3,600	3,602	2
Capital Contribution - Tap-in Fees	14,000	14,000	13,998	(2)
Advances Out	<u>(65,000)</u>	<u>(65,000)</u>	<u>(65,000)</u>	-
Total Other Financing Sources (Uses)	<u>510,100</u>	<u>510,100</u>	<u>510,101</u>	<u>1</u>
Net Change in Fund Equity	(1,013,310)	(1,336,537)	(1,031,268)	305,269
Fund Equity - Beginning of Year	2,168,943	2,168,943	2,168,943	-
Prior Year Encumbrances Appropriated	<u>1,136,359</u>	<u>1,136,359</u>	<u>1,136,359</u>	-
Fund Equity - End of Year	<u>\$ 2,291,992</u>	<u>\$ 1,968,765</u>	<u>\$ 2,274,034</u>	<u>\$ 305,269</u>

City of Kent, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Storm Water Drainage Fund
 For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Intergovernmental	\$ 141,061	\$ 182,000	\$ 182,014	\$ 14
Interest	-	-	10	10
Charges for Services	415,045	535,500	553,937	18,437
Special Assessments	16,121	20,800	20,894	94
Miscellaneous	1,473	1,900	1,994	94
Total Revenues	<u>573,700</u>	<u>740,200</u>	<u>758,849</u>	<u>18,649</u>
Expenses				
Current:				
Service				
Personal Services	451,855	451,855	431,178	20,677
Other Expenses	61,436	61,436	36,408	25,028
Capital Outlay	225,000	2,703,097	2,503,896	199,201
Total Service	<u>738,291</u>	<u>3,216,388</u>	<u>2,971,482</u>	<u>244,906</u>
Debt Service:				
Principal Retirement	9,966	9,966	4,967	4,999
Total Expenses	<u>748,257</u>	<u>3,226,354</u>	<u>2,976,449</u>	<u>249,905</u>
Excess of Revenues Over (Under) Expenses	(174,557)	(2,486,154)	(2,217,600)	268,554
Other Financing Sources (Uses)				
Capital Contributions - Tap-in Fees	1,300	1,300	1,375	75
Advances Out	(110,000)	(110,000)	(110,000)	-
Total Other Financing Sources (Uses)	<u>(108,700)</u>	<u>(108,700)</u>	<u>(108,625)</u>	<u>75</u>
Net Change in Fund Equity	(283,257)	(2,594,854)	(2,326,225)	268,629
Fund Equity - Beginning of Year	2,598,092	2,598,092	2,598,092	-
Prior Year Encumbrances Appropriated	2,790	2,790	2,790	-
Fund Equity - End of Year	<u>\$ 2,317,625</u>	<u>\$ 6,028</u>	<u>\$ 274,657</u>	<u>\$ 268,629</u>

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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$ 215,707	\$ 222,775	\$ 225,166	\$ 2,391
Intergovernmental	24,193	24,986	25,254	268
Total Revenues	<u>239,900</u>	<u>247,761</u>	<u>250,420</u>	<u>2,659</u>
Expenditures				
Current:				
Security of Persons and Property				
Fire				
Personal Services	226,576	236,576	229,571	7,005
Other	29,632	29,632	22,172	7,460
Total Expenditures	<u>256,208</u>	<u>266,208</u>	<u>251,743</u>	<u>14,465</u>
Net Change in Fund Balance	(16,308)	(18,447)	(1,323)	17,124
Fund Balance - Beginning of Year	90,752	90,752	90,752	-
Prior Year Encumbrances Appropriated	4,435	4,435	4,435	-
Fund Balance - End of Year	<u>\$ 78,879</u>	<u>\$ 76,740</u>	<u>\$ 93,864</u>	<u>\$ 17,124</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, 2014*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Other Local Taxes	\$ 166,899	\$ 185,000	\$ 198,219	\$ 13,219
Intergovernmental	591,055	650,000	701,971	51,971
Charges for Services	44,498	51,041	52,848	1,807
Special Assessments	56,857	67,500	67,527	27
Miscellaneous	8,932	9,700	10,608	908
Total Revenues	<u>868,241</u>	<u>963,241</u>	<u>1,031,173</u>	<u>67,932</u>
Expenditures				
Current:				
Transportation				
Public Service				
Personal Services	948,559	948,559	917,325	31,234
Other	846,207	846,207	722,881	123,326
Total Expenditures	<u>1,794,766</u>	<u>1,794,766</u>	<u>1,640,206</u>	<u>154,560</u>
Excess of Revenues Over (Under) Expenditures	(926,525)	(831,525)	(609,033)	222,492
Other Financing Sources				
Proceeds from Sale of Capital Assets	-	5,000	5,031	31
Transfers In	581,759	581,759	581,759	-
Total Other Financing Sources	<u>581,759</u>	<u>586,759</u>	<u>586,790</u>	<u>31</u>
Net Change in Fund Balance	(344,766)	(244,766)	(22,243)	222,523
Fund Balance - Beginning of Year	659,888	659,888	659,888	-
Prior Year Encumbrances Appropriated	62,885	62,885	62,885	-
Fund Balance - End of Year	<u>\$ 378,007</u>	<u>\$ 478,007</u>	<u>\$ 700,530</u>	<u>\$ 222,523</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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 58,000	\$ 58,000	\$ 56,915	\$ (1,085)
Expenditures				
Current:				
Transportation				
Service				
Other	74,060	74,060	66,074	7,986
Net Change in Fund Balance	(16,060)	(16,060)	(9,159)	6,901
Fund Balance - Beginning of Year	83,866	83,866	83,866	-
Prior Year Encumbrances Appropriated	14,060	14,060	14,060	-
Fund Balance - End of Year	\$ 81,866	\$ 81,866	\$ 88,767	\$ 6,901

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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$ 767,321	\$ 1,025,295	\$ 1,037,602	\$ 12,307
Intergovernmental	366,479	495,500	495,568	68
Fees, Licenses and Permits	73,016	100,000	98,735	(1,265)
Charges for Services	457,152	628,582	618,179	(10,403)
Miscellaneous	42,292	29,900	57,188	27,288
Total Revenues	<u>1,706,260</u>	<u>2,279,277</u>	<u>2,307,272</u>	<u>27,995</u>
Expenditures				
Current:				
Leisure Time Activities				
Parks & Recreation				
Personal Services	1,194,369	1,194,369	1,075,267	119,102
Other	604,323	604,323	537,606	66,717
Capital Outlay	800,553	993,097	785,759	207,338
Total Expenditures	<u>2,599,245</u>	<u>2,791,789</u>	<u>2,398,632</u>	<u>393,157</u>
Excess of Revenues Over (Under) Expenditures	(892,985)	(512,512)	(91,360)	421,152
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	-	1,600	1,657	57
Advances Out	(20,000)	(20,000)	(20,000)	-
Total Other Financing Sources (Uses)	<u>(20,000)</u>	<u>(18,400)</u>	<u>(18,343)</u>	<u>57</u>
Net Change in Fund Balance	(912,985)	(530,912)	(109,703)	421,209
Fund Balance - Beginning of Year	185,600	185,600	185,600	-
Prior Year Encumbrances Appropriated	681,161	681,161	681,161	-
Fund Balance - End of Year	<u>\$ (46,224)</u>	<u>\$ 335,849</u>	<u>\$ 757,058</u>	<u>\$ 421,209</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Food Service Fund
 For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fees, Licenses and Permits	\$ 55,000	\$ 75,000	\$ 81,813	\$ 6,813
Expenditures				
Current:				
Public Health and Welfare				
Health				
Personal Services	68,739	92,839	89,766	3,073
Other	6,860	6,860	2,092	4,768
Total Expenditures	<u>75,599</u>	<u>99,699</u>	<u>91,858</u>	<u>7,841</u>
Net Change in Fund Balance	(20,599)	(24,699)	(10,045)	14,654
Fund Balance - Beginning of Year	41,651	41,651	41,651	-
Prior Year Encumbrances Appropriated	60	60	60	-
Fund Balance - End of Year	<u>\$ 21,112</u>	<u>\$ 17,012</u>	<u>\$ 31,666</u>	<u>\$ 14,654</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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$ 11,999,817	\$ 13,342,000	\$ 14,732,950	\$ 1,390,950
Interest	39,454	48,000	48,440	440
Total Revenues	<u>12,039,271</u>	<u>13,390,000</u>	<u>14,781,390</u>	<u>1,391,390</u>
Expenditures				
Current:				
General Government				
Budget & Finance				
Personal Services	220,465	220,465	211,433	9,032
Other	309,919	2,567,456	2,536,451	31,005
Total Expenditures	<u>530,384</u>	<u>2,787,921</u>	<u>2,747,884</u>	<u>40,037</u>
Excess of Revenues Over Expenditures	11,508,887	10,602,079	12,033,506	1,431,427
Other Financing Sources (Uses)				
Advances In	255,000	255,000	255,000	-
Transfer Out	(11,950,086)	(13,820,086)	(13,820,086)	-
Total Other Financing Sources (Uses)	<u>(11,695,086)</u>	<u>(13,565,086)</u>	<u>(13,565,086)</u>	<u>-</u>
Net Change in Fund Balance	(186,199)	(2,963,007)	(1,531,580)	1,431,427
Fund Balance - Beginning of Year	4,279,611	4,279,611	4,279,611	-
Prior Year Encumbrances Appropriated	1,025	1,025	1,025	-
Fund Balance - End of Year	<u>\$ 4,094,437</u>	<u>\$ 1,317,629</u>	<u>\$ 2,749,056</u>	<u>\$ 1,431,427</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Revolving Housing Fund
 For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fees, Licenses and Permits	\$ 80,000	\$ 109,000	\$ 111,126	\$ 2,126
Expenditures				
Current:				
Public Health and Welfare				
Health				
Personal Services	96,878	142,078	142,077	1
Other	13,651	13,651	7,335	6,316
Total Expenditures	<u>110,529</u>	<u>155,729</u>	<u>149,412</u>	<u>6,317</u>
Net Change in Fund Balance	(30,529)	(46,729)	(38,286)	8,443
Fund Balance - Beginning of Year	80,193	80,193	80,193	-
Prior Year Encumbrances Appropriated	51	51	51	-
Fund Balance - End of Year	<u><u>\$ 49,715</u></u>	<u><u>\$ 33,515</u></u>	<u><u>\$ 41,958</u></u>	<u><u>\$ 8,443</u></u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 State and Local Forfeits Fund
 For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeits	\$ 2,000	\$ 2,000	\$ -	\$ (2,000)
Expenditures				
Current:				
Security of Persons and Property				
Police				
Other	1,785	8,785	1,785	7,000
Net Change in Fund Balance	215	(6,785)	(1,785)	5,000
Fund Balance - Beginning of Year	14,041	14,041	14,041	-
Prior Year Encumbrances Appropriated	1,785	1,785	1,785	-
Fund Balance - End of Year	\$ 16,041	\$ 9,041	\$ 14,041	\$ 5,000

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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeits	\$ 2,000	\$ 2,000	\$ 2,698	\$ 698
Expenditures				
Current:				
Security of Persons and Property				
Police				
Other	-	25,000	4,000	21,000
Net Change in Fund Balance	2,000	(23,000)	(1,302)	21,698
Fund Balance - Beginning of Year	31,229	31,229	31,229	-
Fund Balance - End of Year	\$ 33,229	\$ 8,229	\$ 29,927	\$ 21,698

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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeits	\$ 4,000	\$ 4,000	\$ 4,406	\$ 406
Expenditures				
Current:				
Security of Persons and Property				
Police				
Other	3,011	18,011	2,200	15,811
Net Change in Fund Balance	989	(14,011)	2,206	16,217
Fund Balance - Beginning of Year	20,203	20,203	20,203	-
Prior Year Encumbrances Appropriated	3,011	3,011	3,011	-
Fund Balance - End of Year	\$ 24,203	\$ 9,203	\$ 25,420	\$ 16,217

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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$ 5	\$ 5	\$ 2	\$ (3)
Fines and Forfeits	45	45	-	(45)
Total Revenues	<u>50</u>	<u>50</u>	<u>2</u>	<u>(48)</u>
Expenditures				
Current:				
Security of Persons and Property				
Police				
Other	-	15,000	-	15,000
	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Net Change in Fund Balance	50	(14,950)	2	14,952
Fund Balance - Beginning of Year	18,345	18,345	18,345	-
Fund Balance - End of Year	<u>\$ 18,395</u>	<u>\$ 3,395</u>	<u>\$ 18,347</u>	<u>\$ 14,952</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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 127,383	\$ 149,000	\$ 146,534	\$ (2,466)
Interest	6,067	5,000	6,979	1,979
Miscellaneous	66,550	60,000	76,555	16,555
Total Revenues	<u>200,000</u>	<u>214,000</u>	<u>230,068</u>	<u>16,068</u>
Expenditures				
Current:				
Community Development				
Community Development				
Personal Services	44,095	44,095	26,508	17,587
Other	309,810	354,928	147,097	207,831
Capital Outlay	214,965	219,765	178,738	41,027
Total Expenditures	<u>568,870</u>	<u>618,788</u>	<u>352,343</u>	<u>266,445</u>
Net Change in Fund Balance	(368,870)	(404,788)	(122,275)	282,513
Fund Balance - Beginning of Year	778,599	778,599	778,599	-
Prior Year Encumbrances Appropriated	169,051	169,051	169,051	-
Fund Balance - End of Year	<u>\$ 578,780</u>	<u>\$ 542,862</u>	<u>\$ 825,375</u>	<u>\$ 282,513</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Neighborhood Stabilization Fund
 For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	-	40	47	7
Miscellaneous	-	101,960	101,865	(95)
Total Revenues	-	102,000	101,912	(88)
Expenditures				
Current:				
Community Development				
Community Development				
Other	2,000	21,050	2,000	19,050
Net Change in Fund Balance	(2,000)	80,950	99,912	18,962
Fund Balance - Beginning of Year	283,142	283,142	283,142	-
Prior Year Encumbrances Appropriated	2,000	2,000	2,000	-
Fund Balance - End of Year	\$ 283,142	\$ 366,092	\$ 385,054	\$ 18,962

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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 85,000	\$ 85,000	\$ 79,277	\$ (5,723)
Expenditures				
Current:				
Security of Persons and Property				
Police				
Other	73,837	73,837	56,048	17,789
Total Expenditures	<u>73,837</u>	<u>73,837</u>	<u>56,048</u>	<u>17,789</u>
Net Change in Fund Balance	11,163	11,163	23,229	12,066
Fund Balance - Beginning of Year	193,587	193,587	193,587	-
Prior Year Encumbrances Appropriated	5,700	5,700	5,700	-
Fund Balance - End of Year	<u>\$ 210,450</u>	<u>\$ 210,450</u>	<u>\$ 222,516</u>	<u>\$ 12,066</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Swimming Pool Inspections Fund
 For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fees, Licenses and Permits	\$ 4,500	\$ 4,500	\$ 6,385	\$ 1,885
Expenditures				
Current:				
Public Health and Welfare				
Health				
Personal Services	5,281	5,281	4,219	1,062
Other	1,200	1,200	-	1,200
Total Expenditures	<u>6,481</u>	<u>6,481</u>	<u>4,219</u>	<u>2,262</u>
Net Change in Fund Balance	(1,981)	(1,981)	2,166	4,147
Fund Balance - Beginning of Year	5,020	5,020	5,020	-
Fund Balance - End of Year	<u>\$ 3,039</u>	<u>\$ 3,039</u>	<u>\$ 7,186</u>	<u>\$ 4,147</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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$ 91,569	\$ 95,422	\$ 98,634	\$ 3,212
Intergovernmental	9,756	9,900	10,509	609
Total Revenues	<u>101,325</u>	<u>105,322</u>	<u>109,143</u>	<u>3,821</u>
Expenditures				
Current:				
Security of Persons and Property				
Police				
Personal Services	<u>102,000</u>	<u>102,000</u>	<u>102,000</u>	<u>-</u>
Net Change in Fund Balance	(675)	3,322	7,143	3,821
Fund Balance - Beginning of Year	<u>5,034</u>	<u>5,034</u>	<u>5,034</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 4,359</u></u>	<u><u>\$ 8,356</u></u>	<u><u>\$ 12,177</u></u>	<u><u>\$ 3,821</u></u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Fire Pension Fund
 For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$ 91,569	\$ 95,422	\$ 98,634	\$ 3,212
Intergovernmental	9,756	9,900	10,509	609
Total Revenues	<u>101,325</u>	<u>105,322</u>	<u>109,143</u>	<u>3,821</u>
Expenditures				
Current:				
Security of Persons and Property				
Fire				
Personal Services	<u>102,000</u>	<u>102,000</u>	<u>102,000</u>	<u>-</u>
Net Change in Fund Balance	(675)	3,322	7,143	3,821
Fund Balance - Beginning of Year	<u>5,038</u>	<u>5,038</u>	<u>5,038</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 4,363</u></u>	<u><u>\$ 8,360</u></u>	<u><u>\$ 12,181</u></u>	<u><u>\$ 3,821</u></u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Urban Development Action Grant Fund
 For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$ 2,180	\$ 2,000	\$ 2,622	\$ 622
Miscellaneous	20,820	21,000	25,039	4,039
Total Revenues	<u>23,000</u>	<u>23,000</u>	<u>27,661</u>	<u>4,661</u>
Expenditures				
Current:				
Community Development				
City Manager				
Other				
	<u>125,000</u>	<u>125,000</u>	<u>-</u>	<u>125,000</u>
Net Change in Fund Balance	(102,000)	(102,000)	27,661	129,661
Fund Balance - Beginning of Year	<u>363,048</u>	<u>363,048</u>	<u>363,048</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 261,048</u></u>	<u><u>\$ 261,048</u></u>	<u><u>\$ 390,709</u></u>	<u><u>\$ 129,661</u></u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Debt Service Fund
 For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$ 30,052	\$ 30,052	\$ 51,220	\$ 21,168
Expenditures				
Current:				
General Government				
Budget and Finance				
Other	2,000	2,000	1,970	30
Debt Service:				
Principal	1,081,947	1,081,947	1,081,947	-
Interest & Fiscal Charges	26,640	26,640	26,640	-
Bond Issuance Costs	5,595	5,595	3,661	1,934
Total Debt Service	<u>1,114,182</u>	<u>1,114,182</u>	<u>1,112,248</u>	<u>1,934</u>
Total Expenditures	<u>1,116,182</u>	<u>1,116,182</u>	<u>1,114,218</u>	<u>1,964</u>
Excess of Revenues Over (Under) Expenditures	(1,086,130)	(1,086,130)	(1,062,998)	23,132
Other Financing Sources				
Bond Anticipation Notes Issued	830,000	830,000	830,000	-
Premium on Debt Issuance	5,000	5,000	5,892	892
Transfers In	259,948	259,948	259,948	-
Total Other Financing Sources	<u>1,094,948</u>	<u>1,094,948</u>	<u>1,095,840</u>	<u>892</u>
Net Change in Fund Balance	8,818	8,818	32,842	24,024
Fund Balance - Beginning of Year	96,718	96,718	96,718	-
Fund Balance - End of Year	<u>\$ 105,536</u>	<u>\$ 105,536</u>	<u>\$ 129,560</u>	<u>\$ 24,024</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Police Facilities Fund
 For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$ -	\$ -	\$ 24	\$ 24
Expenditures				
Capital Outlay:				
Safety	-	2,350,000	1,851,176	498,824
Total Expenditures	-	2,350,000	1,851,176	498,824
Excess of Revenues Over (Under) Expenditures	-	(2,350,000)	(1,851,152)	498,848
Other Financing Sources (Uses)				
General Obligation Bonds Issued	-	4,852,000	4,535,000	(317,000)
Premium on Debt Issuance	-	-	413,452	413,452
Advances In	-	1,000,000	1,000,000	-
Advances Out	-	(1,000,000)	(1,000,000)	-
Transfers In	-	1,370,000	1,370,000	-
Total Other Financing Sources (Uses)	-	6,222,000	6,318,452	96,452
Net Change in Fund Balance	-	3,872,000	4,467,300	595,300
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	\$ -	\$ 3,872,000	\$ 4,467,300	\$ 595,300

City of Kent, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Solid Waste Fund
 For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$ 470,000	\$ 470,000	\$ 494,411	\$ 24,411
Expenses				
Current:				
Service				
Personal Services	67,973	67,973	63,970	4,003
Other Expenses	569,463	569,463	347,420	222,043
Total Expenses	<u>637,436</u>	<u>637,436</u>	<u>411,390</u>	<u>226,046</u>
Net Change in Fund Equity	(167,436)	(167,436)	83,021	250,457
Fund Equity - Beginning of Year	434,312	434,312	434,312	-
Prior Year Encumbrances Appropriated	126,655	126,655	126,655	-
Fund Equity - End of Year	<u><u>\$ 393,531</u></u>	<u><u>\$ 393,531</u></u>	<u><u>\$ 643,988</u></u>	<u><u>\$ 250,457</u></u>



**STATISTICAL
SECTION**

This page intentionally left blank.

City of Kent, Ohio

Statistical Section

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

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

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

City of Kent, Ohio

Net Position by Component Accrual Basis of Accounting Last Ten Years

Table 1

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Activities										
Net Investment in										
Capital Assets	\$39,903,344	\$39,451,103	\$38,898,560	\$37,887,705	\$34,486,661	\$32,644,284	\$30,315,249	\$26,951,296	\$17,826,725	\$15,071,440
Restricted	17,879,819	15,340,542	13,973,116	11,523,440	10,583,375	11,445,419	11,802,606	11,305,339	10,128,602	9,822,372
Unrestricted	11,937,532	11,257,214	11,291,239	12,407,928	15,181,317	15,581,099	16,110,251	16,802,244	14,267,218	13,419,546
<i>Total Governmental Activities Net Position</i>	<u>69,720,695</u>	<u>66,048,859</u>	<u>64,162,915</u>	<u>61,819,073</u>	<u>60,251,353</u>	<u>59,670,802</u>	<u>58,228,106</u>	<u>55,058,879</u>	<u>42,222,545</u>	<u>38,313,358</u>
Business Type - Activities										
Net Investment in										
Capital Assets	49,833,675	48,867,706	49,793,993	49,593,173	50,033,315	49,221,658	48,345,006	48,198,941	48,635,444	47,751,884
Unrestricted	7,183,616	7,990,163	7,937,790	7,334,716	7,321,992	7,913,744	8,708,998	9,447,211	7,491,831	6,855,253
<i>Total Business-Type Activities Net Position</i>	<u>57,017,291</u>	<u>56,857,869</u>	<u>57,731,783</u>	<u>56,927,889</u>	<u>57,355,307</u>	<u>57,135,402</u>	<u>57,054,004</u>	<u>57,646,152</u>	<u>56,127,275</u>	<u>54,607,137</u>
Primary Government										
Net Investment in										
Capital Assets	89,737,019	88,318,809	88,692,553	87,480,878	84,519,976	81,865,942	78,660,255	75,150,237	66,462,169	62,823,324
Restricted	17,879,819	15,340,542	13,973,116	11,523,440	10,583,375	11,445,419	11,802,606	11,305,339	10,128,602	9,822,372
Unrestricted	19,121,148	19,247,377	19,229,029	19,742,644	22,503,309	23,494,843	24,819,249	26,249,455	21,759,049	20,274,799
<i>Total Primary Government Net Position</i>	<u>\$126,737,986</u>	<u>\$122,906,728</u>	<u>\$121,894,698</u>	<u>\$118,746,962</u>	<u>\$117,606,660</u>	<u>\$116,806,204</u>	<u>\$115,282,110</u>	<u>\$112,705,031</u>	<u>\$98,349,820</u>	<u>\$92,920,495</u>

The periods noted above do not reflect amounts restated.

City of Kent, Ohio

Changes in Net Position Accrual Basis of Accounting Last Ten Years

Table 2

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Program Revenues										
Governmental Activities:										
Charges for Services:										
Security of Persons and Property	\$1,462,625	\$1,746,787	\$1,504,097	\$1,419,667	\$1,472,354	\$1,345,473	\$1,473,544	\$1,296,839	\$1,242,357	\$895,878
Public Health and Welfare	264,534	213,738	184,556	160,213	151,774	163,857	162,688	154,456	160,183	208,339
Leisure Time Activities	694,019	593,189	515,414	709,428	483,292	519,474	485,958	483,382	440,288	392,615
Community Development	222,108	259,516	233,565	250,093	58,576	59,667	74,398	72,749	76,504	243,509
Transportation	52,848	40,798	37,412	28,985	38,632	40,256	420	420	2,350	2,033
General Government	51,191	62,500	104,859	170,899	63,132	71,777	98,375	90,659	193,686	433,944
Subtotal - Charges for Services	2,747,325	2,916,528	2,579,903	2,739,285	2,267,760	2,200,504	2,295,383	2,098,505	2,115,368	2,176,318
Operating Grants and Contributions:										
Security of Persons and Property	146,158	85,049	165,394	133,319	50,659	236,658	109,737	174,223	40,670	58,165
Public Health and Welfare	0	0	6,892	11,926	9,977	8,564	8,467	9,786	8,404	4,893
Leisure Time Activities	5,050	6,400	6,300	13,549	0	0	0	0	0	0
Community Development	731,476	502,927	1,624,800	657,956	704,125	337,839	487,756	289,541	670,627	743,594
Transportation	864,307	805,517	768,006	785,830	804,778	793,252	821,735	853,067	740,864	771,546
General Government	6,729	0	0	0	0	0	0	0	0	23,055
Subtotal - Operating Grants and Contributions	1,753,720	1,399,893	2,571,392	1,602,580	1,569,539	1,376,313	1,427,695	1,326,617	1,460,565	1,601,253
Capital Grants and Contributions:										
Security of Persons and Property	0	54,563	0	186,789	0	0	0	0	38,303	0
Leisure Time Activities	375,702	730,884	644,119	250,000	32,297	7,001	892,074	0	0	0
Community Development	184,257	1,301,307	1,253,088	380,851	0	0	0	0	0	0
Transportation	467,278	1,357,189	905,425	1,980,191	873,056	1,998,656	1,930,197	991,738	1,811,785	797,717
General Government	0	0	0	290,880	0	0	0	0	0	0
Subtotal - Capital Grants and Contributions	1,027,237	3,443,943	2,802,632	3,088,711	905,353	2,005,657	2,822,271	991,738	1,850,088	797,717
Total Governmental Activities Program Revenues	5,528,282	7,760,364	7,953,927	7,430,576	4,742,652	5,582,474	6,545,349	4,416,860	5,426,021	4,575,288
Business-Type Activities:										
Charges for Services:										
Water	3,006,999	3,281,466	3,197,503	2,741,795	2,706,968	2,635,679	2,491,836	2,764,094	2,718,143	2,817,816
Sewer	3,904,905	3,961,787	4,150,757	3,566,055	3,491,363	3,433,218	3,173,156	3,606,844	3,534,247	3,519,931
Solid Waste	484,830	508,985	445,105	424,599	419,696	400,690	377,726	397,071	390,015	390,057
Storm Water Drainage	565,152	496,051	565,338	555,853	548,930	560,039	558,382	574,530	559,376	538,781
Subtotal - Charges for Services	7,961,886	8,248,289	8,358,703	7,288,302	7,166,957	7,029,626	6,601,100	7,342,539	7,201,781	7,266,585
Operating Grants and Contributions:										
Water	0	0	0	0	0	0	0	0	0	627
Sewer	0	0	0	180,546	0	0	0	0	0	12,730
Solid Waste	0	0	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Subtotal - Operating Grants and Contributions	0	0	12,500	193,046	12,500	12,500	12,500	12,500	12,500	25,857
Capital Grants and Contributions										
Water	19,051	75,817	334,491	134,295	127,177	91,076	42,052	732,442	277,139	590,769
Sewer	31,962	62,312	70,760	194,121	57,438	111,524	39,693	156,177	270,058	1,172,094
Storm Water Drainage	202,918	39,990	167,150	86,604	1,083,023	586,939	201,215	342,499	573,081	605,128
Subtotal - Capital Grants and Contributions	253,931	178,119	572,401	415,020	1,267,638	789,539	282,960	1,231,118	1,120,278	2,367,991
Total Business-Type Activities Program Revenues	8,215,817	8,426,408	8,943,604	7,896,368	8,447,095	7,831,665	6,896,560	8,586,157	8,334,559	9,660,433
Total Primary Government Program Revenues	\$13,744,099	\$16,186,772	\$16,897,531	\$15,326,944	\$13,189,747	\$13,414,139	\$13,441,909	\$13,003,017	\$13,760,580	\$14,235,721

City of Kent, Ohio

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

Table 2

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses										
Governmental Activities:										
Security of Persons and Property	\$11,106,253	\$10,907,162	\$11,293,807	\$11,155,689	\$10,595,357	\$10,369,569	\$10,048,146	\$9,767,636	\$9,323,964	\$9,088,539
Public Health and Welfare	733,837	724,497	678,085	666,053	632,398	620,303	624,117	567,464	565,274	547,160
Leisure Time Activities	1,876,396	1,745,256	1,682,142	1,611,324	1,438,323	1,382,046	1,349,541	1,304,088	1,316,911	1,202,921
Community Development	2,154,400	3,529,274	4,022,927	3,002,485	1,787,031	1,771,093	1,809,918	1,806,399	1,909,670	1,850,436
Transportation	3,720,312	3,801,634	3,408,722	3,732,080	3,713,225	3,462,831	3,511,591	3,242,973	2,181,729	2,056,046
General Government	3,015,330	2,775,445	2,988,674	3,090,494	2,852,097	2,848,297	2,758,218	2,697,076	2,751,222	2,747,645
Interest and Fiscal Charges	441,711	321,067	247,423	196,981	143,384	215,996	258,757	276,968	279,179	245,952
Total Governmental Activities Expenses	23,048,239	23,804,335	24,321,780	23,455,106	21,161,815	20,670,135	20,360,288	19,662,604	18,327,949	17,738,699
Business-Type Activities										
Water	3,266,800	3,579,906	3,224,228	3,239,611	3,306,197	3,339,193	3,310,242	3,075,261	2,898,864	2,936,749
Sewer	3,888,272	3,693,322	3,849,553	4,139,302	3,985,170	4,062,437	3,881,883	3,758,029	3,819,961	3,511,561
Solid Waste	360,163	362,196	428,292	434,718	453,846	479,740	430,779	449,101	429,551	362,930
Storm Water Drainage	776,836	871,773	730,942	813,922	664,552	287,644	275,168	261,035	240,410	215,725
Total Business-Type Activities Expenses	8,292,071	8,507,197	8,233,015	8,627,553	8,409,765	8,169,014	7,898,072	7,543,426	7,388,786	7,026,965
Total Primary Government Program Expenses	31,340,310	32,311,532	32,554,795	32,082,659	29,571,580	28,839,149	28,258,360	27,206,030	25,716,735	24,765,664
Net (Expense)/Revenue										
Governmental Activities	(\$17,519,957)	(\$16,043,971)	(\$16,367,853)	(\$16,024,530)	(\$16,419,163)	(\$15,087,661)	(\$13,814,939)	(\$15,245,744)	(\$12,901,928)	(\$13,163,411)
Business-Type Activities	(76,254)	(80,789)	710,589	(731,185)	37,330	(337,349)	(1,001,512)	1,042,731	945,773	2,633,468
Total Primary Government Net (Expense)/Revenue	(\$17,596,211)	(\$16,124,760)	(\$15,657,264)	(\$16,755,715)	(\$16,381,833)	(\$15,425,010)	(\$14,816,451)	(\$14,203,013)	(\$11,956,155)	(\$10,529,943)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes:										
Property and Other Local Taxes Levied For:										
General Purposes	\$1,909,075	\$1,826,973	\$1,796,724	\$1,620,411	\$1,626,108	\$1,639,561	\$1,645,714	\$1,672,891	\$1,688,373	\$1,579,658
Other Purposes	1,396,312	1,396,589	1,424,728	1,618,587	1,593,553	1,578,221	1,539,836	1,580,977	1,517,163	1,442,769
Municipal Income Taxes	15,322,764	12,163,342	12,921,715	10,962,364	10,800,430	10,402,223	10,508,828	10,577,734	10,147,407	10,149,597
Payments in Lieu of Taxes	372,968	0	0	0	0	0	0	0	0	0
Grants and Entitlements not Restricted to										
Specific Programs	1,600,833	1,935,682	1,668,485	2,735,703	2,446,005	2,403,218	2,430,874	2,653,962	2,203,538	2,308,746
Investment Earnings	192,313	144,065	206,287	221,008	232,274	443,814	781,307	1,158,296	1,083,312	615,028
Gain on Sale of Capital Assets	23,761	0	0	0	0	0	0	0	0	0
Miscellaneous	460,767	463,264	475,985	574,177	301,344	165,543	77,607	284,815	171,322	99,965
Transfers	0	0	0	(140,000)	0	0	0	0	0	0
Total Governmental Activities	21,278,793	17,929,915	18,493,924	17,592,250	16,999,714	16,632,580	16,984,166	17,928,675	16,811,115	16,195,763
Business-Type Activities										
Investment Earnings	34,289	17,795	29,250	33,514	76,543	187,029	353,880	415,999	320,134	225,528
Gain on Sale of Capital Assets	6,842	0	0	0	23,796	0	0	0	203,669	0
Miscellaneous	194,545	55,730	64,055	130,253	82,236	129,495	55,484	60,147	50,602	46,722
Transfers	0	0	0	140,000	0	0	0	0	0	0
Total Business-Type Activities	235,676	73,525	93,305	303,767	182,575	316,524	409,364	476,146	574,405	272,250
Total Primary Government	21,514,469	18,003,440	18,587,229	17,896,017	17,182,289	16,949,104	17,393,530	18,404,821	17,385,520	16,468,013
Change in Net Position										
Governmental Activities	3,758,836	1,885,944	2,126,071	1,567,720	580,551	1,544,919	3,169,227	2,682,931	3,909,187	3,032,352
Business-Type Activities	159,422	(7,264)	803,894	(427,418)	219,905	(20,825)	(592,148)	1,518,877	1,520,178	2,905,718
Total Primary Government Change in Net Position	\$3,918,258	\$1,878,680	\$2,929,965	\$1,140,302	\$800,456	\$1,524,094	\$2,577,079	\$4,201,808	\$5,429,365	\$5,938,070

The periods noted above do not reflect amounts restated.

City of Kent, Ohio

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

Table 3

<u>Year</u>	<u>Municipal Income Taxes</u>	<u>Property and Other Local Taxes</u>	<u>Total</u>
2014	\$15,322,764	\$3,305,387	\$18,628,151
2013	12,163,342	3,223,562	15,386,904
2012	12,921,715	3,221,452	16,143,167
2011	10,962,364	3,238,998	14,201,362
2010	10,800,430	3,219,661	14,020,091
2009	10,402,223	3,217,782	13,620,005
2008	10,508,828	3,185,550	13,694,378
2007	10,577,734	3,253,868	13,831,602
2006	10,147,407	3,205,536	13,352,943
2005	10,149,597	3,022,427	13,172,024

City of Kent, Ohio

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

Table 4

	2014	Restated 2013	2012	2011	2010	2009	2008	2007	2006	2005
General Fund										
Nonspendable	\$4,960,977	\$2,411,417	\$2,033,323	\$1,159,430	\$2,529,366	\$0	\$0	\$0	\$0	\$0
Committed	2,276,808	2,276,808	0	0	0	0	0	0	0	0
Assigned	294,510	305,274	2,894,067	2,863,740	2,744,000	0	0	0	0	0
Unassigned	5,438,123	7,688,581	732,615	3,204,918	4,346,151	0	0	0	0	0
Reserved	0	0	0	0	0	1,639,853	1,831,388	623,091	326,376	307,588
Unreserved	0	0	0	0	0	7,792,430	7,993,656	9,467,823	8,690,503	8,128,983
Total General Fund	12,970,418	12,682,080	5,660,005	7,228,088	9,619,517	9,432,283	9,825,044	10,090,914	9,016,879	8,436,571
All Other Governmental Funds										
Nonspendable	4,595,363	4,204,736	4,303,876	4,269,688	187,302	0	0	0	0	0
Restricted	11,491,915	6,371,314	7,000,667	5,129,268	5,000,566	0	0	0	0	0
Committed	2,578,713	6,661,690	7,416,462	6,000,683	5,580,030	0	0	0	0	0
Unassigned (Deficit)	(949,135)	(5,720,431)	(6,186,570)	(5,461,833)	(115,035)	0	0	0	0	0
Reserved	0	0	0	0	0	2,212,363	2,237,630	2,348,967	1,994,925	2,542,837
Unreserved:										
Designated:										
Special Revenue funds										
For Public Facilities and Programs	0	0	0	0	0	2,162,966	2,120,760	2,030,076	1,965,565	1,866,936
Undesignated (Deficit), Reported in:										
Special Revenue funds	0	0	0	0	0	8,062,407	7,863,374	8,586,351	7,709,110	7,096,062
Capital Projects funds	0	0	0	0	0	(711,829)	(553,463)	(1,824,391)	(2,112,636)	(2,510,795)
Total All Other Governmental Funds	17,716,856	11,517,309	12,534,435	9,937,806	10,652,863	11,725,907	11,668,301	11,141,003	9,556,964	8,995,040
Total Governmental Funds	\$30,687,274	\$24,199,389	\$18,194,440	\$17,165,894	\$20,272,380	\$21,158,190	\$21,493,345	\$21,231,917	\$18,573,843	\$17,431,611

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

City of Kent, Ohio

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

Table 5

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Taxes:										
Property and Other Local Taxes	\$3,430,049	\$3,219,884	\$3,253,169	\$3,252,122	\$3,188,957	\$3,191,649	\$3,181,717	\$3,268,463	\$3,115,248	\$2,998,573
Municipal Income Taxes	14,947,349	12,545,597	11,921,978	10,785,019	10,497,813	10,525,332	10,590,922	10,564,245	10,179,387	10,142,768
Payments in Lieu of Taxes	372,968	0	0	0	0	0	0	0	0	0
Charges for Services	2,117,668	2,384,258	1,905,500	1,815,145	1,710,682	1,782,466	1,782,566	1,727,130	1,373,609	1,458,020
Fees, Licenses and Permits	423,085	414,466	396,389	737,262	203,840	195,432	233,749	225,905	334,498	348,454
Fines and Forfeitures	215,851	201,463	223,148	182,599	215,091	232,475	273,217	234,768	245,442	369,844
Intergovernmental	3,763,838	6,978,903	6,824,535	6,694,046	4,933,568	5,776,055	6,794,713	4,406,113	3,848,989	3,988,310
Special Assessments	166,455	170,144	200,091	154,563	162,134	134,760	188,193	206,943	164,351	163,218
Interest	173,655	128,104	178,996	187,822	199,075	411,319	746,226	1,119,987	1,044,343	573,151
Miscellaneous	509,397	550,012	357,551	214,177	301,496	169,412	84,153	235,884	441,168	97,432
Total Revenues	26,120,315	26,592,831	25,261,357	24,022,755	21,412,656	22,418,900	23,875,456	21,989,438	20,747,035	20,139,770
Expenditures										
Current:										
Security of Persons and Property	10,723,832	10,553,514	10,263,063	10,283,338	10,132,948	9,769,228	9,604,565	9,177,854	8,871,722	8,574,921
Public Health and Welfare	719,149	723,475	621,527	665,015	624,153	614,382	622,121	561,623	564,743	545,881
Leisure Time Activities	1,617,012	1,529,772	1,444,809	1,401,566	1,316,516	1,311,301	1,282,314	1,233,477	1,237,456	1,141,268
Community Development	2,144,934	3,526,550	3,225,697	3,023,979	1,787,852	1,748,287	1,783,711	1,789,461	1,895,068	1,836,098
Transportation	2,112,695	2,219,883	1,803,687	2,185,911	1,859,655	1,871,613	1,650,958	1,471,685	1,299,412	1,400,731
General Government	2,831,873	2,668,437	2,680,256	2,972,845	2,772,347	2,740,057	2,623,065	2,533,830	2,627,620	2,568,272
Capital Outlay	3,835,844	4,250,559	3,695,672	5,912,555	3,764,921	4,171,122	5,569,791	2,160,125	2,646,181	2,714,605
Debt Service:										
Principal Retirement	29,947	60,947	1,434,937	201,973	209,947	198,947	217,947	211,947	204,947	188,947
Interest and Fiscal Charges	357,801	130,467	191,040	197,800	144,108	216,718	259,556	277,737	280,497	246,585
Bond Issuance Costs	114,419	140,230	62,354	0	0	0	0	0	0	0
Total Expenditures	24,487,506	25,803,834	25,423,042	26,844,982	22,612,447	22,641,655	23,614,028	19,417,739	19,627,646	19,217,308
Excess of Revenues Over (Under) Expenditures	1,632,809	788,997	(161,685)	(2,822,227)	(1,199,791)	(222,755)	261,428	2,571,699	1,119,389	922,462

(Continued)

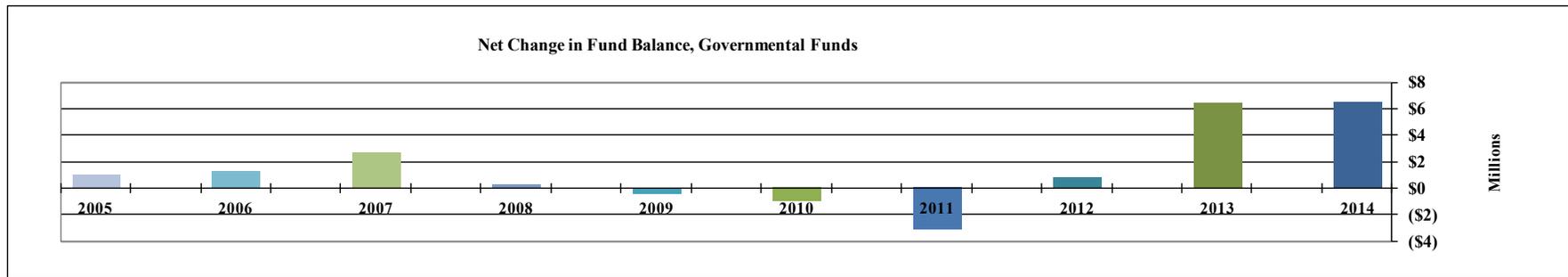
City of Kent, Ohio

Changes in Fund Balances, Governmental Funds Modified Accrual Basis of Accounting (continued)

Last Ten Years

Table 5

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Other Financing Sources (Uses)										
Proceeds from Sale of Capital Assets	23,761	15,726	15,346	5,741	0	0	0	86,375	112,843	0
General Obligation Bonds Issued	4,535,000	5,490,000	0	0	0	0	0	0	0	0
Premium on Debt Issued	413,452	117,994	0	0	0	0	0	0	0	0
Loan Proceeds	42,863	113,232	1,117,114	0	455,101	0	0	0	0	0
Transfers In	3,259,948	266,947	270,762	268,522	10,178,069	9,834,480	10,643,237	10,188,942	9,599,347	9,579,181
Transfers Out	(3,419,948)	(426,947)	(430,762)	(558,522)	(10,319,189)	(9,946,880)	(10,643,237)	(10,188,942)	(9,599,347)	(9,549,181)
Total Other Financing Sources (Uses)	4,855,076	5,576,952	972,460	(284,259)	313,981	(112,400)	0	86,375	112,843	30,000
Net Change in Fund Balances	\$6,487,885	\$6,365,949	\$810,775	(\$3,106,486)	(\$885,810)	(\$335,155)	\$261,428	\$2,658,074	\$1,232,232	\$952,462
Debt Service as a Percentage of Noncapital Expenditures	1.88%	0.89%	7.48%	1.91%	1.85%	2.25%	2.65%	2.84%	2.86%	2.64%



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>
2014	\$14,947,349	\$3,430,049	\$18,377,398
2013	12,545,597	3,219,884	15,765,481
2012	11,921,978	3,253,169	15,175,147
2011	10,785,019	3,252,122	14,037,141
2010	10,497,813	3,188,957	13,686,770
2009	10,525,332	3,191,649	13,716,981
2008	10,590,922	3,181,717	13,772,639
2007	10,564,245	3,268,463	13,832,708
2006	10,179,387	3,115,248	13,294,635
2005	10,142,768	2,998,573	13,141,341

City of Kent, Ohio

Income Tax Revenue Base and Collections (Cash Basis)

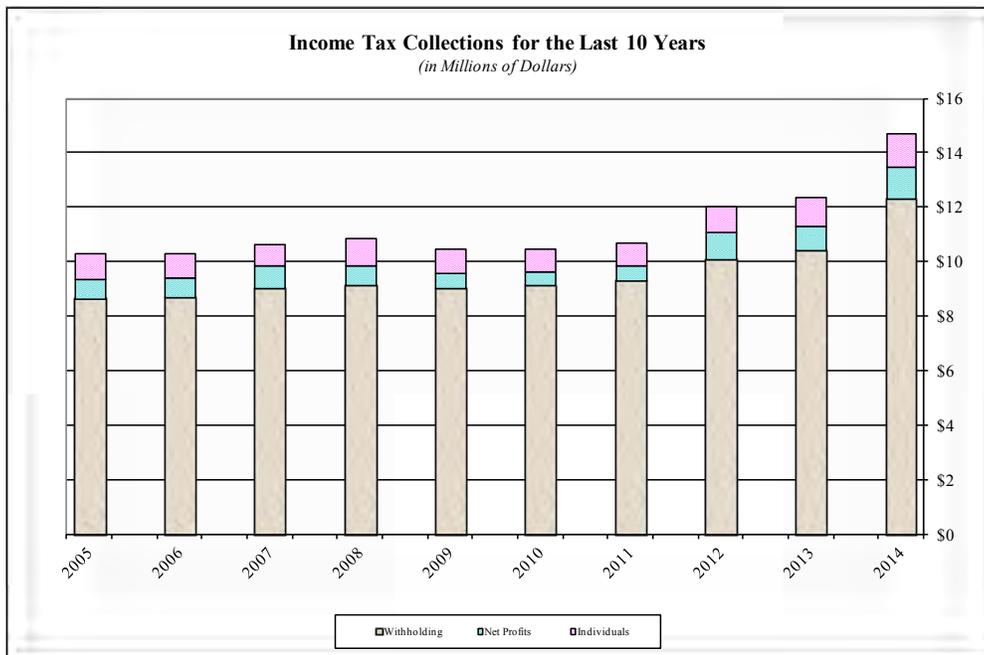
Last Ten Years

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
2014	2.25%	\$14,732,949	\$12,333,820	83.71%	\$1,131,339	7.68%	\$1,267,790	8.61%
2013	2.00	12,397,812	10,422,124	84.06	899,704	7.26	1,075,984	8.68
2012	2.00	12,067,888	10,090,208	84.06	1,030,657	8.54	947,023	7.85
2011	2.00	10,711,488	9,320,111	87.01	568,412	5.31	822,965	7.68
2010	2.00	10,453,032	9,127,346	87.32	514,532	4.92	811,154	7.76
2009	2.00	10,482,215	9,014,860	86.00	563,146	5.37	904,209	8.63
2008	2.00	10,871,742	9,132,780	84.01	754,913	6.94	984,049	9.05
2007	2.00	10,660,344	9,027,152	84.68	816,743	7.66	816,449	7.66
2006	2.00	10,315,459	8,682,188	84.16	748,460	7.26	884,811	8.58
2005	2.00	10,305,383	8,613,458	83.58	772,397	7.50	919,528	8.92

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

2014		
Rank	Employer Name	
1	Kent State University	
2	Kent City Schools	
3	Davey Tree Expert Co., Inc.	
4	City of Kent	
5	Smithers-Oasis Company	
6	Land-O-Lakes	
7	Klaben Family Ford, Inc.	
8	MAC Trailer Enterprises	
9	Ametek Technical & Industrial	
10	Ametek, Inc.	
2005		
2014 Rank	Rank	Employer Name
1	1	Kent State University
2	2	Kent City Schools
3	3	Davey Tree Expert Co., Inc.
4	4	City of Kent
10	5	Ametek, Inc.
6	6	Land-O-Lakes
5	7	Smithers-Oasis Company
n/a	8	Integrated Logistics Holding Co.
7	9	Klaben Family Ford, Inc.
n/a	10	Seal Master Corporation

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	
2013/2014	\$ 4.76	\$ 0.73	\$ 3.45	\$ 0.30	\$ 0.30	\$ 9.54	\$ 13.62	\$ 111.24	\$ 134.40
2012/2013	4.76	0.73	3.45	0.30	0.30	9.54	13.62	102.73	125.89
2011/2012	4.76	0.73	3.45	0.30	0.30	9.54	13.62	102.73	125.89
2010/2011	4.76	0.73	3.45	0.30	0.30	9.54	13.62	102.57	125.73
2009/2010	4.76	0.73	3.45	0.30	0.30	9.54	13.62	102.91	126.07
2008/2009	4.76	0.73	3.45	0.30	0.30	9.54	13.62	102.42	125.58
2007/2008	4.76	0.73	3.45	0.30	0.30	9.54	13.62	102.18	125.34
2006/2007	4.76	0.73	3.45	0.30	0.30	9.54	13.62	102.42	125.58
2005/2006	4.76	0.73	3.45	0.30	0.30	9.54	13.62	102.42	125.58
2004/2005	4.76	0.73	3.45	0.30	0.30	9.54	13.62	95.78	118.94

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
2014	\$223,150,150	\$121,763,920	\$985,468,771	\$6,160,110	\$9,194,194
2013	\$222,686,490	\$109,348,950	\$948,672,686	\$5,708,560	\$8,520,239
2012	244,935,210	96,240,890	974,788,857	5,159,580	7,700,866
2011	245,769,930	97,898,140	981,908,771	4,896,150	7,307,687
2010	245,425,880	99,440,840	985,333,486	4,703,740	7,020,507
2009	256,434,590	100,457,690	1,019,692,229	4,346,170	6,486,821
2008	252,810,490	99,540,990	1,006,718,514	4,320,510	6,448,522
2007	247,212,070	102,158,740	998,202,314	7,473,970	11,155,179
2006	224,455,410	92,947,180	906,864,543	8,102,390	12,093,119
2005	218,255,087	93,118,010	889,637,420	9,530,700	10,830,341

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

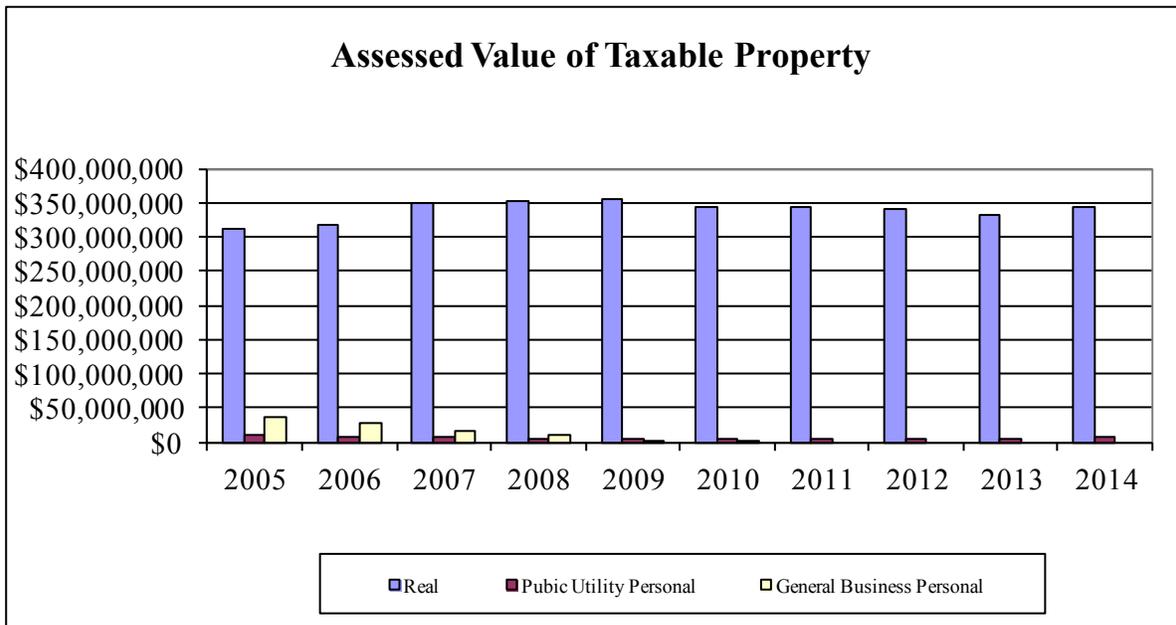
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Public utility personal property is assessed at 88% of actual value (1997-2004) and 67% of actual value (2005-2008). General business tangible personal property was assessed in previous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

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

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

Table 10

Tangible Personal Property					
General Business		Total			
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	Direct Tax Rate
\$0	\$0	\$351,074,180	\$994,662,965	35.30%	9.54
\$0	\$0	\$337,744,000	\$957,192,925	35.28%	9.54
0	0	346,335,680	982,489,723	35.25	9.54
0	0	348,564,220	989,216,458	35.24	9.54
549,540	8,792,640	350,120,000	1,001,146,633	34.97	9.54
1,043,340	16,693,440	362,281,790	1,042,872,489	34.97	9.54
10,845,518	173,528,288	367,517,508	1,186,695,325	34.74	9.54
15,448,700	123,589,600	372,293,480	1,132,947,093	30.97	9.54
28,023,818	149,460,363	353,528,798	1,068,418,025	33.09	9.54
37,133,989	148,535,956	358,037,786	1,049,003,717	34.13	9.44



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>
2014	\$ 3,390,720	\$ 3,055,380	90.11%	\$ 107,240	\$ 3,162,620	93.27%	\$ 216,271
2013	3,011,295	2,926,504	97.18	102,987	3,029,491	100.60	156,571
2012	3,094,935	3,003,867	97.06	107,602	3,111,469	100.53	226,103
2011	3,102,660	2,991,353	96.41	114,216	3,105,569	100.09	267,134
2010	3,110,607	2,971,714	95.53	98,660	3,070,374	98.71	284,989
2009	3,115,522	3,002,879	96.38	94,310	3,097,189	99.41	254,285
2008	3,165,432	3,072,009	97.05	88,462	3,160,471	99.84	228,150
2007	3,214,063	3,125,628	97.25	89,501	3,215,129	100.03	224,317
2006	3,001,119	2,943,312	98.07	87,851	3,031,163	101.00	238,914
2005	3,016,195	2,904,751	96.31	83,750	2,988,501	99.08	221,840

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

2014 and 2005

Table 12

Taxpayer	2014	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Province Kent OH LLC	\$8,304,030	2.36 %
ACC OP (University Edge Kent) LLC	6,017,830	1.71
Whitehall Terrace Investors LLC	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 LLC	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	10.25 %
Total Assessed Valuation	\$351,074,180	
Taxpayer	2005	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Gougler Industries, Inc.	\$3,760,520	1.05 %
Silver Meadows Ltd.	3,628,560	1.01
DSMP - Kent LLC*	3,396,400	0.95
Ohio Bell	3,299,070	0.92
Mickey Ryan LLC	2,882,600	0.81
Ohio Edison	2,852,070	0.80
Paul P. Tell Sr.	2,758,890	0.77
MWT, Inc.	2,340,430	0.65
Whitehall Terrace Investors LLC	2,176,020	0.61
Douglas Partners **	2,108,760	0.59
Total	\$29,203,320	8.16 %
Total Assessed Valuation	\$358,037,786	

Source: Portage County, Ohio; County Treasurer

(1) The amounts presented represent the assessed values upon which 2013 and 2004 collections were based.

* Formerly Associated Estates Realty and Dale Terrace

** Formerly W9/GLM Real Estate

City of Kent, Ohio

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

Last Ten Years

Table 13

Year	Governmental Activities			Business-Type Activities		Total Debt	Per Capita
	General Obligation Bonds	OPWC Loans	Loans Payable	OPWC Loans	OWDA Loans		
2014	\$10,549,847	\$337,647	\$1,445,907	\$139,351	\$3,128,501	\$15,601,253	\$540
2013	5,606,950	324,731	1,445,907	144,318	3,371,694	10,893,600	377
2012	0	241,446	1,445,907	145,827	3,606,429	5,439,609	188
2011	1,370,000	231,053	375,123	82,108	3,833,003	5,891,287	204
2010	1,530,000	246,026	455,101	84,592	4,051,703	6,367,422	220
2009	1,685,000	275,973	0	89,559	4,262,805	6,313,337	226
2008	1,830,000	305,920	0	94,526	4,466,577	6,697,023	240
2007	1,970,000	335,867	0	96,324	4,657,673	7,059,864	253
2006	2,105,000	365,814	0	33,733	4,574,265	7,078,812	254
2005	2,235,000	395,761	0	33,733	4,410,631	7,075,125	254

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>Ratio of Gross Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>Gross Bonded Debt Per Capita</u>
2014	28,904	b	\$994,662,965	\$10,549,847	1.06 %	\$365.00
2013	28,904	b	957,192,925	5,606,950	0.59	193.99
2012	28,904	b	982,489,723	0	0.00	0.00
2011	28,904	b	989,216,458	1,370,000	0.14	47.40
2010	28,904	b	1,001,146,633	1,530,000	0.15	52.93
2009	27,906	a	1,042,872,489	1,685,000	0.16	60.38
2008	27,906	a	1,186,695,325	1,830,000	0.15	65.58
2007	27,906	a	1,132,947,093	1,970,000	0.17	70.59
2006	27,906	a	1,068,418,025	2,105,000	0.20	75.43
2005	27,906	a	1,049,003,717	2,235,000	0.21	80.09

Sources:

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

(2) Portage County, Ohio; County Auditor

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

City of Kent, Ohio

Legal Debt Margin

Last Ten Years

Table 15

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Assessed Property Value	<u>\$351,074,180</u>	<u>\$337,744,000</u>	<u>\$346,335,680</u>	<u>\$348,564,220</u>	<u>\$350,120,000</u>	<u>\$362,281,790</u>	<u>\$367,517,508</u>	<u>\$372,293,480</u>	<u>\$353,528,798</u>	<u>\$358,037,786</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>36,862,789</u>	<u>35,463,120</u>	<u>36,365,246</u>	<u>36,599,243</u>	<u>36,762,600</u>	<u>38,039,588</u>	<u>38,589,338</u>	<u>39,090,815</u>	<u>37,120,524</u>	<u>37,593,968</u>
Debt Outstanding:										
General Obligation Bonds - Governmental Activities	10,549,847	5,606,950	0	1,370,000	1,530,000	1,685,000	1,830,000	1,970,000	2,105,000	2,235,000
Bond Anticipation Notes - Governmental Activities	4,174,422	4,635,015	10,295,000	7,715,000	3,625,000	2,965,000	3,205,000	3,445,000	3,680,000	3,920,000
Bond Anticipation Notes - Business Type Activities	<u>557,401</u>	<u>617,474</u>	<u>675,000</u>	<u>735,000</u>	<u>795,000</u>	<u>855,000</u>	<u>915,000</u>	<u>1,910,000</u>	<u>2,460,000</u>	<u>3,010,000</u>
Total Gross Indebtedness	15,281,670	10,859,439	10,970,000	9,820,000	5,950,000	5,505,000	5,950,000	7,325,000	8,245,000	9,165,000
Less:										
Bond Anticipation Notes - Business Type Activities	(557,401)	(617,474)	(675,000)	(735,000)	(795,000)	(855,000)	(915,000)	(1,910,000)	(2,460,000)	(3,010,000)
General Obligation Bond Retirement Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>(47,709)</u>	<u>(32,145)</u>	<u>(18,424)</u>	<u>(30,186)</u>	<u>(27,328)</u>	<u>(38,108)</u>	<u>(39,179)</u>
Total Net Debt Applicable to Debt Limit	<u>14,724,269</u>	<u>10,241,965</u>	<u>10,295,000</u>	<u>9,037,291</u>	<u>5,122,855</u>	<u>4,631,576</u>	<u>5,004,814</u>	<u>5,387,672</u>	<u>5,746,892</u>	<u>6,115,821</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$22,138,520</u>	<u>\$25,221,155</u>	<u>\$26,070,246</u>	<u>\$27,561,952</u>	<u>\$31,639,745</u>	<u>\$33,408,012</u>	<u>\$33,584,524</u>	<u>\$33,703,143</u>	<u>\$31,373,632</u>	<u>\$31,478,147</u>
Legal Debt Margin as a Percentage of the Debt Limit	60.06%	71.12%	71.69%	75.31%	86.07%	87.82%	87.03%	86.22%	84.52%	83.73%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$19,309,080</u>	<u>\$18,575,920</u>	<u>\$19,048,462</u>	<u>\$19,171,032</u>	<u>\$19,256,600</u>	<u>\$19,925,498</u>	<u>\$20,213,463</u>	<u>\$20,476,141</u>	<u>\$19,444,084</u>	<u>\$19,692,078</u>
Total Gross Indebtedness	15,281,670	10,859,439	10,970,000	9,820,000	5,950,000	5,505,000	5,950,000	7,325,000	8,245,000	9,165,000
Less:										
Bond Anticipation Notes - Business Type Activities	(557,401)	(617,474)	(675,000)	(735,000)	(795,000)	(855,000)	(915,000)	(1,910,000)	(2,460,000)	(3,010,000)
General Obligation Bond Retirement Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>(47,709)</u>	<u>(32,145)</u>	<u>(18,424)</u>	<u>(30,186)</u>	<u>(27,328)</u>	<u>(38,108)</u>	<u>(39,179)</u>
Net Debt Within 5 ½ % Limitations	<u>14,724,269</u>	<u>10,241,965</u>	<u>10,295,000</u>	<u>9,037,291</u>	<u>5,122,855</u>	<u>4,631,576</u>	<u>5,004,814</u>	<u>5,387,672</u>	<u>5,746,892</u>	<u>6,115,821</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$4,584,811</u>	<u>\$8,333,955</u>	<u>\$8,753,462</u>	<u>\$10,133,741</u>	<u>\$14,133,745</u>	<u>\$15,293,922</u>	<u>\$15,208,649</u>	<u>\$15,088,469</u>	<u>\$13,697,192</u>	<u>\$13,576,257</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	23.74%	44.86%	45.95%	52.86%	73.40%	76.76%	75.24%	73.69%	70.44%	68.94%

Source: City Financial Records

City of Kent, Ohio

Computation of Direct and Overlapping General Obligation Bonded Debt

December 31, 2014

Table 16

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Kent			
General Obligation Bonds	\$10,549,847	100.00 %	\$10,549,847
OPWC Loans	337,647	100.00	337,647
Other Loans Payable	1,445,907	100.00	1,445,907
<i>Total Direct Debt</i>	<u>\$12,333,401</u>		<u>\$12,333,401</u>
Overlapping			
Kent City School District (2)			
General Obligation Bonds	18,169,649	68.04	12,362,629
Portage County (3)			
General Obligation Bonds	24,995,918	10.87	2,717,056
Special Assessment Bonds	472,866	10.87	51,401
OWDA Loans	273,627	10.87	29,743
<i>Total Overlapping Debt</i>	<u>43,912,060</u>		<u>15,160,829</u>
Total	<u><u>\$56,245,461</u></u>		<u><u>\$27,494,230</u></u>

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

(2) Source: Kent City Schools Treasurer

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

City of Kent, Ohio

Demographic and Economic Statistics

Last Ten Years

Table 17

Year	Population (1)		Total Personal Income (4)	Personal Income Per Capita (1)	Median Household Income (1)	School Enrollment (2)	Portage County Unemployment Rate (3)	City of Kent Unemployment Rate (3)
2014	28,904	b	\$552,066,400	\$19,100	\$26,696	3,314	4.8%	4.2%
2013	28,904	b	552,066,400	19,100	26,696	3,297	6.6%	5.2%
2012	28,904	b	552,066,400	19,100	26,696	3,374	6.8%	7.7%
2011	28,904	b	552,066,400	19,100	26,696	3,496	8.3%	7.7%
2010	28,904	b	552,066,400	19,100	26,696	3,314	9.8%	7.9%
2009	27,906	a	419,008,590	15,015	29,582	3,389	9.9%	7.5%
2008	27,906	a	419,008,590	15,015	29,582	3,638	7.8%	5.8%
2007	27,906	a	419,008,590	15,015	29,582	3,382	5.4%	4.5%
2006	27,906	a	419,008,590	15,015	29,582	3,415	5.1%	4.2%
2005	27,906	a	419,008,590	15,015	29,582	3,371	5.6%	4.6%

(1) Source: U. S. Census

(a) 2000 Federal Census

(b) 2010 Federal Census

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

2014		
Employer	Percentage of City's Withholding	Percentage of Total City W-2's processed
Kent State University	44.22%	
Kent City Schools	5.36%	
Davey Tree Expert Co., Inc.	4.16%	
City of Kent	2.51%	
Smithers-Oasis Company	1.85%	
Land-O-Lakes	1.67%	
Klaben Family Ford	1.26%	
MAC Trailer Enterprises	1.18%	
Ametek Technical & Industrial	0.91%	
Ametek Inc	0.88%	
Total	\$ 7,893,645	64.00%
Total City's Withholdings	\$ 12,333,820	
2005		
Employer	Percentage of City's Withholding	Percentage of Total City W-2's processed
Kent State University	34.11%	
Kent City Schools	4.90%	
Davey Tree	2.28%	
City of Kent	2.18%	
Ametek	1.57%	
Land O Lakes	1.57%	
Smithers Oasis	1.24%	
Integrated Logistics	0.81%	
Klaben Family Ford Inc	0.71%	
Seal Master	0.67%	
Total	\$ 5,075,441	50.04%
Total City's Withholdings	\$ 10,142,768	

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	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Government										
City Council										
Councilman	9	9	9	9	9	9	9	9	9	9
Clerk of Council	1	1	1	1	1	1	1	1	1	1
Mayor										
Mayor/President of Council	1	1	1	1	1	1	1	1	1	1
City Manager										
City Manager	1	1	1	1	1	1	1	1	1	1
Executive Secretary to City Manager	1	1	1	1	1	1	1	1	1	1
Human Resources										
Human Resources Manager	1	1	1	1	1	1	1	1	1	1
Civil Service										
Civil Service Commissioner	0	3	3	3	3	3	3	3	3	3
Civil Service Coordinator (P/T starting in 2014)	1	1	1	1	1	0	0	0	0	0
Administrative Assistant to Civil Service Commission	0	0	0	0	0	1	1	1	1	1
Law										
Director of Law	1	1	1	1	1	1	1	1	1	1
Assistant Law Director/Prosecutor	1	1	1	1	1	1	1	1	1	1
Assistant Law Director	1	1	1	1	1	1	1	1	1	1
Executive Secretary to Dir. Of Law	1	1	1	1	1	1	1	1	1	1
Finance Administration										
Director of Budget & Finance	1	1	1	1	1	1	1	1	1	1
Controller	1	1	1	1	1	1	1	1	1	1
Operations Analyst	1	1	1	1	1	1	1	1	1	1
Senior Account Clerk	1	1	1	1	1	1	1	1	1	1
Account Clerk	5	5	5	5	5	5	4	4	4	4
Administrative Assistant to Director of Budget & Finance	0	0	0	0	0	0	1	1	1	1
Tax Administration										
Income Tax Commissioner	0	0	0	0	0	0	1	1	1	1
Income Tax Auditor	1	1	1	1	1	1	1	1	1	1
Account Clerk	0	0	0	0	0	0	1	1	1	1
Service Administration										
Director of Public Service	1	1	1	1	1	1	1	1	1	1
Administrative Assistant to Director of Public Service	1	1	1	1	1	1	1	1	1	1
Account Clerk	1	1	1	1	1	1	1	1	1	1
Engineering Aide I	1	1	1	1	1	0	0	0	0	0

City of Kent, Ohio

City Government Employees by Function/Program (continued)

Last Ten Years

Table 19

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Engineering										
Deputy Service Director/ Superintendent of Engineering	1	1	1	1	1	1	1	1	1	1
Senior Engineer	3	3	2	2	2	2	2	2	2	2
Senior Engineer (Part-time)	0	0	1	1	1	0	0	0	0	0
Design Engineer	0	0	0	0	0	1	1	1	1	1
Engineering Technician	2	2	2	2	2	2	2	2	2	2
Engineering Aide I	0	0	0	0	0	1	1	1	1	1
Engineering Aide II	1	1	1	1	1	1	1	1	1	1
Security of Persons and Property										
Safety Director										
Safety Director	1	1	1	1	1	1	1	1	1	1
Police										
Police Chief	1	1	1	1	1	1	1	1	1	1
Police Captain	2	2	2	2	2	2	2	2	2	2
Lieutenant	5	5	5	5	5	5	5	5	5	5
Technical Sergeant	4	4	4	4	4	4	4	4	4	4
Police Officer	27	27	27	27	27	27	27	27	27	27
Administrative Assistant to Chief	1	1	1	1	1	1	1	1	1	1
Secretary to Police Department	1	1	1	1	1	1	1	1	1	1
Records and Communications										
Coordinator - Dispatchers	1	1	3	3	3	3	3	3	3	3
Clerk-Dispatcher	9	9	7	7	7	7	7	7	7	7
Clerk-Dispatcher (Part-time)	3	3	3	3	3	3	3	3	3	3
Juvenile Services										
Juvenile Counselor	1	1	1	1	1	1	1	1	1	1
Police Officer	3	3	3	3	3	3	3	3	3	3
Support Services										
Compliance Officer	1	1	1	1	1	1	1	1	1	1
Detention Officer	6	6	6	6	6	6	6	6	6	6
Fire										
Fire Chief	1	1	1	1	1	1	1	1	1	1
Fire Captain	3	3	3	3	3	3	3	3	3	3
Fire Lieutenant	3	3	3	3	3	3	3	3	3	3
Firefighter	28	27	27	27	27	27	27	27	27	27
Fireman - Paid on Call	3	3	3	3	3	3	3	3	3	3
Fire Services Specialist	1	1	1	1	1	1	1	1	1	1
Community Services - Fire										
Fire Lieutenant	2	2	2	2	2	2	2	2	2	2

City of Kent, Ohio

City Government Employees by Function/Program (continued)

Last Ten Years

Table 19

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Central Maintenance										
Utilities Manager	1	1	1	0	0	0	0	0	0	0
Facilities Manager	1	1	1	0	0	0	0	0	0	0
Cent. Maint. Mgr./Water Dist. Spec.	0	0	0	1	1	1	1	1	1	1
Assignment Supervisor	0	0	0	0	0	0	0	0	1	1
Chief Operator	3	3	3	3	3	3	3	3	0	0
Repair Operator	3	3	3	3	3	3	3	3	6	6
Service Technician/Gardener	1	1	1	1	1	1	1	1	1	1
Service Worker	9	11	11	11	11	11	11	11	11	11
Carpenter	1	1	1	1	1	1	1	1	1	1
Arborist Supervisor	0	0	0	1	1	1	1	1	1	1
Laborers	4	0	0	0	0	0	0	0	0	0
Account Clerk	0	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										
Supervisor - Water Plant	1	1	1	1	1	1	1	1	1	1
Water Laboratory Technician	1	1	1	1	1	1	1	1	1	1
Plant Mechanic	1	1	1	1	1	1	1	1	1	1
Water Plant Chief Operator	1	1	1	1	1	1	1	1	1	1
Water Plant Operator	5	5	5	5	5	5	5	5	5	5
Laborer (General Maintenance)	1	1	1	1	1	1	1	1	1	1
Wastewater Treatment Plant										
Supervisor - Wastewater Plant	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	0	0	0	0	0	0	0
Lab Tech	1	1	1	0	0	0	0	0	0	0
Enviromental Tech	1	1	1	0	0	0	0	0	0	0
Wastewater Plant Operator	7	7	7	7	7	7	7	7	7	8
Chief Operator	1	1	1	1	1	1	1	1	1	1
Public Health Services										
Health										
Health Commissioner	1	1	1	1	1	1	1	1	1	1
Deputy Health Commissioner	0	0	0	1	1	1	1	1	1	1
Chief Sanitarian	1	1	0	0	0	0	0	0	0	0
Public Health Sanitarian	2	2	3	2	2	2	2	2	2	2
Administrative Assistant to										
Health Commissioner	1	1	1	1	1	1	1	1	1	1
Laboratory Technician	0	0	0	2	2	2	2	2	2	2
Chemist	0	0	0	1	1	1	1	1	1	1
Secretary (Part-time)	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	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Leisure Time Activities										
Parks and Recreation										
Director - Parks and Recreation	1	1	1	1	1	1	1	1	1	1
Supervisor - Recreation	1	1	1	1	1	1	1	1	1	1
Supervisor - Parks	1	1	1	1	1	1	1	1	1	1
Account Clerk	1	1	1	1	1	1	1	1	1	1
Parks Maintenance Laborer	2	2	2	2	2	2	2	2	2	2
Senior Parks Crew Leader	1	1	1	1	1	1	1	1	1	1
Part-time and Seasonal	45	45	37	35	34	34	34	34	51	40
KABC Coordinator	5	5	1	1	1	1	1	1	1	0
K-6 Child Care (Full-Time)	1	1	1	1	1	1	0	0	0	0
K-6 Child Care (Part-Time)	16	16	16	16	16	16	17	17	0	0
Community Development										
Community Development										
Director of Community Development	1	1	1	1	1	1	1	1	1	1
Administrative Assistant to Director of Community Development	1	1	1	1	1	1	1	1	1	1
Grants & Neighborhood Programs Cord Plans Administrator	1	1	1	1	1	1	0	0	0	0
Development Planner	0	0	0	0	0	0	1	1	1	1
Economic Development Coordinator	1	1	1	1	1	1	1	1	1	1
Development Engineer	0	0	0	0	0	0	1	1	1	1
Code Enforcement Officer (Part-time)	1	1	1	1	1	1	1	1	1	1
Sustainability Planner (Part-time)	0	0	0	0	0	0	0	0	0	1
Building										
Building Services Supervisor	1	1	1	1	1	1	1	1	1	1
Specialized Inspectors (Part-time)	5	5	5	5	5	5	5	5	5	5
Code Enforcement Officer (Part-time)	0	0	0	0	0	0	1	1	1	0
Code Enforcement Officer (Full-time)	1	1	1	1	1	1	0	0	0	0
Account Clerk	1	1	1	1	1	1	1	1	1	1
Main Street Program										
Coordinator	0	0	0	1	1	1	1	1	0	0
Economic Development										
Economic Development Director	1	1	1	1	1	1	0	0	0	0
Totals All Departments	<u>291</u>	<u>292</u>	<u>280</u>	<u>279</u>	<u>278</u>	<u>278</u>	<u>280</u>	<u>280</u>	<u>280</u>	<u>269</u>
Full-Time	196	193	192	193	193	193	194	194	193	194
Part-Time	95	99	88	86	85	85	86	86	87	75

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

City of Kent, Ohio

Capital Assets Statistics by Function/Program

Last Ten Years

Table 20

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Government										
Number of Buildings	1.5	1.5	1.5	1.5	1.5	1.5	2	2	2	2
Administrative Vehicles	4	4	4	4	4	4	6	6	3	3
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	25	25	26	25	25	26	28	25	29	29
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Vehicles	14	13	13	13	13	15	14	14	13	13
Recreation										
Number of Buildings	10	9	9	9	8	7	6	6	6	6
Number of Parks	24	23	23	23	23	23	21	21	21	21
Park Acreage	367	364	354	354	354	354	354	354	344	344
Number of Baseball Diamonds	6	6	6	6	6	6	6	6	6	6
Number of Soccer Fields	15	15	15	15	15	10	8	8	8	8
Vehicles	11	10	11	11	11	10	10	10	13	11
Transportation										
Number of Buildings	3.75	3.75	3.75	3.75	3.75	3.75	2.5	2.5	2.5	2.5
Salt Dome	1	1	1	1	1	1	1	1	1	1
Streets (Center Lane Miles)	90.00	90.00	90.00	90.00	90.00	89.90	89.90	89.90	89.90	88.50
Service Vehicles	52	48	53	55	55	55	29	27	30	27
Public Health and Welfare										
Number of Buildings	0.50	0.50	0.50	0.50	0.50	0.50	1.25	1.25	1.25	1.25
Service Vehicles	5	5	4	5	5	6	4	3	3	3
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	1	2	2	2	2	2	1	1
Water										
Treatment Plant	1	1	1	1	1	1	1	1	1	1
Water Lines (Linear Feet)	374,437	374,437	374,437	374,437	374,437	368,220	368,110	364,280	362,700	353,500
Vehicles	7	6	6	6	6	6	6	9	17	16
Sewer										
Treatment Plant	1	1	1	1	1	1	1	1	1	1
Sanitary Sewers (Linear Feet)	334,132	334,132	334,132	334,132	334,132	332,090	332,090	332,090	330,600	330,600
Vehicles	7	7	7	5	5	5	5	9	12	12
Storm Water Drainage										
Storm Sewers (Linear Feet)	383,918	383,918	383,918	383,918	383,918	382,330	376,460	376,460	370,000	370,000

Source: City of Kent capital asset records

City of Kent, Ohio

Operating Indicators by Function/Program

Last Ten Years

Table 21

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
City Council and Clerk of Council										
Number of Ordinances/Resolutions Passed	178	145	143	127	119	139	222	121	145	154
Number of Passports Accepted	329	325	355	373	443	420	554	872	737	677
Civil Service										
City of Kent:										
Entry Level Examinations	6	4	7	3	7	9	4	4	5	5
Promotional Examinations	0	0	5	2	1	3	1	0	2	2
Kent City School District:										
Entry Level Examinations	1	0	2	2	1	1	3	2	3	5
Promotional Examinations	0	0	0	0	1	0	2	1	0	0
Budget and Finance Department										
Number of checks/vouchers issued	5,392	5,402	5,471	5,651	5,595	5,756	6,162	5,958	6,207	6,529
Number of W-2's issued	289	268	267	267	269	275	271	284	285	281
Budget and Finance Department - Income Tax										
Transaction Totals:										
Individual Returns	12,962	13,116	11,138	6,697	7,446	15,517	15,693	14,221	15,461	16,010
Business (Net Profit) Returns	3,285	2,771	2,517	1,471	1,523	2,794	4,354	4,210	4,326	4,436
Withholding Accounts	15,299	14,191	13,024	9,735	9,461	11,061	11,211	11,068	11,257	11,079
Total Transactions	31,546 *	30,078 *	26,679	17,903	18,430	29,372	31,258	29,499	31,044	31,525
* as of May 23, 2013 extensions not due until Oct.										
Budget and Finance Department - Utility Billing										
Number of Bills Mailed	95,273	92,400	92,400	92,400	94,302	77,251	77,226	77,865	71,968	71,119
Number of Delinquent Notices Sent	0	0	0	0 *	10,716	10,136	8,424	8,270	7,774	7,667
* as of 2011 no longer sent out										
Building Department Indicators										
Construction Permits Issued	150	153	285	229	155	196	234	228	220	205
Estimated Value of Construction	\$11,701,280	\$16,094,881	\$54,781,339	\$57,678,055	\$5,207,307	\$3,151,776	\$13,533,428	\$13,638,361	\$12,175,029	\$30,845,822
Number of permits issued	862	752	970	848	614	770	883	876	884	919
Amount of Revenue generated from permits	\$285,587	\$410,158	\$8,070,390	\$1,016,442	\$160,411	\$183,823	\$336,066	\$302,931	\$363,161	\$563,819
Number of contract registrations issued	299	266	145	190	208	254	193	238	244	264
Revenue generated from above	\$15,000	\$15,675	\$5,625	\$6,263	\$6,712	\$6,812	\$5,538	\$7,425	\$7,750	\$8,550
Number of Planning Commission Docket Items	13	19	29	25	27	13	15	23	29	27
Zoning Board of Appeals Docket Items	21	19	25	29	21	20	20	26	29	31

City of Kent, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 21

		2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Public Services Department - Engineering											
	Unit										
Total Number of Projects	EA	30	30	25	27	30	24	N/A	18	31	18
Total Dollars All Projects	\$	\$5,459,997	\$13,569,897	\$18,714,486	\$922,406	\$9,295,845	\$4,654,978	\$2,828,069	\$1,266,956	\$2,858,642	\$5,125,125
Total Professional Services Support	\$	\$1,232,942	\$1,801,415	\$2,504,285	\$1,737,999	\$2,165,201	\$1,291,834	\$1,266,667	\$374,225	\$794,863	\$826,852
Total Division Operating	\$	\$45,409	\$34,133	\$31,827	\$30,798	\$26,538	\$40,040	\$37,972	\$16,461	\$33,044	\$23,308
Private Inspection Request		210	187	243	171	149	153	160	198	176	193
Public Services Department - Central Maintenance											
	Unit										
Street Repair (Curbs, aprons, berms, asphalt)	Hr.s	3,513	4,131	4,322	3,338	3,983	4,028	2,351	2,983	2,198	2,216
Paint Striping	Hr.s	120	757	1,224	808	1,121	871	853	858	860	1,199
Street Sweeper	Hr.s	352	910	888	993	1,148	1,132	1,128	1,059	1,145	955
Cold Patch	Hr.s	1,492	706	1,313	1,339	1,179	1,380	1,070	333	804	1,775
Snow & Ice Removal regular	Hr.s	1,585	1,740	1,013	1,588	5,758	2,375	1,426	1,617	667	1,014
Snow & Ice Removal overtime	Hr.s	1,838	1,764	1,221	1,501	2,665	2,028	3,052	2,276	611	2,103
Sewer and Sanitary calls for service	Ea	26	60	57	55	57	44	43	35	36	38
After hours Sewer Calls	Hr.s	42	72	54	74	62	65	67	13	9	4
Sewer Crew	Hr.s	2,186	2,445	1,939	1,809	2,012	2,089	2,737	1,432	829	843
Sewer jet, Vac-all, other services	Hr.s	1,344	2,451	1,538	1,808	2,012	2,089	2,737	1,432	829	843
Water Distribution Maintenance	Hr.s	8,045	6,286	6,943	5,624	8,124	7,981	7,234	4,955	3,989	4,661
Number of Water Breaks	Ea	29	19	25	12	44	32	37	33	29	29
Water Meter Reading	Hr.s	456	412	486	953	1,309	1,573	1,443	1,262	1,187	1,032
Landscaping, Tree Maint.(Stump-Chipper service)	Hr.s	1,788	2,837	3,158	3,972	4,193	5,753	5,246	2,586	3,894	4,448
Leaf collection	Hr.s	2,046	1,747	1,551	2,864	2,800	1,590	4,089	4,616	4,474	4,210
Holiday lights setup	Hr.s	289	160	189	48	56	48	96	77	110	224
Downtown Square events	Hr.s	517	580	614	585	576	532	430	246	257	253
Equipment repair	Hr.s	7,754	7,565	7,536	7,661	8,448	8,436	7,291	7,539	6,921	7,736
Sign department	Hr.s	1,041	1,324	1,595	1,110	1,054	1,077	1,108	1,217	1,787	1,685
Number of Trees Planted per year	Ea	90	84	111	244	N/A	191	123	99	186	71
Gallons of Calcium Chloride used (Year Jan-Dec)	Gal.s	0	0	4,426	5,525	8,512	7,140	9,440	5,300	900	600
Cost of Calcium Chloride Purchased	\$/Gal.	\$0.000	\$0.000	\$0.550	\$0.550	\$0.970	\$0.960	\$0.959	\$0.479	\$0.595	\$0.545
Gallons of Aqua Salina used(Year Jan-Dec)	Gal.s	17,030	10,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cost of Aqua Salina	\$/Gal.	\$0.34	\$0.23	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Tons of snow melting salt used (Year Jan-Dec)	Tons	2,473	4,783	1,621	3,196	3,687	4,188	8,723	5,048	1,860	4,416
Cost of salt purchased	\$/Ton	27.50	37.13	\$43.20	\$43.20	\$43.00	\$43.20	\$43.20	\$37.04	\$35.52	\$34.88
Public Services Department - Water Reclamation											
Wastewater rates (per 1st 300 cu. ft.)	\$	\$14.29	\$14.29	\$12.61	\$11.57	\$11.57	\$11.22	\$11.22	\$11.22	\$11.01	\$10.68
Total yearly flow	MG	890	840	737	832	756	989	923	854	920	990
Average daily flow	MGD	2.44	2.30	2.02	2.28	2.00	2.00	2.53	2.34	2.51	2.70
Sludge removed (dry tons)	\$/Ton	386	343	363	351	359	329	342	340	336	431
Treatment chemical cost	\$	\$119,728	\$123,533	\$55,645	\$56,750	\$64,699	\$66,548	\$53,000	\$52,000	\$62,500	\$54,200
Treatment electrical cost	\$	\$101,263	\$98,000	\$108,259	\$167,112	\$161,314	\$190,931	\$183,859	\$170,420	\$163,000	\$164,000

City of Kent, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 21

		2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Public Services Department - Water Treatment Plant											
	Unit										
Raw Water from wells	MG	944.20	1,036.37	1,032.45	988.01	1,000.70	932.00	932.00	1,001.53	1,015.49	1,058.77
Annual pumpage - finished water	MG	901.98	900.22	909.68	885.43	918.34	929.00	929.00	993.85	1,005.44	1,042.66
Lime	\$/Ton	\$147	\$147	\$138	\$138	\$124	\$124	\$124	\$124	\$113	\$101
Soda ash	\$/Ton	\$376	\$376	\$376	\$359	\$359	\$281	\$281	\$270	\$258	\$193
Chlorine	\$/Ton	\$540	\$540	\$540	\$510	\$510	\$510	\$510	\$450	\$540	\$540
Hydrofluosilicic acid	\$/Ton	\$702	\$702	\$702	\$702	\$720	\$484	\$484	\$340	\$309	\$236
Carbon dioxide	\$/Ton	\$116	\$116	\$154	\$150	\$150	\$176	\$176	\$176	\$86	\$86
Electric (wells, plant, booster stations, tanks)	Ttl. \$	\$158,885	\$148,404	\$154,186	\$158,764	\$178,180	\$178,266	\$178,266	\$163,208	\$135,023	\$161,554
Lime sludge production plant	CY	1,840.80	2,009.80	2,029.30	2,065.70	1,982.50	1,986.40	1,986.40	1,977.30	1,606.80	1,566.50
Lime sludge removed from plant and lagoons	CY	771.50	1,817.20	2,044.90	3,825.00	3,760.30	1,986.70	1,986.70	3,346.50	5,473.80	4,763.90
Lime	tons	753.13	742.04	744.89	716.17	733.08	639.90	639.90	700.70	751.10	772.53
Soda Ash	tons	281.61	276.91	289.04	295.49	291.45	288.80	288.80	284.70	268.96	321.14
Chlorine	tons	11.79	11.61	11.89	11.46	11.88	12.31	12.31	12.34	11.35	12.50
Carbon Dioxide	tons	45.15	46.56	41.69	41.69	41.40	38.34	38.34	38.71	36.72	43.89
Hydrofluosilicic acid	tons	16.46	16.53	16.27	16.27	17.14	16.06	16.06	17.15	18.00	19.96
Rainfall	inches	39.79	37.98	33.14	44.14	30.79	36.38	36.38	49.51	47.88	42.52
Police											
Total Calls for Services		20,534	18,062	19,680	19,470	20,669	21,765	21,674	19,937	19,491	21,284
Number of traffic citations issued		3,023	2,576	3,393	2,841	3,247	3,554	3,669	3,380	3,071	3,817
Number of parking citations issued		3,814	3,492	2,546	2,468	2,915	3,834	3,389	2,662	3,042	3,158
Number of criminal arrests		2,261	2,102	2,391	2,066	2,110	2,440	2,615	2,376	2,354	1,977
Number of accident reports completed		815	861	843	856	839	818	797	840	885	949
Part I Offenses (major offenses)		837	955	951	926	885	911	975	1,035	1,142	1,180
Animal Warden service calls		365	431	558	389	492	470	551	511	319	495
DUI arrests		187	205	277	237	214	302	306	253	364	341
Motor Vehicle Accidents		815	861	843	856	839	818	797	840	885	949
Property Damage Accidents		458	565	531	540	526	512	441	500	506	539
Fatalities from Motor Vehicle Accidents		2	0	1	0	0	0	0	0	3	1
Community Diversion Program Youths		46	70	70	48	55	70	70	75	80	85
Fire											
Fire Losses:											
City of Kent		\$398,180	\$347,225	\$335,906	\$111,800	\$183,850	\$1,048,500	\$467,350	\$292,500	\$444,600	\$991,885
Kent State University		\$0	\$1,010,500	\$10,452	\$150,000	\$0	\$150,000	\$200,500	\$0	\$6,000	\$871,000
Franklin Township		\$9,000	\$58,700	\$3,037	\$8,900	\$119,000	\$8,900	\$645,720	\$167,500	\$451,600	\$42,075
Other		\$0	\$0	\$0	\$0	\$0	\$0	\$27,500	\$0	\$0	\$0
Total Fire Losses		\$407,180	\$1,416,425	\$349,395	\$270,700	\$302,850	\$1,207,400	\$1,341,070	\$460,000	\$902,200	\$1,904,960

City of Kent, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 21

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Fire - continued										
Fire Calls:										
City of Kent	540	561	629	521	571	602	764	541	555	624
Kent State University	65	87	210	240	196	212	246	219	213	209
Franklin Township	116	118	173	138	140	118	154	142	135	143
Other	49	59	50	49	46	3	2	70	44	48
Total Fire Calls	770	825	1,062	948	953	935	1,166	972	947	1,024
Emergency Medical Services Calls:										
City of Kent	2,311	2,296	2,215	2,373	2,395	2,421	2,374	2,110	2,059	1,960
Kent State University	391	346	438	378	335	347	292	308	264	284
Franklin Township	410	412	445	368	351	341	411	400	339	372
Other	52	55	43	40	48	8	5	38	14	50
Total Emergency Medical Services Calls	3,164	3,109	3,141	3,159	3,129	3,117	3,082	2,856	2,676	2,666
Total Calls for Service (Fire & EMS)	3,934	3,934	4,203	4,095	4,082	4,052	4,248	3,828	3,623	3,690
Community Development										
Grants received due to Community Development Dept.	\$268,778	\$275,277	\$264,116	\$515,952	\$478,841	\$383,118	\$298,370	\$310,449	\$510,537	\$902,271
Grants received for other Departments	N/A	N/A	\$38,855	\$224,289	N/A	N/A	N/A	N/A	N/A	N/A
Health Department										
Health Inspections:										
Food Service Operations	795	722	1,342	1,068	1,041	1,072	1,018	939	851	913
Housing	893	805	1,695	1,633	1,622	1,824	1,668	1,385	1,419	1,500
Swimming Pools	31	37	157	129	144	134	111	84	94	114
Nuisances	634	344	523	510	545	514	671	390	466	357
All Other	111	124	193	182	171	129	138	110	148	186
Total Inspections	2,464	1,915	3,910	3,522	3,523	3,673	3,606	2,908	2,978	3,070
Permits & Licenses Issued:										
Food Establishment Licenses	315	281	253	220	183	199	215	209	216	207
Housing Licenses	308	322	569	523	538	548	550	552	552	605
All Other Licenses	60	62	39	65	63	56	61	65	114	13
Total Permits & Licenses	683	665	861	808	784	803	826	826	882	825
Child Immunizations	212	246	218	114	80	123	195	112	89	75
Birth and Death Certificates Issued (Original & Copies)	6,783 #	3,844	3,315	3,593	3,034	2,982	3,047	3,080	3,048	3,219

- 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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Recreation										
Program Revenue:										
Adult Leagues and Programs	\$49,186	\$69,662	\$62,216	\$36,846	\$35,475	\$28,723	\$28,025	\$32,151	\$39,747	\$38,192
Youth Leagues and Programs	86,263	79,188	76,248	77,707	93,878	84,106	70,853	77,612	77,267	76,989
Camps and Lessons	61,529	69,490	58,262	59,413	56,792	58,725	50,526	48,537	74,042	51,863
Preschool Programs	25,484	33,321	30,248	23,331	28,069	24,369	26,916	23,916	19,825	17,061
KABC Leagues	28,681	24,410	21,225	22,594	26,381	22,289	20,898	31,101	31,894	34,447
Special Events/Other	38,569	25,180	18,355	18,460	58,652	57,436	55,812	49,709	13,733	17,274
Non-Resident Fees	15,050	17,750	13,733	13,329	12,401	13,371	13,295	13,464	10,144	10,140
After School and Summer Programs	257,977	227,006	208,380	192,698	201,467	209,426	227,023	210,688	147,148	129,559
Fitness Center	32,758	0	0	0	0	0	0	0	0	0
Total Program Revenue	\$595,497	\$546,007	\$488,667	\$444,378	\$513,115	\$498,445	\$493,348	\$487,178	\$413,800	\$375,525
Number of Participants:										
KABC (5-18 years old)	353	375	395	430	446	480	490	503	517	520
Fall Soccer (4-12 years old)	383	328	404	360	410	368	364	353	388	320
Spring Soccer (4-12 years old)	448	407	379	453	424	431	399	484	426	455
School Age Child Care (6-12 years old)	156	175	151	93	110	110	120	120	110	70
Flag Football (6-12 years old)	130	125	104	118	94	85	96	91	81	85
Basketball	629	458	319	358	412	397	399	330	332	334
Lacrosse	35	40	86	80	85	70	60	62	52	59
Volleyball	N/A	N/A	N/A	37	37	45	51	42	46	N/A
Wrestling	19	24	32	16	15	34	31	30	30	N/A
Karate	N/A	147	173	133	120	24	25	30	30	N/A
Sports Camps	353	375	447	403	480	453	248	384	353	N/A
Preschool Kinderbound	26	28	28	21	22	21	21	21	18	N/A
Preschool Tiny Tots	N/A	11	22	20	18	18	13	15	15	N/A
Summer Day Camps - All	1,281	230	229	254	243	228	232	1,230	1,140	N/A
Note: 2014, 2007, and 2006 are on a per week basis										
Ice Hockey	N/A	0	0	0	0	23	29	N/A	N/A	N/A
USTA	N/A	17	22	20	23	51	N/A	N/A	N/A	N/A
Theater	43	43	57	54	63	58	46	N/A	N/A	N/A
Cheer	45	25	24	44	56	27	35	N/A	N/A	N/A
Adult Tennis	23	20	28	23	18	22	32	N/A	N/A	N/A
Adult Softball Teams	86	47	44	69	51	52	46	N/A	N/A	N/A
Adult Men's Basketball	112	102	95	95	111	N/A	N/A	N/A	N/A	N/A
Black Squirrel Triathlon	75	56	113	273	197	N/A	N/A	N/A	N/A	N/A
Art in the Park Artists	100	98	101	108	96	N/A	N/A	N/A	N/A	N/A
Kids Nite Out	115	147	147	167	148	N/A	N/A	N/A	N/A	N/A
Turkey Trot	549	614	388	385	242	N/A	N/A	N/A	N/A	N/A
Adult Fitness Class	1,452	1,352	1,262	N/A						
Adult Egg Hunt	720	577	N/A							
PC Tennis Open	35	N/A								
Hip Hop Hoops	58	N/A								
Creative Arts	46	N/A								

Source: City Departments
N/A - Information is not available





Dave Yost • Auditor of State

CITY OF KENT

PORTAGE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 1, 2015**